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United States
Industrials
Metals & Mining

Industry
Global Gold Sector

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Special Report

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Global gold study: Find your 'safe place'

Determining value in gold sector a necessity in uncertain geopolitical times

Increasing geopolitical risks has seen gold regain its 'safe haven' status, lifting 10% so far this year. In an uncertain global climate, we feel investors should prepare for a flight to gold and, in that event, understand which gold stocks provide the desired exposure: value, growth or leverage. The global gold sector is trading on 7.6x EV/EBITDA, below its 10-year average (10x). Free cash flow is strong and balance sheets are improving, but upside is stock-specific. In this report, we compare and rank 22 covered gold stocks to identify the stand-outs. Our top global gold picks are Newmont (NEM.N), Evolution Mining (EVN.AX), St. Barbara Mining (SBM.AX), Alacer Gold (AQG.AX) & Dacian Gold (DCN.AX).



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In a volatile macro environment, follow the cash flow & avoid the debt laden

The USD gold price has rallied +10% this year, following a sustained sell-off post the U.S. election in Nov 2016. Markets remain focused on global growth prospects (and U.S. rate hikes), but rising tensions in the Middle East and Asia, along with concerns around U.S. policy disappointment & the Chinese property market pose risks to the pro-growth trade. We believe the global gold sector presents a compelling investment thesis despite our neutral outlook on gold. Costs have fallen across the sector, lifting free cash flow (average FCF yield of 6% this year), while debt levels are falling (average net debt/EBITDA now 1.2x). The sector is trading on an undemanding 7.6x EV/EBITDA, but we believe the companies best positioned to manage price volatility are still those with the highest quality portfolios. Evolution (13% FCF yield), Barrick Gold (12%) & St. Barbara Mining (10%) are the best cash generators. Newmont (8% FCF yield) has the best balance sheet amongst the majors (0.6x net debt/EBITDA), is trading on 0.8x P/NPV, and is our top pick amongst global majors.

Divergent trends amongst the global large-cap, mid-cap and small-cap sectors

Global gold majors remain focused on reducing costs, increasing cash flow and repairing balance sheets. Gearing amongst majors remains elevated (29% average), offsetting appealing cash flow metrics; we believe the majors will continue to progress longer term growth options while retaining free cash to pay down debt. Mid-cap gold miners are in better positions, with stronger balance sheets & internal growth options. The mid caps are trading on 7.6x EV/EBITDA (8.5x for global majors), highlighting the discount applied by the market for lower reserves. Small cap golds provide compelling value opportunities, with strong cash flow (St Barbara 10% FCF yield, Regis 9%) and the best 3-year production growth prospects across the sector. OceanaGold (Hold) has a clear growth mandate, while Alacer Gold & Dacian Gold (both 0.5x P/NPV) are building new projects, are fully-funded and screen deep value.

Gold-producing regions present different investment opportunities

Outside of global majors, the Australian gold sector is generating strong cash flow, carrying almost no debt but with few growth prospects due to a lack of greenfields exploration. South African gold miners remain high-cost, providing the greatest NPV & EPS leverage to gold price movements (see pg 7). The Chinese miners, Zijin & Zhaojin, generate good cash but have +40% gearing.

Valuation and sector risks

Our PTs are set broadly in-line with our DCF derived valuations. Company risks include adverse commodity and currency movements (pg 25)

Top picks

Newmont (NEM.N),USD33.63	Buy
Evolution Mining (EVN.AX),AUD2.36	Buy
St Barbara (SBM.AX),AUD2.94	Buy
Alacer Gold (AOG.AX),AUD2.14	Buy
Dacian Gold (DCN.AX),AUD1.88	Buy

Source: Deutsche Bank



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Executive summary

Find your 'safe place' within the global gold sector

Deutsche Bank's house view is centred on a constructive outlook for global growth predicated on a strengthening U.S. economy and solid momentum in Europe. We forecast the U.S. Federal reserve to increase rates two more times this year, which is largely priced in by Fed Futures markets (70% chance of a rate hike in June, 20% chance of a further rate hike this year). We forecast global growth of 3.6% in 2017 (2.6% U.S. growth), but downside risks persist from i) U.S. policy disappointment (Trump straying from campaign proposals, speculation of impeachment), ii) China financial stability (concerns around property bubble, RMB weakening) and iii) increasing geopolitical risks.

Companies featured:

United States (Jorge Beristain)

Barrick (ABX.N, Buy, US\$22/sh PT)
 Goldcorp (GG.N, Hold, US\$16/sh PT)
 Kinross (KGC.N, Hold, US\$3.80/sh PT)
 Newmont (NEM.N, Buy, US\$44/sh PT)

United States (Chris Terry)

Coeur (CDE.N, Hold, US\$9.00/sh PT)
 Hecla (HL.N, Hold, US\$5.50/sh PT)
 Silver Standard (SSO.TO, Hold, CAD\$14.50/sh PT)

Australia (Mathew Hocking)

Alacer Gold (AQG.AX, Buy, A\$4.40/sh PT)
 Dacian Gold (DCN.AX, Buy, A\$3.10/sh PT)
 Evolution Mining (EVN.AX, Buy, A\$2.60/sh PT)
 Northern Star Res. (NST.AX, Hold, A\$4.10/sh PT)
 Newcrest Mining (NCM.AX, Sell, A\$17.50/sh PT)
 OceanaGold Corp (OGC.AX, Hold, A\$4.10/sh PT)
 Regis Resources (RRL.AX, Sell, A\$2.90/sh PT)
 St Barbara (SBM.AX, Buy, A\$3.10/sh PT)

South Africa (Patrick Mann)

AngloGold Ashanti (ANG.J.J, Hold, ZAR145/sh PT)
 Gold Fields (GFI.J.J, Hold, ZAR40/sh PT)
 Harmony (HAR.J.J, Sell, ZAR20/sh PT)
 Sibanye Gold (SGL.J.J, Sell, ZAR21/sh PT)

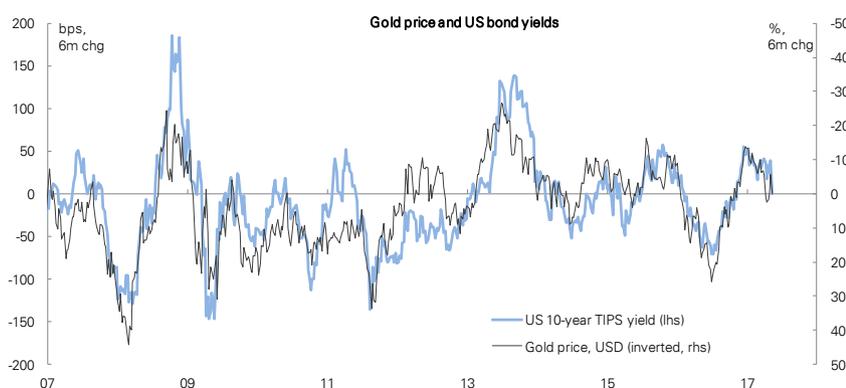
China (Sharon Ding)

Zhaojin Mining (1818.HK, Buy, HK\$8.00/sh PT)
 Zijin Mining (2899.HK, Buy, HK\$3.60/sh PT)

Europe (George Buzhenitsa)

Polymetal (POLYP.L, Hold, GBP 780/sh PT)

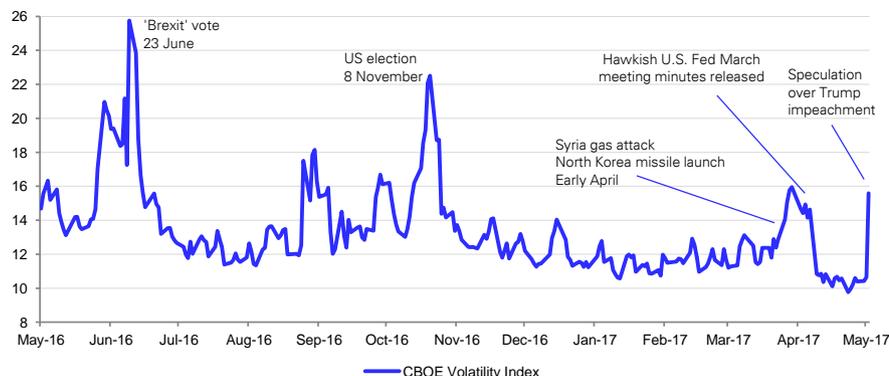
Figure 1: USD gold price remains strongly correlated to U.S. 10-year yields



Source: Deutsche Bank, Bloomberg Finance LP

In recent weeks, global markets have absorbed heightening geopolitical risks, but the strong pro-growth trade re-emerged following the release the U.S. Federal Reserve minutes in April which suggested rate rises are imminent. Over the last week, speculation around a potential Trump impeachment and the UN Security council demanding North Korea cease missile testing has forced a re-rate of market volatility and a 2-3% increase in the USD gold price.

Figure 2: The CBOE Volatility Index has lifted sharply

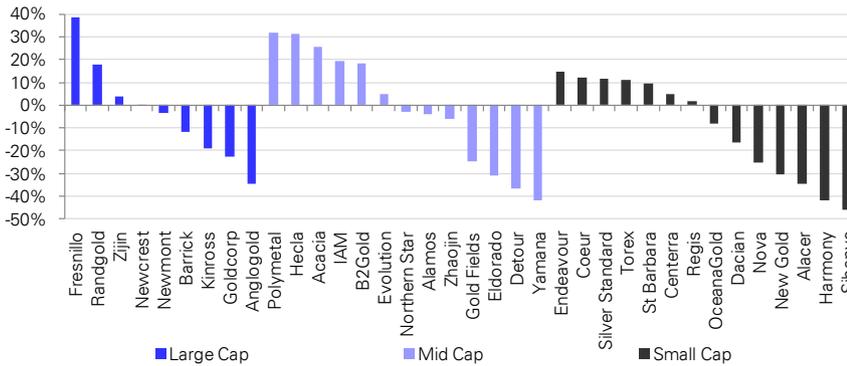


Source: Deutsche Bank, FactSet, Chicago Board Options Exchange



The global gold equities have withstood an eventful 12 months, with the market shock of the 'Brexit' vote, the surprisingly stable market response to the U.S. election result and gold index outflows towards the end of 2016. Over the last year, the gold price is almost flat and while some gold equities have outperformed, the global sector performance is largely flat.

