

Precious Metals

July 25, 2016

Gold miners back in the game

I was at my tennis clinic in March when I overheard a senior men's group on the adjacent court prognosticating on investing in gold stocks. "Guys, we gotta get in on gold right now." They were playing a good game as has the sector since then. Back in the game!

Relaunching coverage on 16 precious metals companies

We are relaunching coverage on 14 gold senior and intermediate producers and two exploration/developers.

Backdrop supportive of a brighter future – increasing LT gold price to \$1,400/oz

Since testing a low of \$1,050/oz at the end of 2015, gold has had a big move in 2016, largely explained by challenging global economic growth, prevailing low to negative interest rates and easy monetary policies, lingering uncertainty in the Eurozone since the Brexit vote. We see US dollar risk as balanced with the upside from potential modest rate hikes offset by potential instability post US elections (call this the Trump factor). In our view, we still see macroeconomic support for higher precious metals prices.

We have increased our LT gold price assumption to \$1,400/oz (from \$1,150/oz) and silver price to \$21.50/oz (from \$16.50/oz).

As part of the coverage relaunch, we have also changed our valuations to a NAV5% from NAV8%.

Targets and ratings

Based on our \$1,400 Au/\$21.50 Ag LT deck, we are implying an average total return of approximately 35% for the senior/intermediate group. Among our BUY-rated list, our preferred names include Agnico Eagle, Kinross, Tahoe, B2Gold, New Gold, Argonaut and Klondex.

Entire coverage universe – updating valuations/2Q preview

Summary comparable tables in the body of this report reflect the new LT gold/silver price forecast and change in discount rate on our entire precious metals coverage universe. This report also presents our 2Q16 preview estimates.

	Symbol	Analyst	Rating		Target	
			old	new	old	new
Large Cap						
Barrick Gold ^{7,†}	ABX	SB	n.a	HOLD	n.a	C\$31.50
Goldcorp ⁷	G	SB	n.a	BUY	n.a	C\$32.00
Agnico Eagle Mines ⁷	AEM	SB	n.a	BUY	n.a	C\$90.00
Kinross Gold ^{1,6}	K	SB	n.a	BUY	n.a	C\$9.75
Yamana Gold ⁷	YRI	SB	n.a	BUY	n.a	C\$9.00
Mid Tier						
Tahoe Resources ^{1,7}	THO	SB	n.a	BUY	n.a	C\$27.25
Detour Gold ⁷	DGC	IP	HOLD	BUY	C\$25.25	C\$37.00
Eldorado Gold ^{1,7}	ELD	SB	n.a	BUY	n.a	C\$8.75
B2Gold ⁷	BTO	SB	n.a	BUY	n.a	C\$5.25
Alamos Gold ⁷	AGI	IP	BUY	n.c.	C\$10.30	C\$17.25
New Gold ⁷	NGD	SB	n.a	BUY	n.a	C\$7.75
OceanaGold ⁶	OGC	IP	HOLD	BUY	C\$4.00	C\$5.80
IAMGOLD ⁷	IMG	SB	n.a	BUY	n.a	C\$8.50
Intermediate						
Kirkland Lake Gold ⁷	KGI	OT	BUY	n.c.	C\$10.50	C\$14.50
Alacer Gold ⁷	ASR	OT	BUY	n.c.	C\$3.80	C\$4.30
Dundee Precious Metals ^{1,7}	DPM	OT	BUY	n.c.	C\$4.50	C\$6.00
Timmins Gold Corp ⁷	TMM	IP	HOLD	n.c.	C\$0.35	C\$0.80
Primerio Mining ⁷	P	SB	n.a	HOLD	n.a	C\$3.50
Klondex Mines ^{1,7}	KDX	OT	BUY	n.c.	C\$5.30	C\$7.30
Newmarket Gold ¹	NMI	SB	n.a	BUY	n.a	C\$5.75
Argonaut ^{1,7}	AR	IP	BUY	n.c.	C\$4.00	C\$6.20
Royalty Companies						
Franco-Nevada ^{1,7}	FNV	SB	n.a	BUY	n.a	C\$120.00
Silver Wheaton ^{1,7}	SLW	SB	n.a	BUY	n.a	C\$43.50
Osisko Gold Royalties ⁷	OR	IP	BUY	n.c.	C\$19.00	C\$21.75
Silver producers						
Endeavour Silver ⁶	EDR	IP	HOLD	n.c.	C\$2.75	C\$7.90
Americas Silver ^{1,7}	USA	OT	BUY	n.c.	C\$0.55	C\$0.70
Developers						
Continental Gold ^{1,6}	CNL	SB	n.a	BUY	n.a	C\$7.25
Integra Gold ^{1,6}	ICG	IR	BUY	n.c.	C\$0.90	C\$1.25
Lydian International ^{1,7}	LYD	OT	BUY	n.c.	C\$0.70	C\$1.10
Chesapeake Gold ⁷	CKG	SB	n.a	HOLD	n.a	C\$7.50
NewCastle Gold ^{1,7}	NCA	OT	BUY	n.c.	C\$0.90	C\$1.40
Orezone Gold ^{1,7}	ORE	OT	BUY	n.c.	C\$1.20	C\$1.80
Pershingco Resources ⁷	PRO	OT	BUY	n.c.	C\$0.55	C\$0.70

Source: GMP estimates

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Backdrop supportive of higher gold prices – raising gold/silver price forecasts

We have increased our long term gold and silver price assumptions to \$1,400/oz (from \$1,150/oz) and \$21.50/oz (from \$16.50/oz), respectively. Over the balance of 2016, we assume \$1,400/\$21.50 in 3Q and \$1,450/\$22.30 in 4Q as we anticipate potential volatility going into/out of US elections.

Figure 1. Revised commodity price outlook

	3Q 2016E	4Q 2016E	2016E	2017E	2018E	~ Long-term
GMP forecast Gold price (US\$/oz)	1,400	1,450	1,324	1,400	1,400	~ 1,400
Prior GMP gold price estimates	1,150	1,150	1,186	1,150	1,150	~ 1,150
GMP forecast Silver price (US\$/oz)	21.50	22.30	18.88	21.50	21.50	~ 21.50
Prior GMP silver price estimates	16.50	16.50	16.18	16.50	16.50	~ 16.50
GMP forecast Copper price (US\$/lbs)	2.50	2.75	2.37	2.75	2.85	~ 2.85
Prior GMP Copper price estimates	n.c	n.c	n.c	n.c	n.c	~ n.c
GMP forecast Lead price (US\$/lbs)	0.90	1.00	0.87	1.10	1.00	~ 1.00
Prior GMP Lead price estimates	n.c	n.c	n.c	n.c	n.c	~ n.c
GMP forecast Zinc price (US\$/lbs)	0.90	1.00	0.88	1.10	1.00	~ 1.00
Prior GMP Zinc price estimates	n.c	n.c	n.c	n.c	n.c	~ n.c

Source: GMP Securities

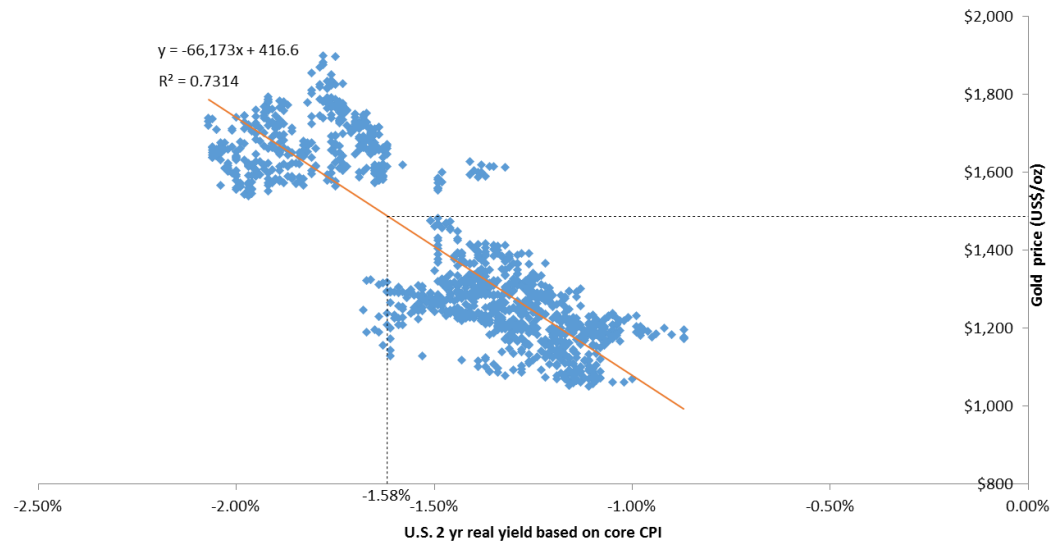
Our favourable view of gold is based on the following factors:

- Challenging global economic growth;
- Prevailing low to negative interest rates and easy monetary policies. Central banks with negative deposit rates incl. ECB, Japan, Switzerland, Denmark and Sweden. Correlated against the US 2-year real rate (r^2 is 0.73), the implied gold price is ~\$1460/oz (Figure 2);
- Lingering uncertainty in the Eurozone since the Brexit vote;
- Risks associated with China’s debt and debt: GDP ratio at ~\$30 trillion and >200% which could force the People’s Bank of China to mobilize selling additional US treasuries to support the yuan and reduce capital outflows; and
- Risks to the US dollar as balanced with the upside from potential modest rate hikes offset by potential instability post US elections. Call this the Trump factor! Although the US dollar is broadly inversely correlated with gold (r^2 is 0.54), the (inverse) correlation with real rates is a better predictor for gold.

The conditions noted above have driven investors back to gold as an alternative safe-haven with no opportunity holding cost when compared to almost one third of global sovereign bonds trading at negative yields. Global ETF holdings are at a level last seen in May 2013 (Figure 4). In addition, COMEX net speculative positions in gold are at a multi-year high, which poses some risk of sell-off liquidations (Figure 5).

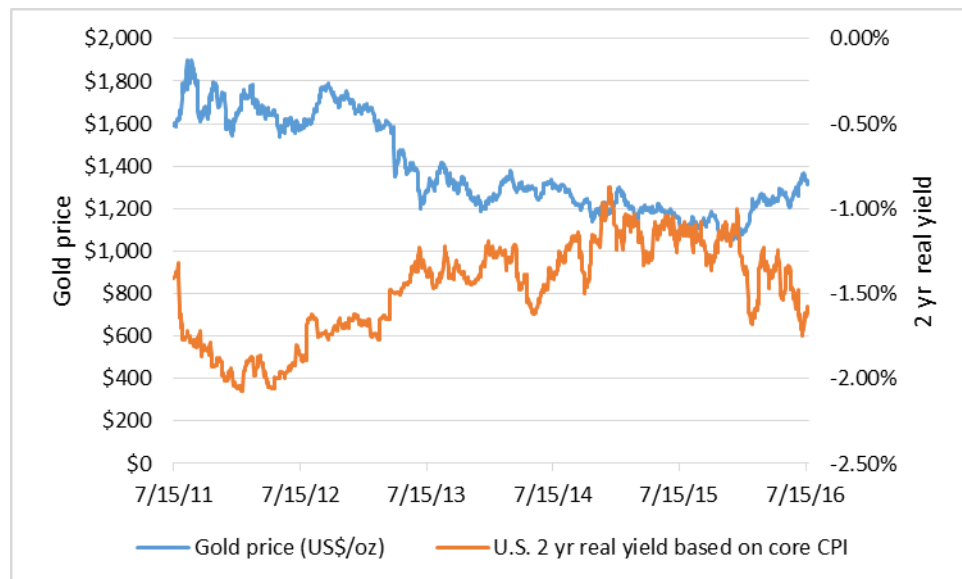
It is worth noting that the recent pullback in gold from this year’s near-term high of \$1,360 is due to a certain level of political stability in Britain, but more importantly stronger US economic data triggering a reversal in bond yields and US dollar. Gold initially shrugged off the strong June employment data but last week’s manufacturing and retail sales data led to an acceleration in expectations of a fed funds rate hike by December (currently 45%). Nonetheless, we see this pullback as healthy and would look to accumulate gold equity exposure on weakness.

Figure 2. Regression: Gold price vs U.S. 2-year real yield (2-yr gov't – core CPI: July 2011-2016)



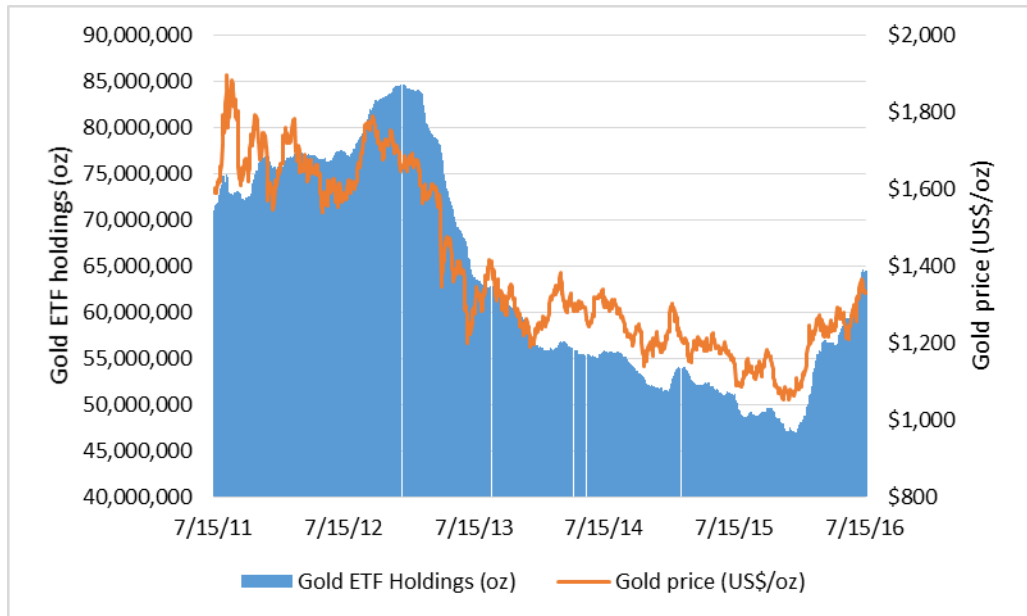
Source: GMP Securities, Bloomberg

Figure 3. Gold price vs U.S. 2-year real yield (2-yr gov't – core CPI: July 2011-2016)



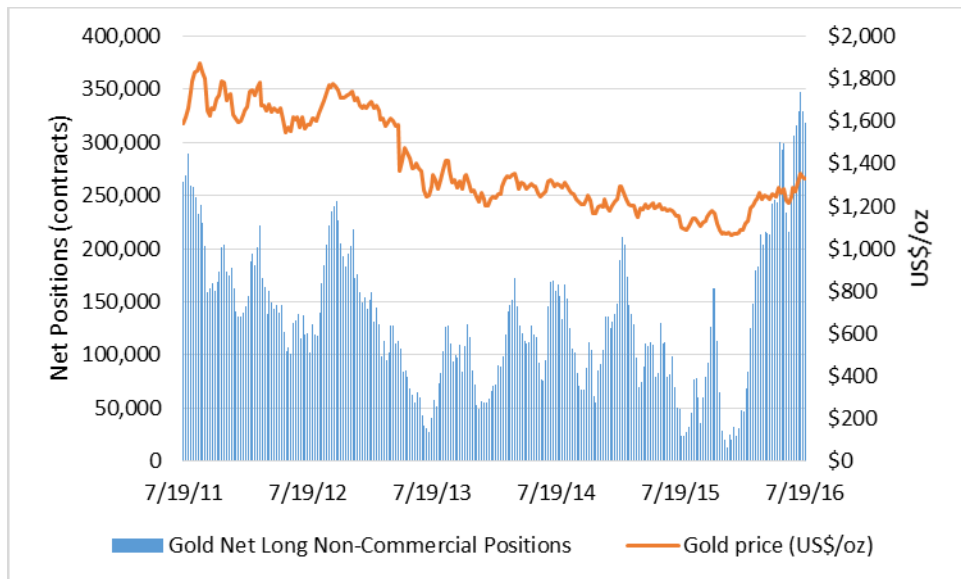
Source: GMP Securities, Bloomberg

Figure 4. Gold ETF holdings vs gold price



Source: GMP Securities, Bloomberg

Figure 5. Gold net long non-commercial positions



Source: GMP Securities, Bloomberg

Revised targets and ratings

Our revised and/or new target prices are summarized in Figure 6. Based on our \$1,400 Au/\$21.50 Ag LT deck, our implied return for the senior/intermediate group is approximately 35%.

We have lowered our discount rate to 5% from 8% for DCF valuations. The selection of lower discount rate is justified by CAPM where the beta for gold equities vs the market is <1. The 2-year weekly adjusted beta of GDX vs SPTSX is 0.5. And using this beta, we derive WACC's near 5%. Gold is a volatile investment where price movements are not highly correlated with the market. Historically gold equities have traded at a premium multiple to our DCF valuations at 5%, the multiples at 8% are approximately 30% higher.

Among our BUY-rated list of stocks, our preferred names are:

AEM – High quality assets in good jurisdictions and a strong corporate culture justify Agnico's premium valuation, dependable production profile with organic growth potential at most mines. Amaruq, Meliadine, Odyssey, El Barqueño and Barsele fill the pipeline.

K – Lowest valuation and among highest on gold price leverage among senior peers. Round and Bald Mountain acquisition has proven quite accretive with reserve additions expected at both mines. Tasiast expansion, including Phase II into 2020, stabilizes long term production profile.

THO – Digesting the Lake Shore acquisition, the shares have lagged on a YTD basis but offer among the highest FCF yields in the sector. Diversified now in three jurisdictions, the start-up at Shahuindo and expansion in Timmins drive superior production and FCF growth.

NGD – Reasonable valuation with above-average growth via Rainy River start-up by mid-2017. Organic mine-life extension associated with New Afton (C-Zone) and potential from new discoveries at Peak Mines. Optionality of Blackwater project should begin to creep in at current prices.

BTO – Offers growth at reasonable valuation; sector-leading 20% production growth via development of Fekola. Exploration success highlighted at: i) Fekola where two satellite saprolite zones have potential in our view to host + 1 Moz @3 g/t resource which could potentially justify stand-alone development, and ii) Kiaka where satellite zone 40 km is returning broad intervals of approx. 2 g/t material (up to 104 holes drilled through last week) which, if a large enough higher grade resource can be identified, it would enhance the start-up economics at Kiaka.

KDX – One of the best junior management teams in the sector at the helm of two high grade gold mines in Nevada. Strong 17% production growth from third addition, True North. Valuations of the Manitoban asset should begin to grow as the company releases an initial resource estimate and makes (our expected) positive production decision. Company currently trading at justified premium to junior peers and remains our preferred junior producer.

AR – Offers low risk core assets with one of the lowest valuations in our coverage universe. On the growth side, San Agustin is a low risk "bolt on" near-term producer and Magino offers leverage to a rising gold price. In the right market conditions, Magino becomes a major contributor to the growth of the company.

Figure 6. Revised/new targets and ratings

Company	Ticker (TSX)	Analyst	Price as of 22-Jul-16 (C\$/sh)	Rating	Target (C\$/sh)	P/NAV @5%		NAV/sh @5%
						Spot (x)	Target (x)	\$1,400 (US\$/sh)
Senior Producers								
Barrick Gold ^{7,+}	ABX	SB	C\$ 27.03	HOLD	C\$ 31.50	2.08	2.05	\$ 11.63
Goldcorp ⁷	G	SB	C\$ 24.09	BUY	C\$ 32.00	1.43	1.65	\$ 14.72
Agnico Eagle Mines ⁷	AEM	SB	C\$ 70.66	BUY	C\$ 90.00	1.75	2.00	\$ 34.18
Kinross Gold ^{1,6}	K	SB	C\$ 6.57	BUY	C\$ 9.75	1.08	1.35	\$ 5.46
Yamana Gold ⁷	YRI	SB	C\$ 7.14	BUY	C\$ 9.00	1.39	1.50	\$ 4.45
Average						1.54	1.71	
Intermediate Producers								
Tahoe Resources ^{1,7}	THO	SB	C\$ 19.87	BUY	C\$ 27.25	1.39	1.65	\$ 12.59
Detour Gold ⁷	DGC	IP	C\$ 31.24	BUY	C\$ 37.00	1.66	1.75	\$ 16.15
Eldorado Gold ^{1,7}	ELD	SB	C\$ 5.68	BUY	C\$ 8.75	0.72	1.00	\$ 6.56
B2Gold ⁷	BTO	SB	C\$ 3.69	BUY	C\$ 5.25	1.17	1.50	\$ 2.66
Alamos Gold ⁷	AGI	IP	C\$ 11.47	BUY	C\$ 17.25	0.89	1.20	\$ 10.87
New Gold ⁷	NGD	SB	C\$ 5.79	BUY	C\$ 7.75	1.11	1.30	\$ 4.45
OceanaGold ⁶	OGC	IP	C\$ 4.49	BUY	C\$ 5.80	1.10	1.30	\$ 3.41
IAMGOLD ⁷	IMG	SB	C\$ 6.07	BUY	C\$ 8.50	0.92	1.10	\$ 5.83
Average						1.12	1.35	
Junior Producers								
Kirkland Lake Gold ⁷	KGI	OT	C\$ 10.71	BUY	C\$ 14.50	0.97	1.15	\$ 9.72
Alacer Gold ⁷	ASR	OT	C\$ 3.22	BUY	C\$ 4.30	0.65	0.80	\$ 4.14
Dundee Precious Metals ^{1,7}	DPM	OT	C\$ 3.93	BUY	C\$ 6.00	0.43	0.60	\$ 7.60
Timmins Gold Corp ⁷	TMM	IP	C\$ 0.63	HOLD	C\$ 0.80	0.47	0.50	\$ 1.24
Primero Mining ⁷	P	SB	C\$ 2.87	HOLD	C\$ 3.50	1.10	1.10	\$ 2.46
Klondex Mines ^{1,7}	KDX	OT	C\$ 5.66	BUY	C\$ 7.30	1.04	1.20	\$ 4.66
Newmarket Gold ¹	NMI	SB	C\$ 3.83	BUY	C\$ 5.75	0.88	1.20	\$ 3.71
Argonaut ^{1,7}	AR	IP	C\$ 3.38	BUY	C\$ 6.20	0.66	1.00	\$ 4.70
Average						0.78	0.94	
Silver Producers								
Americas Silver ^{1,7}	USA	OT	C\$ 0.37	BUY	C\$ 0.70	0.78	1.30	\$ 0.42
Endeavour Silver ⁶	EDR	IP	C\$ 5.87	HOLD	C\$ 7.90	1.21	1.30	\$ 4.63
Average						0.99	1.30	
Royalty Companies								
Franco-Nevada ^{1,7}	FNV	SB	C\$ 97.04	BUY	C\$ 120.00	2.05	2.40	\$ 37.60
Silver Wheaton ^{1,7}	SLW	SB	C\$ 34.39	BUY	C\$ 43.50	1.87	2.10	\$ 15.69
Osisko Gold Royalties ⁷	OR	IP	C\$ 16.49	BUY	C\$ 21.75	1.17	1.50	\$ 11.01
Average						1.70	2.00	
Developers								
Continental Gold ^{1,6}	CNL	SB	C\$ 3.28	BUY	C\$ 7.25	0.29	0.60	\$ 9.26
Integra Gold ^{1,6}	ICG	IR	C\$ 0.80	BUY	C\$ 1.25	0.64	0.85	\$ 1.15
Lydian International ^{1,7}	LYD	OT	C\$ 0.40	BUY	C\$ 1.10	0.31	0.80	\$ 1.07
Chesapeake Gold ⁷	CKG	SB	C\$ 5.15	HOLD	C\$ 7.50	NA	NA	NA
NewCastle Gold ^{1,7}	NCA	OT	C\$ 0.78	BUY	C\$ 1.40	0.56	0.90	\$ 1.23
Orezone Gold ^{1,7}	ORE	OT	C\$ 0.99	BUY	C\$ 1.80	0.60	1.00	\$ 1.41
Pershimco Resources ⁷	PRO	OT	C\$ 0.23	BUY	C\$ 0.70	0.26	0.70	\$ 0.75
Average						0.44	0.81	

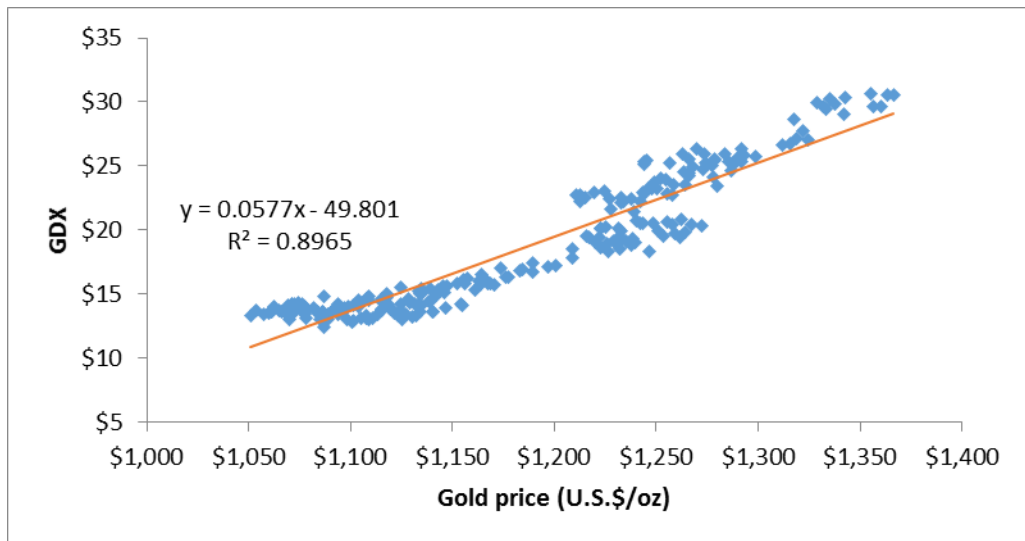
Source: GMP Securities

Why are multiples higher than normal?

