

Metals & Mining Down But Far From Out

Key Takeaway

We have lowered our medium-term gold price forecasts in light of Q4 weakness as the starting point into 2017 but continue to forecast higher prices supported by low real rates and ongoing demand for diversification. We have not adjusted our investment recommendations and our top picks remain ACA LN, RRS LN and ABX. With the Q4 pull-back in share prices, current valuations are compelling for these miners, in our view, and would buy shares for the long-run.

Gold Price Estimates. We have marked to market Q4 for actuals and lowered our medium-term gold price forecasts. We expect sequential improvement through 2017, averaging \$1,225/oz and have left our long-term forecast of \$1,300/oz unchanged. We believe the investment case for gold remains intact and should be driven by a desire for diversification and store of value against rising inflation expectations in a prolonged low real interest rate environment.

Top Picks in UK are ACA and RRS. RRS continues to be the quality name amongst peers with best-in-class leadership. Combined with quality assets, materially higher 2017 shareholder returns with the introduction of a special divi and a valuation premium at its lowest in 2 years, RRS shares are very attractive at these levels. We remain positive on ACA's progress at Bulyanhulu, which should drive to strong FCF (11% yield) in 2017. Continued delivery of solid production results and higher 2017 divis should serve to further reduce the valuation discount that persists. Both ACA and RRS have very strong balance sheets, which in the long-run should help mitigate sector volatility.

ABX Remains Our Preferred North American Gold Miner. Barrick remains our top pick in North American gold on the back of ongoing deleveraging, asset quality, and low AISC. The company has achieved its near-term debt reduction goals, with a \$5bn reduction in gross debt over the past two years. Barrick's medium term goal is to reduce debt to \$5bn (EOY 2016E debt was \$7.9bn), and to eventually have no debt at all. The low-cost Pascua-Lama mine in South America could potentially boost Barrick's production over the next few years. Barrick is considering a phased approach to developing this project. While ultimately the Barrick investment case depends on the price of gold, a high ROIC would justify a higher valuation for ABX shares.

Attractive Entry Points. While share prices across the board were rising in the first nine months of 2016, a fall in gold during Q4 led to an average 15% share price decline across our coverage. With a constructive view on the gold price and cheaper valuations following a weak end to the year, we believe this is an attractive entry point for our three preferred gold miners, particularly for investors who felt they may have missed the run seen in early 2016. Gold is an historically volatile sector and we do not expect this to change, but over a long-term horizon we expect these shares to perform well and would buy the stocks now for the long run.

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^Prior trading day's closing price unless otherwise noted.

Company Name	Ticker	Mkt. Cap (MM)	Rating	Price [^]	Price Target	Cons. Next FY	Current EPS Estimates			Previous Est.	
							2016	2017	2018	2017	2018
Acacia	ACA LN	£1,647.4	BUY	401.70p	550.00p ▼	\$0.50	\$0.19	\$0.53	\$0.52	\$0.54	\$0.49
Barrick Gold Corp	ABX	\$19,726.8	BUY	\$16.93	\$21.00 ▼	\$0.88	\$0.60	\$0.82	\$0.95	\$1.00	\$0.95
Centamin	CEY LN	£1,625.8	HOLD	140.70p	150.00p ▼	\$0.15	\$0.22	\$0.18	\$0.17	\$0.22	\$0.19
Freeport-McMoRan	FCX	\$21,396.4	BUY	\$14.90	\$19.00	\$1.45	\$0.24	\$1.83	\$1.32	\$1.96	\$1.35
Goldcorp Inc.	GG	\$12,485.5	HOLD	\$14.62	\$14.50 ▼	\$0.50	\$0.26	\$0.43	\$0.57	\$0.68	\$0.62
Kinross Gold Corp.	KGC	\$4,170.4	HOLD	\$3.35	\$3.50 ▼	\$0.13	\$0.10	\$0.05	\$0.13	\$0.21	\$0.20
Newmont Mining Corp.	NEM	\$18,772.6	HOLD	\$35.42	\$37.00 ▼	\$1.55	\$1.65	\$1.27	\$1.48	\$1.92	\$1.64
Nordgold	NORD LI+	\$1,222.3	HOLD	\$3.30	\$3.40 ▼	\$0.53	\$0.49	\$0.44	\$0.69	\$0.73	\$0.81
Polymetal	POLY LN	£3,896.6	UNPF	917.50p	650.00p ▼	\$1.20	\$0.94	\$0.79	\$0.90	\$1.15	\$1.09
Randgold	RRS LN	£6,200.5	BUY	6,660.00p	8,700.00p ▼	\$3.65	\$2.81	\$3.38	\$3.99	\$4.45	\$4.47

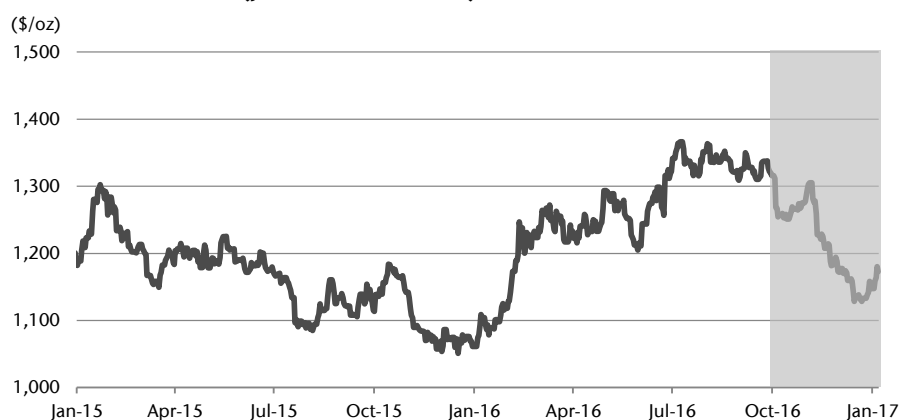
Resetting Expectations

Our investment recommendations remain unchanged in this report. Our top picks in the UK are ACA and RRS with ABX our preferred name in North America.

While gold and gold equities were a great trade in 2016, particularly in H1, we do not expect a repeat of that rapid ascension in 2017 and thus look less for equities that provide max leverage to rising gold prices but rather prefer those with quality assets, strong balance sheets and FCF generation that can return capital to shareholders. We have not adjusted our investment recommendations in this report and our top picks are ACA and RRS in the UK and ABX in North America.

Following a strong 9M for the gold price, a convergence of events led to a significant sell off in gold during Q4 which resulted in a natural contraction in gold miner share prices. We continue to believe a strong case can be made for holding gold equities and forecast upside to the gold price from spot levels, albeit it at lower levels than previously forecast. With a constructive view on the gold price, we believe current share prices for ACA, RRS and ABX offer attractive entry points for quality, long-term investments.

Exhibit 1: Gold Price (Jan 2015 - Current)



Note: Grey shaded area represents October 1st to current
Source: Bloomberg, Jefferies

Exhibit 2: Gold Comparable Valuation

January 9, 2017			Current	Price	Upside/	P/E			EV/EBITDA			FCF Yield (%)			2017E
Company	Ticker	Rating	Price	Target	Downside	2016E	2017E	2018E	2016E	2017E	2018E	2016E	2017E	2018E	Divi Yield
Majors (>2 Moz)															
Barrick Gold	ABX US	Buy	\$17.21	\$21.00	22%	27.3x	20.9x	18.1x	6.3x	6.1x	5.3x	7.3%	6.5%	5.6%	0.5%
Goldcorp	GG US	Hold	\$14.72	\$14.50	-1%	61.8x	34.2x	25.9x	7.8x	6.3x	6.0x	1.4%	4.0%	4.9%	0.1%
Kinross	KGC US	Hold	\$3.39	\$3.50	3%	38.3x	74.2x	25.7x	6.0x	4.6x	4.4x	8.3%	1.9%	7.7%	0.0%
Newmont Mining	NEM US	Hold	\$35.70	\$37.00	4%	20.0x	28.2x	24.2x	9.1x	9.2x	8.1x	9.1%	3.8%	4.7%	0.1%
Majors Weighted Average						33.4x	30.4x	22.5x	7.5x	7.1x	6.3x	6.7%	4.6%	5.3%	0.2%
Mid Cap (<2Moz)															
Acacia Mining	ACA LN	Buy	402 p	550 p	37%	27.5x	9.3x	9.4x	4.6x	3.6x	3.3x	10.1%	11.4%	10.7%	2.8%
Centamin	CEY LN	Hold	141 p	150 p	7%	7.4x	9.4x	9.9x	4.7x	5.2x	4.6x	14.5%	4.9%	5.4%	1.8%
Nordgold	NORD LI	Hold	\$3.30	\$3.40	3%	6.5x	7.6x	4.8x	4.0x	3.1x	2.4x	1.8%	12.7%	27.7%	4.0%
Polymetal	POLY LN	Underperform	918 p	650 p	-29%	12.0x	14.2x	12.4x	8.2x	6.9x	5.9x	3.1%	4.9%	8.0%	2.1%
Randgold Resources	RRS LN	Buy	6660 p	8700 p	31%	32.2x	23.9x	20.3x	13.8x	10.4x	9.9x	3.1%	5.8%	7.1%	4.3%
Mid Cap Weighted Average						20.3x	16.5x	14.2x	8.9x	7.2x	6.6x	5.3%	7.3%	9.6%	3.3%
Weighted Average						30.0x	26.8x	20.4x	7.9x	7.1x	6.4x	6.3%	5.3%	6.4%	1.0%

Note: Priced intraday January 9th

Chris LaFemina is our lead analyst on Barrick, Goldcorp, Kinross and Newmont
Alan Spence is our lead analyst on Acacia, Centamin, Nordgold, Polymetal and Randgold
In weighted averages, weights are based on market capitalisations
Source: Company Data, Bloomberg, FactSet, Jefferies estimates

Gold faced several headwinds during Q4 which circled around the results of the US presidential elections, a very strong USD, ETF outflows and a December rate hike.

Furthermore, this was exacerbated by the Indian demonetisation in November which sapped demand during a traditionally strong period.

A Multitude of Events Resulted in a Weak Q4 for the Gold Price

A stellar Q1-Q3 was met with a jolt in October and a shock in November as gold fell from \$1,315/oz at the end of September to test the low \$1,100/oz range in December. A strong USD, driven by the Trump victory and greater expectations of a reflationary environment initially led to weakness in gold in the weeks following the presidential election results. With optimism over a stronger domestic economy and better corporate profitability, US equities saw inflows at the expense of, as it pertains to this sector, gold funds. Since its recent peak in mid-October, gold ETF holdings suffered cumulative outflows of 226t, or 11%, which further pressured prices in Q4.

This was all exacerbated by the Indian demonetisation in early November, whereby the Rs 500 and Rs 1,000 currency notes would cease to be legal tender. The unintended consequence was a sapping of physical demand during the Indian wedding season and falling prices as a result of expectations over the path of US interest rates, a period which would normally be supportive of gold prices.

Exhibit 3: USD (DXY Index) Reached a 14-Year High in December



Source: Bloomberg, Jefferies

We have lowered our medium-term gold price forecasts but continue to see upside from spot prices. We have left our long-term price forecast of \$1,300/oz unchanged.

In the face of spot gold prices and a very strong USD, we have revised downwards our medium-term price forecasts. Despite this, we continue to see upside from spot prices and forecast it to improve sequentially through 2017. As discussed in greater detail later in this report, we believe gold's investment case remains intact given its qualities as an uncorrelated asset, providing diversification in a prolonged, low real rate environment. Further, should inflation accelerate in 2017, gold's quality as a store of value will be incrementally more in focus amongst investors.

We have marked to market the 4Q16 gold price and introduce our quarterly estimates for 2017. We expect gold to average \$1,225/oz in 2017, with sequential improvements through the year. We have left our long-term forecasts unchanged at \$1,300/oz.

Exhibit 4: Changes to Precious Metal Forecasts

	Spot		4Q16A	2016A	1Q17E	2Q17E	3Q17E	4Q17E	2017E	2018E	2019E/LT
Gold		Old	1,300	1,267	-	-	-	-	1,350	1,325	1,300
	1,173	New	1,227	1,249	1,200	1,225	1,225	1,250	1,225	1,275	1,300
		% Chg	-6%	-1%	n/a	n/a	n/a	n/a	-9%	-4%	0%
Silver		Old	19.00	17.54	-	-	-	-	20.00	19.00	18.00
	16.52	New	17.28	17.11	17.00	17.25	17.25	17.50	17.25	17.50	18.00
		% Chg	-9%	-2%	n/a	n/a	n/a	n/a	-14%	-8%	0%

Source: Bloomberg, Jefferies estimates

As rates remain very low, small rate hikes do not materially increase the opportunity cost of holding gold, in our opinion.

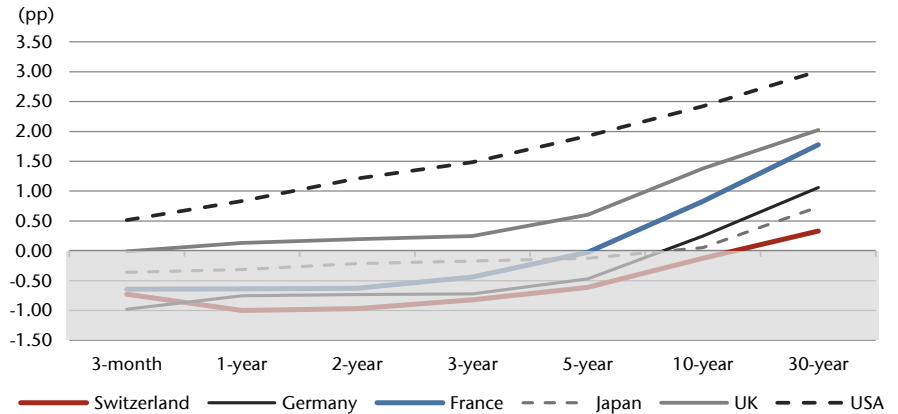
Seven member nations of the G-10 have negative nominal bond yields out to five years.

Real Rates Remain Low

The traditional argument for higher interest rates being negative for gold prices is that it increases the opportunity cost of holding gold, as a non-yielding asset. As we have highlighted in past research, we would argue that in such a low rate environment, small increases in interest rates should have less of a negative impact on the attractiveness of gold. As real rates remain low, we view this as supportive of gold's investment case.

Looking at major economies across the globe, nominal yields remain largely negative out to the 5-year mark. If we expanded the exhibit below to include all constituents of the G-10, we would see 7 member nations with negative 5-year nominal bond yields.

Exhibit 5: Nominal Government Bond Yields



Source: Bloomberg, Jefferies

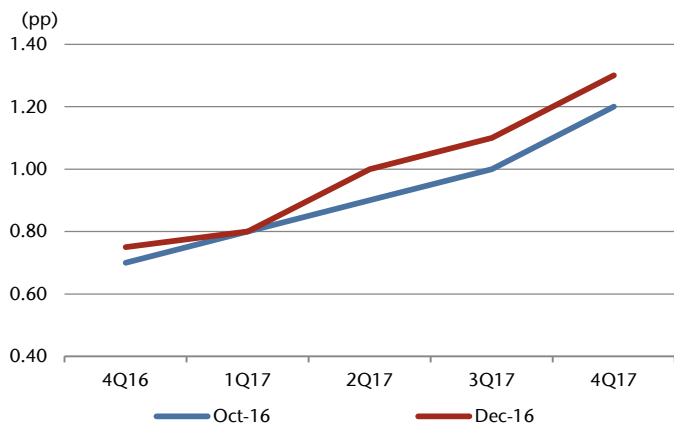
Real rates are just 43bps on 10-year bonds in the US.

As seen in Exhibit 6, expectations over central bank rates in the US moved higher following the results of the US presidential elections. However, despite these higher expectations, real rates have remained very low. The yield on a 10-year inflation linked US government bond is just 43bps. Other major economies, including the UK, Germany, France, Sweden and Japan (all G-10 members) have negative real rates on 10-year bonds.

Inflation in the US has trended higher with the most recent reading of 1.7% in November, though still remains below the target rate of 2.0%.

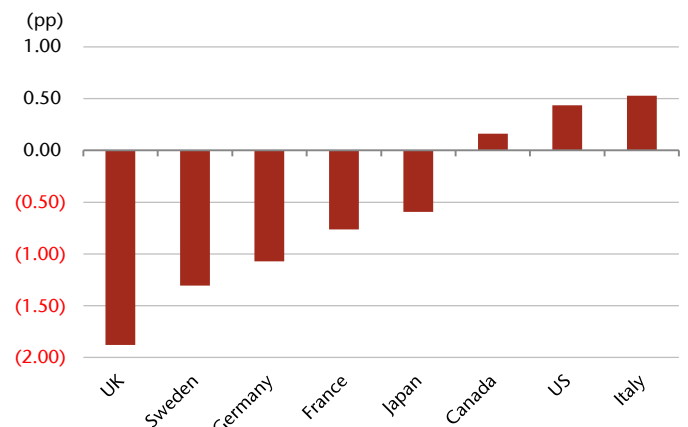
Inflation in the US has steadily increased from late 2015 onwards with the most recent reading of 1.7% in November, but still remains below the Fed target of 2%. A continuing trend of higher inflation would prove supportive of gold prices, not just due to gold's store of value quality but also for mitigating the impact of higher nominal interest rates.

Exhibit 6: US Central Bank Rate Expectations



Source: Bloomberg Economic Forecasts, Jefferies

Exhibit 7: Inflation-Linked 10-Year Bonds



Source: Bloomberg, Jefferies

2017 remains a busy year on the political front with significant events for several major nations.

Gold ETFs have suffered outflows of 11% since mid-October. Despite this, ETF holdings increased 26% during 2016, following steady declines in the years prior.

2017 – Another Busy Political Year

2016 had two very important and easily identifiable events that were likely to cause volatility in markets and gold prices – the Brexit referendum and US Presidential elections. While 2017 may not have events of such magnitude, we point to the table below which highlights several important political events which could drive volatility, albeit potentially on a smaller scale, in equity markets, Fx and precious metal prices.

Exhibit 8: Summary of Important Elections in 2017

Event	Period
Netherlands General Election	March
Hong Kong Chief Executive Election	March
French Presidential Election	April/May
Germany Federal Election	October
Chinese Leadership Transition	Fall

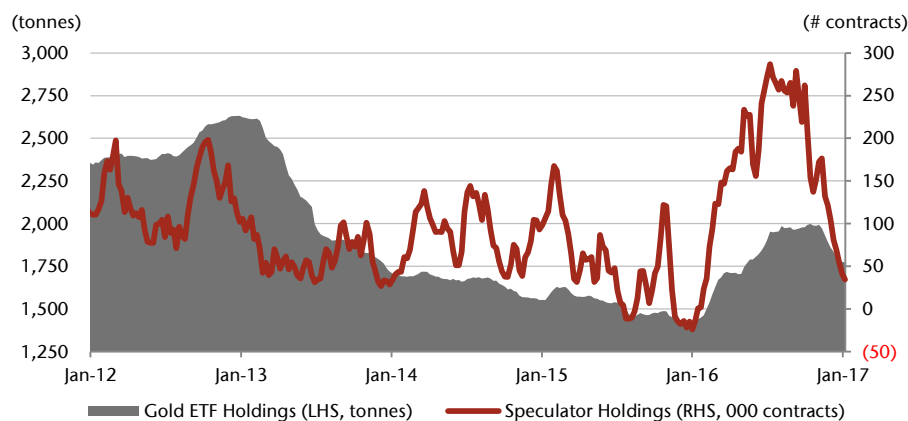
Source: TIME, The Atlantic, Jefferies

ETF Holdings – Year End Liquidation

Following a steady decline from its peak in late 2012 through to the end of 2015, ETF holdings of gold increased by 41% during 2016 to a peak in mid-October. However, following the results of the US presidential election and subsequent inflows into equities, gold ETFs suffered heavy outflows declining 11% by early January. These outflows from gold ETFs were used to rotate into US equities, which further strengthened the US dollar and dampened the gold price.

Net-long positions are currently at approximately 35,000 contracts, a significant decline from their peak in summer of nearly 300,000 contracts. Notably, a net-long position remains in contrast with the net-short position seen in early January 2016.

Exhibit 9: ETF Holdings vs Speculator Holdings (2012 - Current)



Source: CFTC, Bloomberg, Jefferies

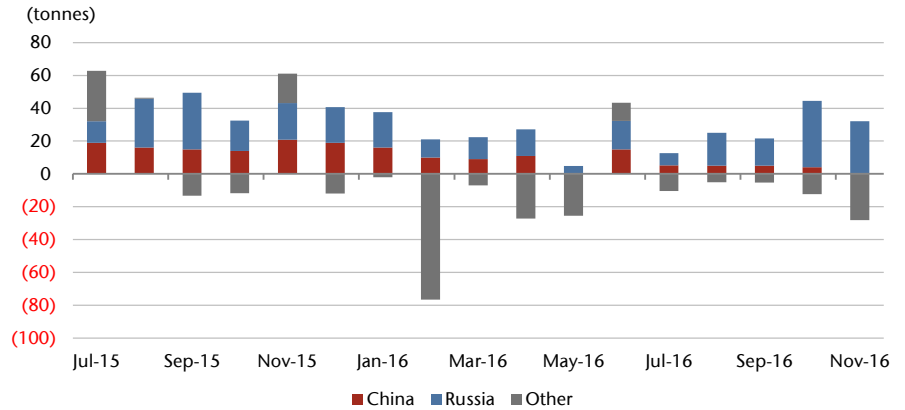
China and Russia continue to be the largest central bank purchasers of gold.