Figure 3: 1-year gold equity share price performance



Source: FactSet

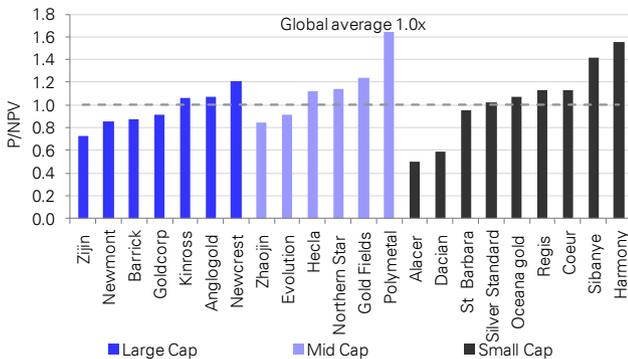
Deutsche Bank does not have official coverage of the TSX gold sector, however we have compared these stocks to our global gold coverage on a number of metrics on pg 23.

We are not bullish on the USD gold price, with a year-end price forecast of US\$1,230/oz (1% below the spot price), but we recognise the value of the 'hedge' trade & believe holding gold equities as an 'insurance policy' on global growth/geopolitical risks is prudent. In this report, we identify companies best positioned to weather gold price volatility and deliver shareholder returns.

Global gold valuation metrics are compelling

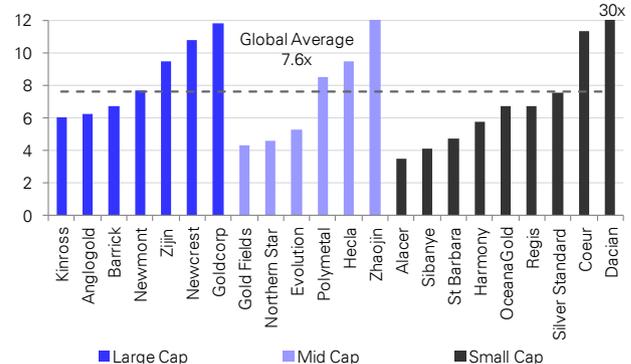
The global gold sector is trading on 1x P/NPV using DB's price assumptions (US\$1,200/oz in 2017, US\$1,255/oz in 2018, long term price of US\$1,300/oz). While NPV cannot be ignored, we believe the global equity markets are more focussed on EV/EBITDA and FCF yield metrics when valuing gold equities. The global gold sector is trading on 7.6x EV/EBITDA, 25x P/E and an average FCF yield of 6%. To that point, the global gold sector is trading on 7.6x EV/EBITDA and an average FCF yield of 6%. The current sector average P/E multiple is 26x (company earnings remain subdued as a result of significant D&A burdens).

Figure 4: Global P/NPV



Source: Deutsche Bank, FactSet

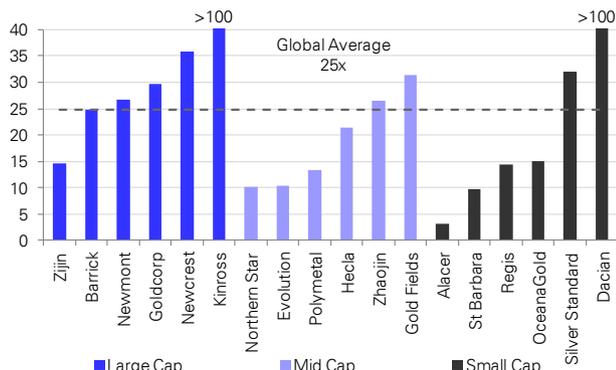
Figure 5: Global EV/EBITDA



Source: Deutsche Bank, FactSet; CY17/FY18E shown

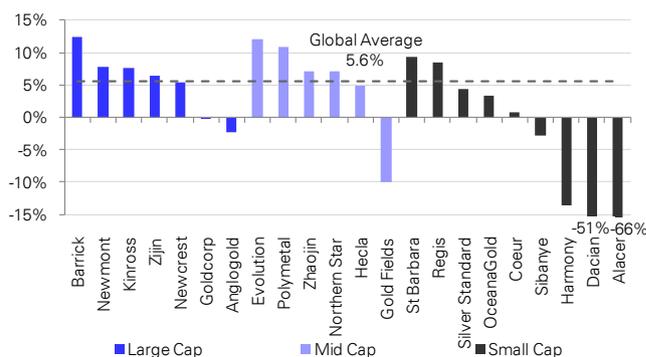


Figure 6: Global P/E ratio



Source: Deutsche Bank, FactSet; CY17/FY18E shown

Figure 7: Global FCF yield (%)

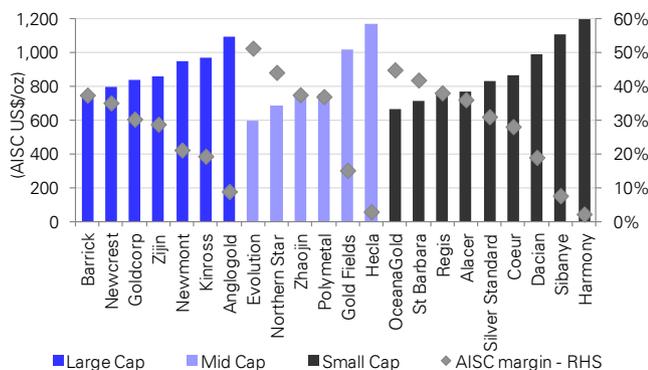


Source: Deutsche Bank, FactSet; CY17/FY18E shown

Balance sheets are in good condition

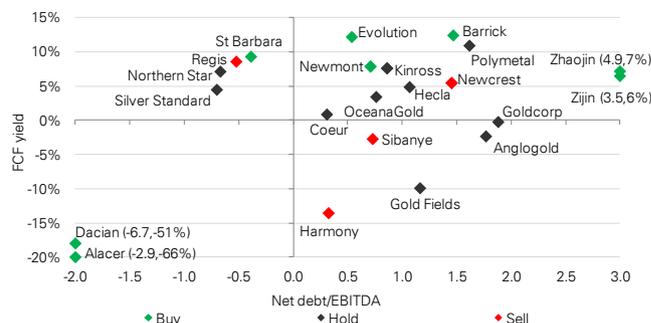
After a tumultuous five years, the global gold sector is in good shape. Companies have removed costs, delayed capital investment, rationalised portfolios and focussed on cash flow to repair balance sheets. Global majors have leaned down their portfolios, often to the benefit of global mid and small cap miners looking for mispriced opportunities. Across our global coverage, All-In Sustaining Costs continue to fall, with a further 4% reduction over the next three years. The global sector has an average FCF yield of 6% and gearing levels are no longer at critical levels. Companies are now re-entering the investment phase, committing to exploration and reviewing growth options.

Figure 8: All-In Sustaining cost (US\$/oz) & AISC margin



Source: Deutsche Bank, FactSet; CY17/FY18 data shown

Figure 9: FCF yield (%) vs. Net debt/EBITDA



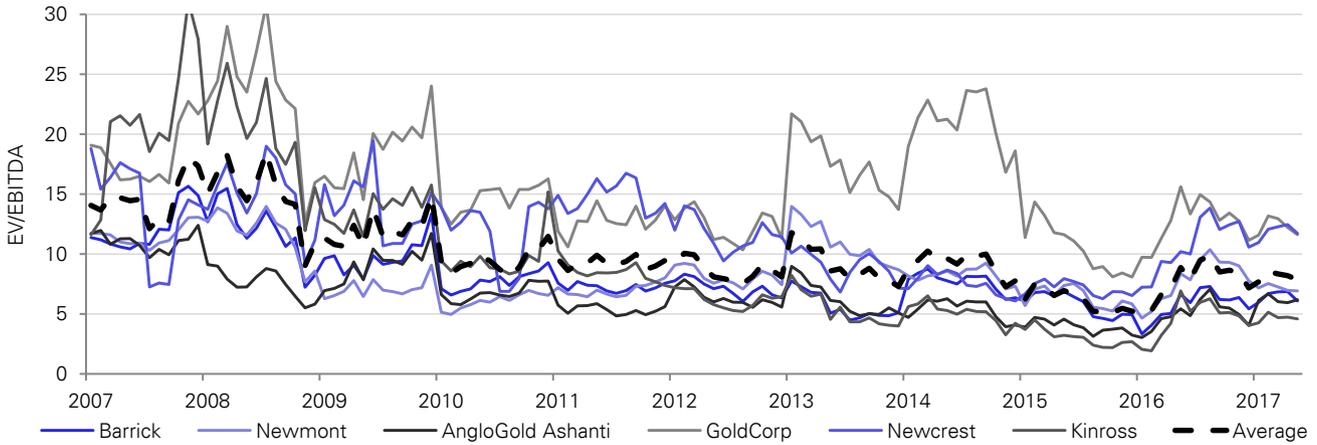
Source: Deutsche Bank, FactSet; CY17/FY18E data shown

Current valuations do not look stretched vs. 10-year averages

The global gold sector is trading on 7.6x EV/EBITDA and 25x P/E. Looking at the gold majors specifically (Barrick, Newmont, AngloGold, Goldcorp, Kinross, Newcrest, Zijin), this group is trading on 8.5x EV/EBITDA and 27x P/E. These metrics look compelling when compared to the 10-year sector average for EV/EBITDA (10x) and P/E (28x). The gold sector has de-rated significantly post the 2013 gold price collapse and company debt has increased, but the global majors are trading on multiples close to 10 year lows.