The large-mid cap gold producers are trading at slightly higher than normal NAV multiples partly due to:

- Expectations of higher gold prices (equities pricing in approx. \$1,363 spot gold or trading approximately 7% above the level implied at spot gold based on one-year correlation (Figure 7));
- The entry of general investors to the gold sector with an emphasis on more liquid, larger cap names;
- Sustainable operating margin improvements and more disciplined capital investment decisions for higher rates of return; and
- Improving sentiment towards management teams with lower 2015 executive compensation passing shareholder say on pay tests.

Figure 7. GDx vs gold price – 1-year regression



Source: GMP Securities, Bloomberg

Producers have managed to bring costs down

Since the sharp decline on gold prices in 2013, companies have pushed hard on productivity and efficiency initiatives and reduced G&A costs. Lower costs resulted from the requirement for higher and even elevated cut-off grades at lower reserve gold price. And more passively, costs have declined with currency devaluations, reduced contractor rates and lower fuel and other minesite consumable items. On an AISC basis, the seniors’ costs have declined by 16% from 2013 to Q1/16. AISCs have declined on average by a cumulative \$40/oz in 2014 and \$103/oz in 2015. If Q1/16’s average proves representative and sustainable, we could see an additional \$54/oz reduction in 2016.

Figure 8. AISC 2013-2015 and 1Q16 for a selected group of senior/mid-cap producers

	2013a	2014a	2015a	Q1/16a	% Chg	
					2015/2013	Q1/16 v 2013
Gold	\$1,412	\$1,266	\$1,160	\$1,181		
ABX	\$899	\$864	\$831	\$706	-8%	-21%
G	\$1,008	\$949	\$893	\$836	-11%	-17%
AEM	\$952	\$954	\$810	\$797	-15%	-16%
K	\$1,063	\$973	\$975	\$963	-8%	-9%
YRI	\$974	\$954	\$868	\$804	-11%	-17%
Avg AISC (\$/oz)	\$979	\$939	\$875	\$821	-11%	-16%
Yr/Yr change		-\$40	-\$63			
AISC margin	\$433	\$327	\$285	\$360	-34%	-17%

Source: Company reports, GMP Securities

Beta and correlation to gold, any anomalies based on YTD performance?

Figure 9 ranks the group by beta to gold price, while Figure 10 plots beta vs. YTD return. Generally, the higher beta stocks delivered superior returns. Excess returns can be explained by operating and/or balance sheet leverage.

Figures 11 and 12 rank NAV leverage in the sector for the senior/intermediate and junior producers.

A few notable stocks with lower returns, but where we see opportunity for improvement in stock performance are: New Gold, Eldorado, Goldcorp and Tahoe.

Figure 9. Beta, correlation and YTD performance

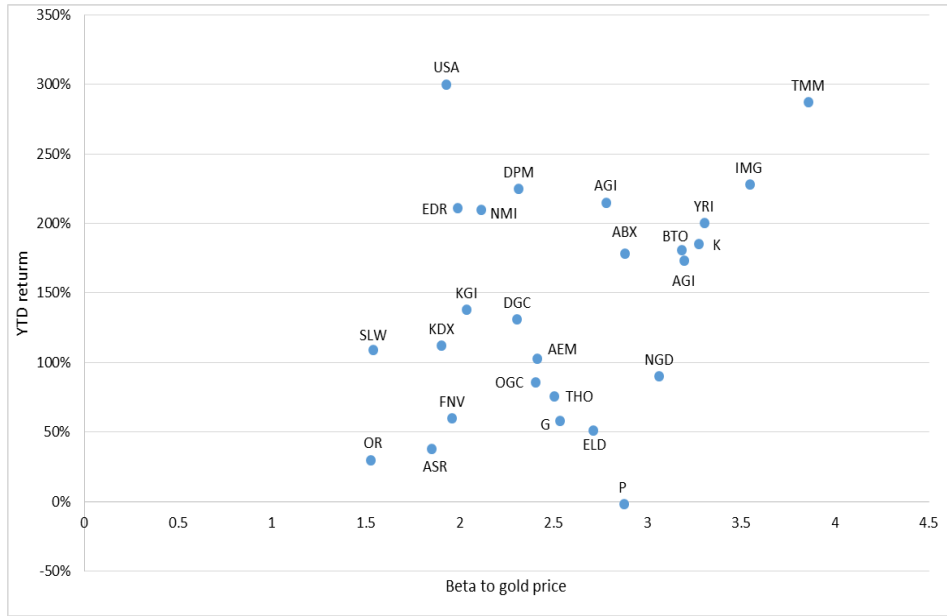
	1 yr Beta*	Correlation ^{2**}	YTD return
Gold producers			
<i>Timmins</i>	3.857	0.559	287%
<i>IAMGOLD</i>	3.549	0.819	228%
<i>Yamana</i>	3.307	0.809	200%
<i>Kinross</i>	3.274	0.810	185%
<i>Alamos</i>	3.196	0.838	173%
<i>B2 Gold</i>	3.185	0.711	181%
<i>New Gold</i>	3.062	0.881	90%
<i>Barrick</i>	2.883	0.863	178%
<i>Primero</i>	2.875	0.217	-2%
<i>Argonaut</i>	2.782	0.743	215%
<i>Eldorado</i>	2.714	0.469	51%
<i>Goldcorp</i>	2.536	0.879	58%
<i>Tahoe</i>	2.503	0.734	76%
<i>Agnico Eagle</i>	2.413	0.823	103%
<i>OceanaGold</i>	2.405	0.862	86%
<i>Dundee</i>	2.315	0.478	225%
<i>Detour</i>	2.305	0.847	131%
<i>Newmarket</i>	2.115	0.759	210%
<i>Kirkland Lake</i>	2.037	0.864	138%
<i>Franco Nevada</i>	1.959	0.854	60%
<i>Klondex</i>	1.905	0.840	112%
<i>Alacer</i>	1.853	0.414	38%
<i>Osisko Royalties</i>	1.529	0.512	30%
Silver producers			
<i>Silver Wheaton</i>	1.539	0.871	109%
<i>Endeavour Silver</i>	1.992	0.852	211%
<i>Americas Silver</i>	1.93	0.800	300%

*Beta represents % change in stock price (USD) to a 1% change in gold price (USD/oz)

** Correlation² represents regression on value

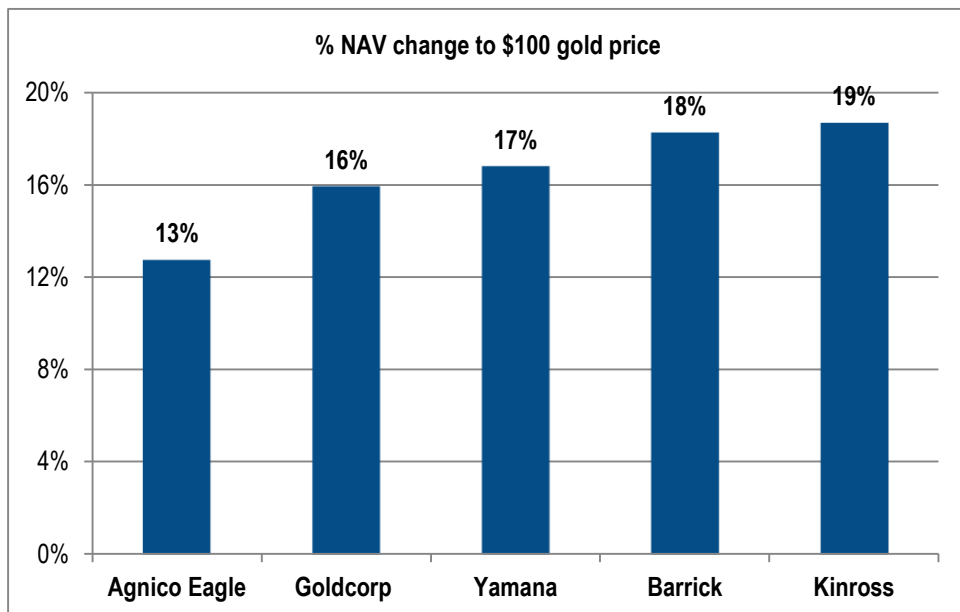
Source: GMP Securities, Bloomberg

Figure 10. Beta and YTD performance scatter plot



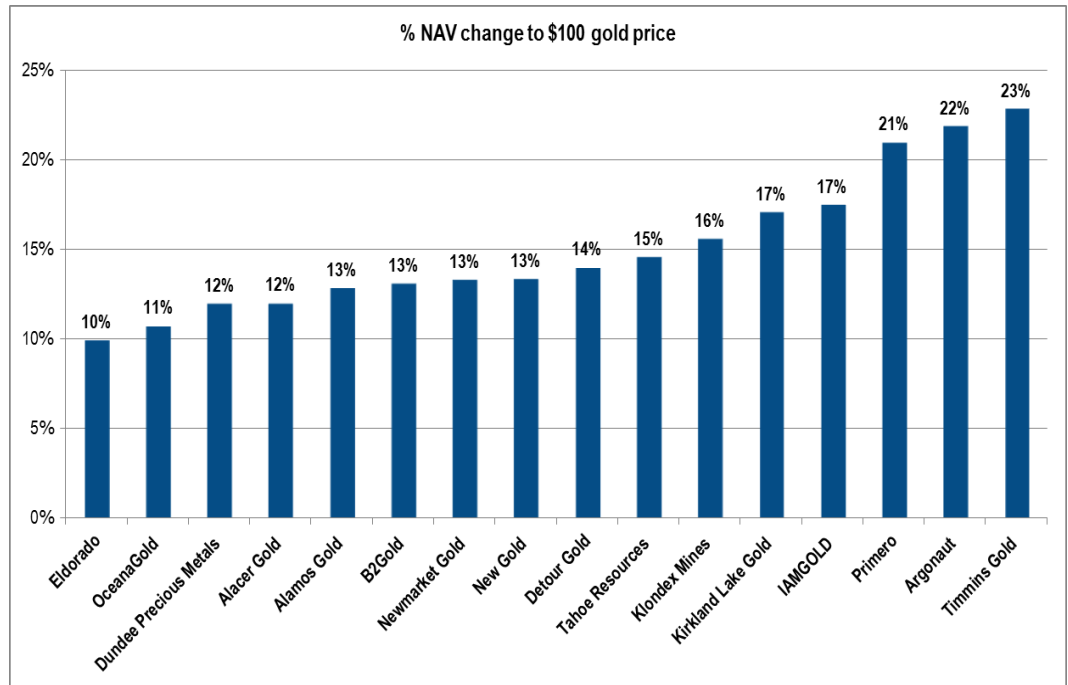
Source: GMP Securities, Bloomberg

Figure 11. NAV leverage for the senior producers



Source: GMP Securities

Figure 12. NAV leverage for the intermediate/junior producers



Source: GMP Securities

Revised 2016/2017 EPS and CFPS estimates
Figure 13. New 2016/2017 EPS and CFPS estimates for the producers

Company	Ticker (TSX)	EPS (US\$/sh)		CFPS (US\$/sh)	
		2016e	2017e	2016e	2017e
Senior Producers					
Barrick Gold ^{7,+}	ABX	0.87	1.22	2.10	2.47
Goldcorp ⁷	G	0.39	0.58	1.51	1.66
Agnico Eagle Mines ⁷	AEM	0.82	1.28	3.54	3.74
Kinross Gold ^{1,6}	K	0.17	0.27	0.87	1.07
Yamana Gold ⁷	YRI	0.26	0.30	0.74	0.81
Intermediate Producers					
Tahoe Resources ^{1,7}	THO	0.67	0.87	1.47	1.66
Detour Gold ⁷	DGC	0.64	1.03	1.87	2.66
Eldorado Gold ^{1,7}	ELD	0.11	0.26	0.26	0.39
B2Gold ⁷	BTO	0.12	0.18	0.46	0.36
Alamos Gold ⁷	AGI	0.15	0.57	0.53	0.88
New Gold ⁷	NGD	0.11	0.27	0.62	0.90
OceanaGold ⁶	OGC	0.22	0.28	0.44	0.54
IAMGOLD ⁷	IMG	0.08	0.26	0.77	1.09
Junior Producers					
Kirkland Lake Gold ⁷	KGI	0.59	0.88	1.10	1.44
Alacer Gold ⁷	ASR	0.12	0.11	0.26	0.19
Dundee Precious Metals ^{1,7}	DPM	0.07	0.30	0.50	0.79
Timmins Gold Corp ⁷	TMM	0.02	0.07	0.11	0.16
Primero Mining ⁷	P	0.10	0.19	0.43	0.64
Klondex Mines ^{1,7}	KDX	0.28	0.40	0.53	0.72
Newmarket Gold ¹	NMI	0.40	0.46	0.76	0.85
Argonaut ^{1,7}	AR	0.17	0.53	0.34	0.62
Silver Producers					
Americas Silver ^{1,7}	USA	0.01	0.04	0.04	0.06
Endeavour Silver ⁶	EDR	0.41	0.64	0.49	0.75
Royalty Companies					
Franco-Nevada ^{1,7}	FNV	1.01	1.08	2.75	2.73
Silver Wheaton ^{1,7}	SLW	0.79	1.05	1.48	1.70
Osisko Gold Royalties ⁷	OR	0.22	0.20	0.47	0.49

Source: GMP estimates

2Q16 preview

In 2Q gold was up approximately 7% QoQ averaging \$1,261/oz, while silver was up 13% averaging \$16.82/oz. Although we would expect the marginal improvement in gold/silver prices over the quarter to positively impact earnings in 2Q, a weakening of the USD relative to local currencies QoQ could offset some of the impact.

Below we present our production/cash cost expectations and EPS/CFPS estimates for 2Q16.

Figure 14. Production/cash cost estimates

	Symbol	Analyst	Production			Cash Cost		
			2Q16e	1Q16a	2Q15a	2Q16e	1Q16a	2Q15a
Senior Producers								
Barrick Gold ^{7,+}	ABX	Butler	1,273,967	1,280,000	1,445,000	\$546	\$553	\$624
Goldcorp ⁷	G	Butler	668,692	784,000	908,000	\$594	\$557	\$547
Agnico Eagle Mines ⁷	AEM	Butler	406,064	411,336	403,678	\$589	\$573	\$601
Kinross Gold ^{1,6}	K	Butler	695,275	687,463	660,898	\$694	\$694	\$724
Yamana Gold ⁷	YRI	Butler	309,368	308,061	298,818	\$580	\$590	\$603
Intermediate Producers								
Tahoe Resources ^{1,7}	THO	Butler	112,752 gold 5,279,826 silver	54,166 gold 5,694,661 silver	60,282 gold 4,489,826 silver	\$650 gold \$5.72 silver	\$638 gold \$4.51 silver	\$540 gold \$9.27 silver
Detour Gold ⁷	DGC	Parkinson	142,869	127,136	125,348	\$725	\$637	\$734
Eldorado Gold ^{1,7}	ELD	Butler	148,582	140,990	181,160	\$608	\$658	\$618
B2Gold ⁷	BTO	Butler	135,242 *	127,844	121,566	\$501	\$545	\$724
Alamos Gold ⁷	AGI	Parkinson	97,051	94,632	95,606	\$811	\$782	\$799
New Gold ⁷	NGD	Butler	92,445	90,811	86,442	\$428	\$354	\$410
OceanaGold ⁶	OGC	Parkinson	104,743	122,782	85,853	\$495	\$436	\$549
IAMGOLD ⁷	IMG	Butler	197,837	190,163	201,738	\$778	\$746	\$817
Junior Producers								
Kirkland Lake Gold ⁷	KGI	Turner	68,338 *	62,275	41,482 ^{^A}	\$644	\$616	\$635 ^{^A}
Dundee Precious Metals ^{1,7}	DPM	Turner	30,700 *	38,593	34,743	\$567	\$472	\$397
Timmins Gold Corp ⁷	TMM	Parkinson	25,863*	25,120	22,869	\$704	\$761	\$968
Primero Mining ⁷	P	Butler	45,440	32,835	54,862	\$764	\$944	\$653
Klondex Mines ^{1,7}	KDX	Turner	37,867 *	31,172	33,006	\$583	\$685	\$605
Newmarket Gold ¹	NMI	Butler	61,191 *	58,057	55,998	\$660	\$701	\$681
Argonaut ^{1,7}	AR	Parkinson	28,477 *	31,253	35,357	\$812	\$757	\$779
Royalty Companies								
Franco-Nevada ^{1,7}	FNV	Butler	156 **	132 **	109 **	n/a	n/a	n/a
Silver Wheaton ^{1,7}	SLW	Butler	12,503,097	12,759,588	10,044,394	\$4.78	\$4.44	\$4.76
Osisko Gold Royalties ⁷	OR	Parkinson	8,753	9,404	6,887	n/a	n/a	n/a
Silver producers								
Endeavour Silver ⁶	EDR	Parkinson	1,551,851 *	1,510,065	1,769,741	\$8.94	\$7.63	\$8.60
Americas Silver ^{1,7}	USA	Turner	575,000*	672,074	661,393	\$11.93	\$9.82	\$12.34

Source: GMP estimates

* Actuals (pre-reported production); ** Franco-Nevada royalty revenues (\$ mm)

^{^A} denotes KGI fiscal quarter production

Figure 15. EPS/CFPS estimates including consensus forecasts

	Symbol	Analyst	CFPS			EPS		
			2Q16e	1Q16a	2Q16 Cons	2Q16e	1Q16a	2Q16 Cons
Senior Producers								
Barrick Gold ^{7,†}	ABX	Butler	\$0.46	\$0.39	\$0.49	\$0.14	\$0.11	\$0.15
Goldcorp ⁷	G	Butler	\$0.31	\$0.40	\$0.36	\$0.03	\$0.07	\$0.03
Agnico Eagle Mines ⁷	AEM	Butler	\$0.80	\$0.79	\$0.83	\$0.11	\$0.11	\$0.10
Kinross Gold ^{1,6}	K	Butler	\$0.19	\$0.14	\$0.19	\$0.02	(\$0.01)	\$0.01
Yamana Gold ⁷	YRI	Butler	\$0.15	\$0.13	\$0.16	\$0.03	\$0.03	\$0.02
Intermediate Producers								
Tahoe Resources ^{1,7}	THO	Butler	\$0.31	\$0.30	\$0.26	\$0.12	\$0.17	\$0.14
Detour Gold ⁷	DGC	Parkinson	\$0.41	\$0.36	\$0.37	\$0.08	\$0.16	\$0.07
Eldorado Gold ^{1,7}	ELD	Butler	\$0.06	\$0.04	\$0.07	\$0.02	(\$0.00)	\$0.01
B2Gold ⁷	BTO	Butler	\$0.08	\$0.06	\$0.07	\$0.02	\$0.01	\$0.02
Alamos Gold ⁷	AGI	Parkinson	\$0.10	\$0.10	\$0.13	(\$0.00)	\$0.04	\$0.00
New Gold ⁷	NGD	Butler	\$0.12	\$0.12	\$0.11	\$0.01	\$0.00	\$0.01
OceanaGold ⁶	OGC	Parkinson	\$0.09	\$0.12	\$0.11	\$0.04	\$0.07	\$0.05
IAMGOLD ⁷	IMG	Butler	\$0.15	\$0.13	\$0.14	(\$0.01)	(\$0.05)	(\$0.02)
Junior Producers								
Kirkland Lake Gold ⁷	KGI	Turner	\$0.24	\$0.25	\$0.27	\$0.15	\$0.09	\$0.15
Dundee Precious Metals ^{1,7}	DPM	Turner	\$0.15	\$0.15	\$0.13	\$0.02	\$0.01	\$0.04
Timmins Gold Corp ⁷	TMM	Parkinson	\$0.04	\$0.03	\$0.04	\$0.01	(\$0.03)	\$0.02
Primero Mining ⁷	P	Butler	\$0.08	(\$0.05)	\$0.10	(\$0.01)	(\$0.06)	(\$0.01)
Klondex Mines ^{1,7}	KDX	Turner	\$0.11	\$0.05	\$0.10	\$0.05	\$0.02	\$0.04
Newmarket Gold ¹	NMI	Butler	\$0.18	\$0.13	\$0.17	\$0.09	\$0.08	\$0.10
Argonaut ^{1,7}	AR	Parkinson	\$0.05	\$0.06	\$0.06	\$0.01	\$0.01	\$0.00
Royalty Companies								
Franco-Nevada ^{1,7}	FNV	Butler	\$0.63	\$0.59	\$0.60	\$0.21	\$0.17	\$0.20
Silver Wheaton ^{1,7}	SLW	Butler	\$0.30	\$0.29	\$0.32	\$0.13	\$0.10	\$0.14
Osisko Gold Royalties ⁷	OR	Parkinson	\$0.15	\$0.13	\$0.12	\$0.06	\$0.08	\$0.07
Silver producers								
Endeavour Silver ⁶	EDR	Parkinson	\$0.09	\$0.07	\$0.10	\$0.05	\$0.02	\$0.02
Americas Silver ^{1,7}	USA	Turner	\$0.02	\$0.00	\$0.01	(\$0.01)	\$0.00	(\$0.01)

Source: GMP estimates

Relaunching coverage

The next section highlights our relaunched coverage on 14 gold senior and intermediate producers and two exploration/developers.