Continued Central Bank Buying

Central Banks continue to seek diversification of foreign reserves by increased holdings of gold. With low nominal and real interest rates, we believe gold is likely to remain an attractive option for foreign reserve managers. China and Russia continue to be the two largest central bank purchasers. The large selling from “Other” in February, April and May is largely attributable to Venezuela, in an effort to raise cash needed to fund imports and pay back debts.

Emerging economies have been the primary central bank buyer since 2008, as evidenced in Exhibit 11, and is a trend we expect to continue.

Exhibit 10: Changes in Central Bank Gold Holdings

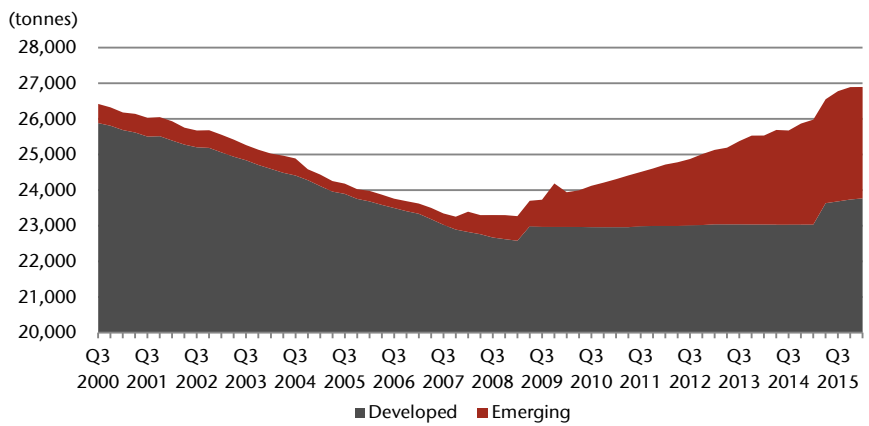


Note: Latest available data is November
Source: IMF, World Gold Council, Jefferies

Gold remains a small part of emerging markets total reserves, averaging less than 3%.

For developed market economies, gold accounts for c12% of total reserves.

Exhibit 11: Gold Reserves



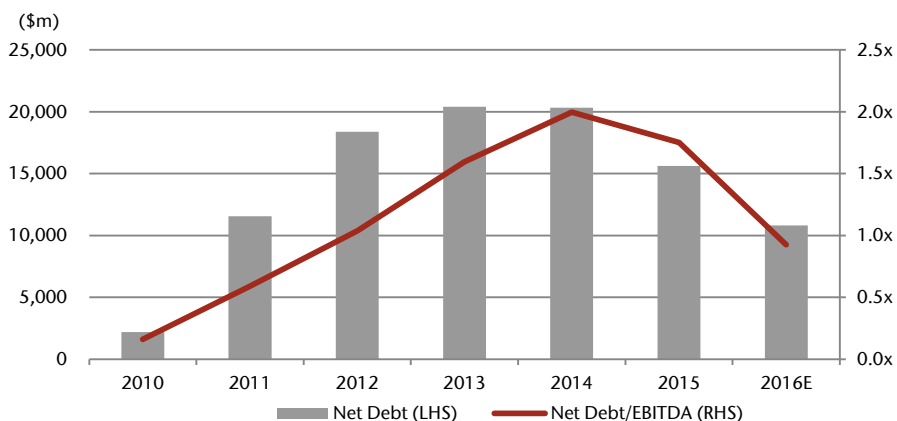
Source: World Gold Council, Jefferies

Gold miners net debt balances peaked in 2013 but have since steadily declined, even in the face of falling gold prices.

What Has Changed in the Gold Miners

Gold prices may have peaked in 2013 but so did the balance sheets and debt loads of the gold miners within our coverage, as the companies chased M&A and project development. Throughout 2015, and in particular 2016, the industry as a whole made FCF generation and balance sheet deleveraging high priorities. As seen below, the net debt balances of the gold miners under our coverage have declined 47% since the peak while Net Debt/EBITDA has improved by a full 1x turn, despite an average gold in 2016 that was 12% below the 2013 average.

Exhibit 12: Gold Miners Improving Balance Sheets

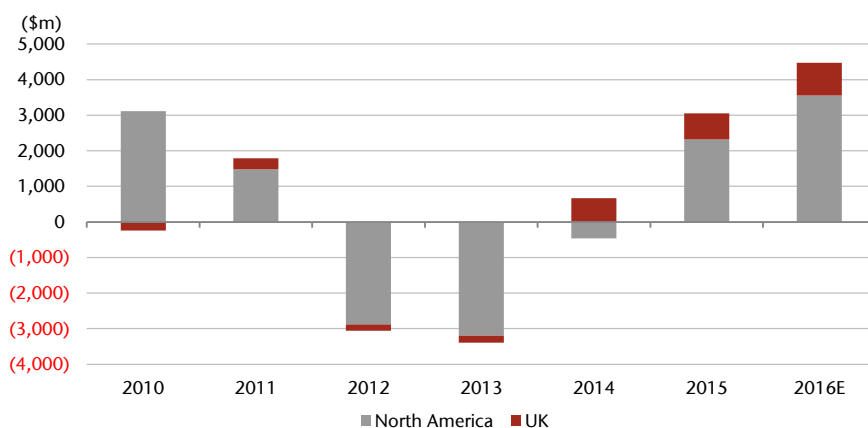


Source: Company Data, FactSet, Bloomberg, Jefferies estimates

A strong focus on FCF generation is evidenced by 2016 numbers whereby the industry total (as per our coverage) is expected to be the strongest this decade.

The industry-wide focus on cost cutting and FCF generation has created companies that are less levered plays to rising gold prices, as was the case in the run up to peak gold prices in 2013. Industry FCF generation, as measured by our coverage universe, has improved greatly in the last few years. Despite much higher gold prices in 2012/13 (averaging \$1,540/oz), FCF was negative as both capex and operating costs were significantly higher than current levels. As mentioned above, an industry-wide focus on FCF has clearly shown in the last few years. We forecast 2016E FCF in our coverage universe to exceed \$4bn, the highest figure since the turn of the decade.

Exhibit 13: Gold Miners FCF Generation



Source: Company Data, Bloomberg, FactSet, Jefferies estimates

Revisiting the Buy Cases

Our preferred names remain unchanged in this report, with buy-rated ACA and RRS in the UK and ABX in North America.

ACA LN: Buy Rating and 550p PT

ACA has a net cash balance sheet, strong FCF and divi yields (11% and 3% respectively) and trades at a discount vs peers.

Despite lower production from Buzwagi as it approaches the end of its life, strong contributions from Bulyanhulu and North Mara prevent significant a reduction in group production.

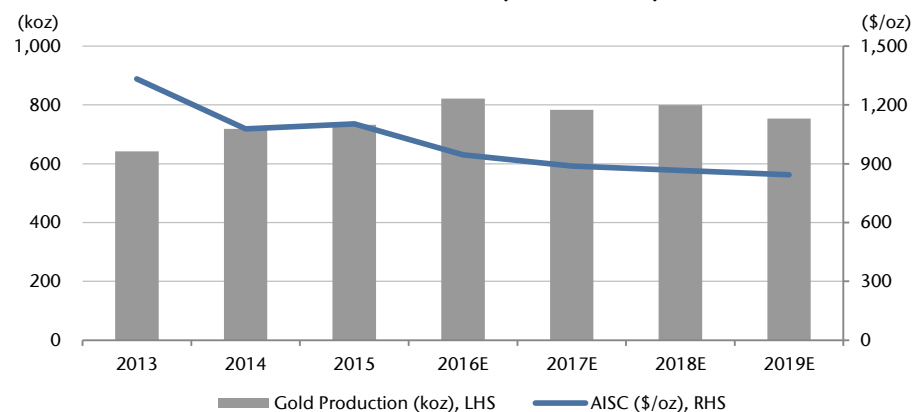
A Bulyanhulu 500koz per annum scenario, not in our numbers, continues to be evaluated by mgmt. and would provide clear upside to the medium-term production profile.

Acacia Mining

We remain very positive on ACA as the miner provides not just leverage to higher gold prices but also underlying operational improvements, which have made significant progress to the cost profile over the past few years. As ACA has reduced its AISC from \$1,561/oz in 2013 to \$941/oz YTD 2016, we believe that the equity should no longer be viewed as the high-cost, levered play. Structural cost reduction has been achieved through investment and productivity, without high grading or the benefit of significant Fx devaluation. Into 2017 we forecast an 11% FCF yield, even in our lowered gold price scenario, which should translate to a 3% divi yield. Combined with a rock-solid, net cash balance sheet (\$203m as of 3Q16), ACA remains very well placed amongst peers, UK or North American.

Furthermore, the equity continues to trade at a discount to peers (2017E EV/EBITDA 3.6x vs sector at 7.1x). As we have written in the past, we believe two of the three historical factors pointed to as the cause, Bulyanhulu and North Mara community issues, have been addressed. The last, ABX's 64% interest and resulting lower free float in ACA shares, is out of their hands at this point. ABX has been clear that they will look to eventually exit the stake and, given a much stronger balance sheet than when a 10% interest was sold in early 2014, would not look to sell a small portion of the stake. Although there is no defined date for this event, we expect the eventual occurrence to be a long-term positive for both parties involved. ABX will exit a non-core asset that will further deleverage the balance sheet and ACA will realise an increase in the free float which should further narrow the valuation discount.

Exhibit 14: ACA - Gold Production vs AISC (2013-2019E)



Source: Company Data, Jefferies estimates

ABX: Buy Rating and \$21.00 PT

On our estimates, Barrick trades at a premium EV/EBITDA multiple (2017E EV/EBITDA of 5.9x) relative to most other gold miners in our coverage. We would argue this premium is justified by Barrick's asset quality and its relatively low risk.

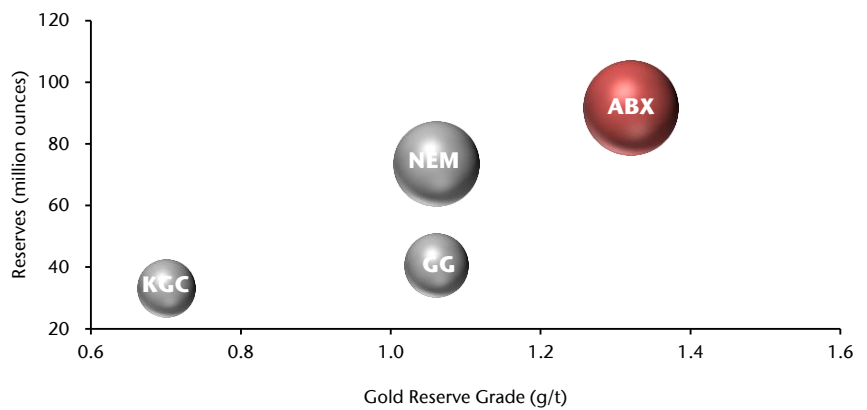
Barrick has a large, high-quality reserve base.

ABX has achieved its debt reduction goals, resulting in a total debt reduction of approximately \$5bn over the last two years. Further deleveraging should continue to drive the ABX share price higher.

Barrick Gold

ABX has very high quality gold mines with low operating costs, low operational risk, low geopolitical risk, and also leverage to the copper price (we are bullish copper). The company has also made very good progress strengthening its balance sheet. Approximately 60% percent of ABX's gold production comes from its low-cost cornerstone assets: Cortez and Goldstrike (USA), Pueblo Viejo (Dominican Republic), Lagunas Norte (Peru) and Veladero (Argentina). As shown in the exhibit below, ABX has a large reserve base with relatively high gold grades (1.32 g/t). In addition, the company has the lowest all-in sustaining costs among the gold miners in our universe (2016E AISC was approximately \$750/oz). On our estimates, Barrick trades at a premium EV/EBITDA multiple (2017E EV/EBITDA of 5.9x) relative to most other gold miners in our coverage. We would argue this premium is justified by Barrick's asset quality and relatively low risk.

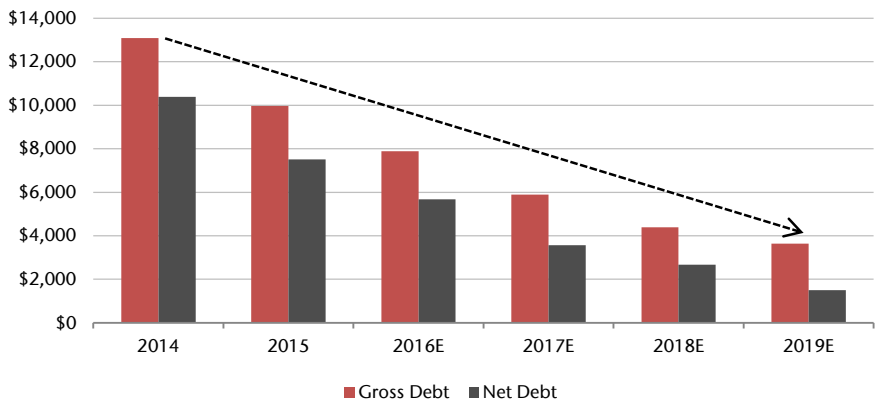
Exhibit 15: Year End Proven and Probable Reserves, 2015



Source: Company data, Jefferies estimates

Following the recent settlement of a \$650m debt tender offer, ABX has cut its gross debt by close to the \$2bn targeted for 2016. Barrick's medium term goal is to reduce debt to \$5bn (EOY 2016E debt was \$7.9bn), and to eventually be debt-free. The company's low-cost structure should lead to relatively strong free cash flow, as should the recovery in the copper price. Further deleveraging should continue to drive the ABX share price higher. We reiterate ABX as our top pick of the North American gold majors.

Exhibit 16: Barrick's deleveraging progress, 2014-2019E



Source: Company data, Jefferies estimates

RRS LN: Buy Rating and 8,700p PT

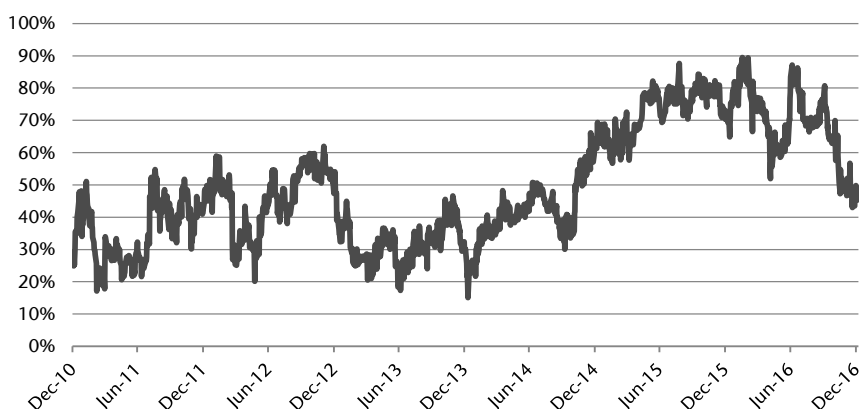
With the valuation premium at its lowest level in two years and significantly higher dividends looming for 2017, we believe the current share price offers an attractive entry point.

RRS' premium valuation is currently at its lowest level in 2 years.

Randgold Resources

RRS remains the quality name amongst UK peers and while Q2/Q3 results took some shine off a soaring share price, the premium valuation has been earned over decades of experience operating in Africa. To quickly address the issues faced in Q2/Q3, we believe these have been adequately handled and do not expect a carry-over into Q4. The disappointing Q2/Q3 results, combined with a falling gold price in Q4 weighed on not just RRS' share price but also its valuation premium. As can be seen in Exhibit 17, its premium is now near its lowest level in two years.

Impressively, RRS has built and operated mines with a clean balance sheet, possessing \$361m cash and no debt as of 3Q16. 2017 also marks an important time for the company as the long-standing goal of reaching the \$500m cash balance mark should be achieved in Q1 on our estimates. Doing so changes the dividend policy whereby RRS will be able to pay not just the common divi but also return capital to shareholders above and beyond the \$500m cash balance mark. With the introduction of our 2017 quarterly estimates, we have also layered in a special divi into our forecasts. We currently model a \$1.00 common divi in 2017 and \$2.50 special divi, combining to represent a >4% yield in 2017. With high quality assets, best-in-class mgmt, a premium valuation near its lowest in two years and materially higher dividends in 2017, we believe RRS is a very compelling investment at current levels and we would buy for the long-term.

Exhibit 17: RRS Premium Valuation

Source: Factset, Jefferies

Exhibit 18: Old vs New and Consensus Forecasts, 2016-2018E

Fiscal year EPS estimates		2016E	2017E	2018E	Fiscal year EPS estimates		2016E	2017E	2018E
Barrick Gold	Previous	0.64	1.00	0.95	Newmont	Previous	1.74	1.92	1.64
	New	0.60	0.82	0.95		New	1.65	1.27	1.48
	% change	-6%	-18%	0%		% change	-6%	-34%	-10%
	Consensus	0.66	0.88	0.84		Consensus	1.60	1.55	1.42
	vs cons	-9%	-7%	13%		vs cons	3%	-18%	4%
Goldcorp	Previous	0.30	0.68	0.62	Randgold	Previous	2.98	4.39	4.41
	New	0.26	0.43	0.57		New	2.77	3.34	3.94
	% change	-14%	-37%	-8%		% change	-7%	-24%	-11%
	Consensus	0.24	0.50	0.59		Consensus	2.76	3.65	4.06
	vs cons	6%	-14%	-4%		vs cons	0%	-9%	-3%
Kinross	Previous	0.13	0.21	0.20					
	New	0.10	0.05	0.13					
	% change	-23%	-78%	-33%					
	Consensus	0.10	0.13	0.18					
	vs cons	2%	-65%	-27%					

Fiscal year EBITDA estimates		2016E	2017E	2018E	Fiscal year EBITDA estimates		2016E	2017E	2018E
Acacia	Previous	418	500	469	Nordgold	Previous	517	680	716
	New	404	396	429		New	497	526	666
	% change	-3%	-21%	-9%		% change	-4%	-23%	-7%
	Consensus	411	442	431		Consensus	522	606	610
	vs cons	-2%	-10%	-1%		vs cons	-5%	-13%	9%
Centamin	Previous	372	355	320	Polymetal	Previous	842	962	981
	New	367	311	295		New	805	759	882
	% change	-1%	-12%	-8%		% change	-4%	-21%	-10%
	Consensus	363	360	361		Consensus	805	903	1,003
	vs cons	1%	-14%	-18%		vs cons	0%	-16%	-12%

Source: Company Data, Bloomberg, FactSet, Jefferies estimates

Exhibit 19: Old vs New Ratings and Target Prices

Ticker	Rating		Current Price	Target price		
	Previous	New		Previous	New	Change
ACA LN	Buy	Buy	402p	610p	550p	-10%
ABX US	Buy	Buy	US\$17.18	US\$22.00	US\$21.00	-5%
CEY LN	Hold	Hold	141p	160p	150p	-6%
GG US	Hold	Hold	US\$14.68	US\$15.00	US\$14.50	-3%
KGC US	Hold	Hold	US\$3.40	US\$4.50	US\$3.50	-22%
NEM US	Hold	Hold	US\$35.61	US\$38.00	US\$37.00	-3%
NORD LI	Hold	Hold	US\$3.30	US\$3.50	US\$3.40	-3%
POLY LN	Underperform	Underperform	918p	700p	650p	-7%
RRS LN	Buy	Buy	6660p	9500p	8700p	-8%

Priced intraday January 9th

Source: Company data, Factset Consensus, Jefferies

Financials

Exhibit 20: ACA Segmental Summary (2010-2018E)