Figure 10: 10-year EV/EBITDA metrics for the global gold majors

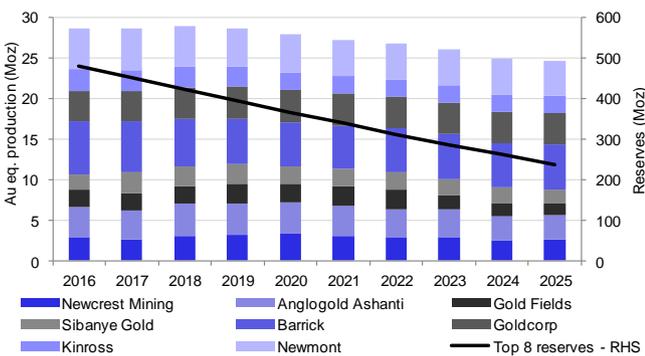


Source: Deutsche Bank, Company data

Global majors lack production growth

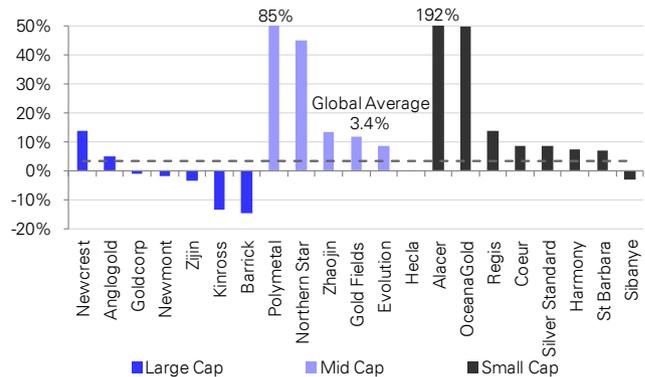
The eight largest gold producing companies (Barrick, Newmont, AngloGold, Goldcorp, Kinross, Newcrest, Gold Fields & Sibanye) will experience production decline on a gold equivalent basis over the next 10 years (-14% average gold eq. decline). Importantly, over the next 10 years, these companies will consume 50% of their current reserves. The next wave of major gold/copper projects is yet to be approved and as a result, gold production growth is a feature currently isolated to the global mid cap and small cap gold companies. Polymetal, Northern Star, Alacer Gold, OceanaGold and Dacian Gold can all deliver +40% production growth over the next 3 years.

Figure 11: Global majors gold eq. output & reserves



Source: Deutsche Bank, Company data

Figure 12: Global 3-year production growth (%)



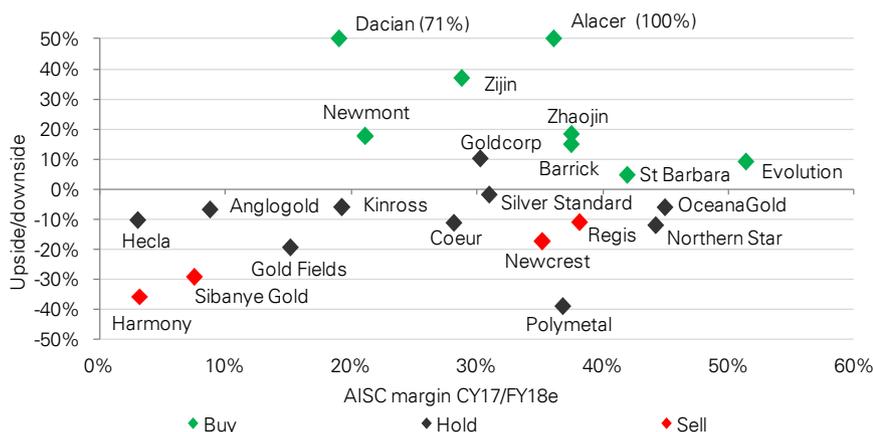
Source: Deutsche Bank, DB estimates for CY17/FY18 – CY19/FY20; DCN 0 to 196koz

DB preferences align with the quality asset portfolios

We look for companies that i) can withstand gold price volatility, ii) continue to strengthen balance sheets and iii) improve portfolios through organic growth to create shareholder value. Given the strong global growth outlook, this leads us to prefer gold companies with high quality asset portfolios that can generate strong cash margins even if the USD gold price falls from here.



Figure 13: Valuation upside/downside to NPV vs. AISC margin (%)

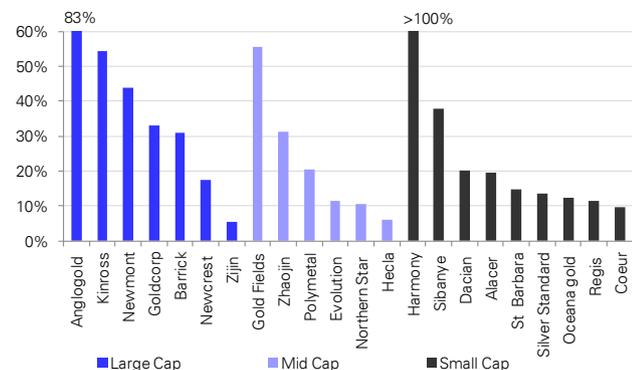


Source: Deutsche Bank, FactSet, prices as at 18/8/2017

NPV and EPS leverage to gold price

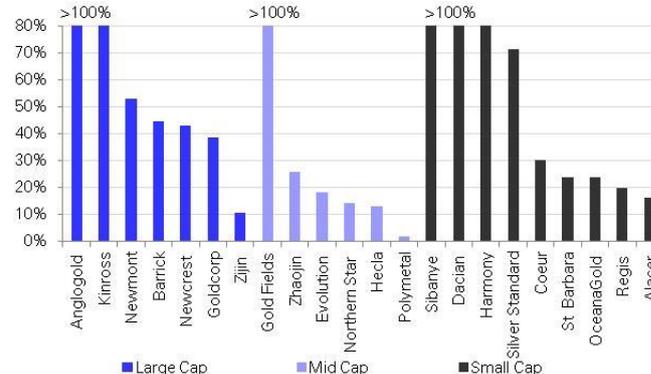
Gold serves as an insurance policy against global crisis events. Across 20 recent crisis events (see Page 9), the average peak gold price appreciation over the first 25 trading days is 5%. Gold equities are a leveraged risk hedge given their operating margins & asset life are influenced by the gold price. Across global large, mid & small cap gold sectors, South African companies provide the greatest NPV and EPS leverage to movements in the gold price.

Figure 14: NPV sensitivity to US\$100/oz gold price move



Source: Deutsche Bank,

Figure 15: EPS sensitivity to US\$100/oz gold price move



Source: Deutsche Bank, CY17/FY18E

DB global gold picks

Top pick in global majors (greater than US\$5bn market capitalisation)

- Newmont Mining (NEM.N, Buy US\$44/sh PT):** NEM has a diversified global asset portfolio, sector leading balance sheet metrics (0.3x CY17E net debt/EBITDA) and is trading on 0.85x P/NPV. Production growth in 2017 is mainly driven by the ramp-up of Merian in Suriname while medium-term catalysts are further cost-cutting initiatives, successful execution of CC&V (Colorado) & Tanami Expansion (commercial production mid-2017). Newmont is our top pick amongst global gold majors.



Top pick in global mid caps (US\$2-5bn market capitalisation)

- **Evolution Mining (EVN.AX, Buy A\$2.60/sh PT):** EVN has transformed itself via three transactions over the last two years; it now produces over 800kozpa with an impressive 5-year average FCF yield of 14%. EVN currently has 20% gearing but can return to net cash within 18 months, such is the business' cash generation. EVN is trading on 0.9x P/NPV and is our top pick amongst global mid cap gold companies.

Top picks in global small caps (less than US\$2bn market capitalisation)

- **St. Barbara Mining (SBM.AX, Buy A\$3.10/sh PT):** The SBM investment thesis is underpinned by strong free cash flow, a net cash balance sheet & mine life extension. SBM is trading on 4.7x EV/EBITDA with 5-year average FCF yield of 10% and an 8-year reserve at Gwalia, which we believe is the most undervalued gold asset in Australia. SBM is our top pick amongst global small cap gold companies.
- **Alacer Gold (AOG.AX, Buy A\$4.40/sh PT):** AOG owns the Çöpler gold project in Turkey and is building the US\$744m Çöpler sulphide project which should deliver first gold pour in 3Q 2018. The sulphide project generates a US\$1bn NPV and 19% IRR from a 20 year reserve life. AOG is trading at 0.5x P/NPV, is fully funded and screens well vs. ASX peers on CY19/FY20E EV/EBITDA (0.9x vs. 4.6x peer group average).
- **Dacian Gold (DCN.AX, Buy A\$3.10/sh PT)** DCN is fully funded to build its Mount Morgan project in WA including a 2.5Mtpa plant producing +200kozpa. Construction has begun, with first gold due in 1H 2018. DCN is trading at 0.6x P/NPV & has strong exploration potential at its Westralia mine, one of the few undeveloped +5g/t deposits left in WA.

Figure 16: Valuation and target prices of gold stocks under DB coverage

Company	Code	Currency	Rating	NPV	Last price	Target price	Up/downside NPV
Large Caps							
Zijin	2899.HK	HKD	Buy	3.60	2.63	3.60	37%
Newmont	NEM.N	USD	Buy	40.30	34.26	44.00	18%
Barrick	ABX.N	USD	Buy	19.63	17.10	22.00	15%
Goldcorp	GG.N	USD	Hold	15.70	14.27	16.00	10%
Kinross	KGC.N	USD	Hold	4.03	4.29	3.80	-6%
AngloGold Ashanti	ANGJ.J	ZAR	Hold	146.00	156.99	145.00	-7%
Newcrest Mining Ltd	NCM.AX	AUD	Sell	17.52	21.25	17.50	-18%
Mid Caps							
Zhaojin	1818.HK	HKD	Buy	8.00	6.77	8.00	18%
Evolution Mining	EVN.AX	AUD	Buy	2.56	2.35	2.60	9%
Hecla	HL.N	USD	Hold	5.39	6.02	5.50	-11%
Northern Star Resources	NST.AX	AUD	Hold	4.06	4.63	4.10	-12%
Gold Fields	GFIJ.J	ZAR	Hold	40.57	50.47	40.00	-20%
Polymetal	POLYP.L	GBP	Hold	650	1,069	780	-39%
Small Caps							
Alacer Gold	AOG.AX	AUD	Buy	4.36	2.18	4.40	100%
Dacian Gold	DCN.AX	AUD	Buy	3.06	1.79	3.10	71%
St Barbara	SBM.AX	AUD	Buy	3.07	2.94	3.10	5%
Silver Standard	SSO.TO	CAD	Hold	14.07	14.36	14.50	-2%
OceanaGold Corporation	OGC.AX	AUD	Hold	4.07	4.34	4.10	-6%
Coeur	CDE.N	USD	Hold	8.45	9.54	9.00	-11%
Regis Resources	RRL.AX	AUD	Sell	2.92	3.29	2.90	-11%
Sibanye Gold	SGLJ.J	ZAR	Sell	20.10	28.48	21.00	-29%
Harmony	HARJ.J	ZAR	Sell	20.00	31.14	20.00	-36%

Source: Deutsche Bank, FactSet



DB gold price outlook

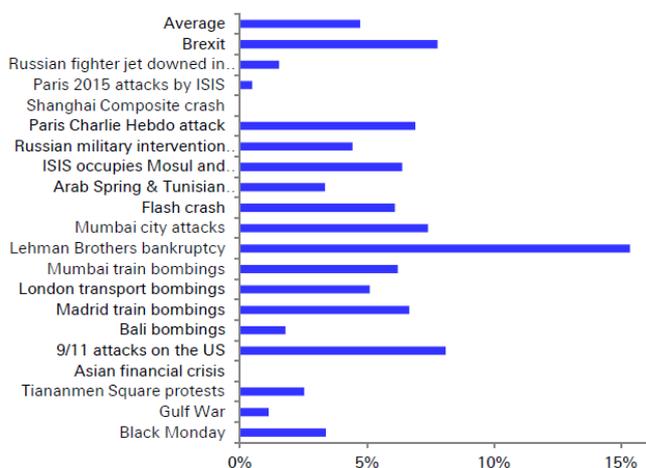
With gold trading close to our 2017 average forecast of US\$1,230/oz, we are "neutral" on the yellow metal. Our house view has been that global growth momentum and a more hawkish Fed meant the risks are skewed to the downside over the next quarter. However, we recognise that heightened political risks can give gold some temporary support. Our analysis would suggest that risk events in isolation are not enough to provide a constant support to gold. Our profile for gold plateaus in the second half and ends the year at US\$1,230/oz.