Risks

Below, we summarize some of the key risk investors should consider before investing in the relaunched 14 gold senior and intermediate producers and two exploration/developers.

Market risk/gold price – Profitability will be directly impacted by changes in gold prices. A material decline in gold/metal prices would adversely affect profitability, cash flow and may also render certain projects uneconomical.

Price and cost instability – In addition to gold/metal prices, foreign currency rates and the costs of various input materials associated with mining can fluctuate substantially, resulting in a negative impact on the company's profitability.

Technical risk and economic viability – Mining operations/projects can be exposed to various operational risks.

Geopolitical risk – Mining operations/projects in higher geopolitical risk countries can be exposed to changes in government policies; such as permitting policies, licences and tax laws, which can negatively impact the mining companies.

Exploration – Exploration success cannot guarantee increase in a mine's/project's resource base or conversion to mineral reserves.

Agnico Eagle Mines⁷

BUY

AEM-TSX

July 25, 2016

 Last: **C\$70.66**
 Target: **C\$90.00**

Relaunching coverage: Many organic opportunities

Investment highlights

Production and costs are expected to remain stable over the next three years.

LaRonde remains one of AEM's principle assets. Production is expected to grow at LaRonde in future years (2018 onwards) as mined grade increases and comes closer to reserve grade of ca. 5 g/t. Opportunities exist to expand the mine life at La Ronde (via Bousquet Zone 5).

Robust pipeline of development/potential projects provide upside to Agnico's production profile. The company is currently developing Goldex-Deep 1 which is expected to contribute over 100k oz from 2018-2014 at cash costs of \$610-630/oz (Goldex – Deep 2 is another option AEM may eventually consider).

Nunavut remains a key exploration area for AEM. Agnico is working towards expanding the mineral resource base at Amaruq (current inferred resource estimate is almost 3.3mm oz grading 6.05 g/t) and finding a second open pit deposit. Amaruq will benefit from its various synergies to Meadowbank, including existing mill, camp and mobile fleet at Meadowbank, as the two assets are in proximity (ca. 60 road km apart). As for the Meliadine project, internal studies are underway to optimize and look at scenarios to build a mine.

Valuation and recommendation

Considering AEM's record of delivery, we are applying a premium 2x NAV multiple to get a target price of C\$90.00/sh. We have a BUY rating.

Catalysts

- Increasing production at LaRonde as grades approach reserve grade
- Exploration success at Amaruq
- Exploration success at Meliadine and a potential production decision

Rating	BUY
Target	C\$90.00
Gold Production 2016E (k oz)	1,606
Gold Production 2017E (k oz)	1,564
Gold Production 2018E (k oz)	1,490

Share Data

Share o/s (mm, basic/f.d. itm)	223.1/223.1
52-week high/low	
Market cap (m)	\$11,970
EV (m)	\$12,888
Net debt (m)	\$917
Projected return	28%
NAV5%/share	\$34.18
P/NAV5%	1.57x

Financial Data

YE Dec. 31	2016E	2017E	2018E
Gold production (k oz)	1,606	1,564	1,490
Cash costs (\$/oz)	\$577	\$559	\$519
Capex (m)	\$404	\$469	\$402
Free cashflow (m)	\$355	\$387	\$477
EPS	\$0.82	\$1.28	\$1.15
CFPS	\$3.54	\$3.74	\$3.84
P/E	65.7	42.0	46.6
P/CF	15.1	14.3	14.0
EV/EBITDA	13.2	11.7	11.7

All figures in US\$ unless otherwise noted

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Agnico Eagle Mines Ltd. (AEM:TSX, AEM:NYSE)					Rating	BUY	Target	C\$90.00	
Price	US\$ 53.66	Net Debt \$ 917 mm							
Sh O/S	223 mm	EV \$ 12,888 mm							
Mkt Cap	\$ 11,970 mm	Div Yld 0.60%							
Metal Prices					Reserves (P&P)				
		2015a	2016e	2017e	2018e	2014a	2015a	% chg	
Gold	\$/oz	1,160	1,324	1,400	1,400	Gold Moz	20.0	19.1	-5%
Silver	\$/oz	15.69	18.88	21.50	21.50	Gold g/t	2.40	0.99	-59%
Copper	\$/lb	2.50	2.37	2.75	2.85	Silver Moz	62.0	54.8	-12%
Production Summary					Resources (MI&I)				
Au Production	Moz	1.67	1.61	1.56	1.49	Gold Moz	28.5	31.6	+11%
Cu Production	Mlbs	10.9	9.4	9.4	9.4	Silver Moz	40.2	40.5	+1%
Total Cash Costs (by-product)	\$/oz Au	567	577	559	519				
AISC	\$/oz Au	742	755	742	711				
Income Statement					NAV Summary				
	US\$mm	2015a	2016e	2017e	2018e	\$mm @5%	\$/share	%	
Revenues		1,985	2,153	2,235	2,132	Malartic, Canada	1,443	\$ 5.95	17%
EBITDA		783	978	1,100	1,099	Kittila, Finland	1,528	\$ 6.30	18%
Depreciation		609	612	564	628	Meadowbank, Canada	1,481	\$ 6.11	18%
G&A		97	76	68	68	LaRonde, Canada	1,439	\$ 5.93	17%
Exploration		110	138	146	146	Goldex, Canada	400	\$ 1.65	5%
Interest		(75)	(70)	(62)	(52)	Other Assets	2,025	\$ 8.35	24%
Earnings Adj		36	186	292	264	Subtotal	8,315	\$34.29	100%
Cash Flow (pre-WC)		660	806	857	879	Working Capital	610	\$ 2.52	7%
Shares fully diluted	mm	217	227	229	229	Total LT Debt	(1,065)	\$(4.39)	(13)%
EPS Adj	US\$	0.39	0.82	1.28	1.15	Other	427	\$ 1.76	5%
CFPS Adj	US\$	3.16	3.54	3.74	3.84	NAV	8,288	\$ 34.18	100%
Cash Flow Statement					Production Outlook				
	US\$mm	2015a	2016e	2017e	2018e				
Operating		616	775	857	879				
Investing		(375)	(427)	(469)	(402)				
Financing		(281)	(54)	(185)	(70)				
Net Cash		(53)	296	202	407				
Cash end of period		124	420	622	1,029				
Free Cash Flow		166	355	387	477				
Balance Sheet									
	US\$mm	2015a	2016e	2017e	2018e				
Cash		124	420	622	1,029				
Total Debt		1,233	1,089	974	974				
Net Debt		1,109	669	352	(55)				
Shareholders Equity		4,141	4,365	4,587	4,780				
Valuation Multiples									
P/E		136 x	65.7 x	42.0 x	46.6 x				
P/CF		17.0 x	15.1 x	14.3 x	14.0 x				
EV/EBITDA		16.5 x	13.2 x	11.7 x	11.7 x				
Net Debt/EBITDA		1.4 x	0.7 x	0.3 x	(0.0) x				
P/NAV 5%		----- 1.57 x -----							

Source: GMP Securities

B2Gold Corp.⁷

BUY

BTO-TSX

July 25, 2016

 Last: **C\$3.69**
 Target: **C\$5.25**

Relaunching coverage: Fekola the growth driver

Investment highlights

After successfully delivering on its Otjikoto mine, built on budget and slightly ahead of schedule, B2 is looking to replicate that success with its latest project, the Fekola mine in Mali. Fekola's high-grade open-pit is the next growth phase for the company.

The new mine set for initial production in late 2017 is expected to produce ~350k oz/yr (at 100% basis) in the first seven years at cash op. cost of \$418/oz. With the contribution of Fekola, we estimate B2's production growing from 494k oz in 2015 to 844k oz in 2018.

B2's team not only has demonstrated its expertise on building new mines, but also has shown its ability to add value through the drill bit. Recent regional exploration at Fekola has uncovered a new zone of near-surface mineralization in saprolite, while drilling around the Fekola pit continues to be encouraging for further ounces, including underground potential.

Fekola is being built with a +25% design factor and a potential expansion represents upside to our valuation. Exploration success driven, an expansion could potentially add in the order of \$0.25/sh to our NAV. Perhaps another source of further upside is the opportunity that could represent the saprolite-hosted mineralization to evolve as a stand-alone operation (we give an exploration value to this regional target of \$100mm).

The Kiaka project, which remains a call option on gold, has also shown interesting regional drilling results with higher grades.

B2 is well on track to meet 2016 guidance of 510-550k oz with 263k oz produced in 1H16.

Valuation and recommendation

We rate BTO a BUY with a C\$5.25 target price, based on a 1.5x P/NAV5% target multiple. The company offers growth at reasonable valuation; sector-leading 20% production growth via development of Fekola.

Catalysts

- Fekola construction updates with initial production targeted for late 2017
- Exploration updates

Rating	BUY
Target	C\$5.25
Gold Production 2016E (k oz)	545
Gold Production 2017E (k oz)	584
Gold Production 2018E (k oz)	848

Share Data

Share o/s (mm, basic/f.d. itm)	928.7/997.5
52-week high/low	C\$4/C\$0.86
Market cap (m)	\$2,604
EV (m)	\$2,915
Net debt (m)	\$311
Projected return	48%
NAV5%/share	\$2.66
P/NAV5%	1.05x

Financial Data

YE Dec. 31	2016E	2017E	2018E
Gold production (k oz)	545	584	848
Cash costs (\$/oz)	\$522	\$584	\$564
Capex (m)	\$345	\$205	\$84
Free cashflow (m)	\$84	\$139	\$408
EPS	\$0.12	\$0.18	\$0.31
CFPS	\$0.46	\$0.36	\$0.52
P/E	23.2	15.7	9.1
P/CF	6.0	7.8	5.4
EV/EBITDA	7.8	7.1	4.5

All figures in US\$ unless otherwise noted

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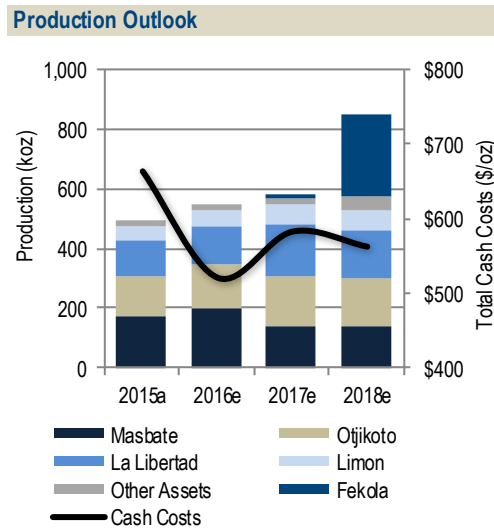
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B2Gold Corp. (BTO:TSX, BTG:NYSE)					Rating	BUY	Target	C\$5.25		
Price	US\$ 2.80	Net Debt \$ 311 mm								
Sh O/S	929 mm	EV \$ 2,915 mm								
Mkt Cap	\$ 2,604 mm	Div Yld 0.00%								
Metal Prices					Reserves (P&P)					
		2015a	2016e	2017e	2018e	2014a	2015a	% chg		
Gold	\$/oz	1,160	1,324	1,400	1,400	Moz	4.8	7.5	+54%	
						g/t	1.1	1.4	+26%	
Production Summary					Resources (MI&I)					
Au Production	Moz	0.49	0.54	0.58	0.85	2014a	2015a	% chg		
Total Cash Costs (by-product)	\$/oz Au	665	522	584	564	Gold	Moz	16.1	12.1	-25%
AISC	\$/oz	947	869	765	726					
Income Statement					NAV Summary					
	US\$mm	2015a	2016e	2017e	2018e	\$mm @5%	\$/share	%		
Revenues		554	711	805	1,175	Masbate, Philippines	1,054	\$1.06	40%	
EBITDA		175	374	411	644	Fekola, Mali	971	\$0.97	37%	
Depreciation		144	170	147	158	Otjikoto, Namibia	554	\$0.56	21%	
G&A		36	36	38	38	La Libertad, Nicaragua	285	\$0.29	11%	
Exploration		-	-	-	-	Limon, Nicaragua	138	\$0.14	5%	
Interest		(16)	(15)	(16)	(14)	Other Assets	220	\$0.22	8%	
Earnings Adj		(21)	114	171	294	Subtotal	3,223	\$3.23	121%	
Cash Flow (pre-WC)		168	437	344	493	Working Capital	125	\$0.12	5%	
Shares fully diluted	mm	971	943	955	955	Total LT Debt	(406)	(\$0.41)	(15)%	
EPS Adj	US\$	(0.02)	0.12	0.18	0.31	Other	(286)	(\$0.29)	(11)%	
CFPS Adj	US\$	0.17	0.46	0.36	0.52	NAV	2,656	\$2.66	100%	
Cash Flow Statement					Production Outlook					
	US\$mm	2015a	2016e	2017e	2018e					
Operating		175	434	344	493					
Investing		(295)	(355)	(205)	(84)					
Financing		76	(60)	(8)	(267)					
Net Cash		(47)	19	131	141					
Cash end of period		86	105	235	377					
Free Cash Flow		(115)	84	139	408					
Balance Sheet										
	US\$mm	2015a	2016e	2017e	2018e					
Cash		86	105	235	377					
Total Debt		484	453	445	178					
Net Debt		398	348	209	(199)					
Shareholders Equity		1,304	1,429	1,600	1,894					
Valuation Multiples										
P/E		(129) x	23.2 x	15.7 x	9 x					
P/CF		16.2 x	6.0 x	7.8 x	5.4 x					
EV/EBITDA		16.7 x	7.8 x	7.1 x	4.5 x					
Net Debt/EBITDA		2.3 x	0.9 x	0.5 x	(0.3) x					
P/NAV 5%		----- 1.05 x -----								



Source: GMP Securities estimates

Barrick Gold Corp.^{7,†}

HOLD

ABX-TSX

July 25, 2016

Last: **C\$27.03**
Target: **C\$31.50**

Relaunching coverage: All the right things but a rich valuation

Investment highlights

The company's strategy of paying down debt via non-core asset sales and refocusing on its core gold assets has paid great dividends on share price performance. Management has targeted a new readily attainable \$2bn in debt reduction in 2016 (YTD total debt has been reduced by \$842mm) and a medium-term target to reduce total debt to \$5bn.

On record, the copper assets are non-core, and we would add KCGM and its stake in Acacia to the list. Based on our GMP LT copper price of \$2.85/lb, we value the combined copper assets (that is; Lumwana, 50% in Jabal Sayid and 50% in Zaldivar) at approximately \$3bn – Lumwana accounting for 65% of that value. Our 5% DCF valuation of Acacia implies a value of approximately \$1.2bn, while the equity value of the 63.9% interest in Acacia is ~\$1.9bn.

The fact is that Barrick remains relatively levered which has equally played into YTD outperformance. But with each move on gold from a higher base, Barrick's leverage to gold declines.

Barrick has done well over the past few years with organic exploration success, highlighted by Alturas (5.5Moz resource, we value at \$ 700mm) and Goldrush (10.2Moz resource, we value in-situ at \$1.0bn, equating to approximately 7.5% DCF valuation at \$1,400/oz gold).

Lagunas Norte's sulphide project is only modestly accretive to our valuation and Cortez Deep South is only a minor component to the mine's valuation which reflects LOM growth and sustaining capex of over \$2bn.

Valuation and recommendation

Our C\$31.50 target on Barrick is based on an approximately 2.1x P/NAV multiple. The organic projects in our view are only modestly accretive. Based on relative valuation (expensive on P/NAV basis) and expected return to target, we rate ABX shares a HOLD.

Catalysts

- Continued asset sales and debt reduction (2H16+)

Rating	HOLD
Target	C\$31.50
Gold Production 2016E (k oz)	5,129
Gold Production 2017E (k oz)	4,932
Gold Production 2018E (k oz)	4,611

Share Data

Share o/s (mm, basic/f.d. itm)	1,165.2/1,165.5
52-week high/low	C\$30.445/C\$7.885
Market cap (m)	\$23,917
EV (m)	\$30,720
Net debt (m)	\$6,803
Projected return	18%
NAV5%/share	\$11.63
P/NAV5%	1.77x

Financial Data

YE Dec. 31	2016E	2017E	2018E
Gold production (k oz)	5,129	4,932	4,611
Cash costs (\$/oz)	\$557	\$551	\$574
Capex (m)	\$1,556	\$1,696	\$1,364
Free cashflow (m)	\$918	\$1,178	\$1,307
EPS	\$0.87	\$1.22	\$1.06
CFPS	\$2.10	\$2.47	\$2.29
P/E	23.6	16.8	19.3
P/CF	9.8	8.3	9.0
EV/EBITDA	7.7	7.0	7.5

All figures in US\$ unless otherwise noted

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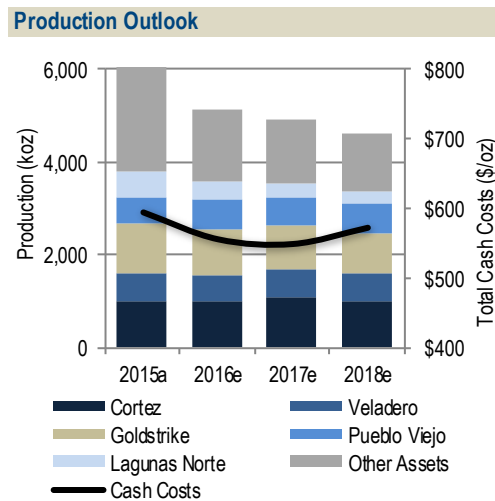
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Barrick Gold Corporation (ABX:TSX, ABX:NYSE)					Rating	HOLD	Target	C\$31.50	
Price	US\$ 20.55	Net Debt \$ 6,803 mm							
Sh O/S	1,165 mm	EV \$ 30,720 mm							
Mkt Cap	\$ 23,917 mm	Div Yld 0.39%							
Metal Prices					Reserves (P&P)				
		2015a	2016e	2017e	2018e	2014a	2015a	% chg	
Gold	\$/oz	1,160	1,324	1,400	1,400	Gold Moz	93.0	91.9	-1%
Silver	\$/oz	15.69	18.88	21.50	21.50	g/t	1.37	1.32	-3%
Copper	\$/lb	2.50	2.37	2.75	2.85	Copper Mlbs	9,586	6,524	-32%
Production Summary					Resources (MI&I)				
Au Production	Moz	6.06	5.13	4.93	4.61	Gold Moz	123.6	106.5	-14%
Cu Production	Mlbs	505	445	452	455	Copper Mlbs	4,745	8,404	+77%
Total Cash Costs (by-product)	\$/oz Au	596	557	551	574				
AISC	\$/oz	831	785	738	771				
Income Statement					NAV Summary				
	US\$mm	2015a	2016e	2017e	2018e	\$mm @5%	\$/share	%	
Revenues		9,029	7,990	8,147	7,754	Cortez, USA	4,148	\$3.56	31%
EBITDA		3,385	3,984	4,415	4,096	Veladero, Argentina	2,932	\$2.52	22%
Depreciation		1,771	1,488	1,449	1,494	Goldstrike, USA	2,347	\$2.01	17%
G&A		233	214	208	208	Pueblo Viejo, DR	1,928	\$1.65	14%
Exploration		355	221	227	227	Lagunas Norte, Peru	1,082	\$0.93	8%
Interest		(739)	(767)	(735)	(722)	Acacia	1,152	\$0.99	8%
Earnings Adj		1,019	1,015	1,425	1,238	Copper Business	2,984	\$2.56	22%
Cash Flow (pre-WC)		2,794	2,442	2,874	2,671	Other Assets	5,784	\$4.96	43%
Shares fully diluted	mm	1,165	1,165	1,165	1,165	Subtotal	22,358	\$19.18	165%
EPS Adj	US\$	0.30	0.87	1.22	1.06	Working Capital	2,839	\$2.44	21%
CFPS Adj	US\$	2.40	2.10	2.47	2.29	Total LT Debt	(8,940)	(\$7.67)	(66)%
Cash Flow Statement					Other				
	US\$mm						(2,700)	(\$2.32)	(20)%
Operating		2,794	2,442	2,874	2,671	NAV	13,557	\$11.63	100%
Investing		250	(913)	(1,696)	(1,364)				
Financing		(3,275)	(1,044)	(252)	(621)				
Net Cash		(244)	488	926	686				
Cash end of period		2,455	2,943	3,869	4,555				
Free Cash Flow		1,081	918	1,178	1,307				
Balance Sheet					Production Outlook				
	US\$mm								
Cash		2,455	2,943	3,869	4,555				
Total Debt		10,024	9,247	9,092	8,567				
Net Debt		7,569	6,304	5,223	4,012				
Shareholders Equity		7,178	7,991	9,323	10,468				
Valuation Multiples									
P/E		68.5 x	23.6 x	16.8 x	19.3 x				
P/CF		8.6 x	9.8 x	8.3 x	9.0 x				
EV/EBITDA		9.1 x	7.7 x	7.0 x	7.5 x				
Net Deb/EBITDA		2.2 x	1.6 x	1.2 x	1.0 x				
P/NAV 5%		----- 1.77 x -----							



Source: GMP Securities estimates

Eldorado Gold Corp.^{1,7}

BUY

ELD-TSX

July 25, 2016

 Last: **C\$5.68**
 Target: **C\$8.75**

Relaunching coverage: Still dramatically undervalued with Investor Day in September, a key event

Investment highlights

Following the sale of Chinese assets, attention will now shift to how management will allocate capital to its mines/projects and/or external M&A.