	2010	2011	2012	2013	2014	2015	1H16	2H16E	2016E	2017E	2018E
Bulyanhulu											
Gold Production (oz)	259,873	262,034	236,182	198,286	234,786	273,552	157,069	131,498	288,567	321,270	349,689
Revenue (\$ 000), incl. co-product	359,824	465,037	417,658	279,421	286,677	319,115	191,060	176,724	367,784	410,229	463,853
Cash Cost (\$/oz)	539	610	803	890	812	797	662	728	693	549	525
AISC (\$/oz)	N/A	N/A	1,246	1,343	1,266	1,254	970	1,102	1,032	892	850
EBITDA (\$ 000)	181,233	256,504	184,500	68,286	68,933	59,132	74,294	63,224	137,518	199,355	244,419
EBIT (\$ 000)	152,847	224,184	151,436	32,419	30,489	6,543	33,187	27,837	61,024	114,992	152,593
Capex (\$ 000)	80,539	95,432	117,569	175,489	134,090	95,629	50,633	41,299	91,932	96,682	100,913
North Mara											
Gold Production (oz)	212,947	170,832	193,232	256,731	273,803	287,188	174,737	191,713	366,450	304,374	304,374
Revenue (\$ 000), incl. co-product	269,566	272,943	311,098	365,393	347,337	335,707	204,154	250,129	454,283	372,858	388,077
Cash Cost (\$/oz)	472	810	953	659	623	590	425	431	428	575	625
AISC (\$/oz)	N/A	N/A	1,698	1,227	947	915	720	694	706	820	771
EBITDA (\$ 000)	152,840	128,627	99,483	167,512	156,316	134,628	128,974	163,927	292,901	193,273	193,273
EBIT (\$ 000)	124,822	93,903	44,211	(208,312)	81,423	67,169	99,628	134,036	233,664	146,528	146,528
Capex (\$ 000)	91,442	123,146	93,529	93,658	90,892	43,834	47,842	42,224	90,066	70,000	40,000
Buzwagi											
Gold Production (oz)	186,019	196,541	165,771	181,984	210,063	171,168	80,219	86,125	166,344	157,153	145,064
Revenue (\$ 000), incl. co-product	266,984	348,184	282,982	284,190	296,235	213,309	109,733	120,040	229,773	214,512	199,957
Cash Cost (\$/oz)	685	691	1,066	945	791	1,046	1,052	967	1,008	900	1,000
AISC (\$/oz)	N/A	N/A	1,792	1,506	1,055	1,187	1,125	1,060	1,091	1,011	1,103
EBITDA (\$ 000)	95,976	166,113	55,480	56,198	80,258	1,474	8,835	22,237	31,072	41,075	29,893
EBIT (\$ 000)	56,889	120,084	7,844	(674,186)	68,495	(163,973)	1,966	14,763	16,729	19,788	10,829
Capex (\$ 000)	29,781	83,203	106,452	82,495	43,043	4,971	5,238	1,292	6,530	7,500	5,000
Group											
Gold Production (oz)	700,933	688,279	626,213	641,641	718,652	731,908	412,025	409,336	821,361	782,797	799,127
Revenue (\$ 000), incl. co-product	975,021	1,217,915	1,087,338	929,005	930,248	868,131	504,947	550,747	1,055,694	997,599	1,051,887
Cash Cost (\$/oz)	569	692	940	826	732	772	642	638	640	630	649
AISC (\$/oz)	N/A	N/A	1,458	1,332	1,078	1,102	941	949	945	888	866
EBITDA (\$ 000)	419,006	544,404	329,937	240,406	252,785	175,055	184,882	218,898	403,780	395,703	428,792
EBIT (\$ 000)	311,934	408,721	161,708	99,247	128,672	41,690	105,515	145,092	250,607	241,200	269,049
Capex (\$ 000)	224,391	345,235	351,126	354,362	268,153	145,408	104,367	85,065	189,432	175,182	146,913
Capex, excl. non-cash reclamation adj. (\$ 000)*	224,391	345,235	351,126	354,362	268,153	183,617	85,172	93,025	178,197	175,182	146,913

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 21: ACA Income Statement (2010-2018E)

US\$ 000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Revenue	975,021	1,217,915	1,087,338	929,005	930,248	868,131	1,055,694	997,599	1,051,887
Cost of Sales	(589,040)	(704,114)	(802,708)	(713,806)	(688,278)	(734,167)	(719,597)	(685,982)	(711,628)
Gross Profit	385,981	513,801	284,630	215,199	241,970	133,964	336,097	311,618	340,259
Corporate Administration	(35,436)	(50,193)	(52,498)	(33,872)	(32,684)	(34,455)	(18,928)	(11,095)	(11,196)
Share Based Payments	0	0	0	1,716	(8,388)	(5,537)	(50,782)	(29,767)	(30,039)
Exploration and Evaluation Expenses	(14,861)	(30,339)	(28,961)	(16,926)	(18,284)	(19,737)	(19,739)	(11,571)	(11,676)
Corporate Social Responsibility Expenses	(2,742)	(7,375)	(14,445)	(12,238)	(10,787)	(12,882)	(5,400)	(17,986)	(18,299)
Impairment Charges	0	0	(44,536)	(1,044,309)	0	(146,201)	0	0	0
Other Charges	(23,293)	(15,639)	(17,672)	(30,428)	(47,921)	(28,079)	4,347	69,113	40,221
Profit Before Net Finance Expenses and Taxation	309,649	410,255	126,518	(920,858)	123,906	(112,927)	245,595	310,313	309,270
Finance Income	1,202	1,483	2,102	1,670	1,324	1,384	1,563	2,066	3,278
Finance Expense	(1,777)	(9,035)	(9,374)	(9,552)	(10,043)	(12,617)	(11,075)	(10,690)	(6,656)
Profit Before Taxation	309,074	402,703	119,246	(928,740)	115,187	(124,160)	236,083	301,689	305,892
Tax Expense	(86,471)	(117,923)	(71,062)	187,959	(25,977)	(72,988)	(158,808)	(85,593)	(94,069)
Net Profit from Continuing Operations	222,603	284,780	48,184	(740,781)	89,210	(197,148)	77,275	216,096	211,823
<i>Discontinued Operations:</i>									
<i>Net (loss)/gain from discontinued operations</i>	0	0	0	(57,651)	726	0	0	0	0
Net Profit for the Period	222,603	284,780	48,184	(798,432)	89,936	(197,148)	77,275	216,096	211,823
Non-Controlling Interest	4,500	9,882	(11,287)	(17,332)	(467)	0	0	0	0
Profit Attributable to Owners of the Parent	218,103	274,898	59,471	(781,100)	90,403	(197,148)	77,275	216,096	211,823
Basic EPS (US\$/sh)	0.53	0.67	0.15	(1.90)	0.22	(0.48)	0.19	0.53	0.52
Diluted EPS (US\$/sh)	0.53	0.67	0.15	(1.90)	0.22	(0.48)	0.19	0.53	0.52
Dividend per share (US\$/sh)	0.053	0.163	0.163	0.030	0.042	0.042	0.105	0.138	0.130
Average Shares Outstanding (000)	410,085	410,085	410,085	410,085	410,085	410,085	410,085	410,085	410,085
Diluted Shares Outstanding (000)	410,098	410,095	410,085	410,085	410,303	410,343	410,363	410,363	410,363
Consolidated EBITDA	419,006	544,404	329,937	240,406	252,785	175,055	403,780	395,703	428,792
<i>Consolidated EBITDA %</i>	43%	45%	30%	26%	27%	20%	38%	40%	41%
Attributable EBITDA	410,679	525,536	222,071	231,538	254,309	175,055	403,780	395,703	428,792
Consolidated EBIT	311,934	408,721	161,708	99,247	128,672	41,690	250,607	241,200	269,049
<i>Consolidated EBIT %</i>	32%	34%	15%	11%	14%	5%	24%	24%	26%
Attributable EBIT	305,748	394,558	116,822	95,008	129,447	41,690	250,607	241,200	269,049
<i>Tax Rate</i>	28.0%	29.3%	59.6%	N/A	22.6%	-58.8%	67.3%	28.4%	30.8%
<i>Interest Rate on Cash Balances</i>	0.5%	0.3%	0.4%	0.5%	0.5%	0.5%	0.5%	0.4%	0.5%

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 22: ACA Balance Sheet (2010-2018E)

US\$ 000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Assets									
Goodwill and Intangible Assets	258,513	258,513	278,221	211,190	211,190	211,190	211,190	211,190	211,190
Property, Plant and Equipment	1,615,118	1,823,247	1,975,040	1,280,671	1,425,315	1,390,713	1,425,453	1,446,132	1,433,301
Deferred Tax Assets	121,269	55,529	2,399	50,787	50,852	11,628	11,416	11,416	11,416
Non-Current Portion of Inventory	69,122	78,022	115,553	72,689	90,006	72,616	87,050	87,050	87,050
Derivative Financial Instruments	0	213	467	3,253	1,806	849	129	129	129
Other Assets	104,458	110,658	137,565	137,191	133,020	114,964	118,197	118,197	118,197
Non-Current Assets	2,168,480	2,326,182	2,509,245	1,755,781	1,912,189	1,801,960	1,853,435	1,874,114	1,861,283
Inventories	227,974	316,947	332,232	253,676	265,526	202,321	202,733	188,530	198,790
Trade and Other Receivables	59,214	29,858	44,227	24,210	34,989	14,363	21,944	20,406	21,517
Derivative Financial Instruments	0	4,050	2,207	1,366	1,040	0	9	9	9
Other Current Assets	70,428	33,271	44,314	113,945	75,822	78,563	86,230	86,230	86,230
Cash and Cash Equivalents	401,012	584,154	401,348	282,409	293,850	233,268	401,926	536,589	665,127
Current Assets	758,628	968,280	824,328	675,606	671,227	528,515	712,842	831,765	971,673
Assets of Disposal Group Held for Sale	0	0	0	596	0	0	0	0	0
Total Assets	2,927,108	3,294,462	3,333,573	2,431,983	2,583,416	2,330,475	2,566,278	2,705,879	2,832,956
Equity + Liabilities									
Share Capital and Share Premium	929,199	929,199	929,199	929,199	929,199	929,199	1,004,400	1,156,435	1,311,477
Other Reserves	1,584,125	1,832,032	1,826,512	992,915	1,068,168	858,300	880,569	946,162	946,162
Total Owners Equity	2,513,324	2,761,231	2,755,711	1,922,114	1,997,367	1,787,499	1,884,969	2,102,597	2,257,639
Non-Controlling Interest	29,761	37,473	22,580	5,248	4,781	0	0	0	0
Equity	2,543,085	2,798,704	2,778,291	1,927,362	2,002,148	1,787,499	1,884,969	2,102,597	2,257,639
Borrowings	0	0	0	142,000	127,800	99,400	71,000	42,600	14,200
Deferred Tax Liabilities	136,185	149,544	175,114	35,862	61,904	95,668	138,751	138,751	138,751
Derivative Financial Liabilities	1,754	56	294	1,207	4,079	1,560	588	588	588
Provisions	108,944	157,582	180,548	132,237	155,601	127,354	178,143	141,797	134,614
Other non-Current Liabilities	7,483	18,988	21,064	10,101	17,365	4,122	10,063	10,063	10,063
Non-Current Liabilities	254,366	326,170	377,020	321,407	366,749	328,104	398,545	333,799	298,216
Trade and Other Payables	119,961	161,916	169,904	147,896	174,254	159,866	217,049	203,769	211,387
Borrowings	0	0	0	0	14,200	28,400	28,400	28,400	28,400
Derivative Financial Instrument	1,904	58	429	5,074	13,729	10,920	10,973	10,973	10,973
Provisions	4,000	1,034	1,040	1,028	4,617	1,577	1,566	1,566	1,566
Other Current Liabilities	3,792	6,580	6,889	12,456	7,719	14,109	24,775	24,775	24,775
Borrowings from Related Parties	0	0	0	0	0	0	0	0	0
Current Liabilities	129,657	169,588	178,262	166,454	214,519	214,872	282,763	269,483	277,101
Liabilities of Disposal Group Held for Sale	0	0	0	16,760	0	0	0	0	0
Total Total Equity + Liabilities	2,927,108	3,294,462	3,333,573	2,431,983	2,583,416	2,330,475	2,566,278	2,705,879	2,832,956
Debt	0	0	0	142,000	142,000	127,800	99,400	71,000	42,600
Cash and Cash Equivalents	401,012	584,154	401,348	282,409	293,850	233,268	401,926	536,589	665,127
Net Debt	(401,012)	(584,154)	(401,348)	(140,409)	(151,850)	(105,468)	(302,526)	(465,589)	(622,527)

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 23: ACA Cash Flow Statement (2010-2018E)

US\$ 000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Net Profit for the Period	222,606	284,777	51,493	(798,433)	89,935	(197,148)	77,275	216,096	211,823
Adjustments for:	0	0	0	0	0	0	0	0	0
Taxation	86,471	117,924	72,604	(187,959)	25,977	72,988	158,808	85,593	94,069
Depreciation and Amortization	107,072	135,683	168,229	141,159	124,113	133,365	153,173	154,504	159,743
Finance Items	575	7,241	8,203	7,968	8,680	11,233	9,512	8,623	3,378
Impairments	0	0	44,536	1,061,011	0	146,201	0	0	0
Loss/(Gain) on Disposal of Property, Plant and Equipment	90	179	(616)	(175)	(4,332)	(1,315)	136	0	0
Working Capital Adjustments	(84,248)	(42,880)	(74,070)	(41,165)	20,150	(4,744)	(10,010)	2,461	(3,752)
Other non-cash items	11,785	(704)	3,088	8,181	28,988	3,467	21,515	(36,347)	(7,182)
Cash Generated from Operations before Interest and Tax	344,351	502,220	273,467	190,587	293,511	164,047	410,409	430,930	458,079
Finance Income	1,202	1,484	2,102	1,700	1,401	1,384	1,563	2,066	3,278
Finance Expenses	(412)	(5,381)	(6,284)	(5,172)	(5,384)	(8,966)	(9,840)	(10,690)	(6,656)
Income Tax Paid	0	0	(551)	0	0	0	(20,000)	(20,000)	(94,069)
Net Cash Generated Operating Activities	345,141	498,323	268,734	187,115	289,528	156,465	382,132	402,307	360,632
Purchase of Property, Plant & Equipment	(224,391)	(273,207)	(323,506)	(373,101)	(246,682)	(193,022)	(167,671)	(175,182)	(146,913)
Investments in Other Assets	(2,592)	(8,645)	(24,473)	(8,289)	1,388	8,330	2,529	0	0
Acquisition of Subsidiary, Net of Cash Acquired	(63,109)	0	(22,039)	(588)	0	0	(195)	0	0
Other Investing Activities	14,537	320	(1,468)	(4,872)	(11,698)	3,256	0	0	0
Net Cash from Investing Activities	(275,555)	(281,532)	(371,486)	(386,850)	(256,992)	(181,436)	(165,337)	(175,182)	(146,913)
Issuance of Debt	0	0	0	142,000	0	0	0	0	0
Repayment of External Debt	0	0	0	0	0	(14,200)	(28,400)	(28,400)	(28,400)
(Repayment)/Receipt of Related Party Debt Funding	(575,100)	0	0	0	0	0	0	0	0
Share Issuance (Net of Transaction Costs)	865,366	0	0	0	0	0	0	0	0
Increase in Contributed Surplus	231,255	0	0	0	0	0	0	0	0
Special Dividend	(252,981)	0	0	0	0	0	0	0	0
Interim Dividend	(6,562)	(28,328)	(70,125)	(54,541)	(13,943)	(17,224)	(19,692)	(64,062)	(56,781)
Distributions to Outside Equity Holders	0	(2,170)	(3,606)	0	0	0	0	0	0
Finance Lease Liability Payments	0	(2,184)	(5,708)	(5,137)	(5,073)	(846)	0	0	0
Net Cash from Financing Activities	261,978	(32,682)	(79,439)	82,322	(19,016)	(32,270)	(48,092)	(92,462)	(85,181)
Net Increase in Cash and Equivalents	331,564	184,109	(182,191)	(117,413)	13,520	(57,241)	168,703	134,663	128,538
Net Foreign Exchange Difference	(278)	(967)	(615)	(1,526)	(2,079)	(3,341)	(45)	0	0
Cash and Cash Equivalents at Beginning of Period	69,726	401,012	584,154	401,348	282,409	293,850	233,268	401,926	536,589
Cash and Cash Equivalents at End of Period	401,012	584,154	401,348	282,409	293,850	233,268	401,926	536,589	665,127

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 24: CEY Segmental Summary (2010-2018E)

	2010	2011	2012	2013	2014	2015	1Q16	2Q16	3Q16	4Q16E	2016E	2017E	2018E
Gold Production (oz)	150,289	202,699	262,831	356,943	375,441	439,071	125,268	140,306	148,674	136,787	551,035	539,360	506,170
Revenue (\$ 000)	124,280	340,479	426,133	503,825	472,581	508,396	148,107	180,128	200,845	166,382	695,462	661,628	645,366
Cash Cost (\$/oz)	517	556	655	663	729	713	603	461	461	600	528	585	625
AISC (\$/oz)	N/A	N/A	N/A	N/A	N/A	885	758	669	644	800	715	785	825
EBITDA (\$ 000)	83,344	211,254	233,333	234,198	166,477	152,189	67,484	101,605	119,041	75,719	363,849	311,893	295,649
Capex (\$ 000)	(39,390)	(116,401)	(223,567)	(266,711)	(62,305)	(36,554)	(11,691)	(9,343)	(17,100)	(25,000)	(63,134)	(95,000)	(79,000)
Free Cash Flow (\$ 000)	(13,965)	13,932	(17,616)	(36,238)	23,096	114,616	35,565	68,172	105,291	64,682	273,710	96,307	107,584
Net Debt/(Cash) (\$ 000)	(154,338)	(164,231)	(147,133)	(105,979)	(125,659)	(199,616)	(234,461)	(281,678)	(388,352)	(430,166)	(430,166)	(447,206)	(515,909)

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 25: CEY Income Statement (2010-2018E)

US\$ 000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Revenue	124,280	340,479	426,133	503,825	472,581	508,396	695,462	661,628	645,366
Mine production costs	(43,376)	(112,393)	(176,721)	(237,738)	(275,934)	(314,827)	(297,605)	(315,486)	(316,356)
Movement in inventory	11,387	2,833	9,426	11,099	1,869	(7,476)	2,181	0	0
Depreciation and amortisation	(32,824)	(18,642)	(35,637)	(50,798)	(84,232)	(93,939)	(109,468)	(102,198)	(95,909)
Cost of Sales	(64,813)	(128,202)	(202,932)	(277,437)	(358,297)	(416,242)	(404,893)	(417,684)	(412,265)
Gross Profit	59,467	212,277	223,201	226,388	114,284	92,154	290,570	243,944	233,102
Fixed royalty - attributable to Egyptian Government	(4,809)	(13,360)	(12,769)	(15,074)	(14,144)	(15,198)	(20,828)	(19,849)	(19,361)
Corporate costs	(5,754)	(5,304)	(15,026)	(11,436)	(7,971)	(13,894)	(14,449)	(14,400)	(14,000)
Other expenses	(727)	(1,496)	(2,287)	(2,490)	(3,720)	(298)	(242)	0	0
FX gain, net	2,343	584	5,170	9,621	(2,902)	2,141	2,612	0	0
Provision for restoration and rehabilitation - unwinding of discount	0	(89)	(263)	(563)	(538)	(362)	(580)	(580)	(580)
Share of loss in associate	0	0	(330)	(1,664)	0	0	0	0	0
Depreciation	0	0	0	(121)	(1,093)	(111)	(101)	(100)	(100)
Other Operating Costs	(8,947)	(19,665)	(25,505)	(21,727)	(30,368)	(27,722)	(33,588)	(34,929)	(34,041)
Reversal of impairment / (impairment) of available-for-sale financial assets	0	0	0	(21,382)	(2,764)	(6,294)	145	0	0
Finance expenses	0	0	0	0	0	0	0	0	0
Finance income	0	1,288	898	690	410	269	657	864	894
Profit Before Net Finance Expenses and Taxation	50,520	193,900	198,594	183,969	81,562	58,407	257,783	209,880	199,955
Tax (expense) / benefit	0	0	444	(10)	0	(6,837)	(811)	0	0
Profit for the Period	50,520	193,900	199,038	183,959	81,562	51,570	256,972	209,880	199,955
EMRA profit share	0	0	0	0	0	0	(44,637)	(86,757)	(86,660)
Profit after EMRA profit share	50,520	193,900	199,038	183,959	81,562	51,570	212,335	123,122	113,295
Gains/(losses) on available-for-sale financial assets, net of tax	0	0	(2,804)	6,761	(80)	(212)	74	0	0
Total Comprehensive Income for the Period net of Tax	50,520	193,900	196,234	190,720	81,482	51,358	212,409	123,122	113,295
Non-controlling interest	0	0	0	0	0	0	0	0	0
Profit Attributable to Owners of the Parent	50,520	193,900	196,234	190,720	81,482	51,358	212,409	123,122	113,295
Basic EPS (US\$/sh)	0.047	0.179	0.183	0.169	0.072	0.045	0.223	0.182	0.173
Diluted EPS (US\$/sh)	0.047	0.179	0.183	0.168	0.071	0.045	0.221	0.181	0.172
Dividend per share (US\$/sh)	0.00	0.00	0.00	0.00	0.03	0.03	0.08	0.03	0.03
Average Shares Outstanding (000)	1,081,946	1,083,738	1,089,654	1,090,243	1,131,522	1,144,500	1,152,579	1,155,538	1,155,538
Diluted Shares Outstanding (000)	1,083,641	1,084,907	1,089,978	1,097,145	1,146,620	1,161,149	1,160,537	1,160,283	1,160,283
Consolidated EBITDA	83,344	211,254	233,333	234,198	166,477	152,188	366,696	311,313	295,069
Consolidated EBITDA %	67%	62%	55%	46%	35%	30%	53%	47%	46%
Attributable EBITDA	83,344	211,254	233,333	234,198	166,477	152,188	366,696	311,313	295,069
Consolidated EBIT	50,520	192,612	197,696	183,279	81,152	58,138	257,126	209,015	199,061
Consolidated EBIT %	41%	57%	46%	36%	17%	11%	37%	32%	31%
Attributable EBIT	50,520	192,612	197,696	183,279	81,152	58,138	257,126	209,015	199,061
Tax Rate	0.0%	0.0%	-0.2%	0.0%	0.0%	11.7%	0.3%	0.0%	0.0%
Interest Rate on Cash Balances	N/A	0.8%	0.5%	0.5%	0.4%	0.2%	0.3%	0.2%	0.2%