Our US rates analyst Dominic Konstam believes that for the rise in nominal bond yields to be sustainable, it has to be driven by higher breakeven inflation (rather than higher real bond yields). He notes that a more hawkish Fed has recently pushed up real bond yields, and with underlying growth still weak, this could undermine risk asset valuations. The ETF flows momentum for now seems to be on a downward trend, but flows are still in positive territory year on year. In 2015, there was a brief period of inflows at the beginning of the year, only to see the gold price continue to collapse and end the year down US\$150/oz. The key difference between 2015 and 2017 is fund flows in commodities were outbound whereas we are currently seeing more inflows.

Insuring against volatile markets

Gold serves as an insurance policy against global crisis events. In our sample of 20 crisis events, the average peak gold price appreciation over the first 25 trading days is 5%. After 50 days the average appreciation has fallen to c.1%, which highlights that gold is only a short term insurance measure. In terms of severity as measured by the peak gold price performance in the first 25 trading days, Brexit came in the top 3. We continue to see the potential for crisis events this year, especially in US politics. This is the main reason we do not see gold trading below US\$1,100/oz despite our house view on US rates.

Figure 17: Gold performance 25 days post crisis event



Source: Deutsche Bank, Bloomberg Finance LP

Figure 18: DB gold price forecast (prices in nominal terms)

	Spot	2016A	1Q17F	2Q17F	3Q17F	4Q17F	2017F	2018F	2019F	2020F	2021F	2022F	LT (nom)	LT(real)
Gold (USD/oz)	1261	1249	1216	1150	1220	1230	1204	1255	1288	1322	1355	1388	1421	1300

Source: Deutsche Bank, FactSet. Gold price as of 19-5-17

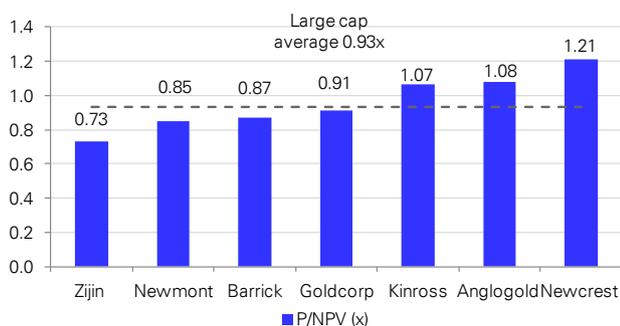


Global majors

Cash flow & de-gearing still the focus, too early for growth

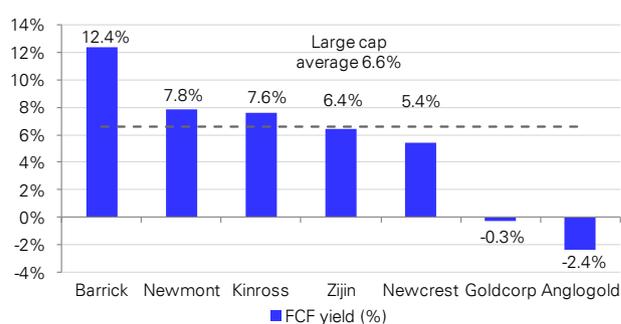
The global gold majors remain focused on free cash flow and debt reduction. Cash generation is strong, with Barrick and Newmont being standouts (CY17 FCF yield of 12% and 8% respectively), while balance sheets are improving. Gearing has reduced to an average of 29%, while the average net debt/EBITDA is 1.7x. Newmont, Goldcorp and Kinross are the only three majors with gearing below 20%. Newmont is our top pick amongst global gold majors.

Figure 19: P/NPV for large cap gold companies



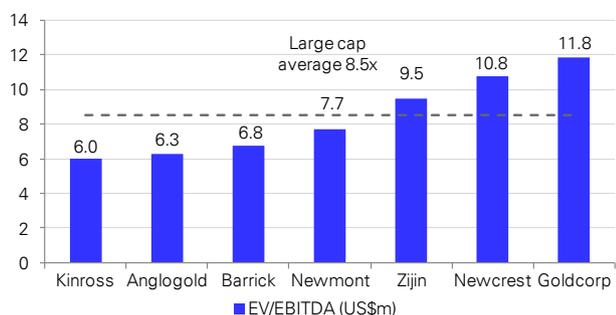
Source: Deutsche Bank, FactSet

Figure 20: FCF yield for large cap gold companies



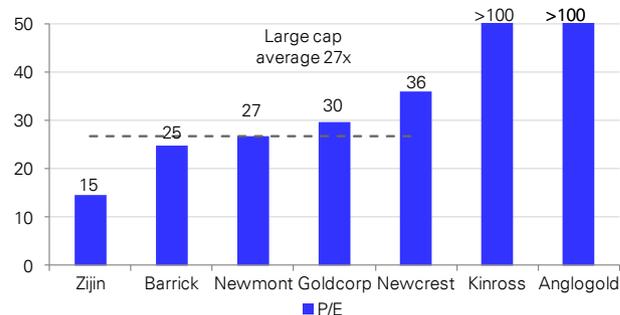
Source: Deutsche Bank estimates CY17/FY18, FactSet

Figure 21: EV/EBITDA for large cap gold companies



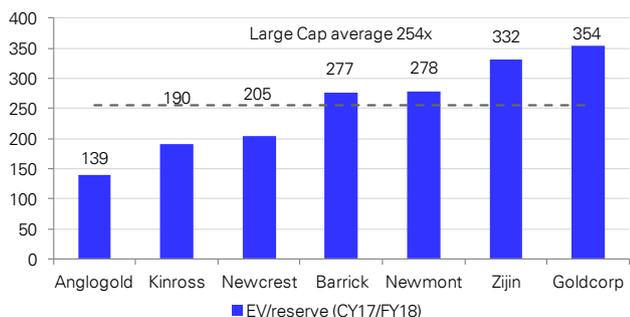
Source: Deutsche Bank estimates CY17/FY18, FactSet

Figure 22: P/E ratio for large cap gold companies



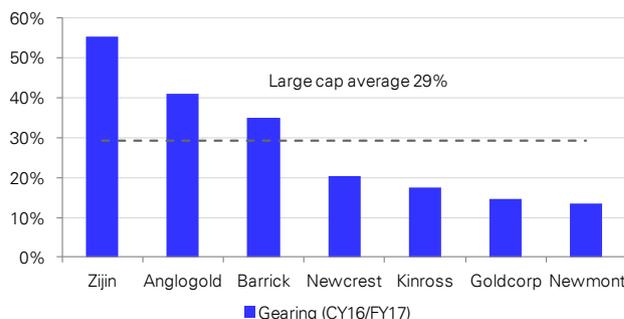
Source: DBE CY17/FY18, FactSet; AGG and KGC removed from ave. due to low or no earnings

Figure 23: EV/reserve for large cap gold companies



Source: Deutsche Bank estimates CY17/FY18, FactSet

Figure 24: Gearing ratio for large cap gold companies



Source: Deutsche Bank, FactSet; Gearing calculation = net debt/(net debt + equity)



Newmont Mining (NEM.N, Buy US\$44/sh PT)

Newmont is one of the largest gold mining companies globally, with key operations in North America, Australia, South America and Africa (Ghana). The company also has exposure to copper. Production growth in 2017 is mainly driven by the ramp-up of Merian (in Suriname). The medium-term outlook depends on further cost-cutting initiatives and successful execution of CC&V (Colorado) and the Tanami Expansion (on track for commercial production mid-2017). Newmont has further growth potential from Ahafo Mill Expansion and Subika UG (Ghana), both recently approved. Recommend Buy on cash flows and Balance Sheet, PT US\$44/sh based on 1.1x NPV. Newmont is a Top Pick for North American Precious companies under coverage.

Zijin Mining (2899.HK, Buy HKD3.60/sh PT)

With gold and copper price looking compelling in the medium term, we expect Zijin to achieve decent operating margin with its hedge position under strict control. We also expect robust volume growth in its mined copper and zinc segments. The Company is currently trading at 11x 2017DB estimates EPS with 48% earnings CAGR during 2016-2019e, we thus maintain our Buy rating.

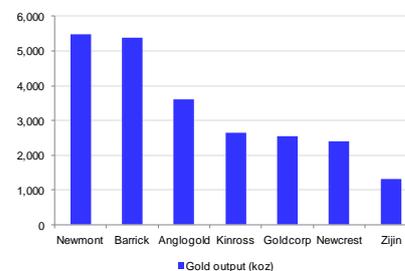
Barrick Gold (ABX.N, Buy US\$22/sh PT)

Barrick is the largest gold miner in the world by production, with additional exposure to copper (predominately Lumwana) and silver. The Company is working on further reducing costs across the business through a decentralization strategy. We see potential unlocking of value related to development projects (such as Pascua-Lama) and further cost optimization across the business through Joint Ventures (such as the recent partnership with Shandong Gold (50%) for Veladero mine; deal valued at US\$960m, to be closed by 2Q17). We have a Buy recommendation on valuation and an improving Balance Sheet, US\$22/sh PT (based on 1.1x NPV).