While much will become clearer by the Sept 7th analyst day, we believe ELD's priorities will be to complete the Kışladağ expansion (~\$70 mm for 12.5 to 20 M tpy), complete Olympias Phase II (we assume by Q2/17), refresh Tocantinzinho (for favourable impact of currency devaluation, infrastructure improvements, and cheaper costs) and provide a potential measured reinvestment at Skouries.

Skouries has attracted the negative attention from Greece's government. We approach our valuation by applying a 10% discount rate to Skouries. While permitted, we also conservatively value Olympias at a 10% discount rate to account for development risk with the Phase III expansion (worth ~\$600 mm via increase in payable gold, higher mill throughput, and elimination of tc/TC's on pyrite conc., partly offset by higher site costs).

Grades and throughput at Kışladağ, Phase II at Olympias and an assumed resumption of activity at Skouries drive our production profile off the base reset from the sale of the Chinese assets.

Perama Hill, Tocantinzinho and Certej are valued as projects on in-situ basis.

Valuation and recommendation

As we await the key investor day to get details of ELD's future plans, we have decided to use a 1x NAV multiple (at least for now). Our NAV multiple may change after the Investor Day. We are relaunching with an C\$8.75/sh target price and a BUY recommendation.

Catalysts

- September 7th Analyst Day
- Updated plan for the assets in Greece
- Kışladağ expansion plan
- Tocantinzinho update

Rating	BUY
Target	C\$8.75
Gold Production 2016E (k oz)	533
Gold Production 2017E (k oz)	400
Gold Production 2018E (k oz)	474

Share Data

Share o/s (mm, basic/f.d. itm)	716.6/716.6
52-week high/low	C\$6.71/C\$2.67
Market cap (m)	\$3,091
EV (m)	\$2,550
Net debt (m)	-\$541
Projected return	54%
NAV5%/share	\$6.56
P/NAV5%	0.7x

Financial Data

YE Dec. 31	2016E	2017E	2018E
Gold production (k oz)	533	400	474
Cash costs (\$/oz)	\$606	\$496	\$443
Capex (m)	\$369	\$184	\$327
Free cashflow (m)	-\$205	\$98	\$6
EPS	\$0.11	\$0.26	\$0.32
CFPS	\$0.26	\$0.39	\$0.46
P/E	38.3x	16.4x	13.5x
P/CF	16.6x	11.0x	9.3x
EV/EBITDA	9.0x	7.0x	5.9x

All figures in US\$ unless otherwise noted

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Eldorado Gold Corporation (ELD:TSX, EGO:NYSE)					Rating	BUY	Target	C\$8.75
Price	US\$ 4.31	Net Debt		-\$ 541 mm				
Sh O/S	717 mm	EV		\$ 2,550 mm				
Mkt Cap	\$ 3,091 mm	Div Yld		0.00%				
Metal Prices					2015a	2016e	2017e	2018e
Gold	\$/oz	1,160	1,324	1,400	1,400			
Silver	\$/oz	15.69	18.88	21.50	21.50			
Production Summary								
Au Production	Moz	0.72	0.53	0.40	0.47			
Ag Production	Moz	0.65	0.57	1.19	1.80			
Total Cash Costs (by -product)	\$/oz Au	606	606	496	443			
AISC	\$/oz Au	842	909	884	864			
Income Statement					2015a	2016e	2017e	2018e
US\$mm								
Revenues		863	715	646	795			
EBITDA		304	285	362	430			
Depreciation		179	137	97	114			
G&A		56	52	54	54			
Exploration		18	16	19	19			
Interest		(18)	(37)	(37)	(37)			
Earnings Adj		13	81	188	228			
Cash Flow (pre-WC)		192	186	282	333			
Shares fully diluted	mm	717	717	717	717			
EPS Adj	US\$	0.02	0.11	0.26	0.32			
CFPS Adj	US\$	0.27	0.26	0.39	0.46			
Cash Flow Statement					2015a	2016e	2017e	2018e
US\$mm								
Operating		222	163	282	333			
Investing		(393)	536	(184)	(327)			
Financing		(39)	-	-	-			
Net Cash		(210)	699	98	6			
Cash end of period		288	988	1,086	1,092			
Free Cash Flow		(174)	(205)	98	6			
Balance Sheet					2015a	2016e	2017e	2018e
US\$mm								
Cash		288	988	1,086	1,092			
Total Debt		600	600	600	600			
Net Debt		312	(388)	(486)	(492)			
Shareholders Equity		3,752	3,846	4,034	4,263			
Valuation Multiples					2015a	2016e	2017e	2018e
P/E		215.7 x	38.3 x	16.4 x	13.5 x			
P/CF		16.1 x	16.6 x	11.0 x	9.3 x			
EV/EBITDA		8.4 x	9.0 x	7.0 x	5.9 x			
Net Debt/EBITDA		1.0 x	(1.4) x	(1.3) x	(1.1) x			
P/NAV 5%		-----	0.66 x	-----	-----			
Reserves (P&P)*					2014a	2015a	% chg	
Gold	Moz	26.0	21.4	-17%				
	g/t	1.22	1.11	-9%				
Silver	Moz	95.0	86.7	-9%				
	g/t	38.6	38.1	-1%				
Resources (MI&I)*					2014a	2015a	% chg	
Gold	Moz	24.3	18.9	-22%				
Silver	Moz	72.0	59.8	-17%				
* Reserves and resources reduced by sale of Chinese assets								
NAV Summary					\$mm @5%	\$/share	%	
Kisladag, Turkey		1,749	\$ 2.44	37%				
Olympias, Greece		1,185	\$ 1.65	25%				
Skouries, Greece		672	\$ 0.94	14%				
Efemçukuru, Turkey		442	\$ 0.62	9%				
Tocantinzinho, Brazil		175	\$ 0.24	4%				
Other Assets		246	\$ 0.34	5%				
Subtotal		2,934	\$ 4.09	62%				
Working Capital		1,200	\$ 1.67	26%				
Total LT Debt		(590)	\$(0.82)	(13)%				
Other		1,159	\$ 1.62	25%				
NAV		4,702	\$ 6.56	100%				
Production Outlook								

Source: GMP Securities

Franco-Nevada Corp.^{1,7}

BUY

FNV-TSX

July 25, 2016

 Last: **C\$97.04**
 Target: **C\$120.00**

Relaunching coverage: Environment still in favour of accretive growth

Investment highlights

FNV's large diversified portfolio and the advantages of the royalty/streaming model allow for consistent financial performance.

Over the last couple of years, FNV has added material assets to its portfolio of precious metals royalties and streams providing immediate growth and CF accretion. The latest cornerstone gold/silver streams coming from established low-cost copper mines (Antamina and Antapaccay) have added long life/stream duration along with additional exploration upside. In 2016, Antamina should reflect its first full-year of revenue contribution while 2Q16 should be the first full quarter for Antapaccay. Longer term, Cobre Panama will provide the next step growth for FNV. We model initial contribution from Cobre in 2018.

By 2019, we estimate annualized FCF of \$570mm from FNV's current assets base. Half of consolidated revenues will come from Candelaria, Antamina, Antapaccay and Cobre Panama.

With over \$1.3bn in liquidity (including available \$1bn credit facility), Franco-Nevada remains well positioned to continue to invest in new streaming transactions. We see the focus on larger transactions in the base metals complex, where balance sheets remain strained amongst the world's largest diversified mining companies.

Valuation and recommendation

Based on a 2.4x target PNAV multiple, we derived a C\$120.00 target price for FNV with a BUY rating.

Catalysts

- Potential new deals
- Progress on Cobre Panama

Rating	BUY
Target	C\$120.00
Gold Eq. Production 2016E (k oz)	479
Gold Eq. Production 2017E (k oz)	504
Gold Eq. Production 2018E (k oz)	519

Share Data

Share o/s (mm, basic/f.d. itm)	184 / 186
52-week high/low	C\$104.19/\$49.96
Market cap (m)	\$13,638
EV (m)	\$13,462
Net debt (m)	(\$176)
Projected return	25%
NAV5%/share	\$37.60
P/NAV5%	2.0

Financial Data

YE Dec. 31	2016E	2017E	2018E
Gold Eq. production (k oz)	479	504	519
Total royalty revenue (m)	\$667	\$747	\$772
EBITDA (m)	\$516	\$584	\$609
Free cashflow (m)	-\$147	\$258	\$252
EPS	\$1.01	\$1.08	\$1.14
CFPS	\$2.75	\$2.73	\$2.83
P/E	72.9	68.0	64.5
P/CF	26.8	27.0	26.1
EV/EBITDA	25.4	22.4	21.5

All figures in US\$ unless otherwise noted

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Franco-Nevada Corporation (FNV:TSX, FNV:NYSE)					Rating	BUY	Target	C\$120.00		
Price	US\$ 73.69	Net Debt		-\$ 176 mm						
Sh O/S	178 mm	EV		\$13,099						
Mkt Cap	\$ 13,099 mm	Div Yld		1.16%						
Metal Prices					REUs	P&P	M&I	Inferred		
Gold	\$/oz	2015a	2016e	2017e	2018e	Precious Metals	000s	7,639	3,329	2,585
Silver	\$/oz	15.69	18.88	21.50	21.50	Copper	Mlbs	186	296	159
Production Summary					Nickel	Mlbs	19	11	3	
Au Eq Production	kGEO	360	479	504	519					
Income Statement					NAV Summary					
	US\$mm	2015a	2016e	2017e	2018e		\$mm @5%	\$/share	%	
Revenues		444	667	747	772	Antamina, Peru	852	\$ 4.76	13%	
EBITDA		333	516	584	609	Antapaccay, Peru	895	\$ 5.00	13%	
Depreciation		216	288	303	312	Candelaria, Chile	700	\$ 3.91	10%	
G&A		15	19	20	21	Cobre Panama, Panama	600	\$ 3.35	9%	
Business Development		2.7	3.0	3.3	3.4	Other Precious Metals	2,579	\$ 14.41	38%	
Interest		(2.9)	(3.3)	(1.5)	(1.5)	Base Metals	220	\$ 1.23	3%	
Earnings Adj		87	178	198	212	Oil & Gas	592	\$ 3.30	9%	
Cash Flow (pre-WC)		317	483	501	524	Subtotal	6,437	\$ 35.95	96%	
Shares fully diluted	mm	160	179	186	186	Working Capital	249	\$ 1.39	4%	
EPS Adj	US\$	0.56	1.01	1.08	1.14	Total LT Debt	0	\$ 0.00	0%	
CFPS Adj	US\$	1.61	2.75	2.73	2.83	Other	46	\$ 0.25	1%	
Cash Flow Statement					NAV					
	US\$mm						6,732	\$ 37.60	100%	
Operating		254	485	498	524					
Investing		(1,045)	(632)	(240)	(272)					
Financing		374	288	244	(162)					
Net Cash		(443)	146	502	90					
Cash end of period		149	295	796	887					
Free Cash Flow		(792)	(147)	258	252					
Balance Sheet					Production Outlook					
	US\$mm					Revenue (US\$mm)				
Cash		149	295	796	887					
Total Debt		457	-	-	-	<ul style="list-style-type: none"> Antamina Antapaccay Candelaria Cobre Panama Other Precious Metals Base Metals Oil & Gas 				
Net Debt		308	(295)	(796)	(887)					
Shareholders Equity		3,163	4,128	4,569	4,619					
Valuation Multiples										
P/E		132.7 x	72.9 x	68.0 x	64.5 x					
P/CF		45.8 x	26.8 x	27.0 x	26.1 x					
EV/EBITDA		39.4 x	25.4 x	22.4 x	21.5 x					
Net Debt/EBITDA		0.9 x	(0.6) x	(1.4) x	(1.5) x					
P/NAV 5%		----- 1.96 x -----								

Source: GMP Securities

Goldcorp Inc.⁷

BUY

G-TSX

July 25, 2016

 Last: **C\$24.09**
 Target: **\$32.00**

Relaunching coverage: A little later to the party, productivity improvements underway

Investment highlights

Year to date, Goldcorp has underperformed its peers, which we attribute to the “housecleaning” (writedowns and reserve declines at Los Filos and Cochenour at 2015 year-end) and a reset in production/growth outlook.

While 2Q is expected to be a materially weak quarter; given Peñasquito mill down time, labour productivity at Cerro Negro and grade sequencing at most mines, we believe guidance for the year should still be attainable. We model production at the low end of the company guidance of between 2.8-3.1mm oz.

We expect Q2 results will include positive feasibility study results for Peñasquito Pyrite Leach (PPL) and Musselwhite Materials Handling project (MHP). Ahead of the results of what we believe are value-add projects, we have incorporated the PPL project into our model for which we estimate a value of approximately \$550mm (NPV5% at \$1,400/oz – assuming a \$425mm capex and incremental annual production of ~145k oz gold and 1.3mm oz silver). For the MHP, we estimate a value of approximately \$200mm (assuming \$70mm capex, additional throughput, mine life and lower site costs).

Goldcorp is also refocusing its attention towards productivity/efficiency improvements with a decentralization and optimization program targeted to deliver \$250mm in annual efficiencies in 2018. We have only partly accounted for these efficiency gains, which will be led by Cerro Negro labour reductions (\$80-\$90 mm), G&A, and initiatives at all mines.

Valuation and recommendation

We rate Goldcorp a BUY with a C\$32.00 target price, based on a 1.65x P/NAV5% target multiple. We expect reversal of the YTD underperformance in 2H following an expectedly weak first half of the year production.

Catalysts

- Feasibility studies for Peñasquito Pyrite Leach and Musselwhite MHP (3Q16)
- Ongoing cost improvements at Cerro Negro and ongoing ramp-up at Eleonore (2016-2018)

Rating	BUY
Target	C\$32.00
Gold Production 2016E (k oz)*	2,835
Gold Production 2017E (k oz)*	2,783
Gold Production 2018E (k oz)*	3,019

Share Data	
Share o/s (mm, basic/f.d. itm)	853.8/857.1
52-week high/low	C\$26.56/C\$26.56
Market cap (m)	\$15,225
EV (m)	\$17,551
Net debt (m)	\$2,326.0
Projected return	37%
NAV5%/share	\$14.72
P/NAV5%	1.24x

Financial Data			
YE Dec. 31	2016E	2017E	2018E
Gold Production (k oz)	2,835	2,783	3,019
Cash costs (\$/oz)	\$544	\$456	\$435
Capex (m)	\$742	\$923	\$999
Free cashflow (m)	\$473	\$493	\$657
EPS	\$0.39	\$0.58	\$0.76
CFPS	\$1.51	\$1.66	\$1.94
P/E	46.9	31.4	24.1
P/CF	12.1	11.0	9.4
EV/EBITDA	10.8	8.7	7.5

All figures in US\$ unless otherwise noted

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Goldcorp Inc. (G:TSX, GG:NYSE)					Rating	BUY	Target	C\$32.00	
Price	US\$ 18.29	Net Debt \$ 2,326 mm							
Sh O/S	832 mm	EV \$ 17,551 mm							
Mkt Cap	\$ 15,225 mm	Div Yld 0.34%							
Metal Prices					Reserves (P&P)				
		2015a	2016e	2017e	2018e	2014a	2015a	% chg	
Gold	\$/oz	1,160	1,324	1,400	1,400	Gold Moz	49.6	40.7	-18%
Silver	\$/oz	15.69	18.88	21.50	21.50	Gold g/t	0.95	1.06	+11%
Production Summary					Resources (MI&I)				
Au Production	Moz	3.46	2.83	2.78	3.02	Silver Moz	789	705	-11%
Total Cash Costs (by -product)	\$/oz	605	544	456	435	Silver g/t	30.7	27.6	-10%
AISC	\$/oz	894	836	737	668	NAV Summary			
						\$mm @5%	\$/share	%	
Income Statement					2015a	2016e	2017e	2018e	
	US\$mm								
Revenues		4,375	3,961	3,978	4,314	Peñasquito, Mexico	4,543	\$5.30	36%
EBITDA		1,457	1,628	2,006	2,345	Éléonore, Canada	2,707	\$3.16	21%
Depreciation		1,493	1,002	1,032	1,109	Cerro Negro, Argentina	2,737	\$3.19	22%
G&A		147	152	152	152	Pueblo Viejo, DR	1,551	\$1.81	12%
Exploration		51	67	64	64	Red Lake, Canada	585	\$0.68	5%
Interest		(135)	(116)	(96)	(87)	Other Assets	3,798	\$4.43	30%
Earnings Adj		(4,162)	332	498	650	Subtotal	15,921	\$18.57	126%
Cash Flow (pre-WC)		1,258	1,220	1,416	1,656	Working Capital	645	\$0.75	5%
Shares fully diluted	mm	828	850	855	855	Total LT Debt	(2,727)	(\$3.18)	(22)%
EPS Adj	US\$	(5.02)	0.39	0.58	0.76	Other	(1,219)	(\$1.42)	(10)%
CFPS Adj *	US\$	1.52	1.51	1.66	1.94	NAV	12,620	\$14.72	100%
* incl adj for 40% of PV CF									
Cash Flow Statement					Production Outlook				
	US\$mm								
Operating		1,430	1,199	1,416	1,656				
Investing		(329)	(751)	(923)	(999)				
Financing		(1,256)	148	(68)	(568)				
Net Cash		(156)	598	425	88				
Cash end of period		326	924	1,349	1,437				
Free Cash Flow		278	473	493	657				
Balance Sheet									
	US\$mm								
Cash		326	924	1,349	1,437				
Total Debt		2,500	2,750	2,750	2,250				
Net Debt		2,174	1,826	1,401	813				
Shareholders Equity		12,848	13,138	13,567	14,148				
Valuation Multiples									
P/E		(4) x	46.9 x	31.4 x	24.1 x				
P/CF		12.0 x	12.1 x	11.0 x	9.4 x				
EV/EBITDA		12.0 x	10.8 x	8.7 x	7.5 x				
Net Debt/EBITDA		1.5 x	1.1 x	0.7 x	0.3 x				
P/NAV 5%		----- 1.24 x -----							

Source: GMP Securities

IAMGOLD⁷

BUY

IMG-TSX

July 25, 2016

 Last: **C\$6.07**
 Target: **C\$8.50**

Relaunching coverage: Shares still inexpensive even after the run-up

Investment highlights

IAMGOLD is one of the highest cost producers in our coverage space and thus has high torque to the gold price. The recent uptick in the price of gold price helps to materially improve the company's profit margins.

A decision to proceed with the Sadiola Sulfide expansion project would provide upside to IMG's NAV. Based on the 2015 technical report, the project generates a 16% after-tax IRR at ca. \$1,275/oz gold. The technical team is reviewing the project and we could see an expansion decision later this year.

The proportion of harder rock in Rosebel's total mill feed is increasing, adversely impacting throughput and production costs at the asset. Success in finding additional softer rock for processing would help reduce the harder rock mill feed problem.

After the seismic event at Westwood last year, IMG is focusing on underground development and working towards a smoother path to ramp-up. Thus far, progress has been on track and continued success should bring investor confidence back.

IMG continues to have a sound balance sheet (\$587mm of unrestricted cash against \$635mm of long-term debt maturing in 2020).

Valuation and recommendation

We apply a 1.1x NAV multiple to get a C\$8.50/sh target price and a BUY recommendation.

Catalysts

- Sadiola expansion decision (potentially H2/16)
- Decline in AISC at Essakane due to lower capital stripping (H2/16)
- Westwood ramp-up (ongoing)

Rating	BUY
Target	C\$8.50
Gold Production 2016E (k oz)	788
Gold Production 2017E (k oz)	946
Gold Production 2018E (k oz)	899

Share Data

Share o/s (mm, basic/f.d. itm)	406.0/406.0
52-week high/low	C\$6.49/C\$1.53
Market cap (m)	\$1,871
EV (m)	\$1,842
Net debt (m)	-\$30
Projected return	40%
NAV5%/share	\$5.83
P/NAV5%	0.8x

Financial Data

YE Dec. 31	2016E	2017E	2018E
Gold production (k oz)	788	946	899
Cash costs (\$/oz)	\$774	\$775	\$773
Capex (m)	\$240	\$163	\$214
Free cashflow (m)	\$74	\$280	\$221
EPS	\$0.08	\$0.26	\$0.21
CFPS	\$0.77	\$1.09	\$1.07
P/E	54.6x	17.6x	21.7x
P/CF	6.0x	4.2x	4.3x
EV/EBITDA	5.4x	3.5x	3.7x

All figures in US\$ unless otherwise noted

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IAMGOLD Corp. (IMG:TSX, IAG:NYSE)					Rating	BUY	Target	C\$8.50
Price	US\$ 4.61	Net Debt -\$ 30 mm						
Sh O/S	406 mm	EV \$ 1,842 mm						
Mkt Cap	\$ 1,871 mm	Div Yld 0.00%						
Metal Prices					2015a	2016e	2017e	2018e
Gold	\$/oz	1,160	1,324	1,400	1,400			
Production Summary								
Au Production	Moz	0.80	0.79	0.95	0.90			
Total Cash Costs (by-product)	\$/oz	825	774	775	773			
AISC	\$/oz	1,118	946	949	929			
Income Statement					2015a	2016e	2017e	2018e
Revenues	US\$mm	917	1,039	1,324	1,259			
EBITDA		120	343	524	497			
Depreciation		261	261	327	340			
G&A		39	38	38	38			
Exploration		31	28	29	29			
Interest		(38)	(26)	(17)	(17)			
Earnings Adj		(132)	34	107	86			
Cash Flow (pre-WC)		73	312	443	435			
Shares fully diluted	mm	386	407	407	407			
EPS Adj	US\$	(0.34)	0.08	0.26	0.21			
CFPS Adj	US\$	0.07	0.77	1.09	1.07			
Cash Flow Statement					2015a	2016e	2017e	2018e
Operating	US\$mm	26	312	443	435			
Investing		278	(76)	(163)	(214)			
Financing		26	(83)	(26)	(26)			
Net Cash		311	155	254	196			
Cash end of period		481	636	890	1,086			
Free Cash Flow		(165)	74	280	221			
Balance Sheet					2015a	2016e	2017e	2018e
Cash	US\$mm	481	636	890	1,086			
Total Debt		705	635	635	635			
Net Debt		224	(1)	(255)	(451)			
Shareholders Equity		1,896	2,042	2,149	2,235			
Valuation Multiples								
P/E		(14) x	54.6 x	17.6 x	21.7 x			
P/CF		65.0 x	6.0 x	4.2 x	4.3 x			
EV/EBITDA		15.3 x	5.4 x	3.5 x	3.7 x			
Net Debt/EBITDA		1.9 x	(0.0) x	(0.5) x	(0.9) x			
P/NAV 5%					0.79 x			

Reserves (P&P)				2014a	2015a	% chg
Gold	Moz	8.6	7.7	-11%		
	g/t	1.40	1.40	+0%		

Resources (M&I)				2014a	2015a	% chg
Gold	Moz	17.3	22.5	+30%		

NAV Summary				\$mm @5%	\$/share	%
Essakane, Burkino Faso		977	\$2.39	41%		
Rosebel, Suriname		656	\$1.61	28%		
Westwood, Québec		369	\$0.90	15%		
Sadiola, Mali		136	\$0.33	6%		
Sadiola Sulphides, Mali		244	\$0.60	10%		
Other Assets		-	\$0.00	0%		
Subtotal		2,382	\$5.84	100%		
Working Capital		781	\$1.91	33%		
Total LT Debt		(629)	(\$1.54)	(26)%		
Other		(155)	(\$0.38)	(6)%		
NAV		2,380	\$5.83	100%		

Production Outlook				
Production (koz)	2015a	2016e	2017e	2018e
Total Cash Costs (\$/oz)	2015a	2016e	2017e	2018e

Source: GMP Securities

Kinross Gold Corp.^{1,6}

BUY

K-TSX

July 25, 2016

 Last: **C\$6.57**
 Target: **C\$9.75**

Relaunching coverage: Undervalued senior with Tasiast and Round Mountain/Bald Mountain driving growth

Investment highlights

Tasiast (Phases I and II combined) and the Round Mountain/Bald Mountain acquisition are production growth drivers for Kinross. Kinross was facing a declining production profile problem, but the issue has been resolved via the Round Mountain/Bald Mountain purchase and the decision to proceed with a mill expansion at Tasiast. Further, the mill expansion will help reduce the company's cost profile. We currently model both the Phase 1 expansion, which the company has decided to pursue, to 12k tpd and a Phase II expansion to 30k tpd. The Tasiast FS (excluding the sunk costs) delivers an IRR of 17% at \$1,200/oz base case. We estimate an IRR of 24% at \$1,400/oz.