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 26: CEY Balance Sheet (2010-2018E)

US\$ '000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Assets									
Property, plant and equipment	279,995	541,896	747,571	950,586	928,964	871,467	883,078	875,780	858,771
Exploration and evaluation asset	167,894	31,113	45,669	59,849	123,999	152,077	147,066	172,066	197,066
Prepayments	0	0	0	18,950	23,750	28,750	0	0	0
Other assets	0	5,127	8,745	0	645	60	83	83	83
Non-Current Assets	447,889	578,136	801,985	1,029,385	1,077,358	1,052,354	1,030,227	1,047,929	1,055,920
Inventories	36,291	72,631	94,636	135,269	140,628	134,775	107,995	116,478	113,615
Available-for-sale financial assets	0	0	0	989	409	163	163	163	163
Trade and other receivables	31	29,998	40,736	25,427	24,973	23,784	14,785	15,946	15,554
Prepayments	460	1,576	466	1,678	1,710	1,161	0	0	0
Cash and cash equivalents	154,338	164,231	147,133	105,979	125,659	199,616	430,166	447,206	515,909
Current Assets	191,120	268,436	282,971	269,342	293,379	359,499	553,109	579,793	645,242
Total Assets	639,009	846,572	1,084,956	1,298,727	1,370,737	1,411,853	1,583,335	1,627,722	1,701,162
Equity + Liabilities									
Issued capital	600,402	608,596	612,463	612,463	661,573	665,590	667,472	667,472	667,472
Share option reserve	3,345	2,006	3,477	5,761	4,098	2,469	2,344	2,344	2,344
Other reserves	0	0	0	0	0	0	0	0	0
Accumulated profits	16,294	207,670	403,904	594,624	667,702	685,273	851,661	894,652	968,173
Non-controlling interests	0	0	0	0	0	0	0	0	0
Equity	620,041	818,272	1,019,844	1,212,848	1,333,373	1,353,332	1,521,477	1,564,468	1,637,989
Provisions	2,624	2,630	5,544	7,638	3,015	7,139	7,702	8,282	8,862
Non-Current Liabilities	2,624	2,630	5,544	7,638	3,015	7,139	7,702	8,282	8,862
Trade and other payables	15,234	24,509	54,606	78,102	34,042	43,969	50,098	50,914	50,253
Tax liabilities	444	444	0	0	0	6,837	0	0	0
Provisions	666	717	4,962	139	307	576	4,058	4,058	4,058
Current Liabilities	16,344	25,670	59,568	78,241	34,349	51,382	54,156	54,972	54,311
Total Total Equity + Liabilities	639,009	846,572	1,084,956	1,298,727	1,370,737	1,411,853	1,583,335	1,627,722	1,701,162
Debt									
Debt	0	0	0	0	0	0	0	0	0
Cash and Cash Equivalents	154,338	164,231	147,133	105,979	125,659	199,616	430,166	447,206	515,909
Net Debt	(154,338)	(164,231)	(147,133)	(105,979)	(125,659)	(199,616)	(430,166)	(447,206)	(515,909)

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 27: CEY Cash Flow Statement (2010-2018E)

US\$ '000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Profit for the Period		193,993	199,038	183,959	81,562	51,570	212,335	123,122	113,295
Adjustments for:									
Depreciation and Amortisation of property, plant and equipment		18,642	35,637	50,888	84,290	94,051	109,569	102,298	96,009
Inventory write off		295	20	372	11	0	37	0	0
(Decrease) / increase in provisions		171	7,159	(2,729)	(5,234)	11,231	3,852	580	580
FX rate gain, net		(584)	(4,320)	(7,788)	4,455	(3,471)	(2,083)	0	0
Share of loss in associate		0	330	1,968	0	0	85	0	0
Reversal of impairment / (impairment) of available-for-sale financial assets		0	0	21,078	3,857	5,768	(145)	0	0
Share based payments		1,403	1,981	2,284	2,493	2,350	1,773	0	0
Changes in working capital during the period:									
(Increase) / Decrease in trade and other receivables		(29,870)	(10,738)	15,309	454	1,188	8,999	(1,161)	392
(Increase) / Decrease in inventories		(34,612)	(22,005)	(40,633)	(5,359)	5,853	26,781	(8,483)	2,863
(Increase) / Decrease in prepayments		(1,116)	1,110	(20,162)	(4,832)	549	33,080	0	0
Decrease / (Increase) in trade and other payables		6,508	13,193	41,287	(49,685)	16,722	(3,624)	816	(661)
Finance income		(1,288)	(898)	(690)	(410)	(269)	(657)	(864)	(894)
Net Cash Generated Operating Activities	49,578	153,542	220,507	245,143	111,602	185,542	390,002	216,307	211,584
Acquisition of property, plant and equipment	(39,390)	(116,401)	(223,567)	(266,711)	(62,305)	(36,554)	(73,657)	(95,000)	(79,000)
Exploration and evaluation expenditure	(24,153)	(23,209)	(14,556)	(14,670)	(26,201)	(34,372)	(42,635)	(25,000)	(25,000)
Proceeds from sale of financial assets	321	(9,508)	(6,593)	(2,134)	91	0	0	0	0
Cash acquired through Ampella Mining Ltd asset acquisition	0	0	0	0	9,254	0	0	0	0
Finance income	0	1,288	898	690	410	269	657	864	894
Other investing activities	133	0	0	0	0	0	0	0	0
Net Cash used in Investing Activities	(63,089)	(147,830)	(243,818)	(282,825)	(78,751)	(70,657)	(115,635)	(119,136)	(103,106)
Dividends paid	0	0	0	0	(9,925)	(33,787)	(46,009)	(80,132)	(39,775)
Proceeds from the issue of equity and conversion of options	141,939	3,492	3,357	0	0	0	0	0	0
Own shares acquired during the period	0	0	0	0	(1,743)	0	0	0	0
Other financing activities	557	0	0	0	0	(5,000)	0	0	0
Net Cash used in Financing Activities	142,496	3,492	3,357	0	(11,668)	(38,787)	(46,009)	(80,132)	(39,775)
Net Increase in Cash and Equivalents	128,985	9,204	(19,954)	(37,682)	21,183	76,098	228,359	17,040	68,703
Net Foreign Exchange Difference	1,716	689	2,856	(3,472)	(1,503)	(2,141)	2,191	0	0
Cash and Cash Equivalents at Beginning of Period	26,941	154,338	164,231	147,133	105,979	125,659	199,616	430,166	447,206
Cash and Cash Equivalents at End of Period	154,338	164,231	147,133	105,979	125,659	199,616	430,166	447,206	515,909

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 28: NORD Income Statement (2010-2018E)

US\$ millions	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Sales	754	1,182	1,198	1,271	1,216	1,130	1,093	1,186	1,404
Cost of sales	(420)	(673)	(850)	(940)	(846)	(778)	(715)	(795)	(888)
Gross profit	334	509	348	331	370	352	378	392	516
General and administrative expenses	(47)	(38)	(69)	(67)	(60)	(55)	(56)	(62)	(69)
Taxes other than income tax	(46)	(76)	(79)	(75)	-	-	-	-	-
Other operating income/(expenses), net	22	(14)	(39)	(370)	(27)	12	(33)	(76)	(65)
Profit from operations	262	382	161	(181)	284	309	289	254	382
Finance income	7	5	14	18	8	20	58	6	6
Finance costs	(77)	(63)	(45)	(69)	(109)	(54)	(86)	(44)	(44)
Profit before income tax	192	324	130	(232)	183	274	261	217	345
Income tax expenses	(58)	(72)	(54)	62	(60)	(86)	(70)	(49)	(78)
Profit for the period	133	252	76	(170)	123	189	191	168	267
<i>Attributable to:</i>									
Shareholders of the Company	95	169	19	(189)	98	176	183	161	256
Non-controlling interest	39	83	57	19	25	13	8	7	11
Basic earnings per share (US\$)	0.38	0.47	0.05	(0.50)	0.26	0.47	0.49	0.44	0.69
Diluted earnings per share (US\$)	0.38	0.47	0.05	(0.50)	0.26	0.47	0.49	0.44	0.69
Average sharecount - basic (millions)	252	359	361	378	378	376	371	371	371
Dividend per share (US\$)	-	-	0.12	0.08	0.10	0.16	0.16	0.13	0.21
Consolidated EBITDA	385	578	396	421	488	520	497	526	666
Consolidated EBITDA margin	51.1%	48.9%	34.2%	33.1%	40.2%	46.0%	45.4%	44.3%	47.4%
Attributable EBITDA	310	465	350	303	368	416	410	428	554
Attributable EBIT	200	283	108	104	137	193	198	187	301
Effective tax rate	30.4%	22.3%	41.7%	26.9%	32.8%	31.1%	27.0%	22.5%	22.5%

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 29: NORD Balance Sheet (2010-2018E)

US\$ millions	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Assets									
<u>Current assets</u>									
Cash, cash equivalents + ST Deposits	212	217	45	244	318	364	323	235	253
Accounts receivable	34	74	85	52	34	20	33	34	40
Inventories	283	375	501	489	327	205	245	245	279
VAT recoverable	33	57	89	83	47	47	64	64	64
Short-term financial investments	2	4	19	-	-	-	-	-	-
Income tax receivable	4	3	11	11	6	6	2	2	2
Total current assets	568	731	749	879	731	642	666	579	637
<u>Non-current assets</u>									
Property, plant and equipment	488	575	861	816	669	668	906	1,003	1,009
Intangible assets	1,272	1,243	1,215	906	708	683	651	556	456
Long-term financial investments	121	86	81	17	47	60	47	47	47
Investment in joint venture	6	5	5	3	3	-	-	-	-
Restricted cash	3	4	5	6	8	9	10	10	10
Deferred tax assets	11	3	5	26	21	17	9	9	9
Other non-current assets	9	2	13	33	56	47	55	55	55
Total non-current assets	1,909	1,917	2,185	1,808	1,512	1,484	1,678	1,680	1,587
Total assets	2,477	2,648	2,934	2,687	2,242	2,126	2,344	2,259	2,225
<u>Liabilities and shareholders' equity</u>									
<u>Current liabilities</u>									
Short-term debt finance	281	316	262	327	5	130	179	179	179
Accounts payable	133	173	196	203	174	163	218	215	240
Income tax payable	21	18	23	44	19	19	13	13	13
Provisions	32	25	22	20	6	3	3	3	3
Total current liabilities	468	532	503	594	204	315	412	409	434
<u>Non-current liabilities</u>									
Long-term debt finance	116	84	464	641	940	815	692	525	275
Provisions	49	61	79	68	53	38	43	43	43
Deferred tax liabilities	207	201	182	71	38	50	66	66	66
Other non-current liabilities	15	13	16	19	11	9	9	9	9
Total non-current liabilities	386	360	741	799	1,041	913	810	643	393
Total liabilities	854	892	1,243	1,393	1,245	1,228	1,222	1,052	827
<u>Equity</u>									
Share capital	1,245	1,245	1,307	1,307	1,316	1,281	1,279	1,279	1,279
Additional capital	862	862	894	894	894	870	869	869	869
Foreign exchange differences	(47)	(71)	(41)	(114)	(439)	(648)	(565)	(565)	(565)
Retained earnings	(716)	(550)	(581)	(869)	(845)	(699)	(534)	(455)	(276)
Revaluation reserves	47	30	27	(3)	13	23	0	0	0
Total equity attributable to shareholders of the Company	1,392	1,515	1,607	1,215	939	827	1,050	1,128	1,308
Non-controlling interest	231	241	85	79	59	71	72	79	90
Total equity	1,623	1,756	1,691	1,294	998	898	1,122	1,207	1,398
Total equity and liabilities	2,477	2,648	2,934	2,687	2,242	2,126	2,344	2,259	2,225
Net debt/(cash)	185	183	681	724	627	582	548	470	201

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 30: NORD Cash Flow Statement (2010-2018E)

US\$ millions	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Operating activities									
Profit for the period	133	252	76	(170)	123	189	191	168	267
Adjustments for non-cash movements:									
Finance costs, net	71	58	31	51	101	34	79	37	37
Income tax expense	58	72	54	(62)	60	86	70	49	78
Depreciation and amortisation	119	184	232	219	202	198	180	271	284
Impairment of non-current assets	1	6	9	386	24	(13)	15	-	-
Negative goodwill	(1)	-	35	-	-	-	-	-	-
Net (profit)/loss from associates and joint ventures	1	1	0	0	3	-	-	-	-
Gain on disposal of subsidiaries	(0)	(0)	-	-	-	-	(51)	-	-
Loss on disposal of property, plant and equipment	4	1	1	3	1	1	1	-	-
Movements in provisions for inventories, receivables and other provisions	(3)	(7)	16	(7)	(3)	39	11	-	-
Impairment of AFS financial assets	-	6	0	-	18	-	-	-	-
Gain from remeasurement to FV of previously held equity interest	(16)	-	-	-	-	-	-	-	-
Changes in operating assets and liabilities:									
Accounts receivable	11	(25)	(7)	15	2	(7)	(3)	(1)	(6)
Inventories	(79)	(82)	(146)	(33)	(37)	8	(43)	(1)	(34)
VAT recoverable	(6)	(26)	(34)	4	(9)	(21)	(16)	-	-
Accounts payable	(11)	33	(0)	8	(16)	21	25	(3)	25
Net other changes in operating assets and liabilities	8	3	4	(17)	1	5	(2)	-	-
Cash flows from operations	290	476	271	397	469	539	457	521	651
Interest paid	(25)	(13)	(69)	(52)	(54)	(47)	(40)	(44)	(44)
Income taxes paid	(16)	(65)	(81)	(34)	(87)	(74)	(49)	(49)	(78)
Cash flows from operating activities	249	398	122	311	328	418	368	428	530
Investing activities									
Additions to property, plant and equipment	(109)	(200)	(325)	(162)	(115)	(227)	(347)	(273)	(192)
Additions to exploration and evaluation assets	(63)	(113)	(130)	(85)	(33)	(40)	(16)	-	-
Additions to other intangible assets	(0)	(1)	(0)	-	-	-	-	-	-
Additions to financial investments	(21)	(16)	(14)	(6)	(209)	(7)	122	-	-
Acquisition of entities under common control	-	0	-	-	-	-	-	-	-
Acquisition of subsidiaries, net of cash acquired	(259)	-	-	-	-	(4)	(15)	-	-
Proceeds from disposal of property, plant and equipment	2	2	0	0	-	-	30	-	-
Proceeds from disposal of financial investments	37	14	0	19	-	109	-	-	-
Proceeds from disposal of subsidiaries, net of cash disposed	0	0	-	-	-	-	-	-	-
Interest received	5	5	2	3	8	7	9	6	6
Cash used in investing activities	(409)	(309)	(467)	(231)	(357)	(161)	(217)	(267)	(185)
Financing activities									
Proceeds from debt finance	315	117	731	580	500	-	-	-	-
Repayment of debt finance	(207)	(118)	(381)	(348)	(521)	(2)	(83)	(167)	(250)
Payment of finance lease liabilities	(2)	(1)	-	-	-	-	-	-	-
Acquisition of non-controlling interest	(342)	(59)	(177)	(24)	-	-	-	-	-
Proceeds from issue of share capital	527	-	-	-	-	(30)	(1)	-	-
Borrowing/equity transaction costs paid	(5)	(9)	-	(9)	(8)	-	-	-	-
Dividends	-	-	(2)	(71)	(40)	(59)	(18)	(83)	(77)
Distribution to non-controlling interest	-	-	-	-	-	-	-	-	-
Distribution to related parties	(5)	-	-	-	-	-	-	-	-
Contribution from the Parent company	-	-	-	-	-	-	-	-	-
Contribution from non-controlling interest	-	-	-	-	-	-	-	-	-
Cash (used in)/from financing activities	281	(70)	171	128	(70)	(93)	(102)	(250)	(327)
Net increase/(decrease) in cash and cash equivalents	122	18	(175)	208	(98)	164	49	(88)	18

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 31: POLY Segmental Summary (2010-2018E)

	2010	2011	2012	2013	2014	2015	1H16	2H16E	2016E	2017E	2018E
Dukat											
Silver Equivalent Production (koz)	16,774	19,756	21,372	24,636	26,624	30,584	14,430	15,011	29,441	27,964	27,473
Gold Equivalent Production (koz)	280	329	356	411	344	393	187	195	382	366	361
Revenue (\$m)	345	532	673	532	486	440	213	280	493	494	497
Total Cash Cost (\$/Ge oz)	620	631	659	719	610	488	460	488	475	574	570
AISC (\$/GE oz)	N/A	N/A	N/A	863	765	599	571	606	590	712	708
Adj. EBITDA (\$m)	154	282	378	229	230	239	129	182	312	285	291
EBIT (\$m)	131	255	292	156	159	205	101	152	253	228	235
Capex (\$m)	43	72	52	40	33	28	14	15	29	20	20
Albazino											
Gold Equivalent Production (koz)	0	30	78	238	227	220	114	129	243	213	213
Revenue (\$m)	0	45	99	294	299	255	132	170	303	261	271
Total Cash Cost (\$/Ge oz)	0	993	699	789	625	460	468	525	500	550	550
AISC (\$/GE oz)	N/A	N/A	N/A	1,138	901	667	649	728	693	763	763
Adj. EBITDA (\$m)	(9)	5	35	103	133	153	82	100	182	144	154
EBIT (\$m)	(9)	(4)	13	43	76	122	64	79	143	110	120
Capex (\$m)	205	155	93	71	44	20	12	20	32	50	50
Mayskoye											
Gold Equivalent Production (koz)	0	0	0	48	143	138	25	101	126	142	147
Revenue (\$m)	0	0	0	50	145	133	23	129	152	174	188
Total Cash Cost (\$/Ge oz)	0	0	0	957	966	752	740	800	791	875	850
AISC (\$/GE oz)	N/A	N/A	N/A	2,307	1,134	935	1,512	950	1,035	1,039	1,009
Adj. EBITDA (\$m)	(5)	(10)	(12)	(4)	28	34	(0)	48	48	50	63
EBIT (\$m)	(6)	(12)	(8)	(36)	(2)	13	(4)	28	24	22	33
Capex (\$m)	60	94	106	58	19	21	7	15	22	20	20
Omolon											
Gold Equivalent Production (koz)	19	46	173	159	212	188	68	78	146	184	177
Revenue (\$m)	25	73	296	223	277	224	73	100	173	226	226
Total Cash Cost (\$/Ge oz)	1,162	1,471	894	874	570	554	610	575	590	600	575
AISC (\$/GE oz)	N/A	N/A	N/A	1,322	722	732	895	844	866	880	844
Adj. EBITDA (\$m)	(8)	5	124	63	142	111	35	55	90	115	124
EBIT (\$m)	(10)	(10)	74	(82)	109	73	33	42	75	84	94
Capex (\$m)	61	75	50	57	21	8	7	15	22	20	20
Voro											
Gold Equivalent Production (koz)	186	160	157	154	159	141	57	70	127	130	132
Revenue (\$m)	214	280	268	215	204	163	69	90	159	160	168
Total Cash Cost (\$/Ge oz)	423	549	506	503	376	336	301	350	328	400	400
AISC (\$/GE oz)	N/A	N/A	N/A	692	515	391	387	450	422	514	514
Adj. EBITDA (\$m)	131	175	174	130	141	115	51	65	116	108	115
EBIT (\$m)	108	148	149	109	124	103	37	48	86	76	83
Capex (\$m)	12	13	11	20	18	3	2	8	10	10	10
Varvara											
Gold Equivalent Production (koz)	98	135	133	131	106	73	35	49	84	146	154
Revenue (\$m)	125	182	215	190	120	96	30	68	98	179	196
Total Cash Cost (\$/Ge oz)	626	723	795	770	705	817	909	875	886	875	850
AISC (\$/GE oz)	N/A	N/A	N/A	1,089	1,049	1,092	1,113	1,071	1,084	1,071	1,041
Adj. EBITDA (\$m)	55	91	100	74	45	25	6	21	28	51	65
EBIT (\$m)	31	78	74	(42)	22	3	3	15	18	32	46
Capex (\$m)	22	16	16	43	21	15	3	8	11	15	15
Okhotsk											
Gold Equivalent Production (koz)	170	109	162	144	119	115	30	102	132	110	117
Revenue (\$m)	215	214	302	203	158	129	50	131	180	134	149
Total Cash Cost (\$/Ge oz)	478	653	615	764	704	574	624	675	660	650	650
AISC (\$/GE oz)	N/A	N/A	N/A	1,065	909	621	750	811	794	781	781
Adj. EBITDA (\$m)	120	113	178	85	60	49	20	61	82	63	73
EBIT (\$m)	105	99	147	(72)	44	36	17	53	70	54	63
Capex (\$m)	10	39	28	39	35	26	11	12	23	25	25
Group											
Gold Equivalent Production (koz)	753	808	1,058	1,285	1,311	1,268	522	743	1,265	1,371	1,489
Revenue (\$m)	925	1,326	1,854	1,707	1,690	1,441	593	992	1,586	1,726	1,935
Total Cash Cost (\$/Ge oz)	556	689	685	745	631	534	513	603	568	640	641
AISC (\$/GE oz)	N/A	N/A	N/A	1,111	893	733	754	767	762	818	803
Adj. EBITDA (\$m)	425	624	918	598	685	658	294	485	779	759	882
EBIT (\$m)	328	451	627	(43)	436	479	218	360	578	532	597
Capex (\$m)	444	480	372	358	220	225	123	196	319	338	278