AngloGold Ashanti (ANG.J, Hold ZAR145/sh PT)

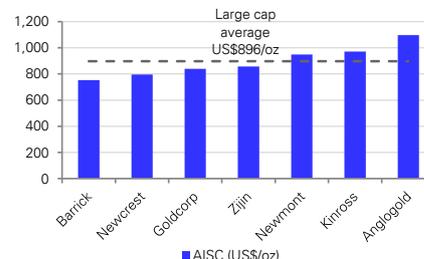
AngloGold is a global producer of gold with its traditional South African base comprising only about 25% of 2017e attributable production of c.3.65Moz. As ageing South African mines continue to venture deeper (AngloGold operates Mponeng, the deepest underground gold mine in the world operating at depths up to c.3.8km below surface), it becomes increasingly difficult to maintain margins while battling declining grades and increasing input costs. We see significantly more value in AngloGold's international operations: the Company operates in continental Africa (c.37% of group production), South America (c.23%) and Australia (c.15%). AngloGold is investing in brownfields near-mine projects in its international portfolio which we view as relatively low-risk and quick payback. Key projects include the Siguri combination plant (Guinea); Sadiola sulphides (Mali); Tropicana Long Island cutback (Australia); and Kibali underground (JV with RandGold in the DRC). With a near-term capex hump and pressure on margins from adverse currency movements in 2017, we have a Hold recommendation on AngloGold with a DCF-derived target price of R145ps. The Company trades at a discount to its global peers on 2017E 6.3x EV/EBITDA, however we do not see this discount narrowing in the near-term given the current challenging operating conditions in South Africa.

Figure 25: Global major gold output



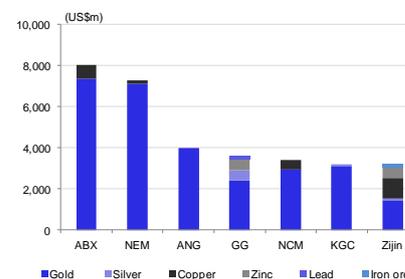
Source: Deutsche Bank; CY17/FY18 data shown

Figure 26: Global major AISC



Source: Deutsche Bank; CY17/FY18 data shown

Figure 27: Global major revenue split



Source: Deutsche Bank; CY17/FY18 data shown



Goldcorp (GG.N, Hold US\$16/sh PT)

Goldcorp, based in Canada, operates mines and development projects across the Americas. Although the main metal exposure is gold/silver (~85%), the Company also produces copper, zinc and lead. We maintain a Hold rating as we await operational delivery and predictability following a challenging 2016; PT US\$16/sh based on 1.0x NPV. GG.N has executed a number of transactions in the past quarter, including acquisition of a 25% interest in Cerro Casale from Kinross for US\$260m cash payment and a further 25% from Barrick (US\$260m deferred payment). GG.N also acquired Exeter Resource Corp.

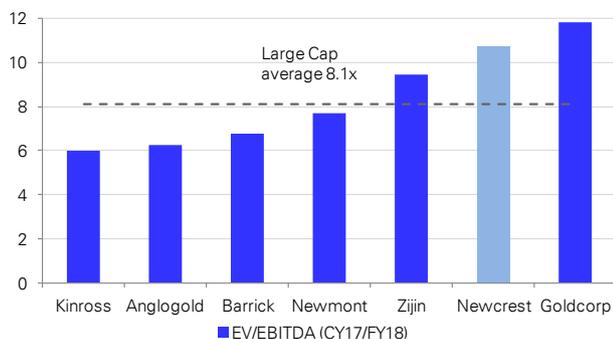
Kinross Gold (KGC.N, Hold US\$3.80/sh PT)

Kinross, based in Canada, operates mines and development projects in the US, Brazil, Chile, Russia and West Africa (Tasiast project). The Tasiast Phase I project is on track with engineering/procurement completed and commercial production expected in 2Q18. A Tasiast Phase II PFS is scheduled to be completed in 3Q17. Kinross is also focusing on Bald Mountain expansions and a PFS at Phase W (Round Mountain) expected in 3Q17. We maintain a Hold rating, with PT of US\$3.80/sh, based on ~1.0x NPV.

Newcrest Mining (NCM.AX, Sell A\$17.50/sh PT)

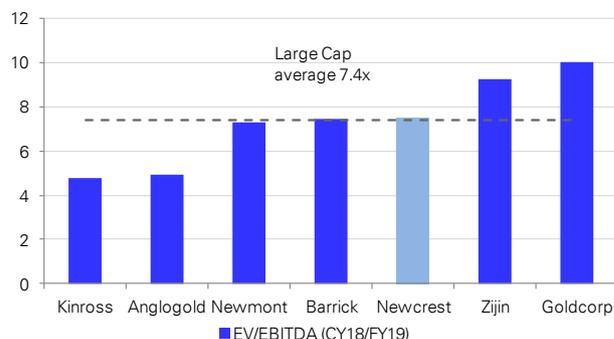
Newcrest is an Australian based gold mining company operating five assets located in Australia, PNG, Indonesia and Côte d'Ivoire. The Company's primary assets are the Cadia (Australia) and Lihir (PNG) operations which account for 65% of group production. Cadia was recently affected by a major seismic event and underground mining operations remain suspended. NCM has guided to lower production in FY18, which reduced our earnings by over 30%. The Company plans to have both underground panel cave operations (PC1 & PC2) back in operation in the September Q, but all ore will be milled through PC2 crushers due to the damage to the PC1 crusher chamber. NCM has not guided on a timeframe to have the PC1 crusher chamber back online. We rate NCM a Sell based on P/NPV, but recognise that global investors use metrics like EV/EBITDA to compare NCM to its global peers. Based on FY18E EV/EBITDA of 10.8x and FCF yield of 5.4x, we see other gold equities that present better value, however we believe global investors are looking through FY18 (and the Cadia issues) and pricing NCM on FY19 metrics.

Figure 28: CY17/FY18E EV/EBITDA (global majors)



Source: Deutsche Bank, FactSet, CY17/FY18 data shown

Figure 29: CY18/FY19E EV/EBITDA (global majors)



Source: Deutsche Bank, FactSet, CY17/FY18 data shown



Global mid caps

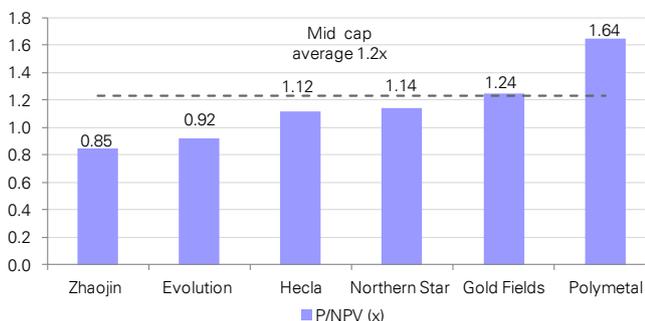
The engine room of the gold sector, but relevance the issue

The global mid cap gold producers have been net beneficiaries of the balance sheet burden carried by the global majors. Non-core assets have been sold down, providing opportunities for mid-cap companies to reinvigorate these operations to underpin their own portfolios. EVN and NST's growth trajectory are testament to this trend. The non-core asset fire sale is now over and these mid-cap companies need to find other avenues to growth.

Mid-cap balance sheets are in very good condition, and companies are using free cash flow to reinvest in their business via exploration, project development or M&A. Both Gold Fields (Gold Road transaction) and Sibanye (Stillwater deal) have made recent acquisitions, and we think more transactions are likely from this group of companies. The challenges faced by the mid-cap companies are i) the capital allocation debate between growth & shareholder returns and ii) convincing global funds to look below the US\$5bn market cap filter and beyond reserve statements to appreciate the quality asset portfolios.

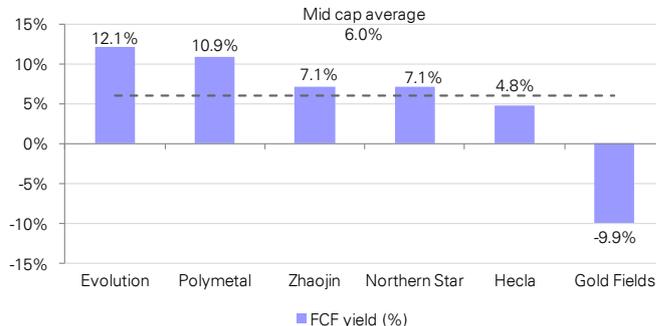
EVN is our top pick amongst global mid caps; it is trading on 0.9x P/NPV, has a sector leading FCF yield of 12%, is rapidly de-gearing its balance sheet (can return to net cash within 18 months) and has an average reserve life of 8 years.

Figure 30: P/NPV for mid cap gold companies



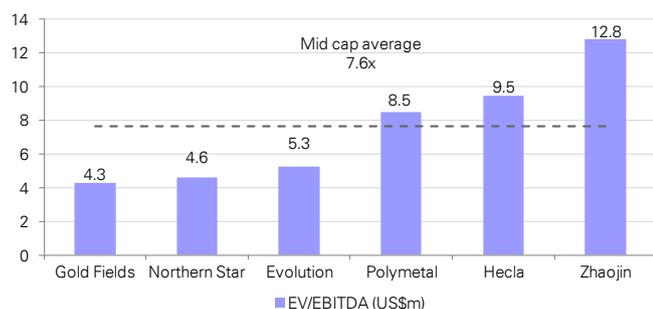
Source: Deutsche Bank, FactSet, CY17/FY18E data shown

Figure 31: FCF yield for mid cap gold companies



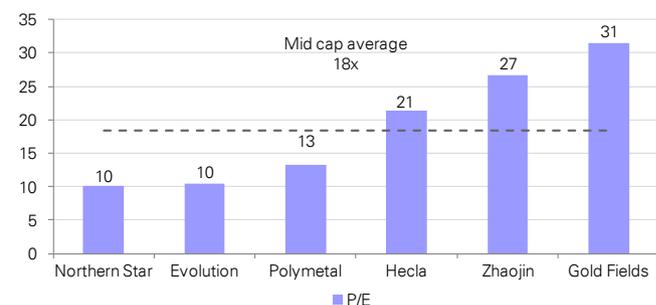
Source: Deutsche Bank, FactSet, CY17/FY18E data shown

Figure 32: EV/EBITDA for mid cap gold companies



Source: Deutsche Bank, FactSet, CY17/FY18E data shown

Figure 33: P/E ratio for mid cap gold companies



Source: Deutsche Bank, FactSet, CY17/FY18E data shown



Evolution Mining (EVN.AX, Buy A\$2.60/sh PT)

Evolution Mining has transformed itself via three value accretive transactions over the last two years. The Company now produces over 800kozpa with an impressive 5-year average FCF yield of 16% on our numbers. The Company currently has 20% gearing but can return to a net cash position by the end of FY18E, such is the cash generation of the business. EVN is trading on 0.9x P/NPV and is our top pick amongst global gold mid cap companies.