Kinross based its \$610 mm purchase of Round Mountain (50%) and Bald Mountain on gold prices of \$1,100/oz in 2016/2017 and \$1,250/oz over the remaining LOM. So at our long term deck of \$1,400/oz, we are well ahead on valuation, contributing \$1,438 mm to our 5%/\$1,400 NAV - includes the benefit of Phase W at Round Mountain. We believe the exploration programs will succeed in growing the reserve base at the two assets.

Over the past couple of years, Kinross has continued to show strong operating results and has become one of the most consistent in meeting guidance. We feel that the Kinross' success in regularly meeting expectations sets it apart from many of its peers.

Valuation and recommendation

We are relaunching coverage, using a 1.35x NAV multiple to get a C\$9.75/sh target price and BUY recommendation.

Catalysts

- Tasiast Phases I and II expansions (2017-2020)
- Exploration success at Bald Mountain and Round Mountain (Q4 2016)

Rating	BUY
Target	C\$9.75
Gold Production 2016E (k oz)	2,759
Gold Production 2017E (k oz)	2,793
Gold Production 2018E (k oz)	2,662

Share Data

Share o/s (mm, basic/f.d. itm)	1244.0/1244.0
52-week high/low	
Market cap (m)	\$6,207
EV (m)	\$7,439
Net debt (m)	\$1,232
Projected return	0.484018265
NAV5%/share	\$5.46
P/NAV5%	0.91x

Financial Data

YE Dec. 31	2016E	2016E	2016E
Gold production (k oz)	2,759	2,793	2,662
Cash costs (\$/oz)	\$702	\$731	\$713
Capex (m)	\$833	\$789	\$1,054
Free cashflow (m)	\$292	\$540	\$302
EPS	\$0.17	\$0.27	\$0.31
CFPS	\$0.87	\$1.07	\$1.09
P/E	30.2	18.1	16.2
P/CF	5.7	4.7	4.6
EV/EBITDA	5.3	4.6	4.4

All figures in US\$ unless otherwise noted

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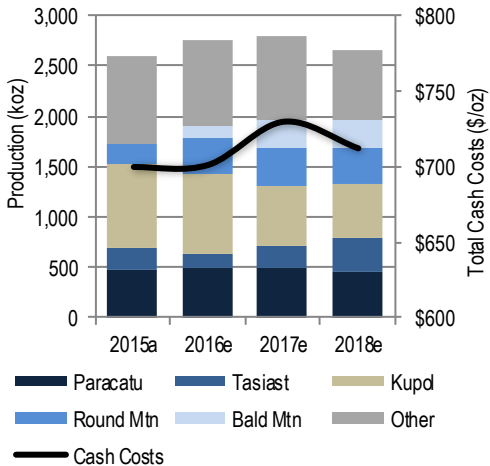
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Kinross Gold Corp. (K:TSX, KGC:NYSE)					Rating	BUY	Target	C\$9.75	
Price	US\$ 4.99	Net Debt \$ 1,232 mm							
Sh O/S	1,244 mm	EV \$ 7,439 mm							
Mkt Cap	\$ 6,207 mm	Div Yld 0.00%							
Metal Prices					Reserves (P&P)				
		2015a	2016e	2017e	2018e	2014a	2015a	% chg	
Gold	\$/oz	1,160	1,324	1,400	1,400	Moz	34.4	34.0	-1%
Silver	\$/oz	15.69	18.88	21.50	21.50	g/t	0.72	0.70	-3%
Production Summary					Resources (MI&I)				
Au Production	Moz	2.59	2.76	2.79	2.66	Moz	44.0	41.0	-7%
Total Cash Costs (by-product)	\$/oz Au	700	702	731	713	g/t	4.4	4.1	-7%
AISC	\$/GEO	1,031	962	946	927				
Income Statement					NAV Summary				
	US\$mm	2015a	2016e	2017e	2018e	\$mm @5%	\$/share	%	
Revenues		3,052	3,684	3,988	3,800	Paracatu, Brazil	2,113	\$1.70	31%
EBITDA		854	1,399	1,631	1,684	Tasiast, Mauritania	1,672	\$1.34	25%
Depreciation		898	984	1,060	1,059	Kupol, Russia	1,169	\$0.94	17%
G&A		134	164	168	168	Round Mountain, NV	782	\$0.63	12%
Exploration		108	69	50	-	Bald Mountain, NV	656	\$0.53	10%
Interest		(96)	(112)	(89)	(84)	Other Assets	1,021	\$0.82	15%
Earnings Adj		(290)	207	342	383	Subtotal	7,413	\$5.96	109%
Cash Flow (pre-WC)		787	1,077	1,329	1,356	Working Capital	1,498	\$1.20	22%
Shares fully diluted	mm	1,146	1,227	1,244	1,244	Total LT Debt	(1,733)	(\$1.39)	(26)%
EPS Adj	US\$	(0.08)	0.17	0.27	0.31	Other	(384)	(\$0.31)	(6)%
CFPS Adj	US\$	0.69	0.87	1.07	1.09	NAV	6,793	\$5.46	100%
Cash Flow Statement					Production Outlook				
	US\$mm	2015a	2016e	2017e	2018e				
Operating		832	1,129	1,329	1,356				
Investing		(632)	(1,454)	(789)	(1,054)				
Financing		(132)	(4)	-	-				
Net Cash		60	(327)	540	302				
Cash end of period		1,044	717	1,257	1,559				
Free Cash Flow		229	292	540	302				
Balance Sheet									
	US\$mm	2015a	2016e	2017e	2018e				
Cash		1,044	717	1,257	1,559				
Total Debt		1,994	1,750	1,750	1,750				
Net Debt		950	1,033	493	191				
Shareholders Equity		3,889	4,414	4,756	5,139				
Valuation Multiples									
P/E		(62) x	30.2 x	18.1 x	16.2 x				
P/CF		7.3 x	5.7 x	4.7 x	4.6 x				
EV/EBITDA		8.7 x	5.3 x	4.6 x	4.4 x				
Net Debt/EBITDA		1.1 x	0.7 x	0.3 x	0.1 x				
P/NAV 5%			0.91 x						



Source: GMP Securities

New Gold Inc.⁷

BUY

NGD-TSX

July 25, 2016

 Last: **C\$5.79**
 Target: **C\$7.75**

Relaunching coverage: Rainy's day is coming

Investment highlights

Focus continues to be on Rainy as construction keeps on pace for initial production targeted for mid-2017. Mine building execution will remain central to NGD's stock performance as the market watches closely the construction progress and the mine's start-up capex budget. 2016 is a high spend year at ~\$500mm

The company's last quarterly construction update flagged a redesign of the water management facility as well as the tailings starter dam (one section of the dam) due to ground conditions. This redesign adds \$35mm to project capex (of \$877mm) for \$912mm. With these estimates based on a go-forward exchange rate of C\$1.40/US\$, our modeling of a slightly stronger C\$ pushes our assumption to ~US\$935mm.

Once up and running Rainy's annual gold production should be about 350k oz. We expect NGD's gold production to increase from 436k oz in 2015 to 650k oz in 2018.

The C-Zone at New Afton extends the life of a mine that in our view has delivered on expectations. Recent exploration results demonstrate potential to expand the C-zone resource to the west and down plunge. At Peak Mines, exploration is focused on expanding the Chronos and Anjea zones.

The Blackwater project, with 8.2mm oz gold and 60.8mm oz silver in reserves, offers material optionality to a higher gold price. We value Blackwater on an in-situ basis of \$300mm. Its DCF potential at 5%/\$1,400 gold is approximately \$1bn, which would add \$1.25/sh to our valuation.

Valuation and recommendation

We rate NGD a BUY with a C\$7.75 target, based on a 1.30x P/NAV multiple. NGD offers reasonable valuation with above-average growth via Rainy River start-up by mid-2017.

Catalysts

- Rainy River construction updates (initial production targeted for mid-2017)

Rating	BUY
Target	C\$7.75
Gold Production 2016E (k oz)	381
Gold Production 2017E (k oz)	491
Gold Production 2018E (k oz)	650

Share Data

Share o/s (mm, basic/f.d. itm)	510.1/521.9
52-week high/low	C\$6.57/C\$2.52
Market cap (m)	\$2,249
EV (m)	\$2,739
Net debt (m)	\$490
Projected return	0.376554174
NAV5%/share	\$4.45
P/NAV5%	0.99x

Financial Data

YE Dec. 31	2016E	2017E	2018E
Gold production (k oz)	381	491	650
Cash costs (\$/oz)	\$340	\$339	\$293
Capex (m)	\$611	\$250	\$155
Free cashflow (m)	-\$293	\$220	\$418
EPS	\$0.11	\$0.27	\$0.34
CFPS	\$0.62	\$0.90	\$1.10
P/E	38.7	16.4	13.1
P/CF	7.1	4.9	4.0
EV/EBITDA	8.3	5.5	4.1

All figures in US\$ unless otherwise noted

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New Gold Inc. (NGD:TSX, NGD:NYSE)					Rating	BUY	Target	C\$7.75	
Price	US\$ 4.40	Net Debt \$ 490 mm							
Sh O/S	512 mm	EV \$ 2,739 mm							
Mkt Cap	\$ 2,249 mm	Div Yld 0.00%							
Metal Prices					Reserves (P&P)				
		2015a	2016e	2017e	2018e	2014a	2015a	% chg	
Gold	\$/oz	1,170	1,324	1,400	1,400	Gold Moz	17.6	15.0	-15%
Silver	\$/oz	15.00	18.88	21.50	21.50	Gold g/t	1.26	0.78	-38%
Copper	\$/lb	2.44	2.37	2.75	2.85	Silver Moz	82.0	76.0	-7%
						Silver g/t	15.8	4.6	-71%
Production Summary					Resources (MI&I)				
Au Production	Moz	0.44	0.38	0.49	0.65	Copper Mlbs	2,821	1,194	-58%
Cu Production	Mlbs	100	89	99	108	Copper %	0.57	0.84	+48%
Total Cash Costs (by-product)	\$/oz Au	443	340	339	293	Resources (MI&I)			
AISC	\$/oz Au	809	723	606	519	2014a	2015a	% chg	
						Gold Moz	11.6	8.5	-27%
						Silver Moz	55.0	58.0	+5%
						Copper Mlbs	3,474	1,259	-64%
Income Statement					NAV Summary				
	US\$m	2015a	2016e	2017e	2018e	\$mm @5%	\$/share	%	
Revenues		713	702	939	1,172	Rainy River, Canada	786	\$ 1.51	34%
EBITDA		256	329	495	668	Mesquite, USA	463	\$ 0.89	20%
Depreciation		241	227	266	336	New Afton, Canada	939	\$ 1.80	40%
G&A		20	22	22	22	Peak Mines, Australia	121	\$ 0.23	5%
Exploration		7	10	10	10	Other Assets	448	\$ 0.86	19%
Interest		(39)	(18)	(29)	(42)	Subtotal	2,759	\$ 5.29	119%
Earnings Adj		85	64	140	175	Working Capital	424	\$ 0.81	18%
Cash Flow (pre-WC)		263	320	471	574	Total LT Debt	(788)	\$(1.51)	(34)%
Shares fully diluted	mm	509	519	522	522	Other	(73)	\$(0.14)	(3)%
EPS Adj	US\$	(0.02)	0.11	0.27	0.34	NAV	2,321	\$ 4.45	100%
CFPS Adj	US\$	0.52	0.62	0.90	1.10				
Cash Flow Statement					Production Outlook				
	US\$m	2015a	2016e	2017e	2018e				
Operating		263	320	471	574				
Investing		(325)	(640)	(274)	(166)				
Financing		46	75	-	-				
Net Cash		(35)	(235)	197	408				
Cash end of period		336	138	334	742				
Free Cash Flow		(110)	(293)	220	418				
Balance Sheet									
	US\$m	2015a	2016e	2017e	2018e				
Cash		336	138	334	742				
Total Debt		768	800	800	800				
Net Debt		432	662	466	58				
Shareholders Equity		2,100	2,193	2,333	2,508				
Valuation Multiples									
P/E		(220) x	38.7 x	16.4 x	13.1 x				
P/CF		8.5 x	7.1 x	4.9 x	4.0 x				
EV/EBITDA		10.7 x	8.3 x	5.5 x	4.1 x				
Net Debt/EBITDA		1.7 x	2.0 x	0.9 x	0.1 x				
P/NAV 5%			0.99 x						

Source: GMP Securities

Newmarket Gold¹

BUY

NMI-TSX

July 25, 2016

 Last: **C\$3.83**
 Target: **C\$5.75**

Relaunching coverage: Quite the story at Fosterville

Investment highlights

Fosterville remains the cornerstone asset for the company. The asset has had two back-to-back record quarters, benefiting from processing higher grades from the Lower Phoenix System. Lower Phoenix remains open for growth and work is continuing to increase the resource base. Lower Phoenix currently has M&I resources of 673k oz grading 8.33 g/t, and inferred resources of 100k oz grading over 9.7 g/t. We see the Phoenix/Lower Phoenix system as Fosterville's production source over the coming years. In fact, higher grade material from Lower Phoenix is already getting processed at Fosterville, positively impacting production. We expect production to continue to benefit from the higher grade Phoenix ounces.

A favourable PEA on Maud Creek was published in May. The study envisions a 9.5-yr mine life over which annual production would average 52k oz. After-tax NPV5% and IRR are determined to be \$105mm and 80% (using a \$1,200/oz gold price and 0.77 US:AUD exchange rate). Improved understanding of the geotechnical conditions would improve our confidence in the project, and next steps could include a PFS and FS on the project.

The Big Hill project has been on the sidelines for the past couple of years and we expect an update on the project later this year. Support from the government would provide upside to our NAV estimate.

Both Maud Creek and Big Hill are conservatively not modeled into our current valuation.

NMI has a sound balance sheet - \$70mm of cash and almost no debt.

Valuation and recommendation

NMI continues to perform well relative to its peer group, both operationally and financially. Hence, we apply a 1.2x NAV multiple to get a C\$5.75/sh target price and a BUY recommendation.

Catalysts

- Ongoing exploration success at Fosterville
- Continued milling of higher grade ore at Fosterville
- Maud Creek PFS and FS (2017)

Rating	BUY
Target	C\$5.75
Gold Production 2016E (k oz)	227
Gold Production 2017E (k oz)	236
Gold Production 2018E (k oz)	236

Share Data

Share o/s (mm, basic/f.d. itm)	174.7/177.9
52-week high/low	C\$3.97/C\$0.81
Market cap (m)	\$515.0
EV (m)	\$464.4
Net debt (m)	(\$50.6)
Projected return	150%
NAV5%/share	\$3.71
P/NAV5%	0.8x

Financial Data

YE Dec. 31	2016E	2017E	2018E
Gold production (k oz)	227	236	236
Cash costs (\$/oz)	\$654	\$682	\$682
Capex (m)	\$56	\$48	\$54
Free cashflow (m)	\$80	\$103	\$99
EPS	\$0.40	\$0.46	\$0.48
CFPS	\$0.76	\$0.85	\$0.86
P/E	7.2x	6.3x	6.1x
P/CF	3.8x	3.4x	3.4x
EV/EBITDA	3.4x	3.1x	3.1x

All figures in US\$ unless otherwise noted

[Current Chart](#)
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Newmarket Gold Inc. (NMI:TSX)						Rating	BUY	Target	C\$5.75	
Price	US\$ 2.91	Net Debt -\$ 51 mm								
Sh O/S	177 mm	EV \$ 464 mm								
Mkt Cap	\$ 515 mm	Div Yld 0.00%								
Metal Prices						Reserves (P&P)				
		2015a	2016e	2017e	2018e		2014a	2015a	% chg	
Gold	\$/oz	1,160	1,324	1,400	1,400	Gold	Moz	0.94	0.77	-18%
Production Summary							g/t	3.14	3.05	-3%
Au Production	Moz	0.22	0.23	0.24	0.24	Resources (M&I)				
Total Cash Costs (by-product)	\$/oz	704	654	682	682	Gold	Moz	5.84	5.67	-3%
AISC	\$/oz	1,006	955	972	972					
Income Statement						NAV Summary				
	US\$mm	2015a	2016e	2017e	2018e		\$mm @5%	\$/share	%	
Revenues		258	301	330	330	Fosterville, Australia	390	\$2.19	59%	
EBITDA		36	135	149	149	Cosmo, Australia	159	\$0.89	24%	
Depreciation		40	64	68	68	Stawell, Australia	67	\$0.38	10%	
G&A		7	6	6	6	Subtotal	616	\$3.46	93%	
Exploration		12	12	15	15	Working Capital	39	\$0.22	6%	
Interest		3	0	0	-	Total LT Debt	(0)	(\$0.00)	(0)%	
Earnings Adj		(3)	72	83	85	Other	5	\$0.03	1%	
Cash Flow (pre-WC)		80	135	151	153	NAV	659	\$3.71	100%	
Shares fully diluted	mm	178	178	178	178					
EPS Adj	US\$	(\$0.02)	\$0.40	\$0.46	\$0.48					
CFPS Adj	US\$	\$0.43	\$0.76	\$0.85	\$0.86					
Cash Flow Statement						Production Outlook				
	US\$mm	76	135	151	153					
Operating		76	135	151	153					
Investing		(51)	(56)	(48)	(54)					
Financing		(19)	(1)	(0)	-					
Net Cash		3	79	103	99					
Cash end of period		37	115	218	317					
Free Cash Flow		26	80	103	99					
Balance Sheet										
	US\$mm	37	115	218	317					
Cash		37	115	218	317					
Total Debt		24	0	-	-					
Net Debt		(12)	(115)	(218)	(317)					
Shareholders Equity		126	220	303	387					
Valuation Multiples										
P/E		(186) x	7.2 x	6.3 x	6.1 x					
P/CF		6.8 x	3.8 x	3.4 x	3.4 x					
EV/EBITDA		12.7 x	3.4 x	3.1 x	3.1 x					
Net Debt/EBITDA		(0.3) x	(0.9) x	(1.5) x	(2.1) x					
P/NAV 5%		----- 0.78 x -----								

Source: GMP Securities

Primero Mining Corp.⁷

HOLD

P-TSX

July 25, 2016

Last: **C\$2.87**
Target: **C\$3.50**

Relaunching coverage: Tax situation at San Dimas remains the dilemma

Investment highlights

San Dimas' tax situation remains a substantial overhang and the share price in our view largely reflects the probability of an unfavourable ultimate result. That would mean a nullified Advanced Pricing Agreement (“APA”) for San Dimas (i.e. pay taxes at spot vs. realized silver prices). We remain on the side of caution and as such, have reflected San Dimas taxes at “spot” (i.e. our LT silver price) beginning 2017. We estimate the impact to NAV from taxes at spot is approximately \$1.30/sh.

The company's strategy to acquire additional ground around San Dimas suggests that should ore grade mineralization be identified, it could displace San Dimas silver ounces subject to the SLW stream agreement.

Although we don't model the 3,000 tpd expansion at San Dimas, we do model throughput increasing to 2,900 tpd by 1Q18. We have also reflected higher site costs to account for the additional operating cost associated with the newly implemented ground support safety standards at the mine. The big task of retrofitting all active areas of the mine with standards of ground support in line with the Ontario Mining Regulations resulted in weak 1Q production results. We expect production should rebound in the second half of the year.

At Black Fox, the company continues to make progress towards a higher underground mining rate. First stope production of the higher-grade Deep Central Zone is expected in 3Q (some development ore from Deep Central should have contributed to 2Q production). The satellite Froome Zone has shown encouraging exploration results and has become a priority to evaluate its near-term production potential. We have added a modest ounce contribution from Froome into our model.

Valuation and recommendation

Based on a 1.1x PNAV multiple, we derived a target of C\$3.50 for Primero. Given the unclear timeline of the tax situation at the company's main mine, we are rating Primero a HOLD.

Catalysts

- San Dimas potential international arbitration (possibly Sept 2016).