Note: Kapan not shown in this summary

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 32: POLY Income Statement (2010-2018E)

US\$ 000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Revenue	925,376	1,326,430	1,854,065	1,706,597	1,690,391	1,441,093	1,585,594	1,726,113	1,935,204
Cost of sales	(458,114)	(635,337)	(851,839)	(1,123,796)	(1,023,219)	(766,252)	(757,744)	(918,743)	(1,029,084)
Write-down to net realisable value	0	0	(4,000)	(153,327)	39,174	(12,976)	3,609	0	0
Gross profit	467,262	691,093	998,226	429,474	706,346	661,865	831,459	807,370	906,120
General, administrative and selling expenses	(82,100)	(160,026)	(181,648)	(168,132)	(131,293)	(127,486)	(147,686)	(160,774)	(180,249)
Other expenses	(55,524)	(78,344)	(153,855)	(88,486)	(131,901)	(51,221)	(105,322)	(114,656)	(128,545)
Impairment of non-current assets	0	0	0	(201,105)	0	0	0	0	0
Impairment of investment in associate	0	0	0	(12,291)	0	0	0	0	0
Share of loss of associates and joint ventures	(1,170)	(1,952)	(1,804)	(2,340)	(7,139)	(4,099)	(244)	0	0
Operating profit	328,468	450,771	660,919	(42,880)	436,013	479,059	578,208	531,940	597,327
Gain/Loss on disposal of subsidiaries	3,580	4,931	(10,709)	(8,746)	0	1,205	0	0	0
Gain on acquisition of remaining interest in joint venture	0	0	21,051	0	0	0	0	0	0
Foreign exchange loss, net	(337)	(13,634)	6,677	(74,240)	(559,266)	(132,870)	66,317	0	0
Change in fair value of derivative financial instruments	(909)	(1,855)	0	0	0	0	0	0	0
Change in fair value of contingent consideration liability	(3,616)	(6,828)	(4,717)	8,131	22,788	4,246	(16,666)	0	0
Finance income	785	4,208	4,657	2,850	3,216	4,889	950	(160)	(260)
Finance costs	(21,541)	(28,746)	(26,787)	(42,735)	(40,626)	(80,704)	(65,390)	(68,031)	(65,397)
Profit/Loss before income tax	306,430	408,847	651,091	(157,620)	(137,875)	275,825	563,419	463,750	531,671
Income tax expense	(67,414)	(118,985)	(222,868)	(40,417)	(71,965)	(54,830)	(164,652)	(129,850)	(148,868)
Non-Operating Gain/(Loss)	0	0	0	0	0	0	0	0	0
Profit/Loss for the period	239,016	289,862	428,223	(198,037)	(209,840)	220,995	398,766	333,900	382,803
Profit for the period attributable to:									
Equity shareholders of the Parent	239,016	289,323	421,196	(198,037)	(209,840)	220,995	398,766	333,900	382,803
Non-controlling interest	0	539	7,027	0	0	0	0	0	0
Basic EPS (US\$)	0.67	0.79	1.10	(0.51)	(0.53)	0.52	0.94	0.79	0.90
Diluted EPS (US\$)	0.66	0.74	1.08	(0.51)	(0.53)	0.52	0.93	0.78	0.90
Dividend per share (US\$)	0.00	0.20	0.31	0.09	0.21	0.21	0.26	0.24	0.27
Special dividend per share (US\$)	0.00	0.00	0.50	0.00	0.20	0.30	0.15	0.00	0.00
Average shares outstanding (000)	358,762	366,915	382,703	387,933	392,236	423,341	425,214	425,214	425,214
Dilutive effect of share appreciation plan (000)	3,140	25,830	13,286	0	81	123	1,330	1,330	1,330
Average diluted share outstanding (000)	361,902	392,745	395,989	387,933	392,317	423,464	426,543	426,543	426,543
Consolidated EBITDA	397,857	543,673	808,770	194,038	719,282	507,475	805,204	758,986	882,142
Consolidated EBITDA %	43%	41%	44%	11%	43%	35%	51%	44%	46%
Adjusted EBITDA	424,879	623,866	918,437	598,491	685,211	658,014	779,228	758,986	882,142
Consolidated EBIT	327,186	433,385	673,221	(117,735)	(100,465)	351,640	627,859	531,940	597,327
Consolidated EBIT %	35%	33%	36%	-7%	-6%	24%	40%	31%	31%
Attributable EBIT	327,186	432,571	662,376	(117,735)	(100,465)	351,640	627,859	531,940	597,327
Tax Rate	22.0%	29.1%	34.2%	N/A	N/A	19.9%	29.2%	28.0%	28.0%
Interest rate on cash balances	7%	1%	25%	4%	3%	5%	3%	0%	0%

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 33: POLY Balance Sheet (2010-2018E)

US\$ 000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Assets									
Property, plant and equipment, net	1,643,481	1,901,974	2,205,732	2,094,742	1,964,508	1,359,844	1,684,616	1,745,570	1,688,755
Goodwill	114,712	108,587	115,106	30,889	17,970	13,871	15,733	15,733	15,733
Investments in associates and joint ventures	26,821	23,558	29,822	15,651	2,107	1,709	19,692	19,692	19,692
Non-current loans and receivables	5,187	8,962	14,811	22,853	12,890	12,669	13,974	13,974	13,974
Deferred tax asset	57,676	62,118	58,024	88,484	61,787	56,734	60,003	60,003	60,003
Non-current inventories	21,017	58,222	98,864	53,142	114,227	99,357	122,665	122,665	122,665
Non-current VAT receivable	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0
Total non-current assets	1,868,894	2,163,421	2,522,359	2,305,761	2,173,489	1,544,184	1,916,683	1,977,637	1,920,822
Current inventories	368,515	599,312	840,621	727,144	468,731	352,800	496,400	555,049	622,284
Short-term VAT receivable	94,148	111,887	103,192	85,135	55,367	59,885	60,131	60,131	60,131
Trade and other receivables	43,683	67,991	107,596	44,526	55,485	39,405	130,378	115,700	129,715
Prepayments to suppliers	29,025	38,912	31,044	18,170	20,531	25,084	58,036	58,036	58,036
Income tax prepaid	4,378	11,787	14,481	8,433	9,410	8,333	13,967	13,967	13,967
Short term deposit	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	11,056	658,795	18,622	65,567	157,224	51,798	15,785	67,622	258,766
Total current assets	550,805	1,488,684	1,115,556	948,975	766,748	537,305	774,697	870,504	1,142,899
Total assets	2,419,699	3,652,105	3,637,915	3,254,736	2,940,237	2,081,489	2,691,380	2,848,142	3,063,721
Liabilities and shareholders' equity									
Accounts payable and accrued liabilities	90,331	107,404	312,218	117,974	160,735	77,110	155,516	153,347	171,763
Current borrowings	90,610	348,429	244,211	81,331	508,811	286,861	60,000	75,000	25,826
Share purchase obligation	0	534,597	0	0	275,838	0	0	0	0
Income tax payable	3,993	13,366	63,021	37,174	38,306	22,126	6,160	6,160	6,160
Other taxes payable	13,365	21,327	72,119	56,885	44,139	32,149	52,430	52,430	52,430
Environmental obligation	0	0	1,565	212	4,183	324	2,373	6,573	10,773
Current portion of capital lease liabilities	4,819	0	0	0	1,783	2,455	10,537	10,537	10,537
Total current liabilities	203,118	1,025,123	693,134	293,576	1,033,795	421,025	287,016	304,047	277,489
Long-term debt	595,359	654,666	619,612	1,029,813	813,824	1,062,685	1,393,999	1,318,999	1,293,173
Derivatives	105,437	0	0	0	0	0	0	0	0
Contingent consideration liability	23,754	22,290	25,276	15,523	17,506	23,703	40,899	40,899	40,899
Deferred tax liability	83,345	79,342	82,760	63,085	157,154	50,071	57,663	57,663	57,663
Environmental obligations	45,156	54,463	65,128	65,152	41,520	32,927	42,502	42,502	42,502
Non-current portion of finance lease liabilities	0	0	0	0	0	0	0	0	0
Other non-current liabilities	2,578	1,623	134	97	6,954	4,528	4,422	4,422	4,422
Total non-current liabilities	855,629	812,384	792,910	1,173,670	1,036,958	1,173,914	1,539,485	1,464,485	1,438,659
Stated capital account	865,483	1,566,386	1,576,123	1,664,170	1,939,084	1,969,125	1,985,295	1,985,295	1,985,295
Treasury shares in JSC Polymetal	(457)	(395)	0	0	0	0	0	0	0
Share-based compensation reserve	7,896	59,239	119,291	143,524	2,387	5,991	8,130	8,130	8,130
Translation reserve	(49,443)	(151,029)	(53,261)	(206,836)	(824,594)	(1,465,198)	(1,346,483)	(1,346,483)	(1,346,483)
Share purchase obligation under MTO	0	(561,659)	0	0	0	0	0	0	0
Repurchase obligation for shares issued for business acquisition	0	0	0	0	(218,722)	0	0	0	0
Retained earnings	537,473	753,572	509,718	186,632	(28,671)	(23,368)	217,937	432,668	700,630
Total equity attributable to the parent	1,360,952	1,666,114	2,151,871	1,787,490	869,484	486,550	864,879	1,079,610	1,347,572
Non-controlling interest	0	148,484	0	0	0	0	0	0	0
Total equity	1,360,952	1,814,598	2,151,871	1,787,490	869,484	486,550	864,879	1,079,610	1,347,572
Total liabilities and shareholders' equity	2,419,699	3,652,105	3,637,915	3,254,736	2,940,237	2,081,489	2,691,380	2,848,142	3,063,721
Debt (including special divi payable)	690,788	1,003,095	1,055,183	1,111,144	1,403,418	1,349,546	1,453,999	1,393,999	1,318,999
Cash and cash equivalents	11,056	658,795	18,622	65,567	157,224	51,798	15,785	67,622	258,766
Net debt	679,732	344,300	1,036,561	1,045,577	1,246,194	1,297,748	1,438,214	1,326,377	1,060,233

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 34: POLY Cash Flow Statement (2010-2018E)

US\$ 000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
(Loss) / Profit before tax	306,430	408,847	651,091	(157,620)	(137,875)	275,825	563,419	463,750	531,671
Adjustments for:									
Depreciation and depletion	70,334	96,654	142,226	237,533	260,481	155,835	177,346	227,046	284,816
Impairment of non-current assets	0	0	0	201,105	0	0	0	0	0
Write-down of exploration assets and construction in progress	0	13,263	7,654	0	38,082	8,703	2,350	0	0
(Reversal)/ Write-down of metal inventories to net realisable value	13,500	2,800	4,000	153,327	(39,174)	18,229	(2,347)	0	0
Mining taxes, penalties and accrued interest	0	0	39,150	0	19,509	(3,712)	22,531	0	0
Share-based compensation	7,896	57,116	54,279	24,233	2,387	3,809	3,076	0	0
Finance costs	21,541	28,746	26,787	42,735	40,626	80,704	65,390	68,031	65,397
Finance income	(785)	(4,208)	(4,657)	(2,850)	(3,216)	(4,889)	(950)	160	260
Loss on disposal of property, plant and equipment	6,296	6,203	9,325	9,503	4,473	1,246	114	0	0
Change in contingent consideration liability	3,616	6,828	4,717	(8,131)	(22,788)	(4,246)	16,971	0	0
Change in allowance for doubtful debts	2,333	(1,171)	267	1,089	(213)	6,614	(79)	0	0
Loss from equity method investments	1,170	1,952	1,804	2,340	7,139	4,099	244	0	0
Change in fair value of derivatives	909	1,855	0	0	0	0	0	0	0
Foreign exchange loss / (gain)	337	13,634	(6,677)	74,240	559,266	132,870	(66,317)	0	0
Gain on acquisition of remaining interest in joint venture	0	0	(21,051)	0	0	(1,205)	0	0	0
Profit/ (Loss) on disposal of subsidiary	(3,580)	(4,931)	10,709	8,746	0	0	0	0	0
Other non-cash expenses	(21)	7,682	10,304	26,637	9,047	(814)	7,104	4,200	4,200
Movements in working capital									
Increase in inventories	(86,424)	(225,751)	(188,724)	(61,893)	(58,228)	(26,084)	(74,112)	(58,648)	(67,235)
Decrease/ (increase) in VAT receivable	(10,491)	(22,766)	14,262	11,560	(5,593)	(22,784)	12,918	0	0
Decrease/ (increase) in trade and other receivables	(32,023)	(19,699)	(34,284)	60,675	(19,779)	19,251	(78,150)	14,678	(14,015)
Decrease/ (increase) in prepayments to suppliers	(13,296)	(11,437)	9,307	11,560	(13,122)	(12,859)	(27,381)	0	0
Increase/ (decrease) in trade and other payables	19,899	6,394	7,305	2,246	(2,838)	21,591	59,174	(2,169)	18,417
Increase/ (decrease) in other taxes payable	4,821	8,676	8,480	(11,406)	525	6,847	(15,278)	0	0
Cash generated from operations	312,462	370,687	746,274	625,629	638,709	659,030	666,022	717,047	823,509
Interest paid	(16,991)	(32,414)	(34,629)	(35,921)	(37,880)	(51,535)	(62,971)	(68,031)	(65,397)
Interest received	0	0	0	0	0	2,670	539	(160)	(260)
Income tax paid	(80,256)	(126,317)	(170,805)	(128,041)	(85,990)	(120,121)	(168,536)	(129,850)	(148,868)
Net cash generated by operating activities	215,215	211,956	540,840	461,667	514,839	490,044	435,054	519,006	608,985
Purchases of property, plant and equipment	(403,769)	(461,632)	(397,076)	(319,448)	(209,751)	(205,426)	(287,658)	(288,000)	(228,000)
Acquisition of subsidiaries, net of cash acquired	0	0	0	0	0	(7,194)	(18,000)	0	0
Consideration for assets acquisition	(8,479)	(4,761)	(20,797)	(11,934)	(314,344)	(67,718)	(108,344)	0	0
Convertible loan repaid by (advanced to) Polygon Gold	0	0	(10,000)	10,000	0	0	0	0	0
Other investing activities	3,567	(4,249)	(4,559)	(3,681)	(1,612)	(20,627)	0	0	0
Contingent consideration payment	(1,500)	(6,943)	(1,227)	(1,329)	(1,722)	(1,246)	(875)	0	0
Interest received	0	143	5,686	1,965	3,317	0	0	0	0
Short-term deposit placement	0	0	0	0	0	0	(1,253)	0	0
Proceeds from subsidiary disposal	0	5,300	25,000	0	0	484	0	0	0
Net cash used in investing activities	(410,181)	(472,142)	(402,973)	(324,427)	(524,112)	(301,727)	(416,130)	(288,000)	(228,000)
Borrowings obtained	1,142,927	1,695,078	1,236,036	3,099,855	453,991	722,663	517,788	0	0
Repayments of borrowings	(960,781)	(1,498,518)	(1,384,913)	(2,887,041)	(252,455)	(696,126)	(414,268)	(60,000)	(75,000)
Proceeds from issuance of shares of the Company	0	762,641	0	0	0	0	0	0	0
Purchase of treasury shares in the Company	0	(46,649)	0	0	0	0	0	0	0
Payments in respect of finance lease obligations	(4,225)	(5,217)	0	0	0	0	0	0	0
MTO and squeeze-out obligation repayment	0	0	(568,837)	0	0	0	0	0	0
Other financing activities	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	(76,537)	(316,429)	(64,824)	(300,438)	(157,461)	(119,169)	(114,841)
Net cash generated by financing activities	177,921	907,335	(794,251)	(103,615)	136,712	(273,901)	(53,941)	(179,169)	(189,841)
Net (decrease)/ increase in cash and cash equivalents	(17,045)	647,149	(656,384)	33,625	127,439	(85,584)	(35,017)	51,837	191,144
Cash and cash equivalents at the beginning of the period	28,317	11,056	658,795	18,622	65,567	157,224	51,798	15,785	67,622
Effect of foreign exchange rate changes on cash and cash equivalent:	(216)	590	16,211	13,320	(35,782)	(19,842)	(996)	0	0
Cash and cash equivalents at the end of the period	11,056	658,795	18,622	65,567	157,224	51,798	15,785	67,622	258,766

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 35: RRS Segmental Summary (2010-2018E)

	2010	2011	2012	2013	2014	2015	1Q16	2Q16	3Q16	4Q16E	2016E	2017E	2018E
Loulo Standalone (100%-basis)													
Production (000 oz)	317	208	220	308	382	351	99	105	104	114	422	427	434
Gold Sales (\$ 000)	363,717	321,200	357,224	436,950	475,862	406,642	115,061	131,402	136,601	138,790	521,854	522,548	553,948
Profit From Mining Activity (\$ 000)	140,717	121,706	189,587	194,169	207,495	145,945	64,292	71,578	77,444	78,886	292,200	277,270	293,267
Total Cash Costs (\$/oz)	712	952	781	776	713	738	523	575	577	525	550	575	600
Capex (\$m)	87	164	220	245	143	182	44	25	34	28	130	60	50
Gounkoto Standalone (100%-basis)													
Production (000 oz)		138	283	272	257	280	73	65	54	84	277	269	274
Gold Sales (\$ 000)		228,369	475,126	371,291	323,777	317,525	86,797	83,691	71,121	102,758	344,367	329,012	349,155
Profit From Mining Activity (\$ 000)		154,548	272,113	200,444	167,797	152,520	43,717	33,078	36,782	58,406	171,983	181,292	205,385
Total Cash Costs (\$/oz)		536	706	622	613	594	589	762	643	525	621	550	525
Capex (\$m)		90	18	11	9	3	1	1	16	2	21	8	50
Morilla (40%-basis)													
Production (000 oz)	95	99	81	57	44	49	6	6	4	9	25	21	17
Gold Sales (\$ 000)	117,395	156,787	125,633	79,867	55,488	57,197	7,786	7,375	4,737	10,442	30,340	25,521	22,136
Profit From Mining Activity (\$ 000)	53,542	79,045	66,541	36,567	12,909	24,196	1,860	1,626	-345	3,574	6,715	10,417	9,115
Total Cash Costs (\$/oz)	669	782	759	763	1,143	673	915	996	1,432	800	969	725	750
Capex (\$m)	1	1	4	8	6	4	0	0	0	0	1	1	1
Tongon (100%-basis)													
Production (000 oz)	28	250	211	234	227	243	54	50	71	85	261	302	296
Gold Sales (\$ 000)	6,527	345,919	351,804	329,449	287,026	277,253	65,698	61,744	92,275	103,477	323,194	370,118	376,770
Profit From Mining Activity (\$ 000)	4,369	352,831	189,313	133,972	88,961	75,443	15,394	16,438	41,565	46,054	119,451	166,219	169,916
Total Cash Costs (\$/oz)	459	557	772	827	872	836	900	932	732	675	787	675	700
Capex (\$m)	233	100	33	24	19	16	2	4	2	3	10	10	10
Kibali (45%-basis)													
Production (000 oz)				40	237	289	59	55	68	85	267	279	338
Gold Sales (\$ 000)				49,153	292,631	336,308	70,425	70,224	88,042	103,772	332,463	342,268	431,302
Profit From Mining Activity (\$ 000)				30,727	157,399	161,182	26,515	24,477	39,271	54,717	144,980	174,627	236,793
Total Cash Costs (\$/oz)				464	573	604	740	823	747	575	706	600	575
Capex (\$m)				378	174	113	12	21	26	25	84	38	23
Group Level¹													
Production (000 oz)	440	696	795	910	1,147	1,211	292	281	301	378	1,252	1,297	1,359
Gold Sales (\$ 000)	487,639	1,052,275	1,309,787	1,266,710	1,434,784	1,394,925	345,767	354,436	392,776	459,239	1,552,218	1,589,467	1,733,311
Profit From Mining Activity (\$ 000)	198,628	708,130	717,554	595,879	634,561	559,286	151,778	147,197	194,717	241,637	735,329	809,825	914,476
Total Cash Costs (\$/oz)	699	699	749	729	710	690	648	727	663	576	648	601	602
Capex (\$m)	411	448	561	666	351	318	61	53	80	60	254	127	144

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 36: RRS Income Statement (2010-2018E)