Northern Star Resources (NST.AX, Hold A\$4.10/sh PT)

Northern Star Resources operates three production hubs in the Western Australian goldfields. The Company aims to lift production over the 12 months to over 600kozpa through plant enhancements at the Jundee and Kalgoorlie operations. NST is debt free and in a net cash position of A\$351m and is actively pursuing reserve growth through brownfields exploration. We believe the Company can continue to grow its reserve base from 2Moz currently to 2.5Moz (net of depletion) when it releases an updated resources & reserve statement in August. The stock is trading at 1.1x our DCF valuation; Hold.

Gold Fields (GFIJ.J, Hold ZAR45/sh PT)

Gold Fields has one mechanized mine in South Africa, South Deep, after spinning out its other South African conventional mines into Sibanye Gold in 2013. South Deep is one of the world's largest gold deposits (63Moz in resource, 37Moz in reserve at December 2016) but has been a perennial underperformer against targets since acquired by Gold Fields in 2006. The latest "rebase plan" targets a steady-state of 500kozpa by 2021/22 from current levels of c.300kozpa (c.15% of group). Gold Fields also operates in Australia (c.900kozpa / 40% of group), Ghana (c.640kozpa / 30%) and Peru (c.290kozpa / 15%). Gold Fields has embarked on a heavy capex plan in 2017, commencing projects at Damang in Ghana (US\$230m over two years), Gruyere in Australia (US\$260m attributable over two years) and US\$64m on a PFS on its greenfields Salares Norte PFS in Chile. Gold Fields offers decent production growth at a fair price, in our view, trading at close to our 1xNPV DCF-derived price target, Hold.

Hecla Mining (HL.N, Hold US\$5.50/sh PT)

Hecla, with a head office located in Idaho, is one of the largest silver producers in the US, but also produces zinc and gold. Hecla operates Greens Creek (Alaska), which is one of the top 10 silver mines in the world. The Company main growth initiative is the San Sebastian development in Mexico. Hecla is working on transitioning from open pit to underground mining by year end, with the option of extending the mill agreement beyond 2018. Recently, Hecla suspended 2017 guidance at Lucky Friday due to the on-going strike and no clear timeframe on its conclusion. We have a Hold on Hecla with a PT of US\$5.50/sh, based on valuation (1.0x NPV).



Polymetal (POLYP.L, Hold GBp780/sh PT)

We like Polymetal's execution, and growth angle, which offer a compelling combination. Acquisition of Kyzyl gold deposit in Kazakhstan, if developed on time/budget, represents a good fit to the company's portfolio of assets, addressing concerns on reserve replenishment, their quality, and longer-term growth profile (GE output 2016-2020E CAGR of 9%). At Deutsche Bank commodity team's muted gold/silver price forecasts suggest the stock looks fairly valued, trading broadly in line with its peers on 2017E/18E financial multiples.

Zhaojin Mining (1818.HK, Buy HKD8.00/sh PT)

In addition to our constructive view on gold price, we expect Zhaojin to increase its output with the Haiyu mine coming into operation in 2-3 years. Zhaojin's margin will likely improve as its output scales up. The stock is currently trading at 23x/16x 2017/18DBe EPS with earnings CAGR of c.50% during 2016-2019e. Maintain Buy.



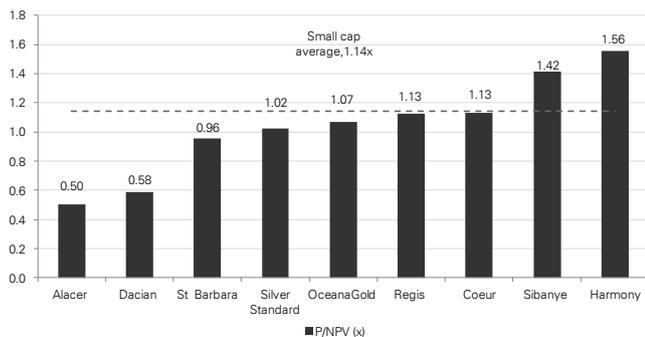
Global small caps

Solid cash flow, strong growth prospects, valuation appeal

The global small cap gold companies provide compelling value opportunities, with strong cash flow (St. Barbara 10% FCF yield, Regis 9%) and/or the best 3-year production growth prospects across the sector. OceanaGold is a standout, with a very low-cost asset base, 50% production growth over the next 3 years and a clear mandate to grow, but the market has rewarded the company and it is trading in line with our valuation. Other companies, like Coeur and Harmony, have growth options that either need further resource definition (Coeur's Kensington project – Julian deposit extension) and/or further studies to prove up project viability (Harmony's Wafi-Golpu JV with Newcrest).

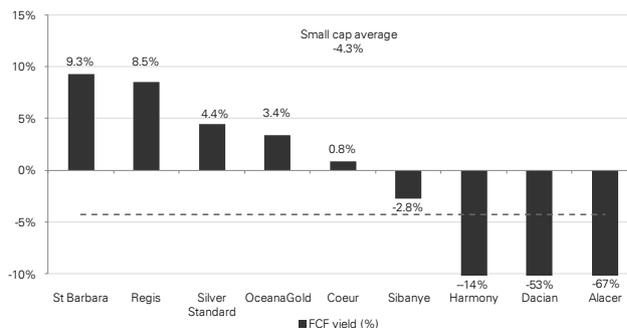
Further down the curve, Alacer Gold & Dacian Gold (both 0.5x P/NPV) are building new projects, are fully-funded and screen deep value. Both companies are early on the capital investment cycle (AOG has spent US\$230m of a US\$744m budget, DCN less than 20% of its A\$197m project budget), so there is capital and project delay risks, but these two gold equities should re-rate as their projects progress and get closer to first cash flow.

Figure 34: P/NPV for small cap gold companies



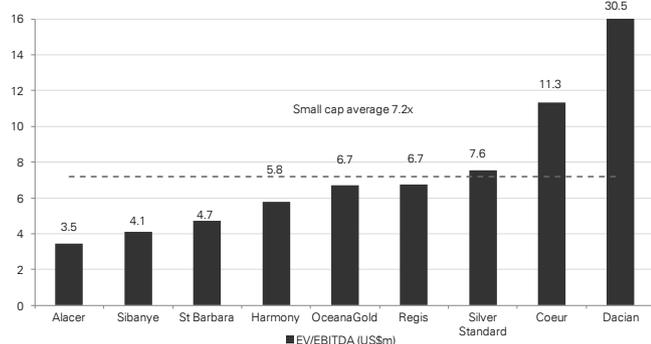
Source: Deutsche Bank, FactSet, CY17/FY18E data shown

Figure 35: FCF yield for small cap gold companies



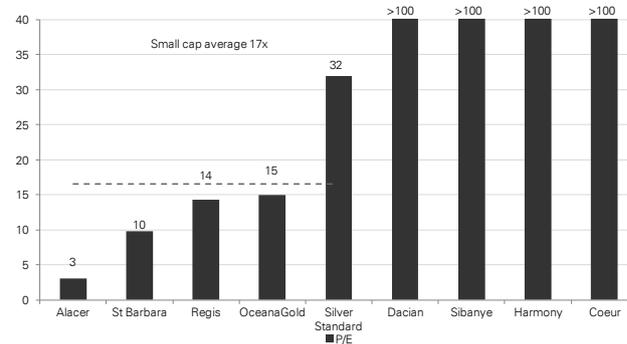
Source: Deutsche Bank, FactSet, CY17/FY18E data shown

Figure 36: EV/EBITDA for small cap gold companies



Source: Deutsche Bank, FactSet, CY17/FY18E data shown

Figure 37: P/E ratio for small cap gold companies



Source: Deutsche Bank, FactSet CY17/FY18E, DCN,SGI,HAR & CDE removed from ave with low/no EPS



St. Barbara Mining (SBM.AX, Buy A\$3.10/sh PT)

The SBM investment thesis is underpinned by sector leading free cash flow, a building cash position and mine life extension at its flagship Gwalia operation in Western Australia. The Company now has a net cash position of A\$99m and growing. SBM is trading on 4.7x EV/EBITDA on DB estimates and strong cash generation underpinned by an 8-year reserve at Gwalia, which we continue to believe is the most undervalued gold asset in Australia.

Alacer Gold (AOG.AX, Buy A\$4.40/sh PT)

AOG owns the Çöpler gold project in Turkey and is building the US\$744m Çöpler sulphide project which should deliver first gold pour in 3Q 2018. The sulphide project generates a US\$1bn NPV and 19% IRR from a 20 year reserve life. AOG is trading at 0.5x P/NPV, is fully funded and screens well vs. global peers on FY19/CY19E EV/EBITDA (0.9 vs. 4.7x peer group average).

Dacian Gold (DCN.AX, Buy A\$3.10/sh PT)

Dacian Gold is developing the Mount Morgans gold project located in the Laverton region of Western Australia. The project encompasses a 2.5Mtpa plant producing +200kozpa. The project is fully funded and early stage construction works have begun, with first gold targeted in 1H 2018. With production targeted within 12 months and the stock trading at 0.6x P/NPV, we believe DCN represents deep value in the gold sector; maintain Buy.

OceanaGold (OGC.AX, Hold A\$4.10/sh PT)

OGC has developed a diverse asset portfolio with operations in New Zealand, the Philippines and the United States. OGC is ramping up its flagship Haile gold project in South Carolina which, once at nameplate capacity, will ensure OGC has the lowest operating costs in the global gold sector. OGC plans to increase group production (currently 550-600koz) through expanding from four operating mines to "5-7 quality mines around the Pacific". OGC has excellent growth potential but remains fairly valued based on its current asset base.

Coeur Mining (CDE.N, Hold US\$9.00/sh PT)

Coeur is a gold and silver producer. The near-term outlook is dependent on production delivery at Kensington (Julian deposit expansion), Palmarejo and Rochester. The Company is now essentially debt-free (Net Debt ~US\$9m) and exploration efforts are increasing across the business. At Palmarejo, drilling exploration continues at Guadalupe and Independencia. Coeur is rated a Hold on valuation with a PT of US\$9.00/sh, based on 1.0x NPV.