Rating	HOLD
Target	C\$3.50
Gold Eq. Production 2016E (k oz)	225
Gold Eq. Production 2017E (k oz)	292
Gold Eq. Production 2018E (k oz)	314

Share Data

Share o/s (mm, basic/f.d. itm)	186.7/189.1
52-week high/low	C\$4.41 / C\$1.935
Market cap (m)	\$407
EV (m)	\$462
Net debt (m)	\$55
Projected return	26%
NAV5%/share	\$2.46
P/NAV5%	0.88x

Financial Data

YE Dec. 31	2016E	2017E	2018E
Gold Eq. production (k oz)	225	292	314
Cash cost (\$/oz GEO)	\$705	\$596	\$577
Capex (m)	\$75	\$60	\$60
Free cashflow (m)	\$11	\$60	\$82
EPS	\$0.10	\$0.19	\$0.27
CFPS	\$0.43	\$0.64	\$0.76
P/E	21.1	11.6	8.1
P/CF	5.0	3.4	2.9
EV/EBITDA	4.1	2.4	2.1

All figures in US\$ unless otherwise noted

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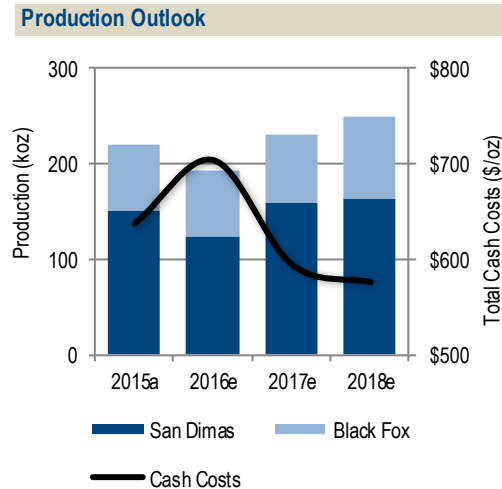
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Primero Mining Corp. (P:TSX, PPP:NYSE)					Rating	HOLD	Target	C\$3.50		
Price	US\$ 2.18	Net Debt \$ 55 mm								
Sh O/S	187 mm	EV \$ 462 mm								
Mkt Cap	\$ 407 mm	Div Yld 0.00%								
Metal Prices					Reserves (P&P)					
		2015a	2016e	2017e	2018e	2014a	2015a	% chg		
Gold	\$/oz	1,160	1,324	1,400	1,400	Moz	1.923	1.758	-9%	
Silver	\$/oz	15.69	18.88	21.50	21.50	g/t	1.51	1.38	-8%	
Production Summary					Resources (MI&I)					
Au Production	Moz	0.22	0.19	0.23	0.25	Moz	65.8	70.5	+7%	
Ag Production	Moz	8.30	7.85	10.67	11.01	g/t	55.8	58.7	+5%	
Au Eq Production	MGEO	0.26	0.22	0.29	0.31	Resources (MI&I)				
Total Cash Costs	\$/GEO	637	705	596	577	Gold	Moz	3.02	3.60	+19%
AISC	\$/oz Au	972	1,075	762	716	Silver	Moz	96.4	110.2	+14%
Income Statement					NAV Summary					
	US\$m	2015a	2016e	2017e	2018e	\$mm @5%	\$/share	%		
Revenues		291	311	409	440	San Dimas, Mexico	449	\$2.37	96%	
EBITDA		96	112	193	216	Black Fox, Canada	146	\$0.77	31%	
Depreciation		77	71	79	85	Subtotal	595	\$3.14	128%	
G&A		23	19	20	20	Working Capital	77	\$0.41	17%	
Exploration		1.7	1.3	1.3	1.3	Total LT Debt	(111)	(\$0.59)	(24)%	
Interest		(12)	(9)	(6)	(5)	Other	(95)	(\$0.50)	(20)%	
Earnings Adj		(7)	21	35	51	NAV	466	\$2.46	100%	
Cash Flow (pre-WC)		83	82	120	142					
Shares fully diluted	mm	162	181	187	187					
EPS Adj	US\$	(0.09)	0.10	0.19	0.27					
CFPS Adj	US\$	0.51	0.43	0.64	0.76					
Cash Flow Statement					Production Outlook					
	US\$m	2015a	2016e	2017e	2018e					
Operating		82	87	120	142					
Investing		(100)	(76)	(60)	(60)					
Financing		34	35	(50)	-					
Net Cash		14	47	10	82					
Cash end of period		46	92	103	185					
Free Cash Flow		(18)	11	60	82					
Balance Sheet										
	US\$m	2015a	2016e	2017e	2018e					
Cash		46	92	103	185					
Total Debt		129	130	80	80					
Net Debt		83	37	(23)	(105)					
Shareholders Equity		649	698	733	783					
Valuation Multiples										
P/E		(24.2) x	21.1 x	11.6 x	8.1 x					
P/CF		4.3 x	5.0 x	3.4 x	2.9 x					
EV/EBITDA		4.8 x	4.1 x	2.4 x	2.1 x					
Net Debt/EBITDA		0.9 x	0.3 x	(0.1) x	(0.5) x					
P/NAV 5%		----- 0.88 x -----								



Source: GMP Securities

Silver Wheaton Corp.^{1,7}

BUY

SLW-TSX

July 25, 2016

 Last: **C\$34.39**
 Target: **C\$43.50**

Relaunching coverage: Well positioned vs CRA; Antamina and Salobo performing well

Investment highlights

The CRA audit/reassessment/dispute remains an overhang on the share price. We believe that SLW is well positioned to successfully defend its international tax structure.

Nonetheless, the CRA's September 2015 assessment for the period of 2005-2010 was C\$353mm. As SLW commenced an appeal in January, it needed to deposit C\$192mm, which was delivered in the form of letter of guarantee. The CRA commenced an audit of 2011-2013, which on US\$1.2bn of income could attract US\$310 mm in taxes. While the period of 2014-2015 has not been opened to audit, it would cover US\$410 mm in income and US\$106 mm in potential taxes.

In summary, the potential tax hit including penalties and interest for 2005-2015 could be ~US\$825 mm. Going forward, because of purchase price shields on transactions completed in 2008 and beyond, the effective tax rate at our long term silver price would be approximately 15% vs. statutory rate of 26%).

In the short term, lower grades at Peñasquito (including mill maintenance shutdown in Q2) and the efforts at San Dimas to implement higher ground support safety standards may result in a slight drag on performance.

However, this may be offset by good performance at newest Antamina stream. Salobo (which delivered record production in Q1) and Antamina are expected to contribute 21% and 10%, respectively, to 2016 AgEq production.

Valuation and recommendation

We rate Silver Wheaton a BUY with a C\$43.50 target, based on 2.1x PNAV multiple.

Catalysts

- Increasing dividends with higher silver prices
- CRA dispute clarity and ruling (2017-2018)

Rating	BUY
Target	C\$43.50
Silver Eq. Production 2016E (k oz)	50,857
Silver Eq. Production 2017E (k oz)	50,498
Silver Eq. Production 2018E (k oz)	47,905

Share Data

Share o/s (mm, basic/f.d. itm)	439.9/444.5
52-week high/low	C\$34.64/C\$14.51
Market cap (m)	\$11,490
EV (m)	\$12,167
Net debt (m)	\$677
Projected return	0.27245362
NAV5%/share	\$15.69
P/NAV5%	1.66x

Financial Data

YE Dec. 31	2016E	2017E	2018E
Silver Eq. production (k oz)	50,857	50,498	47,905
Cash costs (\$/oz)	\$4.83	\$5.06	\$5.15
EBITDA (m)	\$655	\$765	\$718
Free cashflow (m)	\$634	\$719	\$587
EPS	\$0.79	\$1.05	\$0.97
CFPS	\$1.48	\$1.70	\$1.59
P/E	33.1	24.8	26.8
P/CF	17.7	15.4	16.4
EV/EBITDA	18.6	15.9	17.0

All figures in US\$ unless otherwise noted

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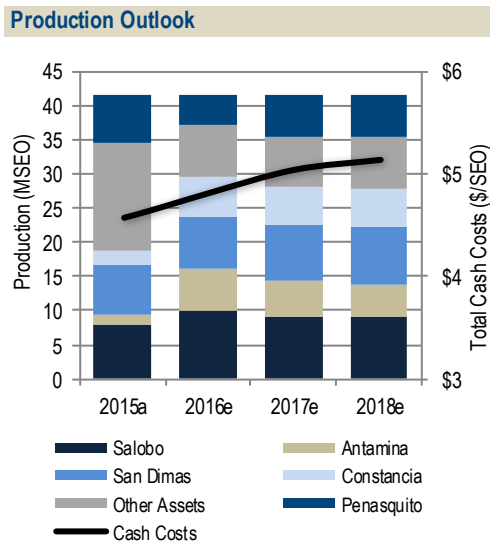
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Silver Wheaton Corp. (SLW:TSX, SLW:NYSE)					Rating	BUY	Target	C\$43.50	
Price	US\$ 26.11	Net Debt \$ 677 mm							
Sh O/S	440 mm	EV \$ 12,167 mm							
Mkt Cap	\$ 11,490 mm	Div Yld 0.76%							
Metal Prices					Reserves (P&P)				
		2015a	2016e	2017e	2018e	2014a	2015a	% chg	
Gold	\$/oz	1,160	1,324	1,400	1,400	Attributable Au Moz	9.1	8.8	-4%
Silver	\$/oz	15.69	18.88	21.50	21.50	Attributable Ag Moz	756	775	+3%
Production Summary					Resources (MI&I)				
		2015a	2016e	2017e	2018e	2014a	2015a	% chg	
Au Production	Moz	0.20	0.27	0.27	0.27	Attributable Au Moz	4.2	5.1	+20%
Ag Production	Moz	26.6	31.6	32.9	30.2	Attributable Ag Moz	820	1,149	+40%
Ag Eq Production	MSEO	41.6	50.9	50.5	47.9				
Total Cash Costs (by-product)	\$/SEO	4.58	4.83	5.06	5.15				
Income Statement					NAV Summary				
	US\$m	2015a	2016e	2017e	2018e	\$mm @5%	\$/share	%	
Revenues		649	940	1,060	1,004	Salobo, Brazil	1,874	\$4.22	27%
EBITDA		421	655	765	718	Penasquito, Mexico	1,536	\$3.46	22%
Depreciation		199	282	275	263	Antamina, Peru	1,225	\$2.76	18%
G&A		31	38	38	38	San Dimas, Mexico	852	\$1.92	12%
Exploration		-	-	-	-	Constancia, Peru	589	\$1.33	8%
Interest		(4)	(20)	(15)	(15)	Other Assets	1,834	\$4.12	26%
Earnings Adj		218	342	463	429	Subtotal	7,911	\$17.80	113%
Cash Flow (pre-WC)		423	638	748	702	Working Capital	663	\$1.49	10%
Shares fully diluted	mm	396	430	440	440	Total LT Debt	(1,371)	(\$3.08)	(20)%
EPS Adj	US\$	0.55	0.79	1.05	0.97	Other	(228)	(\$0.51)	(3)%
CFPS Adj	US\$	1.07	1.48	1.70	1.59	NAV	6,975	\$15.69	100%
Cash Flow Statement					Production Outlook				
	US\$m	2015a	2016e	2017e	2018e				
Operating		427	634	748	702				
Investing		(1,782)	(0)	(29)	(115)				
Financing		1,146	(204)	(143)	(147)				
Net Cash		(210)	430	577	440				
Cash end of period		103	534	1,110	1,550				
Free Cash Flow		(1,374)	634	719	587				
Balance Sheet									
	US\$m	2015a	2016e	2017e	2018e				
Cash		103	534	1,110	1,550				
Total Debt		1,466	764	764	764				
Net Debt		1,363	230	(347)	(787)				
Shareholders Equity		4,151	5,065	5,528	5,957				
Valuation Multiples									
P/E		47 x	33.1 x	24.8 x	26.8 x				
P/CF		24.3 x	17.7 x	15.4 x	16.4 x				
EV/EBITDA		28.9 x	18.6 x	15.9 x	17.0 x				
Net Debt/EBITDA		3.2 x	0.4 x	(0.5) x	(1.1) x				
P/NAV 5%		----- 1.66 x -----							



Source: GMP Securities

Tahoe Resources^{1,7}

BUY

THO-TSX

July 25, 2016

Last: **C\$19.87**
Target: **C\$27.25**

Relaunching coverage: Superior free cash flow readily finances growth and dividend

Investment highlights

Escobal continues to perform at or above expectations, with Q1 results reflecting record low site costs and lower royalty payment below \$16/oz (because of the timing of settlements and silver >\$16/oz we expect higher royalties in Q2). Escobal is running steady at a rate of ±20mm oz silver/yr. There is currently a modest overhang on the stock due to legal hearings of an environmental claim filed by an individual supported by the anti-mining group CALAS. We expect resolution of this issue over the next several weeks in favour of confirming the validity of Escobal's licensed operation.

Shahuindo declared commercial production in May. Shahuindo is expected to produce approximately 75k oz/yr (10ktpd) until Phase 2 expansion (36ktpd) kicks in 2018. We model production of approximately 200k oz/yr.

We visited THO's new Timmins operations in May and observed development in the 144 Gap deposit. The 144 Trend remains highly prospective for additional resources and longer mine life at Timmins West. Bell Creek's shaft deepening project and the development of the Whitney open-pit will contribute to the goal of >250 koz/yr by 2020.

While there's opportunity for a mill expansion at Bell Creek, potential also exists for a toll milling arrangement with Goldcorp, where there will be excess milling capacity at the Dome mill. We have assumed a toll milling arrangement with Goldcorp. We see the benefit coming from cheaper toll milling charge than the current structure at Bell Creek and the elimination capital for a mill expansion. The net accretion to our 5%/\$1,400 NAVPS is ~\$0.25/sh.

Valuation and recommendation

We rate THO a BUY with a C\$27.25 target based on a 1.65x PNAV multiple. The company is amongst the highest FCF yields in the sector. THO offers superior production and FCF growth.

Catalysts

- Shahuindo Phase I ramp-up of production (in 2016)
- Development and ramp-up to commercial production at the 144 Gap deposit

Rating	BUY
Target	C\$27.25
Gold Eq. Production 2016E (k oz)*	691
Gold Eq. Production 2017E (k oz)*	748
Gold Eq. Production 2018E (k oz)*	841

Share Data

Share o/s (mm, basic/f.d. itm)	314.1/319.7
52-week high/low	C\$22.05/C\$9.45
Market cap (m)	\$4,683
EV (m)	\$4,557
Net debt (m)	(\$126.0)
Projected return	43%
NAV5%/share	\$12.59
P/NAV5%	1.20x

Financial Data

YE Dec. 31	2016E	2017E	2018E
Gold Eq. Production (k oz)	691	748	841
Cash costs (\$/oz GEO)	\$510	\$507	\$531
Capex (m)	\$219	\$193	\$126
Free cashflow (m)	\$172	\$328	\$435
EPS	\$0.67	\$0.87	\$0.99
CFPS	\$1.47	\$1.66	\$1.79
P/E	22.6	17.3	15.2
P/CF	10.2	9.1	8.4
EV/EBITDA	9.8	8.0	7.3

All figures in US\$ unless otherwise noted

*presents Escobal's production on a gold equivalent basis (assuming 65:1 Au/Ag ratio)

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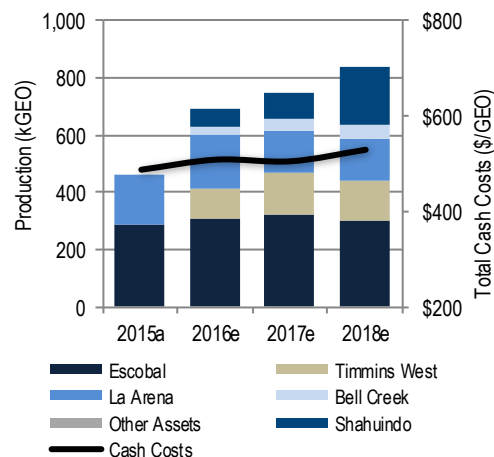
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Tahoe Resources Inc. (THO:TSX, TAHO:NYSE)					Rating	BUY	Target	C\$27.25	
Price	US\$ 15.09	Net Debt -\$ 126 mm							
Sh O/S	314 mm	EV \$ 4,557 mm							
Mkt Cap	\$ 4,683 mm	Div Yld 1.74%							
Metal Prices					Reserves (P&P)				
		2015a	2016e	2017e	2018e	2014a	2015a	% chg	
Gold	\$/oz	1,160	1,324	1,400	1,400	Gold Moz	0.34	3.8	+1,021%
Silver	\$/oz	15.69	18.88	21.50	21.50	Gold g/t	0.33	0.41	+24%
Production Summary					Resources (MI&I)				
		2015a	2016e	2017e	2018e	2014a	2015a	% chg	
Au Production	Moz	0.18	0.39	0.43	0.55	Gold Moz	0.13	4.40	+3,224%
Ag Production	Moz	20.42	21.00	20.47	19.24	Silver Moz	83	155	+85%
Au Eq Production	MGEO	0.46	0.69	0.75	0.84				
Total Cash Costs (gold)	\$/oz Au	551	625	649	642				
Total Cash Costs (silver)	\$/oz Ag	6.16	5.17	4.93	5.14				
Total Cash Costs (by-product)	\$/GEO	489	510	507	531				
AISC	\$/GEO	709	746	689	684				
Income Statement					NAV Summary				
	US\$m	2015a	2016e	2017e	2018e	\$mm @5%	\$/share	%	
Revenues		520	907	1,049	1,172	Escobal, Guatemala	2,231	\$6.98	55%
EBITDA		219	467	567	624	Shahuindo, Peru	693	\$2.17	17%
Depreciation		79	196	180	189	Timmins West, Canada	582	\$1.82	14%
G&A		39	47	48	48	La Arena, Peru	319	\$1.00	8%
Exploration		6	2	2	2	Bell Creek, Canada	294	\$0.92	7%
Interest		(2)	(3)	(1)	(0)	Other Assets	207	\$0.65	5%
Earnings Adj		148	196	274	311	Subtotal	4,326	\$13.53	107%
Cash Flow (pre-WC)		226	436	521	562	Working Capital	149	\$0.47	4%
Shares fully diluted	mm	208	293	314	314	Total LT Debt	0	\$0.00	0%
EPS Adj	US\$	0.72	0.67	0.87	0.99	Other	(453)	(\$1.41)	(11)%
CFPS Adj	US\$	1.10	1.47	1.66	1.79	NAV	4,022	\$12.59	100%
Cash Flow Statement					Production Outlook				
	US\$m	2015a	2016e	2017e	2018e				
Operating		167	392	521	562				
Investing		(60)	(220)	(193)	(126)				
Financing		(82)	(72)	(75)	(110)				
Net Cash		28	100	253	325				
Cash end of period		109	208	461	786				
Free Cash Flow		45	172	328	435				
Balance Sheet									
	US\$m	2015a	2016e	2017e	2018e				
Cash		109	208	461	786				
Total Debt		49	35	35	-				
Net Debt		(60)	(173)	(426)	(786)				
Shareholders Equity		1,664	1,691	1,691	1,691				
Valuation Multiples									
P/E		21 x	22.6 x	17.3 x	15.2 x				
P/CF		13.7 x	10.2 x	9.1 x	8.4 x				
EV/EBITDA		20.8 x	9.8 x	8.0 x	7.3 x				
Net Deb/EBITDA		(0.3) x	(0.4) x	(0.8) x	(1.3) x				
P/NAV 5%		-----			1.20 x				



Source: GMP Securities

Yamana Gold Inc.⁷

BUY

YRI-TSX

July 25, 2016

 Last: **C\$7.14**
 Target: **C\$9.00**

Relaunching coverage: Brio bubbling nicely; Cerro Moro the next new mine

Investment highlights

YTD outperformance driven by gold price leverage and local currency weakness. While the company's net debt/EBITDA multiple remains at the high end of peer group, we believe the free cash flow profile will readily deal with this, given the reduced capex profile and higher gold prices.

Production growth expected via Malartic capacity, Cerro Moro and Brio assets.

Brio assets are performing well, highlighted by Fazenda Brasileiro adding reserve life, Pilar stabilizing with the right-sized mining equipment, RDM ramping up and C1 Santa Luz with feasibility study pending. Collectively, we value the Brio assets at \$529mm at 5%/\$1,400 gold.

The company's less core assets, Suyai and Agua Rica, are attracting some interest and are candidates for possible sale.

Clearly Yamana benefited from particular weakness in the Brazilian Real in 1Q16 (3.9 BRL /US\$), but this has reversed in 2Q16 (3.5 BRL /US\$). Going forward we model the BRL at 3.25/US\$. While we expect Chapada's production in 2Q to be only modestly higher than 1Q's relatively low level, it is fortuitous that higher production in 2H (vs. 1H) should come at improved gold and copper prices.

Valuation and recommendation

Based on 1.5x PNAV multiple we derive a C\$9.00 target for Yamana. The company offers modest growth with increasing FCF yield.

Catalysts

- C1 Santa Luz feasibility study
- Malartic Odyssey drilling with initial resource in 1Q/17

Rating	BUY
Target	C\$9.00
Gold Production 2016E (k oz)*	1,301
Gold Production 2017E (k oz)*	1,355
Gold Production 2018E (k oz)*	1,431

Share Data

Share o/s (mm, basic/f.d. itm)	947.2/948.8
52-week high/low	C\$7.83/C\$7.83
Market cap (m)	\$5,136
EV (m)	\$6,788
Net debt (m)	\$1,653
Projected return	24%
NAV5%/share	\$4.45
P/NAV5%	1.22x

Financial Data

YE Dec. 31	2016E	2017E	2018E
Gold Production (k oz)	1,301	1,355	1,431
Cash costs (\$/oz Au)	\$532	\$528	\$504
Capex (m)	\$364	\$429	\$376
Free cashflow (m)	\$344	\$343	\$499
EPS	\$0.26	\$0.30	\$0.37
CFPS	\$0.74	\$0.81	\$0.92
P/E	20.6	18.0	14.8
P/CF	7.3	6.7	5.9
EV/EBITDA	7.2	6.4	5.6

All figures in US\$ unless otherwise noted

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Yamana Gold Inc. (YRI:TSX, AUY:NYSE)					Rating	BUY	Target	C\$9.00
Price	US\$ 5.42	Net Debt \$ 1,653 mm						
Sh O/S	947 mm	EV \$ 6,788 mm						
Mkt Cap	\$ 5,136 mm	Div Yld 0.35%						
Metal Prices								
		2015a	2016e	2017e	2018e			
Gold	\$/oz	1,160	1,324	1,400	1,400			
Silver	\$/oz	15.69	18.88	21.50	21.50			
Production Summary								
Au Production	Moz	1.25	1.30	1.35	1.43			
Ag Production	Moz	9.01	7.60	7.51	10.19			
Total Cash Costs (by-product)	\$/oz Au	596	532	528	504			
AISC	\$/oz	842	797	790	758			
Income Statement								
	US\$m	2015a	2016e	2017e	2018e			
Revenues		1,825	2,107	2,323	2,501			
EBITDA		513	948	1,066	1,212			
Depreciation		542	445	467	509			
G&A		118	85	84	84			
Exploration		23	12	12	12			
Interest		(147)	(159)	(144)	(139)			
Earnings Adj		(74)	250	285	346			
Cash Flow (pre-WC)		523	713	772	875			
Shares fully diluted	mm	937	948	948	948			
EPS Adj	US\$	(0.08)	0.26	0.30	0.37			
CFPS Adj	US\$	0.56	0.74	0.81	0.92			
Cash Flow Statement								
	US\$m	2015a	2016e	2017e	2018e			
Operating		523	708	772	875			
Investing		(244)	(421)	(429)	(376)			
Financing		(205)	(113)	(72)	(179)			
Net Cash		(71)	178	271	320			
Cash end of period		120	298	570	890			
Free Cash Flow		153	344	343	499			
Balance Sheet								
	US\$m	2015a	2016e	2017e	2018e			
Cash		120	298	570	890			
Total Debt		1,783	1,694	1,679	1,557			
Net Debt		1,663	1,396	1,110	668			
Shareholders Equity		4,841	5,054	5,282	5,571			
Valuation Multiples								
P/E		(69) x	20.6 x	18.0 x	14.8 x			
P/CF		9.6 x	7.3 x	6.7 x	5.9 x			
EV/EBITDA		13.2 x	7.2 x	6.4 x	5.6 x			
Net Debt/EBITDA		3.2 x	1.5 x	1.0 x	0.6 x			
P/NAV 5%				1.22 x				
Reserves (P&P)								
		2014a	2015a	% chg				
Gold	Moz	19.6	15.9	-19%				
	g/t	0.78	0.63	-19%				
Silver	Moz	110	98	-11%				
	g/t	141	148	+5%				
Resources (MI&I)								
		2014a	2015a	% chg				
Gold	Moz	35.4	40.1	+13%				
Silver	Moz	150	146	-3%				
NAV Summary								
	\$mm @5%	\$/share	%					
Malartic, Canada	1,595	\$1.68	38%					
Chapada, Brazil	1,204	\$1.27	28%					
El Penon, Chile	835	\$0.88	20%					
Cerro Morro, Argentina	467	\$0.49	11%					
Brio Gold, Brazil	529	\$0.56	13%					
Other Assets	1,681	\$1.77	40%					
Subtotal	6,310	\$6.65	149%					
Working Capital	184	\$0.19	4%					
Total LT Debt	(1,733)	(\$1.83)	(41)%					
Other	(538)	(\$0.57)	(13)%					
NAV	4,224	\$4.45	100%					
Production Outlook								
<p>The chart displays production and cash costs from 2015a to 2018e. Production (koz) is shown as stacked bars, and Total Cash Costs (\$/oz) is shown as a line graph. The production components are Malartic, Chapada, El Penon, Cerro Morro, Brio Gold, and Other Assets. Cash costs are shown as a line graph with a downward trend from 2015a to 2018e.</p>								

Source: GMP Securities

Chesapeake Gold Corp.⁷

HOLD

CKG-TSXV

July 25, 2016

 Last: **C\$5.15**
 Target: **C\$7.50**

Takeover optionality requires sustained higher prices

Investment highlights

The revised feasibility study for Metates was released March 7, 2016. Based on a refractory reserve of 18.3 Moz Au and 502 Moz Ag (with by-product zinc), a two-phased development starts with 30,000 tpd (capex \$1.91bn) in years 1-4 ramping to 90,000 tpd in year 5 (capex \$1.59bn).