US\$ 000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Revenues									
Gold Sales on Spot	505,889	1,127,086	1,183,127	1,137,690	1,086,756	1,001,420	1,189,415	1,221,678	1,279,873
Gain/(Loss) on Hedging Contracts	(21,336)	0	0	0	0	0	0	0	0
Total Revenue	484,553	1,127,086	1,183,127	1,137,690	1,086,756	1,001,420	1,189,415	1,221,678	1,279,873
Share of Profits of Equity Accounted Joint Ventures	0	0	40,798	54,257	75,942	77,303	44,860	76,390	108,717
Other Income	22,633	6,574	16,699	17,099	17,411	15,616	5,928	4,784	4,784
Total Income	507,186	1,133,660	1,240,624	1,209,046	1,180,109	1,094,339	1,240,203	1,302,852	1,393,374
Costs and Expenses									
Mine Production Costs	247,850	374,992	438,118	536,229	525,203	498,779	489,453	481,407	491,416
Movement in Production Inventory and Ore Stockpiles	(16,152)	5,047	(43,716)	(49,730)	(24,665)	17,109	(7,770)	(7,642)	(7,801)
Depreciation and Amortization	28,127	82,060	117,991	130,638	146,762	150,902	162,273	176,243	176,635
Other Mining and Processing Costs	20,598	70,304	75,770	61,319	64,762	60,007	61,952	60,934	62,201
Mining and Processing Costs	280,423	532,403	588,163	678,456	712,062	726,797	705,909	710,942	722,451
Royalties	27,680	53,841	59,710	58,415	56,490	51,673	61,604	62,197	65,489
Exploration and Corporate Expenditure	47,178	43,925	39,033	49,485	36,765	45,067	51,205	50,000	50,000
Transport and Refining	1,653	2,642	2,718	2,663	706	0	0	0	0
Other Expenses	1,653	13,134	4,227	11,071	16,877	5,725	3,976	0	0
Total Costs	358,587	645,945	693,851	800,090	822,900	829,262	822,694	823,139	837,940
Finance Income	1,304	1,066	2,719	4,499	361	112	1,280	1,073	543
Finance Costs	(5,270)	(3,648)	(1,656)	(10,994)	(4,525)	(4,411)	(1,766)	(2,000)	(2,000)
Provision for Financial Assets	12,980	0	0	0	0	0	0	0	0
Net Finance Income/(Costs)	9,014	(2,582)	1,063	(6,495)	(4,164)	(4,299)	(486)	(927)	(1,457)
Profit Before Income Taxes	157,613	485,133	547,836	402,461	353,045	260,778	417,023	478,786	553,976
Income Tax Expense	(24,524)	(51,699)	(37,054)	(76,714)	(81,885)	(48,003)	(108,657)	(114,588)	(127,349)
Profit for the Period	133,089	433,434	510,782	325,747	271,160	212,775	308,366	364,198	426,627
Total other comprehensive (expense)/income	0	0	0	0	0	1,011	1,613	0	0
Total Comprehensive Incomes	133,089	433,434	510,782	325,747	271,160	213,786	309,979	364,198	426,627
Non-Controlling Interest	17,130	56,351	78,852	47,365	36,186	24,098	45,405	47,105	52,244
Profit Attributable to Owners of the Parent	115,959	377,083	431,930	278,382	234,974	188,677	262,961	317,093	374,383
Basic EPS (US\$/sh)	1.28	4.13	4.70	3.02	2.54	2.03	2.81	3.38	3.99
Diluted EPS (US\$/sh)	1.26	4.08	4.65	2.99	2.51	2.01	2.77	3.34	3.94
Dividend per share (US\$/sh)	0.20	0.40	0.50	0.50	0.60	0.66	0.75	1.00	1.50
Special dividend per share (US\$/sh)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50	3.50
Average Shares Outstanding (000)	90,645	91,338	91,912	92,206	92,603	93,094	93,646	93,767	93,767
Diluted Shares Outstanding (000)	91,927	92,277	92,825	93,346	93,743	93,814	95,000	95,000	95,000
Reported EBITDA	189,706	569,775	664,764	539,594	503,971	415,979	579,782	655,956	732,069
Reported EBITDA %	37%	51%	56%	47%	46%	42%	49%	54%	57%
Attributable EBITDA	99,309	523,855	508,521	398,946	454,915	389,269	511,486	583,570	674,404
Reported EBIT	192,488	464,699	524,201	373,075	303,404	203,882	389,755	477,713	553,434
Reported EBIT %	38%	41%	44%	33%	28%	20%	33%	39%	43%
Attributable EBIT	100,766	427,247	400,995	275,831	273,871	190,791	343,843	424,997	509,840
Implied Tax Rate	15.6%	10.7%	7.3%	22.0%	29.6%	26.2%	29.2%	28.5%	28.6%
Interest Rate on Cash Balances	0.2%	0.2%	0.6%	2.2%	0.6%	0.1%	0.4%	0.2%	0.1%

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 37: RRS Balance Sheet (2010-2018E)

US\$ 000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Assets									
Property, Plant & Equipment	901,959	1,279,191	1,294,865	1,457,500	1,494,530	1,546,767	1,551,490	1,452,747	1,386,112
Cost	1,057,447	1,516,739	1,592,781	1,886,054	2,069,846	2,272,985	2,439,981	2,517,481	2,627,481
Accumulated Depreciation & Amortisation	(155,488)	(237,548)	(297,916)	(428,554)	(575,316)	(726,218)	(888,491)	(1,064,734)	(1,241,369)
Deferred Tax	379	0	1,970	1,294	398	0	0	0	0
Long-Term Ore Stockpiles	9,123	0	0	142,010	178,314	167,337	151,017	151,017	151,017
Trade and Other Receivables	1,341	2,436	0	49,023	26,277	6,417	0	0	0
Mineral Properties	406,000	406,000	0	0	0	0	0	0	0
Investments in Equity Accounted Joint Ventures	0	0	816,500	1,267,776	1,394,042	1,427,316	1,449,083	1,431,933	1,385,828
Available-for-sale Financial Assets	0	0	0	0	0	0	0	0	0
Other Investments in Joint Ventures	0	0	43,947	52,459	43,854	45,940	37,060	37,060	37,060
Non-Current Assets	1,318,802	1,687,627	2,157,282	2,970,062	3,137,415	3,193,777	3,188,650	3,072,756	2,960,017
Inventories and Ore Stockpiles	195,523	218,950	272,609	180,415	126,216	130,973	156,156	171,206	179,361
Trade and Other Receivables	97,738	130,988	202,129	186,054	185,233	198,292	269,086	284,476	285,108
Cash and Cash Equivalents	366,415	487,644	373,868	38,151	82,752	213,372	425,837	542,515	642,200
Available-for-Sale Financial Assets	15,862	7,498	3,003	1,831	1,467	906	0	0	0
Current Assets	675,538	845,080	851,609	406,451	395,668	543,543	851,079	998,197	1,106,670
Total Assets	1,994,340	2,532,707	3,008,891	3,376,513	3,533,083	3,737,320	4,039,729	4,070,953	4,066,686
Equity + Liabilities									
Equity Attributable to Owners of the Parent	1,792,041	2,184,490	2,619,014	2,879,041	3,098,090	3,273,599	3,509,685	3,522,035	3,474,467
Non-Controlling Interest	53,905	110,256	158,673	178,813	204,864	218,706	247,641	276,080	315,051
Equity	1,845,946	2,294,746	2,777,687	3,057,854	3,302,954	3,492,305	3,757,326	3,798,115	3,789,518
Long-Term Borrowings	0	0	0	0	0	0	0	0	0
Loans from Minority Shareholders	2,718	2,614	3,249	2,929	2,766	2,765	2,765	2,765	2,765
Deferred Tax	12,611	17,740	29,355	28,458	29,915	35,548	41,355	41,355	41,355
Provision for Rehabilitation	29,564	39,809	52,575	49,177	55,904	47,581	48,081	50,081	52,081
Other Financial Liabilities	0	0	0	0	0	0	0	0	0
Non-Current Liabilities	44,893	60,163	85,179	80,564	88,585	85,894	92,201	94,201	96,201
Short-Term Portion of Long-Term Borrowing	234	0	0	0	0	0	0	0	0
Trade and Other Payables	95,255	158,903	133,441	174,445	109,354	139,321	155,504	143,939	146,269
Financial Liabilities - Forward Gold Sales	0	0	0	0	0	0	0	0	0
Current Income Tax Payable	8,012	18,895	12,584	63,650	32,190	19,800	34,698	34,698	34,698
Current Liabilities	103,501	177,798	146,025	238,095	141,544	159,121	190,202	178,637	180,967
Total Total Equity + Liabilities	1,994,340	2,532,707	3,008,891	3,376,513	3,533,083	3,737,320	4,039,729	4,070,953	4,066,686
Debt	234	0	0	0	0	0	0	0	0
Cash and Cash Equivalents	366,415	487,644	373,868	38,151	82,752	213,372	425,837	542,515	642,200
Net Debt	(366,181)	(487,644)	(373,868)	(38,151)	(82,752)	(213,372)	(425,837)	(542,515)	(642,200)

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 38: RRS Cash Flow Statement (2010-2018E)

US\$ 000	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Profit After Tax	120,631	433,435	510,782	325,747	271,160	212,775	308,366	364,198	426,627
Income Tax Expense	24,524	51,699	37,054	76,714	81,885	48,003	108,657	114,588	127,349
Profit Before Income Tax	145,155	485,134	547,836	402,461	353,045	260,778	417,023	478,786	553,976
Share of Profits of Equity Accounted Joint Ventures	0	0	(40,927)	(54,257)	(75,942)	(77,303)	(44,860)	(76,390)	(108,717)
Adjustment for non-cash items	(2,782)	105,076	140,563	166,519	200,567	212,097	190,027	178,243	178,635
Effects of Change in Operating Working Capital Items	(24,206)	(4,356)	(184,387)	(46,982)	(66,958)	11,958	(72,929)	(42,004)	(6,458)
<i>Receivables</i>	26,353	(33,888)	(120,737)	(62,738)	(3,637)	(22,399)	(81,236)	(15,389)	(633)
<i>Inventories and Ore Stockpiles</i>	(61,355)	(14,304)	(81,602)	(49,816)	17,895	6,220	(13,563)	(15,050)	(8,155)
<i>Trade and Other Payables</i>	10,796	43,836	17,952	65,572	(81,216)	28,137	21,871	(11,565)	2,330
Cash Generated from Operations	118,167	585,854	463,085	467,741	410,712	407,530	489,261	538,635	617,436
Dividends Received from Equity Accounted Joint Ventures	0	0	72,326	18,974	565	45,272	24,655	103,541	164,822
Income Tax Paid	(10,378)	(15,994)	(11,182)	(22,249)	(93,659)	(55,820)	(91,976)	(114,588)	(127,349)
Net Cash from Operating Activities	107,789	569,860	524,229	464,466	317,618	396,982	421,941	527,587	654,909
Additions to Property, Plant & Equipment	(410,810)	(448,483)	(272,207)	(303,099)	(179,313)	(216,038)	(153,018)	(77,500)	(110,000)
Funds Invested in Equity Accounted Joint Ventures	0	0	(298,283)	(424,906)	(51,462)	(2,828)	(2,025)	(10,000)	(10,000)
Loans Repaid by Joint Ventures	0	0	3,472	0	9,142	340	9,357	0	0
Other Investing Activities	65,798	(920)	920	0	0	731	1,982	0	0
Net Cash from Investing Activities	(345,012)	(449,403)	(566,098)	(728,005)	(221,633)	(217,795)	(143,704)	(87,500)	(120,000)
Proceeds from Issue of Ordinary Shares	30,578	19,227	14,077	1,184	2,035	289	2,789	0	0
Dividends Paid to Company's Shareholders	(15,346)	(18,159)	(36,737)	(46,137)	(43,284)	(38,600)	(52,091)	(304,743)	(421,952)
Dividends Paid to Non-Controlling Interest	0	0	(24,823)	(27,225)	(10,135)	(10,256)	(16,130)	(18,666)	(13,272)
Proceeds from Borrowings	0	0	0	0	50,000	0	0	0	0
Repayments of Borrowings	(1,275)	(296)	0	0	(50,000)	0	(340)	0	0
Net Cash from Financing Activities	13,957	772	(47,483)	(72,178)	(51,384)	(48,567)	(65,772)	(323,409)	(435,224)
Cash and Cash Equivalents at Beginning of Period	589,681	366,415	487,644	373,868	38,151	82,752	213,372	425,837	542,515
Net Change in Cash and Cash Equivalents	(223,266)	121,229	(89,352)	(335,717)	44,601	130,620	212,465	116,678	99,685
Cash and Cash Equivalents at End of Period	366,415	487,644	373,868	38,151	82,752	213,372	425,837	542,515	642,200

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 39: ABX Summary Financial Statements (2012-2019E)

(\$mm)	2012A	2013A	2014A	2015A	2016E	2017E	2018E	2019E
Income Statement								
Sales	14,547	12,549	10,239	8,822	8,459	8,464	8,226	8,537
Total Expenses	15,460	9,087	9,198	11,966	7,110	6,496	5,986	5,966
Pretax Income	-913	3,462	1,041	-3,144	1,349	1,968	2,240	2,571
Taxes	-236	617	306	-31	847	886	1,008	1,157
Net Income	3,827	2,568	787	140	696	957	1,107	1,289
Earnings per Share	3.82	2.51	0.68	0.30	0.60	0.82	0.95	1.11
Attributable EBITDA	7,457	6,079	3,526	3,187	3,788	3,912	3,865	4,236
Cash Flow Analysis								
Net Income	(677)	(10,097)	(2,959)	(3,113)	502	1,082	1,232	1,414
DD&A	1,722	1,732	1,648	1,771	1,676	1,662	1,447	1,541
Deferred taxes	(1,695)	(479)	(209)	(323)	392	0	0	0
Changes in WC	(616)	(352)	(78)	39	(422)	0	0	0
Other	6,705	13,435	3,894	4,420	453	0	0	0
Cash From Operations	5,439	4,239	2,296	2,794	2,601	2,745	2,679	2,955
Capital Expenditures	(6,369)	(5,501)	(2,432)	(1,713)	(1,225)	(1,450)	(1,550)	(1,550)
Investments/Acquisitions	186	(262)	(92)	1,980	684	1,000	0	0
Other	(338)	526	574	(17)	(8)	0	0	0
Cash Used in Investing	(6,521)	(5,237)	(1,950)	250	(549)	(450)	(1,550)	(1,550)
Proceeds of Debt	2,000	5,414	141	9	3	0	0	0
Repayment of Debt	(1,462)	(6,412)	(188)	(3,142)	(2,095)	(2,000)	(1,500)	(750)
Dividends	(750)	(508)	(232)	(160)	(88)	(93)	(93)	(93)
Share Repurchase	0	0	0	0	0	0	0	0
Issuance of CS	5	2,910	0	0	0	0	0	0
Funding from non-controlling interest	505	55	24	40	55	0	0	0
Other	132	(134)	184	(35)	(161)	0	0	0
Cash From Financing	430	1,325	(71)	(3,288)	(2,286)	(2,093)	(1,593)	(843)
Net Change in Cash	(652)	327	275	(244)	(233)	202	(464)	562
Beginning Cash	2,745	2,097	2,424	2,699	2,455	2,221	2,423	1,959
Ending Cash	2,105	2,424	2,699	2,455	2,221	2,423	1,959	2,521
Free Cash Flow	(930)	(1,262)	(136)	1,081	1,376	1,295	1,129	1,405
Balance Sheet								
Cash	2,105	2,424	2,699	2,455	2,221	2,423	1,959	2,521
Debt	13,943	13,080	13,081	9,968	7,889	5,889	4,389	3,639
Net Debt	11,838	10,656	10,382	7,513	5,668	3,466	2,430	1,118
Equity	21,845	13,533	10,247	7,178	7,648	8,637	9,776	11,097

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 40: GG Summary Financial Statements (2012-2019E)

(\$mm)	2012A	2013A	2014A	2015A	2016E	2017E	2018E	2019E
Income Statement								
Sales	4,820	3,803	3,436	4,375	3,691	4,118	4,290	4,449
Total Expenses	2,642	4,080	6,204	9,061	3,513	3,581	3,553	3,593
Pretax Income	2,178	-277	-2,768	-4,686	177	538	737	856
Taxes	429	324	-440	-485	53	170	251	300
Net Income	1,642	635	498	-91	218	367	486	556
Earnings Per Share	\$2.03	\$0.78	\$0.61	-\$0.11	\$0.26	\$0.43	\$0.57	\$0.65
Attributable EBITDA	2,696	1,472	1,690	1,178	1,660	1,978	2,232	2,305
Cash Flow Statement								
NI from Continuing Operations	1,749	(2,622)	(2,168)	(4,203)	124	367	486	556
DD&A	603	648	753	1,493	1,054	1,082	1,101	1,122
Share of net losses of equity accounted entities	(141)	395	(156)	1	(135)	(159)	(179)	(189)
Changes in WC	(244)	(522)	(206)	172	(149)	0	0	0
Deferred Taxes	(28)	226	(575)	(791)	(55)	0	0	0
Gains on Dispositions of Mining Interests	(12)	11	(18)	(414)	0	0	0	0
Gain on Disposition of Securities	1	29	(17)	2	0	0	0	0
Dividends from equity accounted entities	0	108	109	7	0	0	0	0
Other	31	2,682	3,292	5,163	44	0	0	0
Cash From Operations	1,959	954	1,014	1,430	883	1,290	1,408	1,489
Capital Expenditures	(2,400)	(2,049)	(1,882)	(1,152)	(693)	(800)	(800)	(800)
Acquisitions	0	(32)	(139)	(43)	6	0	0	0
Asset Sales	47	490	193	775	0	0	0	0
Changes to Investments/Securities	273	(607)	(17)	1	22	0	0	0
Other	(185)	(48)	102	90	29	0	0	0
Cash Used in Investing	(2,265)	(2,246)	(1,743)	(329)	(636)	(800)	(800)	(800)
Proceeds from Debt	0	1,781	3,708	505	0	0	0	0
Payment of Debt	0	(300)	(2,638)	(1,363)	(5)	0	0	0
Proceeds from CS	44	3	5	20	3	0	0	0
Repurchase of CS	0	0	0	0	0	0	0	0
Dividends to CS	(438)	(486)	(488)	(371)	(98)	(68)	(68)	(68)
Payments made to MI	0	0	0	0	0	0	0	0
Other	(1)	161	0	(48)	(28)	0	0	0
Cash From Financing	(395)	1,159	587	(1,257)	(127)	(68)	(68)	(68)
Net Change in Cash	(701)	(132)	(143)	(156)	120	422	539	621
Beginning Cash	1,458	757	625	482	326	446	868	1,407
Ending Cash	757	625	482	326	446	868	1,407	2,028
Free Cash Flow	(441)	(1,095)	(868)	278	190	490	608	689
Balance Sheet								
Cash	757	625	482	326	446	868	1,407	2,028
Total Debt	783	2,314	3,592	2,688	2,681	2,681	2,681	2,681
Net Debt	26	1,689	3,110	2,362	2,235	1,813	1,274	653
Equity	22,716	19,545	16,960	12,848	13,390	13,689	14,106	14,594

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 41: KGC Summary Financial Statements (2012-2019E)

(\$mm)	2012A	2013A	2014A	2015A	2016E	2017E	2018E	2019E
Income Statement								
Sales	4,311	3,780	3,466	3,052	3,405	3,063	3,187	3,038
Total expenses	6,604	3,404	3,321	3,897	3,411	2,976	2,933	2,751
Pretax Income	-2,292	376	146	-845	-6	87	254	288
Taxes	-262	-72	-110	-142	-28	-30	-89	-101
Net Income	880	320	127	-91	126	57	164	186
Earnings per Share	0.77	0.28	0.11	-0.08	0.10	0.05	0.13	0.15
Attributable EBITDA	1,934	1,260	1,130	798	1,162	965	1,131	1,111
Cash Flow Statement								
Net Earnings	(2,554)	(3,012)	(1,427)	(989)	(34)	56	165	187
DD&A	681	829	875	898	890	813	812	760
Impairment Charges	3,528	3,410	1,410	699	140	0	0	0
Change in WC & Other	(400)	(452)	(8)	224	66	0	0	0
Cash Flow from Operations	1,255	775	849	832	1,061	869	977	947
Changes to PP&E	(1,925)	(1,262)	(632)	(610)	(657)	(790)	(650)	(650)
Business acquisitions	0	0	0	0	(588)	0	0	0
Proceeds from Sale of LT investments	14	6	31	2	8	0	0	0
Additions to LT Investments	(106)	(131)	(56)	(60)	(68)	(50)	(50)	(50)
Changes to Investments/Securities	(349)	350	0	0	0	0	0	0
Discontinued Operations	199	0	0	0	0	0	0	0
Interest Received	5	8	5	4	3	0	0	0
Other	(2)	(15)	166	32	(1)	0	0	0
Cash Used in Investing	(2,163)	(1,045)	(486)	(632)	(1,304)	(840)	(700)	(700)
Proceeds on Borrowing	1,541	0	913	23	0	0	0	0
Payment on Borrowings	(577)	(523)	(980)	(103)	(250)	0	0	0
Issuance of Stock	6	6	0	0	276	0	0	0
Dividends Paid to equity investors	(182)	(91)	0	0	0	0	0	0
Dividends Paid to minorities	0	0	0	0	(0)	0	(0)	(0)
Acquisition of CMGC 25% non-controlling int.	0	0	0	0	0	0	0	0
Interest Paid	(8)	(5)	(21)	(49)	(70)	0	0	0
Other	(5)	(14)	(26)	(11)	2	0	0	0
Cash Flow from Financing	775	(628)	(114)	(140)	(43)	0	(0)	(0)
Net Change in Cash	(133)	(898)	249	60	(285)	29	277	246
Beginning Cash	1,766	1,633	734	984	1,044	758	788	1,065
Ending Cash	1,633	734	984	1,044	759	788	1,065	1,311
Free Cash Flow	(669)	(488)	218	222	404	79	327	296
Balance Sheet								
Cash	1,633	734	984	1,044	758	788	1,065	1,311
Total Debt	2,633	2,120	2,058	1,981	1,733	1,733	1,733	1,733
Net Debt	1,000	1,385	1,075	937	974	945	668	422
Equity	9,850	6,014	4,843	3,889	4,296	4,353	4,517	4,704