Regis Resources (RRL.AX, Sell A\$2.90/sh PT)

RRL operates the Duketon operation in Western Australia, targeting production growth from 300-330koz in FY17 to 340-370koz in FY19 via mining of higher grade satellite pits. RRL's ability to maintain this production profile will be predicated on its ability to define more high-grade ounces to push out lower grade material from Garden Well and the Moolart Well pits. RRL is also progressing the McPhillamy gold project in Central NSW; McPhillamys is a



large, open-pittable resource, but the key constraint is a solution to water access. The business generates strong free cash flow (10% average FCF yield over next five years) and has strong returns to shareholders (5% average dividend yield over next five years), but trades at a premium to NPV.

Harmony Gold (HARJ.J, Sell ZAR20/sh PT)

Harmony produces almost all its gold from ageing South African mines and surface dumps. It is currently (FY17E, June year end) earning an all-in sustaining margin of 8%, which we believe is unsustainable for two main reasons. Firstly, Harmony is benefitting from astute hedges taken out during CY2016 when the Rand-Gold price was close to all-time record-highs, which we estimate adds 7% to revenue over the next 18 months. Secondly, Harmony's most profitable mines have limited lives and we forecast Harmony to fall below 1Mozpa (from current c.1.1Mozpa) by FY22E and unit costs to rise in real terms owing to negative mix effects as relatively low-cost production closes. The limited window of positive earnings gives a muted DCF-derived valuation and underpins our Sell recommendation. Harmony's stated M&A aspirations (to grow to 1.5Mozpa within three years to be in a position to advance its Golpu project in PNG); also increases the risk of poor capital allocation. Harmony has taken over 100% of the ownership of Hidden Valley in PNG (previous JV with NCM) and is spending US\$180m capex on extending production at what has historically been a marginal mine. We also view the FS on Golpu (PNG) released in 2016 as having a muted effect on Harmony's valuation; as questions remain on the position of Harmony to fund its share.

Sibanye Gold (SGLJ.J, Sell ZAR21/sh PT)

Sibanye has concluded (in May 2017) the acquisition of the Stillwater Palladium mine in Montana, USA, for US\$2.2bn net of cash, a princely sum relative to Sibanye's market capitalisation (c.US\$2bn). This transformational acquisition, which will be funded by a combination of equity (US\$1bn rights issue) and debt, will roughly double Sibanye's enterprise value while adding 25% to revenue and EBITDA in the near-term. Sibanye has historically traded on a 3-4x EV/EBITDA multiple and is acquiring Stillwater on a much higher 13x 2017E EBITDA (DBe). While we appreciate the strategic rationale for the acquisition (specifically the long-life of Stillwater and palladiums favourable fundamentals) and provide for production growth in our forecasts, we think the acquisition will ultimately prove value dilutive to shareholders. Our DCF-derived price target leads us to a combined rating less than the weighted average of the separate entities - a value dilutive outcome. The deal also pushes Sibanye to concerningly high levels of net debt to EBITDA (between 2.4 to 3x on spot prices and DBe respectively) even after a US\$1bn rights issue is taken into account. We have a Sell recommendation on Sibanye as a result.

Silver Standard (SSO.TO, Hold CAD\$14.50/sh PT)

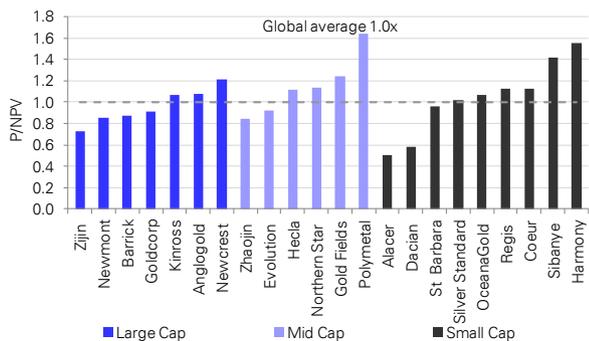
Silver Standard is a gold and silver focused producer with a large resource base across a number of producing and non-producing assets. Marigold in Nevada continues to perform well while Seabee/Santoy acquired in 2016 is undergoing a large exploration and optimization program. Silver Standard recently exercised the option (~US\$15m) at its Chinchillas project and will form a JV with Golden Arrow to further develop the mine with 75% ownership. Construction is due to start in 3Q17 with ore delivery to the Pirquitas mill in 2H18. We currently have a Hold, PT US\$14.50/sh on valuation of 1.0x NPV.



Appendix I: Covered stocks

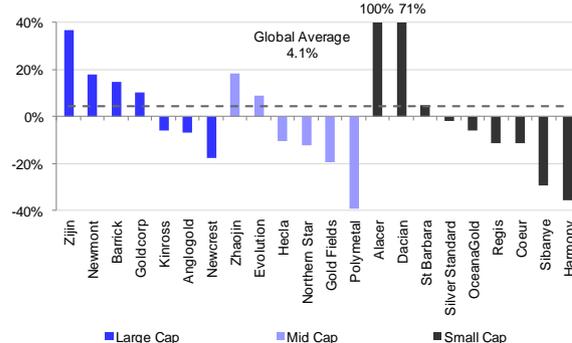
P/NPV

Figure 38: Price-to-NPV



Source: Deutsche Bank, FactSet

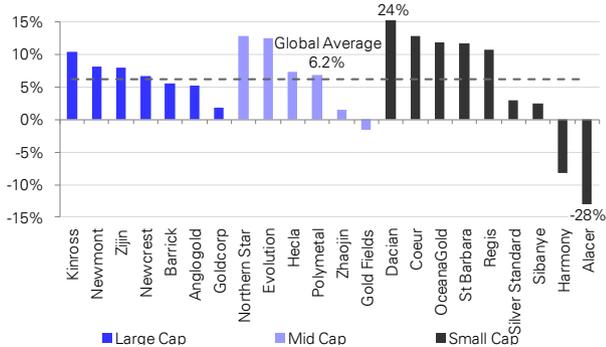
Figure 39: Valuation upside/downside



Source: Deutsche Bank, FactSet

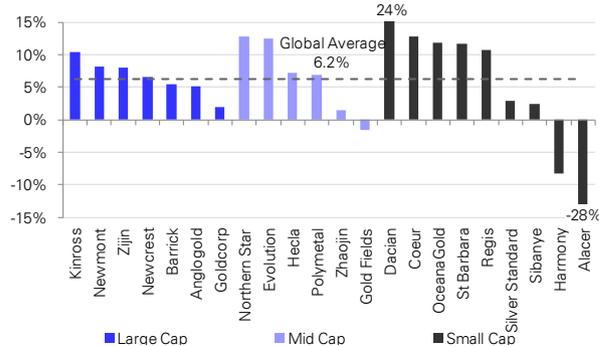
Free cash flow

Figure 40: CY17/FY18E FCF yield (%)



Source: Deutsche Bank, FactSet

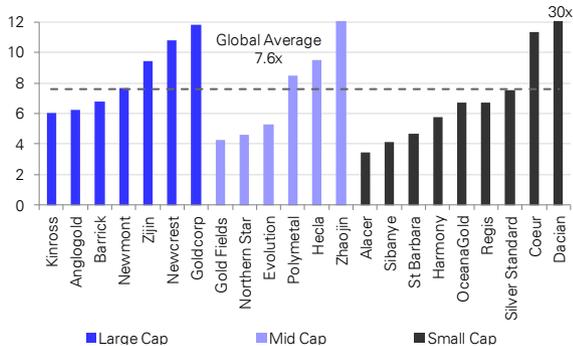
Figure 41: CY18/FY19E FCF yield (%)



Source: Deutsche Bank, FactSet

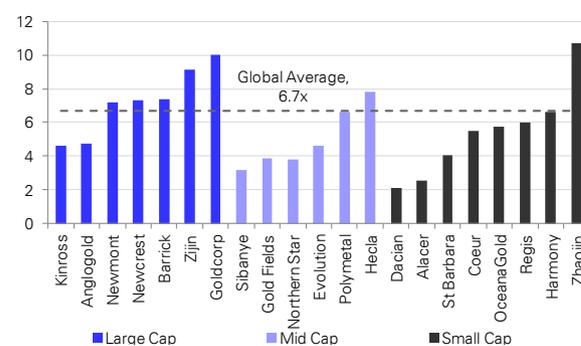
EV/EBITDA

Figure 42: CY17/FY18E EV/EBITDA



Source: Deutsche Bank, FactSet

Figure 43: CY18/FY19E EV/EBITDA

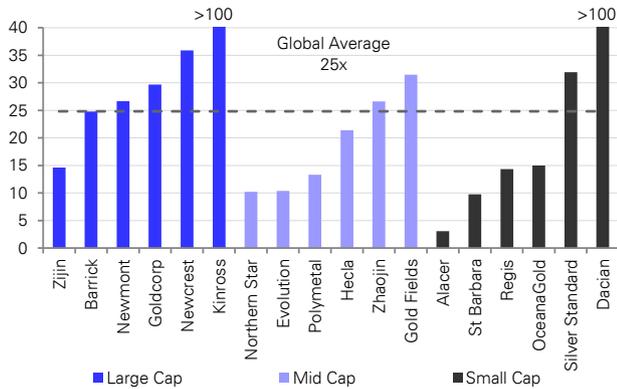


Source: Deutsche Bank, FactSet



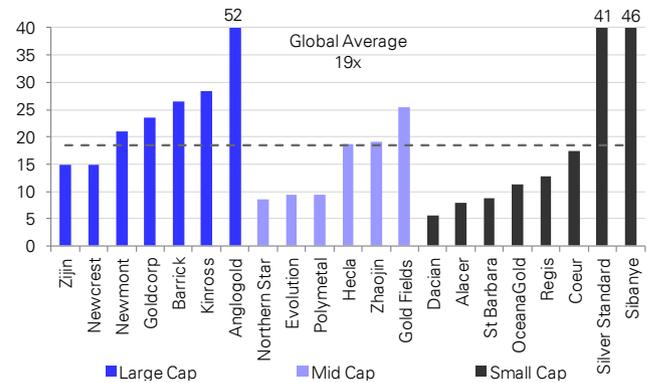
Price-to-Earnings ratio

Figure 44: CY17/FY18E Price-to-Earnings ratio



Source: Deutsche Bank, CDE.N, SGL.J, HAR.J and ANG.J removed due to no earnings in CY17/FY18