Over a 37-year mine life, average production is estimated at 445k oz at cash and AISC of \$628/oz and \$662/oz respectively. Recoveries are estimated at 90% Au and 66% Ag. Costs benefit from a low strip ratio of 1.1:1, low power costs and infrastructure proximity to the El Paso plant which will receive sulphide concentrate by slurry pipeline 103 km from the minesite.

Two areas of some concern in the study are on silver recoveries (noting the refractory Pueblo Viejo mine has had difficulty in ramping up) and on the low LOM sustaining capital estimates, while acknowledging that there is a fair component of contracted services modelled into operating costs.

The pre-feasibility base case NPV 5% at \$1,250 Au/\$20 Ag is estimated at \$737mm representing a 7.7% IRR. At \$1,400, the NPV and IRR rise to \$1.84bn and 11.3%.

CKG offers great optionality to a higher gold price. And while M&A potential exists, we believe we would need to see a gold price stabilized north of \$1,400/oz to potentially trigger such event.

Valuation and recommendation

We rate CKG a HOLD with a C\$7.50 target price based on in-situ valuation. The Metates project offers great optionality to higher gold prices.

Catalysts

- Metates additional engineering and optimization studies on hold
- Grassroots exploration activity on several other projects (H2/16)

Rating	HOLD
Target	C\$7.50
Est. Gold Production 2021E (k oz)*	146
Est. Gold Production 2022E (k oz)8	146
Est. Gold Production 2023E (k oz)*	146

Share Data

Share o/s (mm, basic/f.d.)	44.4/50.2
52-week high/low	C\$6.5/C\$1.39
Market cap (m)	\$174.3
EV (m)	\$156.9
Net debt (m)	(\$17.4)
Projected return	46%
NAV5%/share	na
P/NAV5%	na

Financial Data

YE Dec. 31	2021E	2022E	2023E
Gold production (k oz)*	146	146	146
Cash costs (\$/oz)	-\$339	-\$339	-\$339

All figures in US\$ unless otherwise noted

Note: *Due to uncertain production timeline, table presents indicative production/cash cost based on 2016 PFS. Yrs 1-4 avg. production of 146k oz gold at -\$339/oz cash cost// LOM avg. of 445k oz gold at \$628/oz cash cost

[Current Chart](#)
[Previous Research](#)

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Continental Gold Limited^{1,6}

BUY

CNL-TSX

July 25, 2016

 Last: **C\$3.28**
 Target: **C\$7.25**

Permitting the key hurdle; likely M&A target early 2017

Investment highlights

Following completion of the feasibility study in February 2016, the Buritica project in Colombia is fully immersed in the permitting process. We visited Buritica in June 2016.

Permitting is at the national level with guidance for key receipts by Q4/16 to early 2017. The Environmental Agency is visiting the project over the next few weeks. As we understand, this agency would have up to 30 days to request additional info followed by CNL being allowed up to 60 days to respond. While there is no formal process for public hearings, special interest groups have the right to call such meetings.

An indication of government support for the project was the clearance of illegal miners from the site in April with ongoing local police presence. We believe that permits, if and when granted, are probably worth 20-30% upside.

We believe there is excellent potential for Buritica's reserve grade to increase with more data or otherwise via an upward bias in actual production as long as dilution remains on plan. Rock conditions underground appear reasonable in andesitic host rocks located west of the main regional fault that sits east of orebody. We model a 10% increase in grade (and 20% more tonnage with additional conversion). The measured grade being twice that of indicated and inferred is partly due to data density (drilling, drift and raise sampling on three levels). These assumptions contribute approximately 25% to our 5%/\$1,400 diluted NAVPS of C\$8.31.

Valuation and recommendation

We rate CNL a BUY with a C\$7.25 target price, based on a 0.6x PNAV multiple. The project awaits permits, which will be a material catalyst for the stock.

Catalysts

- Environmental permitting to be completed in late 2016

Rating	BUY
Target	C\$7.25
Gold Production 2018E (k oz)	31
Gold Production 2019E (k oz)	252
Gold Production 2020E (k oz)	255

Share Data

Share o/s (mm, basic/f.d. itm)	141.2/146.5
52-week high/low	C\$4.32/C\$1.28
Market cap (m)	\$351.7
EV (m)	\$311.3
Net debt (m)	(\$40.4)
Projected return	121%
NAV5%/share	\$8.31
P/NAV5%	0.30

Financial Data

YE Dec. 31	2018E	2019E	2020E
Gold production (k oz)	31	252	255
Cash costs (\$/oz)	\$317	\$306	\$332
Capex (m)	\$130	\$19	\$19
Free cashflow (m)	-\$137	\$213	\$214
EPS	-0.06	0.84	0.84
CFPS	-0.03	1.1	1.1
P/E	nmi	3.0	3.0
P/CF	nmi	2.4	2.3

All figures in US\$ unless otherwise noted

Note: To illustrate production, we present this table from 2018e-2020e instead of 2016e-2018e

[Current Chart](#)
[Previous Research](#)

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Buritica - Resource Estimate

	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Contained Gold (mm oz)	Contained Silver (mm oz)
Measured	0.9	19.0	55.0	0.5	1.6
Indicated	12.0	10.2	32.0	3.9	12.4
M+I	12.9	10.8	34.0	4.5	14.0
Inferred	15.6	9.0	29.0	4.5	14.7

Buritica - Reserve Estimate

	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Contained Gold (mm oz)	Contained Silver (mm oz)
Proven	0.7	21.1	60.0	0.5	1.3
Probable	13.0	7.8	22.5	3.3	9.4
P+P	13.7	8.4	24.3	3.7	10.7

Source: Corporate presentation



NAV Summary	\$mm @5%	\$/share
Buritica, Colombia	1,564	\$7.10
Working Capital	40	\$0.18
Est. In-the-money additions	10	\$0.05
Project financing - equity assumption [^]	214	\$0.97
Total NAV	1,829	\$8.31

[^]Assumes issuance of 74mm shares @ C\$4.00/sh

Source: GMP estimates

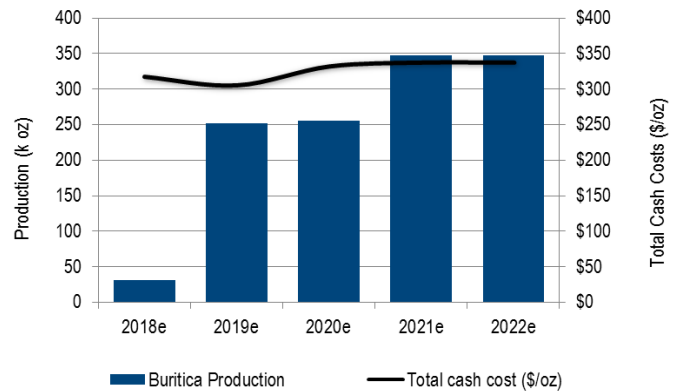


Figure 16. Summary comparison table – producers

GMP Securities Griffiths McBurney		Precious Metals Research Team						Metal Price Assumptions														
145 King Street West, Suite 300 Toronto, ON M5H 1J8, Canada		Analyst			Associate			Spot			LT											
		Steven Butler (416) 943-6651 sbutter@gmpsecurities.com	Ian Parkinson (416) 943-6639 iparkinson@gmpsecurities.com	Oliver Turner (416) 941-0243 oturner@gmpsecurities.com	Ingrid Rico (416) 941-0808 irico@gmpsecurities.com	David Stewart (416) 941-6781 dstewart@gmpsecurities.com	Salman Rizvi (416) 943-6631 srizvi@gmpsecurities.com	Gold (US\$/oz) 1,323	Silver (US\$/oz) 19.69	1,400	21.50											
Precious Metals Summary													Priced as of July 22, 2016									
Company	Ticker (TSX)	Analyst	Price as of 22-Jul-16 (C\$/sh)	Rating	Target (C\$/sh)	Dividend Yield (%)	Total Return (%)	Market Cap (US\$ mm)	Net Debt (US\$ mm)	EV (US\$ mm)	2016e			2017e			EV / P&P Reserves (US\$/oz)	EV / MI&I Resources (US\$/oz)				
											Net Debt / EBITDA (x)	NAV/sh @5%		P/NAV @5%					P/E (x)	P/CF (x)	EV / EBITDA (x)	FCF Yield (%)
Senior Producers																						
Barrick Gold ^{7,1}	ABX	SB	C\$ 27.03	HOLD	C\$ 31.50	0.38%	+17%	\$ 23,917	\$ 6,803	\$ 30,720	1.7	\$ 9.89	\$ 11.63	2.08	1.76	2.05	16.8	8.3	7.0	4.9%	\$ 334	\$ 155
Goldcorp ⁷	G	SB	C\$ 24.09	BUY	C\$ 32.00	0.34%	+33%	\$ 15,225	\$ 2,326	\$ 17,551	1.4	\$ 12.80	\$ 14.72	1.43	1.24	1.65	31.4	11.0	8.7	3.2%	\$ 431	\$ 181
Agnico Eagle Mines ⁷	AEM	SB	C\$ 70.66	BUY	C\$ 90.00	0.59%	+28%	\$ 11,970	\$ 917	\$ 12,888	0.9	\$ 30.61	\$ 34.18	1.75	1.57	2.00	42.0	14.3	11.7	3.2%	\$ 676	\$ 254
Kinross Gold ^{1,6}	K	SB	C\$ 6.57	BUY	C\$ 9.75		+48%	\$ 6,207	\$ 1,232	\$ 7,439	0.9	\$ 4.62	\$ 5.46	1.08	0.91	1.35	18.1	4.7	4.6	8.7%	\$ 219	\$ 111
Yamana Gold ⁷	YRI	SB	C\$ 7.14	BUY	C\$ 9.00	0.35%	+26%	\$ 5,136	\$ 1,653	\$ 6,788	1.7	\$ 3.91	\$ 4.45	1.39	1.22	1.50	18.0	6.7	6.4	6.7%	\$ 427	\$ 121
Average						0.33%	+31%				1.3			1.54	1.34	1.71	25.3	9.0	7.7	5.4%	\$ 417	\$ 165
Intermediate Producers																						
Tahoe Resources ^{1,7,a}	THO	SB	C\$ 19.87	BUY	C\$ 27.25	1.74%	+39%	\$ 4,683	\$ (126)	\$ 4,557	-0.3	\$ 10.86	\$ 12.59	1.39	1.20	1.65	17.3	9.1	8.0	7.0%	\$ 511	\$ 290
Delour Gold ⁷	DGC	IP	C\$ 31.24	BUY	C\$ 37.00		+18%	\$ 4,123	\$ 74	\$ 4,197	0.2	\$ 14.32	\$ 16.15	1.66	1.47	1.75	23.0	8.9	9.5	8.5%	\$ 256	\$ 196
Eldorado Gold ^{1,7}	ELD	SB	C\$ 5.68	BUY	C\$ 8.75		+54%	\$ 3,091	\$ (541)	\$ 2,550	-1.9	\$ 6.03	\$ 6.56	0.72	0.66	1.00	16.4	11.0	7.0	3.2%	\$ 119	\$ 63
B2Gold ⁷	BTO	SB	C\$ 3.69	BUY	C\$ 5.25		+42%	\$ 2,604	\$ 311	\$ 2,915	0.8	\$ 2.39	\$ 2.66	1.17	1.05	1.50	15.7	7.8	7.1	5.3%	\$ 391	\$ 149
Alamos Gold ⁷	AGI	IP	C\$ 11.47	BUY	C\$ 17.25	0.23%	+51%	\$ 2,312	\$ 27	\$ 2,339	0.2	\$ 9.75	\$ 10.87	0.89	0.80	1.20	15.2	9.8	7.3	6.3%	\$ 398	\$ 110
New Gold ⁷	NGD	SB	C\$ 5.79	BUY	C\$ 7.75		+34%	\$ 2,249	\$ 490	\$ 2,739	1.5	\$ 3.96	\$ 4.45	1.11	0.99	1.30	16.4	4.9	5.5	9.8%	\$ 183	\$ 117
OceanaGold ⁶	OGC	IP	C\$ 4.49	BUY	C\$ 5.80	1.21%	+30%	\$ 2,075	\$ 185	\$ 2,260	0.6	\$ 3.11	\$ 3.41	1.10	1.00	1.30	12.2	6.3	5.5	11.9%	\$ 414	\$ 148
IAMGOLD ⁷	IMG	SB	C\$ 6.07	BUY	C\$ 8.50		+40%	\$ 1,871	\$ (30)	\$ 1,842	-0.1	\$ 5.00	\$ 5.83	0.92	0.79	1.10	17.6	4.2	3.5	15.0%	\$ 239	\$ 61
Average						0.40%	+39%				0.1			1.12	0.99	1.35	16.7	7.8	6.7	8.4%	\$ 314	\$ 142
Junior Producers																						
Kirkland Lake Gold ⁷	KGI	OT	C\$ 10.71	BUY	C\$ 14.50		+35%	\$ 940	\$ (11)	\$ 929	-0.1	\$ 8.40	\$ 9.72	0.97	0.84	1.15	9.2	5.7	4.7	1.6%	\$ 635	\$ 176
Alacer Gold ⁷	ASR	OT	C\$ 3.22	BUY	C\$ 4.30		+34%	\$ 714	\$ (346)	\$ 368	-5.0	\$ 3.75	\$ 4.14	0.65	0.59	0.80	22.4	12.8	6.8	-32.8%	\$ 118	\$ 61
Dundee Precious Metals ^{1,7}	DPM	OT	C\$ 3.93	BUY	C\$ 6.00		+53%	\$ 479	\$ 93	\$ 572	1.0	\$ 6.87	\$ 7.60	0.43	0.39	0.60	9.9	3.8	4.1	-8.0%	\$ 191	\$ 98
Timmins Gold Corp ^{7,c}	TMM	IP	C\$ 0.63	HOLD	C\$ 0.80		+27%	\$ 153	\$ (1)	\$ 151	-0.0	\$ 1.01	\$ 1.24	0.47	0.39	0.50	7.3	3.0	3.0	21.5%	\$ 347	\$ 206
Primero Mining ^{7,a}	P	SB	C\$ 2.87	HOLD	C\$ 3.50		+22%	\$ 407	\$ 55	\$ 462	0.5	\$ 1.99	\$ 2.46	1.10	0.88	1.10	11.6	3.4	2.4	14.8%	\$ 163	\$ 57
Klondex Mines ^{1,7}	KDX	OT	C\$ 5.66	BUY	C\$ 7.30		+29%	\$ 612	\$ (20)	\$ 593	-0.2	\$ 4.12	\$ 4.66	1.04	0.92	1.20	10.9	6.0	4.7	10.7%	\$ 1,585	\$ 371
Newmarket Gold ¹	NMI	SB	C\$ 3.83	BUY	C\$ 5.75		+50%	\$ 515	\$ (51)	\$ 464	-0.4	\$ 3.30	\$ 3.71	0.88	0.78	1.20	6.3	3.4	3.1	20.0%	\$ 604	\$ 72
Argonaut ^{1,7}	AR	IP	C\$ 3.38	BUY	C\$ 6.20		+83%	\$ 407	\$ (70)	\$ 336	-1.2	\$ 3.88	\$ 4.70	0.66	0.55	1.00	4.9	4.1	2.2	-28.7%	\$ 101	\$ 42
Average							+42%				-0.7			0.78	0.67	0.94	10.3	5.3	3.9	-0.1%	\$ 468	\$ 135
Silver Producers																						
Americas Silver ^{1,7,b}	USA	OT	C\$ 0.37	BUY	C\$ 0.70		+89%	\$ 101	\$ (26)	\$ 75	-1.1	\$ 0.36	\$ 0.42	0.78	0.66	1.30	7.4	4.4	1.9	12.3%	\$ 2	\$ 1
Endeavour Silver ^{6,b}	EDR	IP	C\$ 5.87	HOLD	C\$ 7.90		+35%	\$ 515	\$ (40)	\$ 475	-0.8	\$ 3.69	\$ 4.63	1.21	0.96	1.30	7.0	6.0	6.3	10.2%	\$ 24	\$ 3
Average							+62%				-1.0			0.99	0.81	1.30	7.2	5.2	4.1	11.2%	\$ 13	\$ 2
Royalty Companies																						
Franco-Nevada ^{1,7}	FNV	SB	C\$ 97.04	BUY	C\$ 120.00	1.16%	+25%	\$ 13,099	\$ (176)	\$ 12,923	-0.3	\$ 35.87	\$ 37.60	2.05	1.96	2.40	68.0	27.0	22.1	2.0%	-	-
Silver Wheaton ^{1,7,b}	SLW	SB	C\$ 34.39	BUY	C\$ 43.50	0.76%	+27%	\$ 11,490	\$ 677	\$ 12,167	1.0	\$ 13.98	\$ 15.69	1.87	1.66	2.10	24.8	15.4	15.9	6.3%	\$ 587	\$ 280
Osisko Gold Royalties ⁷	OR	IP	C\$ 16.49	BUY	C\$ 21.75	0.96%	+33%	\$ 1,333	\$ (440)	\$ 893	-18.8	\$ 10.71	\$ 11.01	1.17	1.14	1.50	62.9	25.7	31.5	3.9%	-	-
Average						0.96%	+28%				-6.0			1.70	1.59	2.00	51.9	22.7	23.2	4.0%	\$ 587	\$ 280

^a Tahoe and Primero EV / Reserves & Resources, production, and cost metrics in gold equivalent ounces - using gold/silver ratio of 65x

^b Americas Silver, Endeavour Silver, and Silver Wheaton EV / Reserves & Resources, production, and cost metrics in silver equivalent ounces - using gold/silver ratio of 65x

^c Timmins Gold Corp metrics include estimates from San Francisco mine only

Source: GMP estimates

Figure 17. Summary comparison table (operating metrics) – producers

Company		Production (koz Au)				CAGR 2015-2018 (%)	Total Cash Costs (US\$/oz Au)				All In Sustaining Costs (US\$/oz Au)				Free Cash Flow (US\$ mm)			
		2015a	2016e	2017e	2018e		2015a	2016e	2017e	2018e	2015a	2016e	2017e	2018e	2015a	2016e	2017e	2018e
Senior Producers																		
Barrick Gold ^{7,†}	ABX	6,060	5,129	4,932	4,611	-9%	596	557	551	574	831	785	738	771	1,081	918	1,178	1,307
Goldcorp ⁷	G	3,464	2,835	2,783	3,019	-4%	605	544	456	435	894	836	737	668	278	473	493	657
Agnico Eagle Mines ⁷	AEM	1,671	1,606	1,564	1,490	-4%	567	577	559	519	742	755	742	711	166	355	387	477
Kinross Gold ^{1,6}	K	2,595	2,759	2,793	2,662	+1%	700	702	731	713	1,031	962	946	927	229	292	540	302
Yamana Gold ⁷	YRI	1,251	1,301	1,355	1,431	+5%	596	532	528	504	842	797	790	758	153	344	343	499
Average						-2%	613	582	565	549	868	827	791	767				
Intermediate Producers																		
Tahoe Resources ^{1,7,a}	THO	460	691	748	841	+22%	489	510	507	531	709	746	689	684	45	172	328	435
Debur Gold ⁷	DGC	506	556	652	621	+7%	775	699	665	575	1,056	942	919	805	55	241	350	382
Eldorado Gold ^{1,7}	ELD	724	533	400	474	-13%	606	606	496	443	842	909	884	864	(174)	(205)	98	6
B2Gold ⁷	BTO	493	545	584	848	+20%	665	522	584	564	947	869	765	726	(115)	84	139	408
Alamos Gold ⁷	AGI	380	393	493	476	+8%	766	798	624	633	1,091	973	999	1,016	(103)	9	146	147
New Gold ⁷	NGD	436	381	491	650	+14%	443	340	339	293	809	723	606	519	(110)	(293)	220	418
OceanaGold ⁶	OGC	419	435	542	499	+6%	458	446	586	665	709	660	734	794	29	(180)	248	219
IAMGOLD ⁷	IMG	801	788	946	899	+4%	825	774	775	773	1,118	946	949	929	(165)	74	280	221
Average						+9%	628	587	572	560	910	846	818	792				
Junior Producers																		
Kirkland Lake Gold ⁷	KGI	164	284	309	294	+21%	626	692	696	706	995	987	951	944	55	35	15	83
Alacer Gold ⁷	ASR	164	131	120	150	-3%	495	614	739	609	739	822	929	858	50	(157)	(234)	(6)
Dundee Precious Metals ^{1,7}	DPM	174	140	152	165	-2%	510	758	636	561	746	1,024	860	776	(4)	11	(38)	(88)
Timmins Gold Corp ^{7,c}	TMM	87	118	133	133	+15%	1,152	834	921	921	1,302	1,105	1,221	1,221	(19)	4	33	31
Primero Mining ^{7,a}	P	260	225	292	314	+6%	637	705	596	577	972	1,075	762	716	(18)	11	60	82
Klondex Mines ^{1,7}	KDX	136	156	199	220	+17%	626	599	661	675	909	831	889	886	(17)	13	65	74
Newmarket Gold ¹	NMI	221	227	236	236	+2%	704	654	682	682	1,006	955	972	972	26	80	103	99
Argonaut ^{1,7}	AR	135	129	232	251	+23%	755	768	642	634	894	916	958	887	21	27	(117)	(176)
Average						+10%	688	703	696	670	945	964	943	907				
Silver Producers																		
Americas Silver ^{1,7,b}	USA	2,652	2,897	2,914	2,551	-1%	12.75	9.59	6.56	5.88	17.16	12.18	10.65	11.86	(16)	(9)	12	16
Endeavour Silver ^{6,b}	EDR	11,400	8,812	11,545	11,545	+0%	8.39	7.81	5.06	5.06	15.62	11.12	11.26	10.98	(3)	42	52	71
Average						-0%	10.57	8.70	5.81	5.47	16.39	11.65	10.95	11.42				
Royalty Companies																		
Franco-Nevada ^{1,7}	FNV	360	479	504	519	+13%	-	-	-	-	-	-	-	-	(792)	(147)	258	252
Silver Wheaton ^{1,7,b}	SLW	41,575	50,857	50,498	47,905	+5%	4.58	4.83	5.06	5.15	-	-	-	-	(1,374)	634	719	587
Osisko Gold Royalties ⁷	OR	30	34	38	47	+16%	-	-	-	-	-	-	-	-	22	46	52	59
Average						+11%												