Source: Company Data, Bloomberg, Factset, Jefferies

Exhibit 42: NEM Summary Financial Statements (2012-2019E)

(\$mm)	2012A	2013A	2014A	2015A	2016E	2017E	2018E	2019E
Income Statement								
Sales	9,868	8,322	7,292	7,729	8,411	6,962	6,561	6,545
Total expenses	6,881	9,087	6,764	6,781	6,662	5,875	5,290	4,985
Pretax Income	2,987	-765	528	948	1,749	1,086	1,270	1,560
Taxes	869	-813	133	644	806	380	445	577
Net Income	1,854	698	544	506	874	673	783	939
Earnings per Share	\$3.71	\$1.40	\$1.09	\$0.98	\$1.65	\$1.27	\$1.48	\$1.77
Attributable EBITDA	3,403	2,209	1,900	1,972	2,619	2,050	2,113	2,304
Cash Flow Statement								
Net Income	2,118	(2,716)	329	304	75	706	826	983
Amortization	1,032	1,362	1,229	1,239	1,273	1,038	890	845
Deferred Taxes	15	(1,314)	(149)	317	515	0	0	0
Changes in WC	(1,073)	(1,107)	(748)	(380)	(68)	0	0	0
Write Down of PPE	58	5,025	612	317	181	0	0	0
Other	<u>222</u>	<u>293</u>	<u>165</u>	<u>348</u>	<u>673</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash From Operations	2,372	1,543	1,438	2,145	2,648	1,744	1,716	1,828
Capital Expenditures	(3,210)	(1,900)	(1,110)	(1,401)	(1,060)	(1,000)	(800)	(800)
Investments	-	-	-	-	-	-	-	-
Acquisitions	(25)	(13)	(53)	(746)	920	-	-	-
Other	(29)	600	656	106	158	-	-	-
Cash Used in Investing	(3,264)	(1,313)	(507)	(2,041)	18	(1,000)	(800)	(800)
Proceeds from Debt	3,524	1,538	601	0	0	0	0	0
Payment of Debt	(1,976)	(1,150)	(686)	(454)	(1,417)	(500)	(750)	(1,000)
Proceeds from CS	24	2	0	675	0	0	0	0
Repurchase of CS	0	0	0	0	0	0	0	0
Dividends on CS	(695)	(611)	(115)	(52)	(67)	(106)	(146)	(199)
Payments made to MI	(3)	(2)	(7)	(3)	(3)	(30)	(30)	(30)
FX and Other	<u>(181)</u>	<u>(13)</u>	<u>124</u>	<u>110</u>	<u>(458)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash From Financing	693	(236)	(83)	276	(1,945)	(636)	(926)	(1,229)
Net Change in Cash	(199)	(6)	848	379	721	108	(10)	(201)
Beginning Cash	1,760	1,561	1,555	2,403	2,782	3,503	3,611	3,602
Ending Cash	1,561	1,555	2,403	2,782	3,503	3,611	3,602	3,401
Free Cash Flow	(841)	(359)	322	741	1,586	714	886	998
Balance Sheet								
Cash	1,561	1,555	2,403	2,782	3,503	3,611	3,602	3,401
Total Debt	6,298	6,740	6,646	6,236	4,616	4,116	3,366	2,366
Net Debt	4,737	5,185	4,243	3,454	1,113	505	(236)	(1,035)
Equity	13,773	10,141	10,274	11,350	11,264	11,834	12,484	13,238

Source: Company Data, Bloomberg, Factset, Jefferies

Natural Resources

Target | Estimate Change

10 January 2017

Exhibit 43: Summary Forecast Changes for Acacia

Forecasts (US\$m)	FY16e New	FY 16e Old	% Chg	FY17e New	FY17e Old	% Chg
Sales	1,056	1,069	-1%	998	1,101	-9%
EBITDA	404	418	-3%	396	500	-21%
EBIT	251	265	-5%	241	346	-30%
EPS	0.19	0.21	-11%	0.53	0.54	-3%
Drivers of Change	Gold price forecasts and minor operational tweaks					

Source: Jefferies estimates

Exhibit 44: Summary Forecast Changes for Centamin

Forecasts (US\$m)	FY16e New	FY 16e Old	% Chg	FY17e New	FY17e Old	% Chg
Sales	695	695	0%	662	704	-6%
EBITDA	367	372	-1%	311	355	-12%
EBIT	257	264	-3%	209	251	-17%
EPS	0.22	0.23	-3%	0.18	0.22	-17%
Drivers of Change	Gold price forecasts, minor operational tweaks and Q4 prelim production results					

Source: Jefferies estimates

Exhibit 45: Summary Forecast Changes for Nordgold

Forecasts (US\$m)	FY16e New	FY 16e Old	% Chg	FY17e New	FY17e Old	% Chg
Sales	1,093	1,113	-2%	1,186	1,326	-11%
EBITDA	497	517	-4%	526	680	-23%
EBIT	317	337	-6%	254	397	-36%
EPS	0.49	0.53	-8%	0.44	0.73	-40%
Drivers of Change	Gold price forecasts and minor operational tweaks					

Source: Jefferies estimates

Exhibit 46: Summary Forecast Changes for Polymetal

Forecasts (US\$m)	FY16e New	FY 16e Old	% Chg	FY17e New	FY17e Old	% Chg
Sales	1,586	1,623	-2%	1,726	1,925	-10%
EBITDA*	779	816	-5%	759	962	-21%
EBIT	628	665	-6%	532	747	-29%
EPS (\$/sh)	0.94	1.00	-6%	0.79	1.15	-32%
Drivers of Change	Gold price forecasts and minor operational tweaks					

*Adjusted

Source: Jefferies estimates

Exhibit 47: Summary Forecast Changes for Randgold

Forecasts (US\$m)	FY16e New	FY 16E Old	% Chg	FY17E New	FY17E Old	% Chg
Sales	1,189	1,213	-2%	1,222	1,337	-9%
EBITDA	580	609	-5%	656	804	-18%
EBIT	390	419	-7%	478	627	-24%
EPS	2.81	3.02	-7%	3.38	4.45	-24%
Drivers of Change	Gold price forecasts and minor operational tweaks					

Source: Jefferies estimates

Scenarios

Target Investment Thesis

- Gold price climbs through 2017 as real rates remain; long-term pricing of \$1,300/oz
- Operational improvements at Bulyanhulu drive lower costs
- The multiple discount between ACA and peers decreases as management deliver on Bulyanhulu improvements
- Price Target 550p, derived through 50/50 weighting to NPV and EV/EBITDA based multiples

Upside Scenario

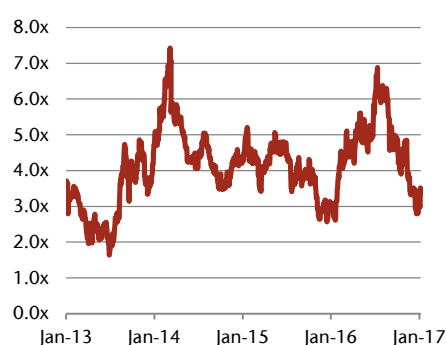
- Real rates remain low for an extended period
- Jewellery demand surprises to the upside, driving strong gold demand
- Central Banks accelerate reserve-based purchases
- Price Target 750p, as gold increases \$100/oz per annum reaching \$1,500/oz and long-term at \$1,400/oz and multiple discount to sector is erased

Downside Scenario

- US interest rates rise rapidly, increasing the opportunity cost of holding gold as an investment and strengthening the US dollar against a basket of currencies
- Global gold production continues to grow, reaching new records
- Price Target 250p, with gold prices declining to \$1,000/oz remaining under pressure medium term, operational improvements at Bulyanhulu fall short and valuation discount increases

Long Term Analysis

Historical EV/EBITDA



Source: Factset Consensus

Medium Term Financial Metrics

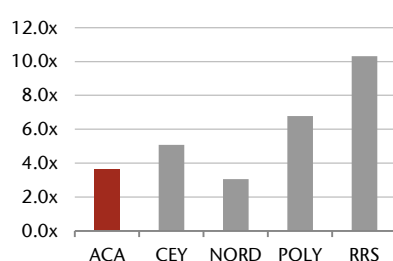
2017-18E EBIT Margin	24.9%
2017-18E Free Cash Flow Yield	10.9%
2017-18E Gearing	Net Cash

Other Considerations

Acacia has a rock solid balance sheet, with a net cash position. Declining capex requirements and operational improvements at its flagship mine, Bulyanhulu, drive strong FCF, forecast to yield c11% in 2017-18.

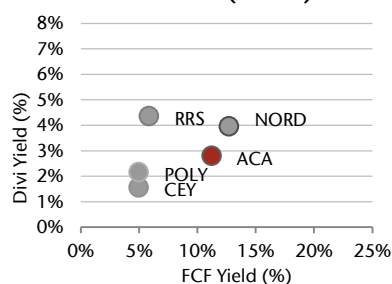
Peer Group

Group EV/EBITDAs (2017E)



Source: Factset, Jefferies estimates

FCF Yield vs Divi Yield (2017E)



Source: Factset, Jefferies estimates

Recommendation / Price Target

Ticker	Rec.	PT
ACA LN	Buy	550p
CEY LN	Hold	150p
NORD LI	Hold	\$3.40
POLY LN	Unpf	650p
RRS LN	Buy	8,700p

Catalysts

Factors that could be supportive of Acacia's share price include the following:

- Increasing gold prices
- Potential M&A activities
- High-grade discoveries through ongoing exploration
- Increasing shareholder returns

Company Description

Acacia is one of the largest gold producers in Africa. It has three operating mines in Tanzania with exploration projects in Tanzania, Kenya, Burkina Faso and Mali. Acacia was spun out of Barrick Gold in 2010.

Scenarios

Target Investment Thesis

- Gold price climbs through 2017 as real rates remain; long-term pricing of \$1,300/oz
- The “upside” scenario of sustained production >500koz is reached in 2020
- EV/EBITDA valuation discount narrows to 25% but persists thereafter
- Price Target 150p, derived through 50/50 weighting to NPV and EV/EBITDA based multiples

Upside Scenario

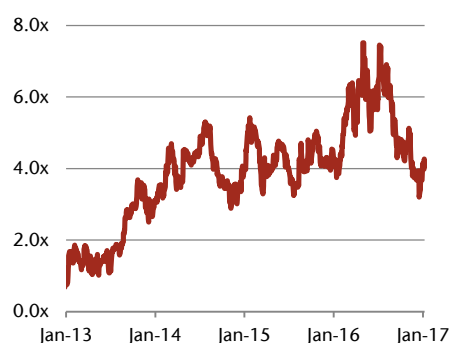
- Real rates remain low for an extended period
- Central Banks accelerate reserve-based purchases
- “Upside” production scenario is reached by 2018
- Valuation discount on EV/EBITDA basis is erased
- Price Target 210p, as gold increases \$100/oz per annum reaching \$1,500/oz and long-term at \$1,400/oz

Downside Scenario

- US interest rates rise rapidly, increasing the opportunity cost of holding gold
- “Upside” production scenario never achieved
- Valuation discount expands
- Lack of near-term cost control
- Price Target 60p, with gold prices declining to \$1,000/oz remaining under pressure medium term

Long Term Analysis

Historical EV/EBITDA



Source: Factset Consensus

Medium Term Financial Metrics

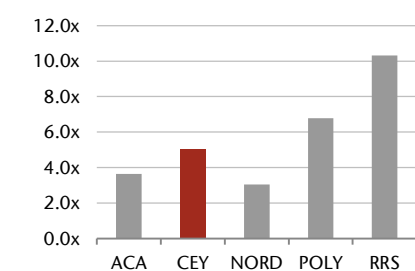
2017-18E EBIT Margin	31.2%
2017-18E Free Cash Flow Yield	5.2%
2017-18E Divi Yield	1.9%

Other Considerations

CEY possesses a clean balance sheet with no debt and \$388m in cash and equivalents as of September 2016.

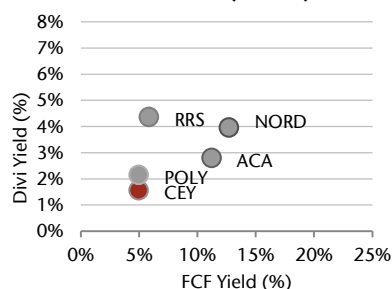
Peer Group

Group EV/EBITDAs (2017E)



Source: Factset, Jefferies estimates

FCF Yield vs Divi Yield (2017E)



Source: Factset, Jefferies estimates

Recommendation / Price Target

Ticker	Rec.	PT
ACA LN	Buy	550p
CEY LN	Hold	150p
NORD LI	Hold	\$3.40
POLY LN	Unpf	650p
RRS LN	Buy	8,700p

Catalysts

Factors that could be supportive of Centamin’s share price include the following:

- Higher, sustained gold prices
- Potential M&A activities
- High-grade discoveries through ongoing exploration
- Increasing shareholder returns

Company Description

CEY is an Egyptian gold miner with its primary asset, the Sukari Gold Mine, being the first large scale modern gold mine in the country, having poured its first gold bar in 2009.

Scenarios

Target Investment Thesis

- Gold price climbs through 2017 as real rates remain; long-term pricing of \$1,300/oz
- NORD continues to advance towards a premium LSE listing which would result in an increase of liquidity, though timing remains unknown
- Price Target \$3.40, derived through 50/50 weighting to NPV and EV/EBITDA based multiples

Upside Scenario

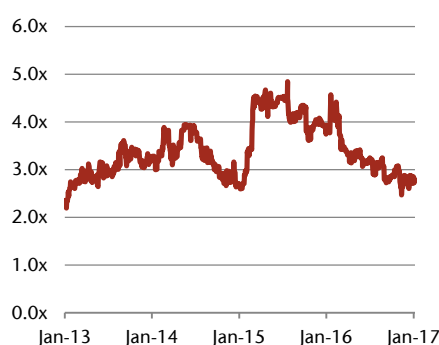
- Real rates remain low for an extended period
- Jewellery demand surprises to the upside, driving strong gold demand
- Central Banks accelerate reserve-based purchases
- Price Target \$5.50, as gold increases \$100/oz per annum reaching \$1,500/oz and long-term at \$1,400/oz and easing of valuation discount

Downside Scenario

- US interest rates rise rapidly, increasing the opportunity cost of holding gold as an investment and strengthening the US dollar against a basket of currencies
- Global gold production continues to grow, reaching new records
- Price Target \$2.00, with gold prices declining to \$1,000/oz remaining under pressure medium term and valuation discount persists

Long Term Analysis

Historical EV/EBITDA



Source: FactSet Consensus

Medium Term Financial Metrics

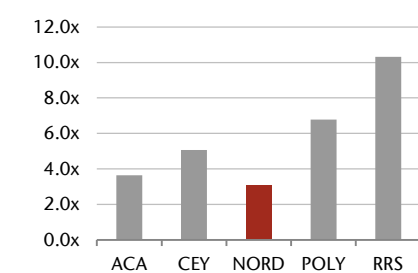
2017-18E EBIT Margin	18.6%
2017-18E Free Cash Flow Yield	20.2%
2017-18E Gearing	28.5%

Other Considerations

After significant production growth since 2007 driven principally by M&A, we expect future growth to increasingly depend on the large-scale capex projects Gross and Bouly. In addition, the company's assets are spread across Russia, Kazakhstan, Burkina Faso and Guinea, all geopolitically risky regions. We do however like Nordgold's relatively diversified production base compared to peers.

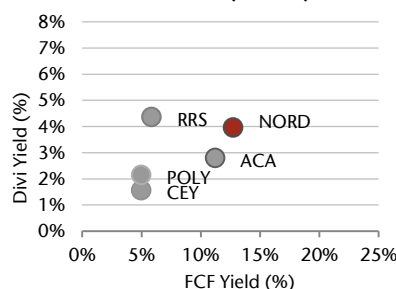
Peer Group

Group EV/EBITDAs (2017E)



Source: FactSet, Jefferies estimates

FCF Yield vs Divi Yield (2017E)



Source: FactSet, Jefferies estimates

Recommendation / Price Target

Ticker	Rec.	PT
ACA LN	Buy	550p
CEY LN	Hold	150p
NORD LI	Hold	\$3.40
POLY LN	Unpf	650p
RRS LN	Buy	8,700p

Catalysts

Stocks in our coverage generally do not trade on obvious catalysts. But factors that could be supportive of Nordgold's share price include the following:

- Increasing gold prices
- Successful execution of current greenfield growth projects
- Increases to the company's free float

Company Description

Nordgold is a pure-play emerging-markets gold producer, with operations in Burkina Faso, Guinea, Russia and Kazakhstan. Since its establishment in 2007, Nordgold has expanded rapidly through acquisitions and organic investment. By the end of 2014 the Company's gold production has reached 984 Koz. Nordgold has nine producing mines, two development projects, four advanced exploration projects and a portfolio of early exploration projects and licenses. Nordgold's target is to produce 1Moz of gold from existing mines and development projects in the medium term.

Scenarios

Target Investment Thesis

- Gold price climbs through 2017 as real rates remain; long-term pricing of \$1,300/oz
- Following recent years of RUB devaluation, domestic costs are pushed up by inflation
- POLY rolls a large portion of its near-term debt maturities, net debt remains elevated near-term
- Price Target 650p, derived through 50/50 weighting to NPV and EV/EBITDA based multiples

Upside Scenario

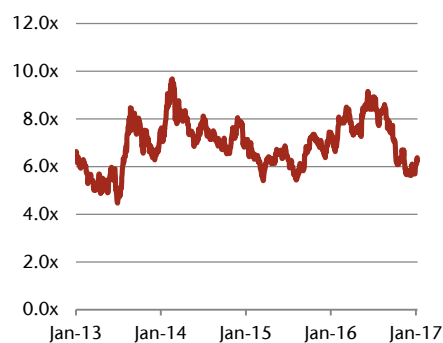
- Real rates remain low for an extended period
- Jewellery demand surprises to the upside, driving strong gold demand
- Price Target 1,200p, as gold increases \$100/oz per annum reaching \$1,500/oz and long-term at \$1,400/oz, additional Fx weakness reduces Kyzyl capex and continues to offset domestic inflation; valuation multiple expands both EV/EBITDA and P/NPV

Downside Scenario

- US interest rates rise rapidly, increasing the opportunity cost of holding gold as an investment and strengthening the US dollar against a basket of currencies
- Global gold production continues to grow, reaching new records
- Price Target 500p, with gold prices declining to \$1,000/oz remaining under pressure medium term and domestic inflation pushes cash costs up high single digits in coming years

Long Term Analysis

Historical EV/EBITDA



Source: Factset Consensus

Medium Term Financial Metrics

2017-18E EBIT Margin	30.8%
2017-18E Free Cash Flow Yield	6.6%
2017-18E Gearing	100.8%

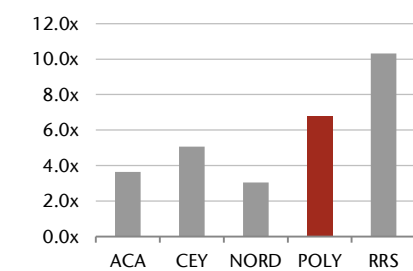
Other Considerations

The largest portion of POLY's NPV is derived from Kyzyl which remains nearly two years away from first production.

The current flagship asset, Dukat, is a primary silver mine. Silver represents c30% of revenue.