^a Tahoe and Primero EV / Reserves & Resources, production, and cost metrics in gold equivalent ounces - using gold/silver ratio of 65x

^b Americas Silver, Endeavour Silver, and Silver Wheaton EV / Reserves & Resources, production, and cost metrics in silver equivalent ounces - using gold/silver ratio of 65x

^c Timmins Gold Corp metrics include estimates from San Francisco mine only

Source: GMP estimates

Figure 18. Summary comparison table (financial metrics) – producers

Company		Performance																Multiples					
		EPS (US\$/sh)				CFPS (US\$/sh)				EBITDA (US\$ mm)				P/E (x)			P/CF (x)			EV / EBITDA (x)			
Ticker (TSX)		2015a	2016e	2017e	2018e	2015a	2016e	2017e	2018e	2015a	2016e	2017e	2018e	2016e	2017e	2018e	2016e	2017e	2018e	2016e	2017e	2018e	
Senior Producers																							
Barrick Gold ^{7,1}	ABX	0.30	0.87	1.22	1.06	2.40	2.10	2.47	2.29	3,385	3,984	4,415	4,096	23.6	16.8	19.3	9.8	8.3	9.0	7.7	7.0	7.5	
Goldcorp ⁷	G	(5.02)	0.39	0.58	0.76	1.52	1.51	1.66	1.94	1,457	1,628	2,006	2,345	46.9	31.4	24.1	12.1	11.0	9.4	10.8	8.7	7.5	
Agnico Eagle Mines ⁷	AEM	0.39	0.82	1.28	1.15	3.16	3.54	3.74	3.84	783	978	1,100	1,099	65.7	42.0	46.6	15.1	14.3	14.0	13.2	11.7	11.7	
Kinross Gold ^{1,6}	K	(0.08)	0.17	0.27	0.31	0.69	0.87	1.07	1.09	854	1,399	1,631	1,684	30.2	18.1	16.2	5.7	4.7	4.6	5.3	4.6	4.4	
Yamana Gold ⁷	YRI	(0.08)	0.26	0.30	0.37	0.56	0.74	0.81	0.92	513	948	1,066	1,212	20.6	18.0	14.8	7.3	6.7	5.9	7.2	6.4	5.6	
Average														37.4	25.3	24.2	10.0	9.0	8.6	8.8	7.7	7.3	
Intermediate Producers																							
Tahoe Resources ^{1,7,a}	THO	0.72	0.67	0.87	0.99	1.10	1.47	1.66	1.79	219	467	567	624	22.6	17.3	15.2	10.2	9.1	8.4	9.8	8.0	7.3	
Debur Gold ⁷	DGC	(0.64)	0.64	1.03	1.28	0.95	1.87	2.66	2.85	141	314	442	475	36.8	23.0	18.5	12.7	8.9	8.3	13.4	9.5	8.8	
Eldorado Gold ^{1,7}	ELD	0.02	0.11	0.26	0.32	0.27	0.26	0.39	0.46	304	285	362	430	38.3	16.4	13.5	16.6	11.0	9.3	9.0	7.0	5.9	
B2Gold ⁷	BTO	(0.02)	0.12	0.18	0.31	0.17	0.46	0.36	0.52	175	374	411	644	23.2	15.7	9.1	6.0	7.8	5.4	7.8	7.1	4.5	
Alamos Gold ⁷	AGI	(0.14)	0.15	0.57	0.56	0.28	0.53	0.88	0.89	54	162	319	316	59.4	15.2	15.6	16.4	9.8	9.8	14.4	7.3	7.4	
New Gold ⁷	NGD	(0.02)	0.11	0.27	0.34	0.52	0.62	0.90	1.10	256	329	495	668	38.7	16.4	13.1	7.1	4.9	4.0	8.3	5.5	4.1	
OceanaGold ⁶	OGC	0.12	0.22	0.28	0.19	0.54	0.44	0.54	0.47	206	315	414	338	15.4	12.2	18.0	7.8	6.3	7.3	7.2	5.5	6.7	
IAMGOLD ⁷	IMG	(0.34)	0.08	0.26	0.21	0.07	0.77	1.09	1.07	120	343	524	497	54.6	17.6	21.7	6.0	4.2	4.3	5.4	3.5	3.7	
Average														36.1	16.7	15.6	10.4	7.8	7.1	9.4	6.7	6.1	
Junior Producers																							
Kirkland Lake Gold ⁷	KGI	0.55	0.59	0.88	0.74	0.89	1.10	1.44	1.28	117	156	196	182	13.7	9.2	11.0	7.4	5.7	6.4	6.0	4.7	5.1	
Alacer Gold ⁷	ASR	0.26	0.12	0.11	0.21	0.43	0.26	0.19	0.31	123	70	54	98	19.6	22.4	11.9	9.4	12.8	7.9	5.3	6.8	3.8	
Dundee Precious Metals ^{1,7}	DPM	(0.29)	0.07	0.30	0.41	0.53	0.50	0.79	0.92	42	91	140	160	44.5	9.9	7.3	5.9	3.8	3.2	6.3	4.1	3.6	
Timmins Gold Corp ^{7,c}	TMM	(0.67)	0.02	0.07	0.07	0.02	0.11	0.16	0.16	3	47	51	51	23.9	7.3	7.0	4.3	3.0	3.0	3.2	3.0	3.0	
Primero Mining ^{7,a}	P	(0.09)	0.10	0.19	0.27	0.51	0.43	0.64	0.76	96	112	193	216	21.1	11.6	8.1	5.0	3.4	2.9	4.1	2.4	2.1	
Klondex Mines ^{1,7}	KDX	0.15	0.28	0.40	0.41	0.31	0.53	0.72	0.77	72	88	127	140	15.5	10.9	10.5	8.1	6.0	5.6	6.7	4.7	4.2	
Newmarket Gold ¹	NMI	(0.02)	0.40	0.46	0.48	0.43	0.76	0.85	0.86	36	135	149	149	7.2	6.3	6.1	3.8	3.4	3.4	3.4	3.1	3.1	
Argonaut ^{1,7}	AR	0.20	0.17	0.53	0.45	0.27	0.34	0.62	0.68	44	58	156	172	15.2	4.9	5.7	7.6	4.1	3.7	5.8	2.2	2.0	
Average														20.1	10.3	8.4	6.5	5.3	4.5	5.1	3.9	3.4	
Silver Producers																							
Americas Silver ^{1,7,b}	USA	(0.04)	0.01	0.04	0.03	(0.01)	0.04	0.06	0.06	-10	23	40	36	19.6	7.4	8.1	7.4	4.4	4.7	3.3	1.9	2.1	
Endeavour Silver ^{6,b}	EDR	(1.47)	0.41	0.64	0.77	0.35	0.49	0.75	0.91	43	48	75	92	10.8	7.0	5.8	9.2	6.0	4.9	9.9	6.3	5.2	
Average														15.2	7.2	7.0	8.3	5.2	4.8	6.6	4.1	3.6	
Royalty Companies																							
Franco-Nevada ^{1,7}	FNV	0.56	1.01	1.08	1.14	1.61	2.75	2.73	2.83	333	516	584	609	72.9	68.0	64.5	26.8	27.0	26.1	25.0	22.1	21.2	
Silver Wheaton ^{1,7,b}	SLW	0.55	0.79	1.05	0.97	1.07	1.48	1.70	1.59	421	655	765	718	33.1	24.8	26.8	17.7	15.4	16.4	18.6	15.9	17.0	
Osisko Gold Royalties ⁷	OR	0.21	0.22	0.20	0.26	0.26	0.47	0.49	0.56	14	23	28	38	58.1	62.9	47.7	26.9	25.7	22.4	38.1	31.5	23.5	
Average														54.7	51.9	46.4	23.8	22.7	21.6	27.2	23.2	20.6	

^a Tahoe and Primero EV / Reserves & Resources, production, and cost metrics in gold equivalent ounces - using gold/silver ratio of 65x

^b Americas Silver, Endeavour Silver, and Silver Wheaton EV / Reserves & Resources, production, and cost metrics in silver equivalent ounces - using gold/silver ratio of 65x

^c Timmins Gold Corp metrics include estimates from San Francisco mine only

Source: GMP estimates

Figure 19. Summary comparison table (sensitivity) – producers

<p>Griffiths McBurney</p> <p>145 King Street West, Suite 300 Toronto, ON M5H 1J8, Canada</p>	Precious Metals Research Team		
	Analyst Steven Butler (416) 943-6651 sbutler@gmpsecurities.com Ian Parkinson (416) 943-6639 iparkinson@gmpsecurities.com Oliver Turner (416) 941-0243 oturner@gmpsecurities.com Ingrid Rico (416) 941-0808 irico@gmpsecurities.com	Associate David Stewart (416) 941-6781 dstewart@gmpsecurities.com Salman Rizvi (416) 943-6631 srizvi@gmpsecurities.com	

Precious Metals Sensitivities to gold price

Company	Ticker (TSX)	NAV/sh @5%			2017 EPS			2017 CFPS			2017 EBITDA			2017 FCF		
		\$ 1,400 (US\$/sh)	\$ 1,500 (US\$/sh)	% chg (%)	\$ 1,400 (US\$/sh)	\$ 1,500 (US\$/sh)	% chg (%)	\$ 1,400 (US\$/sh)	\$ 1,500 (US\$/sh)	% chg (%)	\$ 1,400 (US\$/mm)	\$ 1,500 (US\$/mm)	% chg (%)	\$ 1,400 (US\$/mm)	\$ 1,500 (US\$/mm)	% chg (%)
Senior Producers																
Barrick Gold ^{7,†}	ABX	\$ 11.63	\$ 13.75	+ 18%	\$ 1.22	\$ 1.57	+ 28%	\$ 2.47	\$ 2.81	+ 14%	\$ 4,415	\$ 4,910	+ 11%	\$ 1,178	\$ 1,578	+ 34%
Goldcorp ⁷	G	\$ 14.72	\$ 17.07	+ 16%	\$ 0.58	\$ 0.77	+ 32%	\$ 1.66	\$ 1.88	+ 13%	\$ 2,006	\$ 2,288	+ 14%	\$ 493	\$ 684	+ 39%
Agnico Eagle Mines ⁷	AEM	\$ 34.18	\$ 38.54	+ 13%	\$ 1.28	\$ 1.77	+ 39%	\$ 3.74	\$ 4.46	+ 19%	\$ 1,100	\$ 1,260	+ 15%	\$ 387	\$ 512	+ 32%
Kinross Gold ^{1,6}	K	\$ 5.46	\$ 6.48	+ 19%	\$ 0.27	\$ 0.43	+ 56%	\$ 1.07	\$ 1.23	+ 15%	\$ 1,631	\$ 1,903	+ 17%	\$ 540	\$ 743	+ 38%
Yamana Gold ⁷	YRI	\$ 4.45	\$ 5.20	+ 17%	\$ 0.30	\$ 0.41	+ 36%	\$ 0.81	\$ 0.93	+ 14%	\$ 1,066	\$ 1,198	+ 12%	\$ 343	\$ 451	+ 31%
Average				+ 16%			+ 38%			+ 15%			+ 14%			+ 35%
Intermediate Producers																
Tahoe Resources ^{1,7,a}	THO	\$ 12.59	\$ 14.42	+ 15%	\$ 0.87	\$ 1.03	+ 18%	\$ 1.66	\$ 1.86	+ 12%	\$ 567	\$ 635	+ 12%	\$ 328	\$ 390	+ 19%
Debut Gold ⁷	DGC	\$ 16.15	\$ 18.40	+ 14%	\$ 1.03	\$ 1.29	+ 25%	\$ 2.66	\$ 3.03	+ 14%	\$ 442	\$ 506	+ 14%	\$ 350	\$ 414	+ 18%
Eldorado Gold ^{1,7}	ELD	\$ 6.56	\$ 7.21	+ 10%	\$ 0.26	\$ 0.30	+ 14%	\$ 0.39	\$ 0.44	+ 12%	\$ 362	\$ 401	+ 11%	\$ 98	\$ 130	+ 32%
B2Gold ⁷	BTO	\$ 2.66	\$ 3.01	+ 13%	\$ 0.18	\$ 0.22	+ 23%	\$ 0.36	\$ 0.40	+ 11%	\$ 411	\$ 462	+ 12%	\$ 139	\$ 176	+ 27%
Alamos Gold ⁷	AGI	\$ 10.87	\$ 12.26	+ 13%	\$ 0.57	\$ 0.69	+ 20%	\$ 0.88	\$ 1.01	+ 14%	\$ 319	\$ 366	+ 15%	\$ 146	\$ 178	+ 22%
New Gold ⁷	NGD	\$ 4.45	\$ 5.04	+ 13%	\$ 0.27	\$ 0.34	+ 27%	\$ 0.90	\$ 1.00	+ 11%	\$ 495	\$ 545	+ 10%	\$ 220	\$ 270	+ 23%
OceanaGold ⁶	OGC	\$ 3.41	\$ 3.77	+ 11%	\$ 0.28	\$ 0.34	+ 22%	\$ 0.54	\$ 0.60	+ 11%	\$ 414	\$ 468	+ 13%	\$ 248	\$ 284	+ 15%
IAMGOLD ⁷	IMG	\$ 5.83	\$ 6.85	+ 17%	\$ 0.26	\$ 0.43	+ 64%	\$ 1.09	\$ 1.26	+ 16%	\$ 524	\$ 615	+ 17%	\$ 280	\$ 349	+ 25%
Average				+ 13%			+ 27%			+ 13%			+ 13%			+ 23%
Junior Producers																
Kirkland Lake Gold ⁷	KGI	\$ 9.72	\$ 11.38	+ 17%	\$ 0.88	\$ 1.08	+ 23%	\$ 1.44	\$ 1.64	+ 14%	\$ 196	\$ 226	+ 15%	\$ 15	\$ 39	+165%
Alacer Gold ⁷	ASR	\$ 4.14	\$ 4.64	+ 12%	\$ 0.11	\$ 0.13	+ 19%	\$ 0.19	\$ 0.21	+ 10%	\$ 54	\$ 59	+ 9%	-\$ 234	-\$ 229	+ 2%
Dundee Precious Metals ^{1,7}	DPM	\$ 7.60	\$ 8.51	+ 12%	\$ 0.30	\$ 0.40	+ 33%	\$ 0.79	\$ 0.90	+ 15%	\$ 140	\$ 155	+ 11%	-\$ 38	-\$ 24	+ 36%
Timmins Gold Corp ^{7,c}	TMM	\$ 1.24	\$ 1.52	+ 23%	\$ 0.07	\$ 0.09	+ 38%	\$ 0.16	\$ 0.20	+ 24%	\$ 51	\$ 64	+ 26%	\$ 33	\$ 46	+ 40%
Primerio Mining ^{7,a}	P	\$ 2.46	\$ 2.98	+ 21%	\$ 0.19	\$ 0.28	+ 50%	\$ 0.64	\$ 0.73	+ 13%	\$ 193	\$ 219	+ 13%	\$ 60	\$ 77	+ 28%
Klondex Mines ^{1,7}	KDX	\$ 4.66	\$ 5.39	+ 16%	\$ 0.40	\$ 0.51	+ 29%	\$ 0.72	\$ 0.86	+ 19%	\$ 127	\$ 146	+ 15%	\$ 65	\$ 76	+ 16%
Newmarket Gold ¹	NMI	\$ 3.71	\$ 4.20	+ 13%	\$ 0.47	\$ 0.60	+ 29%	\$ 0.85	\$ 0.98	+ 15%	\$ 149	\$ 172	+ 16%	\$ 104	\$ 127	+ 23%
Argonaut ^{1,7}	AR	\$ 4.70	\$ 5.73	+ 22%	\$ 0.53	\$ 0.61	+ 16%	\$ 0.62	\$ 0.71	+ 14%	\$ 156	\$ 179	+ 15%	-\$ 117	-\$ 101	+ 14%
Average				+ 17%			+ 30%			+ 16%			+ 15%			+ 40%
Silver Producers																
Americas Silver ^{1,7,b}	USA	\$ 0.42	\$ 0.47	+ 11%	\$ 0.04	\$ 0.05	+ 32%	\$ 0.06	\$ 0.08	+ 24%	\$ 40	\$ 44	+ 11%	\$ 12	\$ 16	+ 26%
Endeavour Silver ^{6,b}	EDR	\$ 4.63	\$ 5.48	+ 18%	\$ 0.64	\$ 0.81	+ 27%	\$ 0.75	\$ 0.92	+ 23%	\$ 75	\$ 92	+ 23%	\$ 52	\$ 72	+ 37%
Average				+ 15%			+ 29%			+ 24%			+ 17%			+ 32%
Royalty Companies																
Franco-Nevada ^{1,7}	FNV	\$ 37.60	\$ 40.02	+ 6%	\$ 1.08	\$ 0.95	- 12%	\$ 2.73	\$ 3.06	+ 12%	\$ 584	\$ 629	+ 8%	\$ 258	\$ 315	+ 22%
Silver Wheaton ^{1,7,b}	SLW	\$ 15.69	\$ 17.42	+ 11%	\$ 1.05	\$ 1.22	+ 16%	\$ 1.70	\$ 1.87	+ 10%	\$ 765	\$ 838	+ 10%	\$ 719	\$ 792	+ 10%
Osisko Gold Royalties ⁷	OR	\$ 11.01	\$ 11.37	+ 3%	\$ 0.20	\$ 0.22	+ 12%	\$ 0.49	\$ 0.52	+ 6%	\$ 28	\$ 32	+ 14%	\$ 52	\$ 55	+ 6%
Average				+ 7%			+ 5%			+ 9%			+ 10%			+ 13%

Source: GMP estimates

Figure 20. Summary comparison table – exploration/developers

GMP Securities		Precious Metals Research Team										Metal Price Assumptions												
145 King Street West, Suite 300 Toronto, ON M5H 1J8, Canada		Analyst					Associate					Spot		LT										
		Steven Butler (416) 943-6651 sbutler@gmpsecurities.com	David Stewart (416) 941-6781 dstewart@gmpsecurities.com	Gold (US\$/oz)	1,323	1,400	Ian Parkinson (416) 943-6639 iparkinson@gmpsecurities.com	Salman Rizvi (416) 943-6631 srizvi@gmpsecurities.com	Silver (US\$/oz)	19.69	21.50	Oliver Turner (416) 941-0243 oturner@gmpsecurities.com	Ingrid Rico (416) 941-0808 irico@gmpsecurities.com											
Precious Metals Developers																	Priced as of July 22, 2016							
Company	Ticker (TSX)	Analyst	Price as of 22-Jul-16 (C\$/sh)	Rating	Target (C\$/sh)	Total Return (%)	Market Cap (US\$ mm)	Working Capital (US\$ mm)	EV (US\$ mm)	NAV/sh @5%		P/NAV @5%			EV / P&P Reserves (US\$/oz)	EV / MI&I Resources (US\$/oz)	2018 - 2021 Outlook							
										Spot (US\$/sh)	\$1,400 (US\$/sh)	Spot (x)	\$1,400 (x)	Target (x)			Production (koz Au)		Total Cash Costs (US\$/oz Au)					
Developers																								
Continental Gold ^{1,6}	CNL	SB	C\$ 3.28	BUY	C\$ 7.25	+121%	\$ 352	\$ 40	\$ 311	\$ 8.53	\$ 9.26	0.29	0.27	0.60	\$ 84	\$ 35	31	252	255	348	317	306	332	338
Integra Gold ^{1,6,d}	ICG	IR	C\$ 0.80	BUY	C\$ 1.25	+50%	\$ 271	\$ 46	\$ 225	\$ 0.95	\$ 1.15	0.64	0.57	0.85	-	\$ 103	56	107	123	131	526	539	505	459
Lydian International ^{1,7}	LYD	OT	C\$ 0.40	BUY	C\$ 1.10	+178%	\$ 200	\$ 57	\$ 142	\$ 0.97	\$ 1.07	0.31	0.28	0.80	\$ 59	\$ 28	169	252	345	260	488	473	430	476
Chesapeake Gold ^{1,f}	CKG	SB	C\$ 5.15	HOLD	C\$ 7.50	+46%	\$ 172	\$ 18	\$ 154	NA	NA	NA	NA	NA	\$ 8	\$ 8							(339)	
NewCastle Gold ^{1,7}	NCA	OT	C\$ 0.78	BUY	C\$ 1.40	+79%	\$ 92	\$ 5	\$ 88	\$ 1.05	\$ 1.23	0.56	0.48	0.90	-	\$ 18		21	143	155		816	731	707
Orezone Gold ^{1,7}	ORE	OT	C\$ 0.99	BUY	C\$ 1.80	+82%	\$ 96	\$ 26	\$ 69	\$ 1.25	\$ 1.41	0.60	0.53	1.00	-	\$ 12	49	162	148	128	620	498	533	573
Pershimco Resources ^{7,e}	PRO	OT	C\$ 0.23	BUY	C\$ 0.70	+204%	\$ 49	\$ 7	\$ 42	\$ 0.67	\$ 0.75	0.26	0.23	0.70	-	\$ 47	101	78	74	74	621	804	638	638
Average						+109%						0.44	0.39	0.81	\$ 50	\$ 36	81	145	181	177	514	573	528	407

^d Integra bulk sample production estimate of 11koz at YE17

^e Pershimco production start YE17 with 15koz at cash costs of \$689/oz

^f Chesapeake production and cash cost estimates as per 7 Mar 2016 prefeasibility study

Source: GMP estimates

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