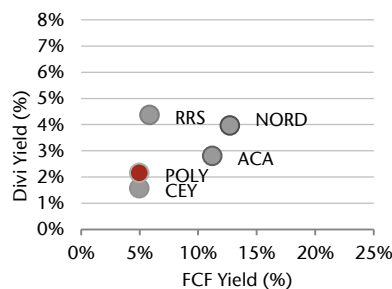
Peer Group

Group EV/EBITDAs (2017E)



Source: Factset, Jefferies estimates

FCF Yield vs Divi Yield (2017E)



Source: Factset, Jefferies estimates

Recommendation / Price Target

Ticker	Rec.	PT
ACA LN	Buy	550p
CEY LN	Hold	150p
NORD LI	Hold	\$3.40
POLY LN	Unpf	650p
RRS LN	Buy	8,700p

Catalysts

Factors that could be supportive of POLY's share price include the following:

- Increasing gold prices
- Further positive M&A activities
- Increasing shareholder returns
- Balance sheet deleverage

Company Description

Polymetal is a gold and silver mining company, operating in Russia and Kazakhstan. It was established in 1998, completing an IPO in 2007 on the London Stock Exchange (GDRs) and Russia RTS and MICEX exchanges. In 2011, it was admitted to trading on the official listing of the London Stock Exchange.

Randgold Resources

Buy: 8,700p Price Target

Scenarios

Target Investment Thesis

- Gold price climbs through 2017 as real rates remain; long-term pricing of \$1,300/oz
- Kibali production increases improves, following difficult 2016, and reaches 750koz (100%) in 2018
- Barring a large corporate or asset acquisition, RRS takes on no debt
- Price Target 8,700p, derived through 50/50 weighting to NPV and EV/EBITDA based multiples

Upside Scenario

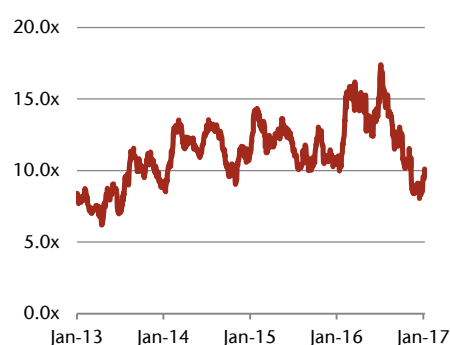
- Real rates remain low for an extended period
- Jewellery demand surprises to the upside, driving strong gold demand
- Central Banks accelerate reserve-based purchases
- Price Target 12,000p as gold increases \$100/oz per annum reaching \$1,500/oz and long-term at \$1,400/oz and valuation multiples returns to past levels

Downside Scenario

- US interest rates rise rapidly, increasing the opportunity cost of holding gold as an investment and strengthening the US dollar against a basket of currencies
- Global gold production continues to grow, reaching new records
- Price Target 4,500p, with gold prices declining to \$1,000/oz remaining under pressure medium term and significant erosion of its premium multiple

Long Term Analysis

Historical EV/EBITDA



Source: Factset Consensus

Medium Term Financial Metrics

2017-18E Divi Yield	5.3%
2017-18E Free Cash Flow Yield	6.5%
2017-18E Gearing	No Debt

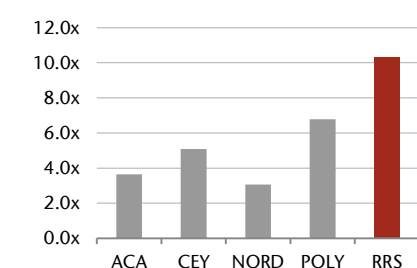
Other Considerations

Randgold has a clean balance sheet with no debt but does have a \$400m undrawn facility available.

The company has taken a very conservative approach with reserves, calculated at \$1,000/oz gold.

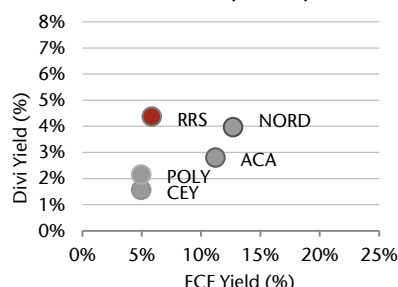
Peer Group

Group EV/EBITDAs (2017E)



Source: Factset, Jefferies estimates

FCF Yield vs Divi Yield (2017E)



Source: Factset, Jefferies estimates

Recommendation / Price Target

Ticker	Rec.	PT
ACA LN	Buy	550p
CEY LN	Hold	150p
NORD LI	Hold	\$3.40
POLY LN	Unpf	650p
RRS LN	Buy	8,700p

Catalysts

Factors that could be supportive of RRS's share price include the following:

- Increasing gold prices
- Positive, accretive M&A activities
- High-grade discoveries through ongoing exploration
- Increasing shareholder returns

Company Description

Randgold has built, financed and operates five gold mines in Africa - Loulo, Goukoto and Morila in Mali, Tongon in Côte d'Ivoire and Kibali in the DRC. The company also has a major project at Massawa in Senegal and a portfolio of exploration projects in the most prospective gold belts of West and Central Africa

Kinross Gold

Hold: \$3.50 Price Target

Scenarios

Target Investment Thesis

- We expect the gold price to average \$1,225 per ounce in 2017, \$1,275 per ounce in 2018 and \$1,300 per ounce long-term.
- Successful development of the Tasiast project in two phases and no major operational or geopolitical problems.
- Our \$3.50 target assumes an EV/EBITDA multiple of 5.5x (based on our 2017 EBITDA forecast of \$1.0 billion).

Upside Scenario

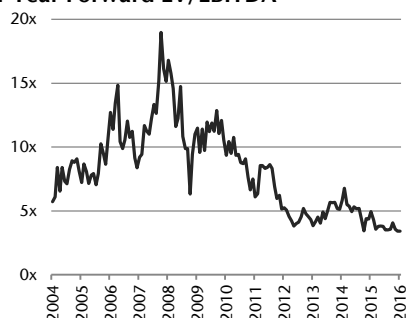
- Safe haven and speculative investment demand accelerate beyond our expectations and lead to a higher than expected gold price.
- That said, macro fears have the effect of compressing equity multiples.
- The Tasiast mine may provide stronger than expected performance.
- An upside target of \$7 would assume an EV/EBITDA multiple of 4.8x times our 2017 EBITDA estimate of \$2.0 billion in this scenario.

Downside Scenario

- Safe haven and speculative demand for gold could erode, especially if macro risks subside and the US\$ strengthens.
- Tasiast continues to disappoint or faces nationalization.
- A downside target of \$2.00 would assume an EV/EBITDA multiple of 6.4x times our 2017 EBITDA estimate of \$0.5 billion in this scenario.

Long Term Analysis

1 Year Forward EV/EBITDA



Source: FactSet, Jefferies estimates

Long Term Multiples

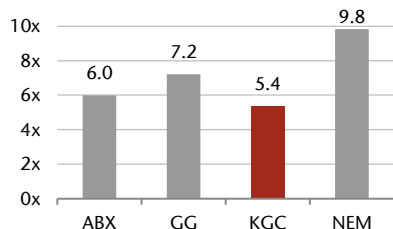
Gold equity multiples, including KGC's, have de-rated and are no longer unreasonably high.

Other Considerations

We no longer expect the gold price to outperform gold mining equities in general as valuations are now reasonable and free cash flow is positive and growing.

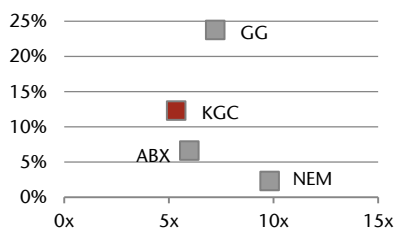
Peer Group

Group 2017E EV/EBITDA



Source: Jefferies estimates

EBITDA Growth Rate vs EV/EBITDA



Source: Jefferies estimates

Recommendation / Price Target

Ticker	Rec.	PT
ABX	Buy	\$21
GG	Hold	\$14.50
KGC	Hold	\$3.50
NEM	Hold	\$37

Catalysts

- A higher gold price or M&A would be potential catalysts for Kinross.
- Geopolitical developments could be negative for Kinross.

Company Description

Kinross Gold Corporation is involved in the exploration, development, and production of gold in countries located around the world. The Company currently has operations in the United States, Brazil, Chile, Ghana, Mauritania and Russia.

Barrick Gold

Buy: \$21 Price Target

Scenarios

Target Investment Thesis

- We expect the gold price to average \$1,225 per ounce in 2017, \$1,275 per ounce in 2018 and \$1,300 per ounce long-term.
- Barrick will use free cash flow in a strong gold price environment to pay down debt. This deleveraging will lead to a higher equity value for the company.
- Our \$21 target price assumes an EV/EBITDA multiple of 7.8x (based on our 2017 EBITDA forecast of \$3.9 billion).

Upside Scenario

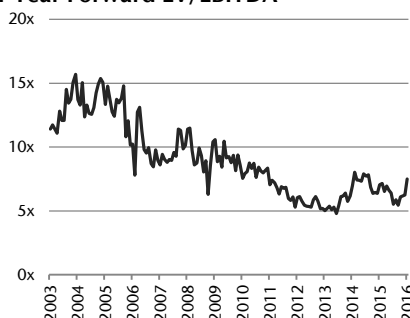
- Speculation and safe haven demand for gold may lead to much higher gold prices.
- Nonetheless, macroeconomic concerns have consistently led to compressed equity multiples. And, these concerns could be negative for copper prices.
- An upside target of \$30 would assume an EV/EBITDA multiple of 6.8x times our 2017 EBITDA estimate of \$6.0 billion in this scenario.

Downside Scenario

- Safe haven and speculative demand for gold could erode, especially if macro risks subside and the US\$ strengthens.
- Offsetting this, reduced macro fears should be positive for both copper prices and equity multiple expansion.
- A downside target of \$15 would assume an EV/EBITDA multiple of 9.3x times our 2017 EBITDA estimate of \$2.5 billion in this scenario.

Long Term Analysis

1 Year Forward EV/EBITDA



Source: FactSet, Jefferies estimates

Long Term Multiples

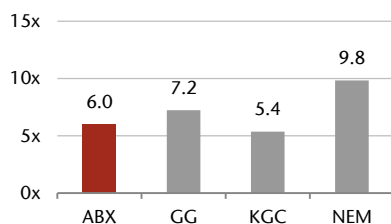
Gold equity multiples, including ABX's, have de-rated and are no longer unreasonably high.

Other Considerations

We no longer expect the gold price to outperform gold mining equities in general as valuations are now reasonable and free cash flow is positive and growing.

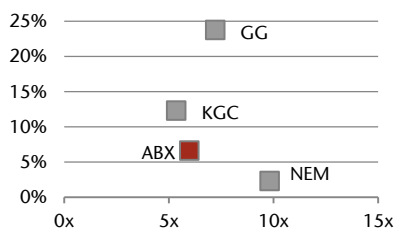
Peer Group

Group 2017E EV/EBITDA



Source: Jefferies estimates

EBITDA Growth Rate vs EV/EBITDA



Source: Jefferies estimates

Recommendation / Price Target

Ticker	Rec.	PT
ABX	Buy	\$21
GG	Hold	\$14.50
KGC	Hold	\$3.50
NEM	Hold	\$37

Catalysts

- Potential asset sales or changes in the gold price would be catalysts for Barrick.
- An acquisition would be a short-term negative for the Barrick share price, as would an equity issuance. An equity issuance to fund investment in growth is a risk.

Company Description

Barrick Gold Corporation is an international gold company with operating mines and development projects in the United States, Canada, South America, Australia, and Africa.

Scenarios

Target Investment Thesis

- We expect the gold price to average \$1,225 per ounce in 2017, \$1,275 per ounce in 2018 and \$1,300 per ounce long-term.
- In our base case, Goldcorp maintains flat production and avoids major operational disappointments.
- Our \$14.50 target assumes an EV/EBITDA multiple of 7.4x (based on our 2017 EBITDA forecast of \$2.0 billion).

Upside Scenario

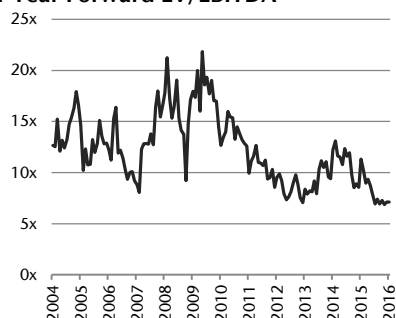
- Safe haven and speculative investment demand accelerate beyond our expectations and lead to a higher than expected gold price.
- However, macroeconomic fears may have the effect of further compressing equity multiples.
- An upside target of \$22 would assume an EV/EBITDA multiple of 7.0x times our 2017 EBITDA estimate of \$3.0 billion in this scenario.

Downside Scenario

- Safe haven and speculative demand for gold could erode, especially if macro risks subside and the US\$ strengthens.
- A downside target of \$10 would assume an EV/EBITDA multiple of 7.8x times our 2017 EBITDA estimate of \$1.4 billion in this scenario.

Long Term Analysis

1 Year Forward EV/EBITDA



Source: FactSet, Jefferies estimates

Long Term Multiples

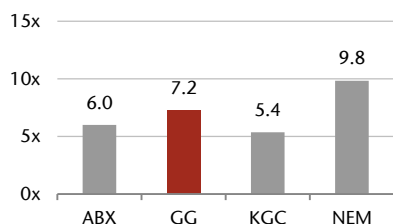
Gold equity multiples, including GG's, have de-rated and are no longer unreasonably high.

Other Considerations

We no longer expect the gold price to outperform gold mining equities in general as valuations are now reasonable and free cash flow is positive and growing.

Peer Group

Group 2017E EV/EBITDA



Source: Jefferies estimates

EBITDA Growth Rate vs EV/EBITDA



Source: Jefferies estimates

Recommendation / Price Target

Ticker	Rec.	PT
ABX	Buy	\$21
GG	Hold	\$14.50
KGC	Hold	\$3.50
NEM	Hold	\$37

Catalysts

Potential catalysts include:

- A higher than expected gold price.
- Potential M&A activities.
- A potential equity issuance is a risk for most gold miners, including Goldcorp.
- Operational problems would be a negative for Goldcorp's share price.

Company Description

Goldcorp, Inc. is a North American gold producer. The Company has gold mining operations and projects in Canada, Mexico, Argentina, Guatemala, the Dominican Republic and Chile. Goldcorp owns the Red Lake mine in Ontario.

Newmont Mining

Hold: \$37 Price Target

Scenarios

Target Investment Thesis

- We expect the gold price to average \$1,225 per ounce in 2017, \$1,275 per ounce in 2018 and \$1,300 per ounce long-term.
- Newmont operates well and does not make any major acquisitions or divestitures.
- Our \$37 target assumes an EV/EBITDA multiple of 11x (based on our 2017 EBITDA forecast of \$2.1 billion).

Upside Scenario

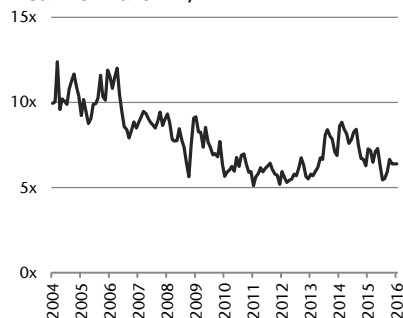
- Safe haven and speculative investment demand accelerate beyond our expectations and lead to a higher than expected gold price.
- An upside target of \$50 would assume an EV/EBITDA multiple of 8.4x times our 2017 EBITDA estimate of \$3.5 billion in this scenario.

Downside Scenario

- Safe haven and speculative demand for gold could erode, especially if macro risks subside and the US\$ strengthens.
- A downside target of \$20 would assume an EV/EBITDA multiple of 11.3x times our 2017 EBITDA estimate of \$1.2 billion in this scenario.

Long Term Analysis

1 Year Forward EV/EBITDA



Source: FactSet, Jefferies estimates

Long Term Multiples

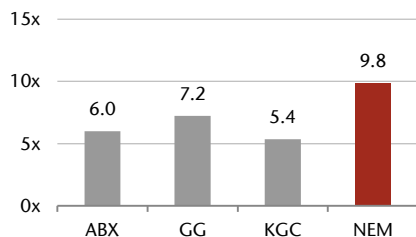
Newmont's valuation is inexpensive relative to its historic range, but we would argue that this low valuation is justified in light of the risk to the gold price and Newmont's limited volume growth.

Other Considerations

Newmont has a strong balance sheet, good free cash flow generation, and relatively low operational risk. However, our analysis indicates that these positives are already reflected in the Newmont share price. We conclude that a lower valuation and/or more positive outlook for gold is needed to drive the NEM share price higher from the current level.

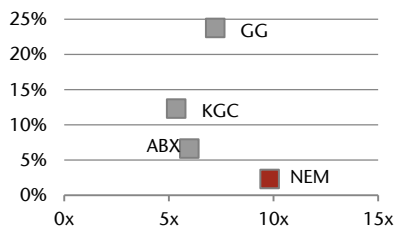
Peer Group

Group 2017E Consolidated EV/EBITDA



Source: Jefferies estimates

EBITDA Growth Rate vs. EV/EBITDA



Source: Jefferies estimates

Recommendation / Price Target

Ticker	Rec.	PT
ABX	Buy	\$21
GG	Hold	\$14.50
KGC	Hold	\$3.50
NEM	Hold	\$37

Catalysts

- NEM's share price should be driven primarily by the gold price and continued successful execution of operational targets. A higher gold price would be a catalyst for Newmont's share price, as would accretive asset sales.
- A potential equity issuance is a risk for most gold miners, including Newmont.

Company Description

Newmont Mining Corporation acquires, explores, and develops mineral properties. The Company produces gold and copper from mines in the United States, Australia, Peru, Indonesia, Ghana, and Suriname.

Company Description

Acacia is one of the largest gold producers in Africa. It has three operating mines in Tanzania with exploration projects in Tanzania, Kenya, Burkina Faso and Mali. Acacia was spun out of Barrick Gold in 2010.

Centamin is an Egyptian gold miner with its primary asset, the Sukari Gold Mine, being the first large scale modern gold mine in the country. Pouring its first gold bar in 2009, Centamin is ramping up gold production towards 500koz per annum in 2017.

Nordgold is an emerging-markets gold producer with operations in Burkina Faso, Guinea, Kazakhstan, and Russia. The company was founded in 2007, as a part of OAO Severstal, and was independently spun-off beginning in January 2012 via a listing of GDRs on the London Stock Exchange. The company has achieved rapid growth both organically and through acquisitions, increasing production from approximately 21koz in 2007 to 754koz in 2011 with a near-term target of over 1moz.

Polymetal is a gold and silver mining company, operating in Russia and Kazakhstan. It was established in 1998, completing an IPO in 2007 on the London Stock Exchange (GDR's) and Russia RTS and MICEX exchanges. In 2011, it was admitted to trading on the official listing of the London Stock Exchange.

Randgold has built, financed and operates 5 gold mines in Africa - Loulo, Gounkoto and Morila in Mali. Tongon in Côte d'Ivoire and Kibali in the DRC. The company also has a major project at Massawa in Senegal and a portfolio of exploration projects in the most prospective gold belts of West and Central Africa.

Barrick Gold Corporation is an international gold company with operating mines and development projects in the United States, Canada, South America, Australia, and Africa.

Goldcorp, Inc. is a North American gold producer. The Company has gold mining operations in the United States, Canada, Mexico, Guatemala, Argentina, and the Dominican Republic. Goldcorp owns the Red Lake mine in Ontario.

Kinross Gold Corporation is involved in the exploration, development, and production of gold in countries located around the world. The Company currently has operations in the United States, Brazil, Chile, Ghana, Mauritania and Russia.

Newmont Mining Corporation is primarily a gold producer, with significant assets or operations in the United States, Australia, Peru, Indonesia, Ghana, New Zealand and Suriname. Founded in 1921 and publicly traded since 1925, Newmont is one of the world's largest gold producers. Headquartered near Denver, Colorado, the company has approximately 28,000 employees and contractors worldwide.

Freeport-McMoRan Copper & Gold Inc., is a North American resource company involved in the mining of copper, gold and molybdenum as well as the production of oil and natural gas. The Company mines for copper and owns mining interests in Indonesia, Africa, U.S., Peru and Chile. Freeport also owns and oil and gas interests in California, the Gulf of Mexico and Haynesville.

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(Article 3(1)e and Article 7 of MAR)

Recommendation Published , 17:04 ET, January 9, 2017
Recommendation Distributed , 00:00 ET, January 10, 2017

Company Specific Disclosures

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The expected total return (price appreciation plus yield) for Buy rated securities with an average security price consistently below \$10 is 20% or more within a 12-month period as these companies are typically more volatile than the overall stock market. For Hold rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is plus or minus 20% within a 12-month period. For Underperform rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is minus 20% or less within a 12-month period.

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Other Companies Mentioned in This Report

- Acacia Mining PLC (ACA LN: p401.70, BUY)
- Barrick Gold Corporation (ABX: \$16.93, BUY)
- Centamin PLC (CEY LN: p140.70, HOLD)
- Freeport-McMoRan (FCX: \$14.90, BUY)
- Goldcorp Inc. (GG: \$14.62, HOLD)
- Kinross Gold Corp. (KGC: \$3.35, HOLD)
- Newmont Mining Corporation (NEM: \$35.42, HOLD)
- Nordgold (NORD LI: \$3.30, HOLD)
- Polymetal International PLC (POLY LN: p917.50, UNDERPERFORM)
- Randgold Resources LTD (RRS LN: p6,660.00, BUY)

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			Count	Percent
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HOLD	889	41.20%	175	19.69%
UNDERPERFORM	169	7.83%	17	10.06%

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