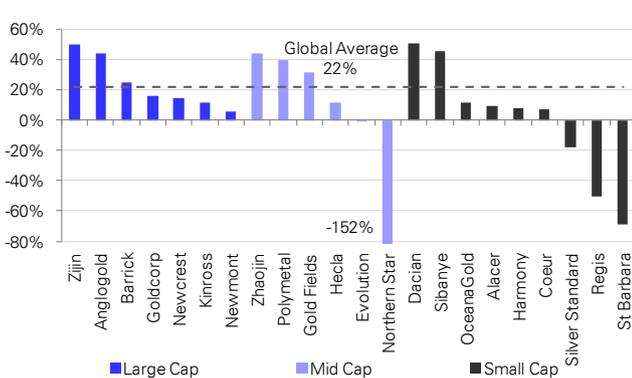
Figure 45: CY18/FY19E Price-to-Earnings ratio



Source: Deutsche Bank, FactSet

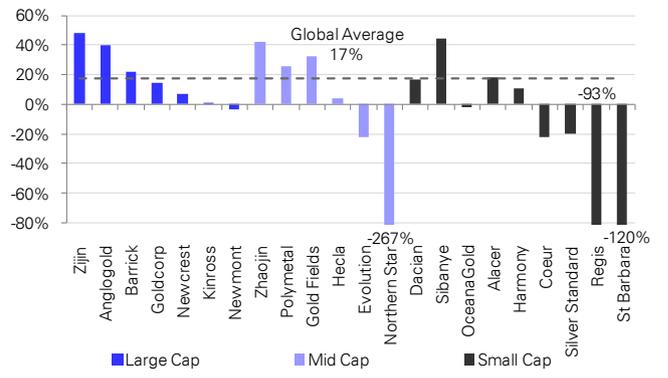
Gearing

Figure 46: CY17/FY18E Gearing ratio



Source: Deutsche Bank, FactSet

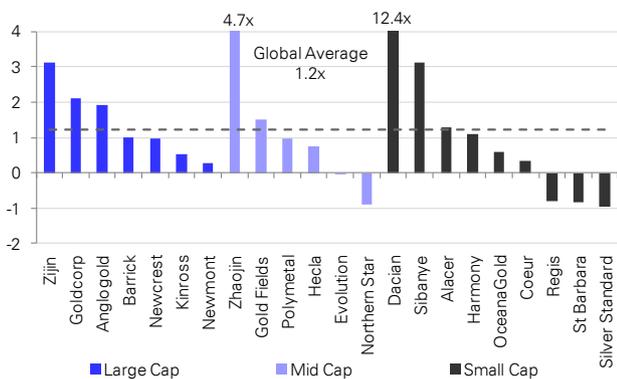
Figure 47: CY18/FY19E Gearing ratio



Source: Deutsche Bank, FactSet

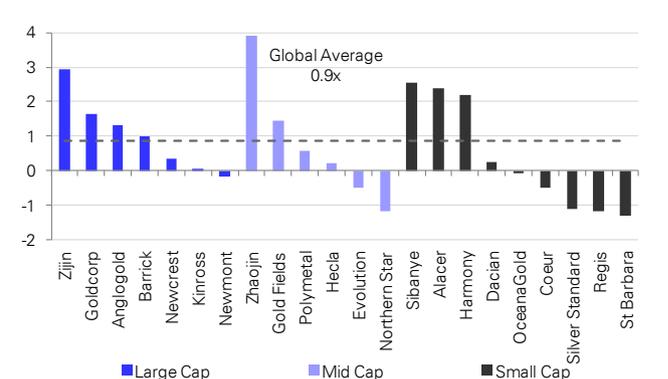
Net debt/EBITDA

Figure 48: CY17/FY18E Net debt/EBITDA



Source: Deutsche Bank, FactSet

Figure 49: CY18/ FY19E Net debt/EBITDA



Source: Deutsche Bank, FactSet



Figure 50: Key financial summary

	Mkt Cap (US\$m)	Net Debt (US\$m)	EV (US\$m)	EBITDA (US\$m)			
				CY16/FY17e	CY17/FY18e	CY18/FY19e	CY19/FY20e
Barrick	19,944	3,839	23,783	4,234	3,771	3,425	3,360
Newmont	18,269	736	19,004	2,877	2,620	2,755	2,461
Goldcorp	12,218	2,579	14,798	1,223	1,227	1,445	1,879
Newcrest Mining	12,043	1,261	13,923	1,308	1,293	1,852	2,139
Zijin Mining	9,375	5,003	14,378	998	1,596	1,633	1,912
Kinross	5,354	540	5,895	1,041	1,038	1,304	1,270
AngloGold Ashanti	4,862	2,073	6,935	1,548	1,083	1,381	1,554
Polymetal	5,965	830	6,795	740	868	1,074	1,228
Gold Fields	3,139	1,518	4,657	1,232	1,001	1,114	1,387
Evolution Mining	2,949	-8	3,284	518	623	685	741
Zhaojin Mining	2,763	1,651	4,413	289	351	406	474
Hecla	2,384	208	2,592	256	283	330	343
Northern Star Resources	2,065	-357	1,802	320	393	468	464
Sibanye Gold	2,005	1,851	3,856	720	590	746	940
OceanaGold Corporation	1,992	194	2,185	284	335	388	456
Coeur	1,732	55	1,787	191	157	317	339
Silver Standard	1,262	-146	1,116	192	153	148	174
Regis Resources	1,239	-138	1,150	175	171	184	193
St Barbara	1,104	-182	1,020	240	217	233	242
Harmony	1,037	208	1,099	319	190	136	161
Alacer Gold	472	96	568	36	74	96	275
Dacian Gold	264	89	217	-14	7	99	119

Source: Deutsche Bank, Company data, FactSet

Figure 51: Key financial summary (continued)

	NPAT (US\$m)				FCF (US\$m)			
	CY16/FY17e	CY17/FY18e	CY18/FY19e	CY19/FY20e	CY16/FY17e	CY17/FY18e	CY18/FY19e	CY19/FY20e
Barrick	818	805	752	802	2,604	2,467	1,086	1,106
Newmont	748	685	868	743	2,330	1,431	1,490	1,164
Goldcorp	202	412	522	793	623	-33	230	659
Newcrest Mining	345	336	807	1,005	348	653	795	939
Zijin Mining	273	642	631	803	-245	603	746	533
Kinross	69	16	188	304	-188	405	555	513
AngloGold Ashanti	143	-80	94	232	278	-115	253	447
Polymetal	401	448	635	776	176	648	407	797
Gold Fields	208	100	124	272	294	-312	-48	247
Evolution Mining	198	284	316	357	273	358	369	456
Zhaojin Mining	53	104	144	171	-81	197	43	224
Hecla	69	111	127	137	68	115	173	202
Northern Star Resources	138	202	241	229	80	146	265	287
Sibanye Gold	170	-37	43	176	128	-55	50	247
OceanaGold Corporation	136	133	177	221	-231	67	235	276
Coeur	55	-14	100	114	156	14	223	242
Silver Standard	101	39	31	48	60	56	38	66
Regis Resources	92	86	97	104	77	106	133	139
St Barbara	122	113	125	127	150	102	129	165
Harmony	83	-12	-63	-52	45	-141	-85	-52
Alacer Gold	6	153	60	107	-156	-309	-134	136
Dacian Gold	-12	0	47	62	-47	-134	63	78

Source: Deutsche Bank, Company data



Figure 52: Summary of key financial metrics for covered companies

	Market cap (US\$m)	EV/EBITDA (US\$m)				FCF yield (%)			
		CY16/FY17e	CY17/FY18e	CY18/FY19e	CY19/FY20e	CY16/FY17e	CY17/FY18e	CY18/FY19e	CY19/FY20e
Barrick	19,944	6	7	7	8	13%	12%	5%	6%
Newmont	18,269	7	8	7	8	13%	8%	8%	6%
Goldcorp	12,218	12	12	10	8	5%	0%	2%	5%
Newcrest Mining	12,043	11	11	8	7	3%	5%	7%	8%
Zijin Mining	9,375	15	9	9	8	-3%	6%	8%	6%
Kinross	5,354	6	6	5	5	-4%	8%	10%	10%
AngloGold Ashanti	4,862	4	6	5	4	6%	-2%	5%	9%
Polymetal	5,965	10	8	7	6	3%	11%	7%	13%
Gold Fields	3,139	3	4	4	3	9%	-10%	-2%	8%
Evolution Mining	2,949	6	5	5	4	9%	12%	13%	15%
Zhaojin Mining	2,763	16	13	11	9	-3%	7%	2%	8%
Hecla	2,384	10	9	8	8	3%	5%	7%	8%
Northern Star Resources	2,065	6	5	4	4	4%	7%	13%	14%
Sibanye Gold	2,005	3	4	3	3	6%	-3%	3%	12%
OceanaGold Corporation	1,992	8	7	6	5	-12%	3%	12%	14%
Coeur	1,732	9	11	6	5	9%	1%	13%	14%
Silver Standard	1,262	6	8	8	7	5%	4%	3%	5%
Regis Resources	1,239	7	7	6	6	6%	9%	11%	11%
St Barbara	1,104	4	5	4	4	14%	9%	12%	15%
Harmony	1,037	3	6	8	7	4%	-14%	-8%	-5%
Alacer Gold	472	7	3	3	1	-33%	-66%	-28%	29%
Dacian Gold	264	-15	30	2	2	-18%	-51%	24%	30%

Source: Deutsche Bank, Company data

Figure 53: Summary of key financial metrics for covered companies (cont.)

	P/E				Net debt/EBITDA				3-year prod'n growth (%) FY16/CY16a - FY19/CY19e
	CY16/FY17e	CY17/FY18e	CY18/FY19e	CY19/FY20e	CY16/FY17e	CY17/FY18e	CY18/FY19e	CY19/FY20e	
Barrick	24	25	27	25	1.3	1.0	1.0	0.9	-15%
Newmont	24	27	21	25	0.6	0.3	-0.2	-0.5	-2%
Goldcorp	60	30	23	15	1.9	2.1	1.6	0.9	-1%
Newcrest Mining	35	36	15	12	1.4	1.0	0.3	-0.0	14%
Zijin Mining	34	15	15	12	5.7	3.1	2.9	2.5	-3%
Kinross	77	345	28	18	0.9	0.5	0.0	-0.3	-14%
AngloGold Ashanti	34	-61	52	21	1.2	1.9	1.3	0.9	5%
Polymetal	15	13	9	8	1.9	1.0	0.6	0.1	85%
Gold Fields	15	31	25	12	0.9	1.5	1.4	1.0	12%
Evolution Mining	15	10	9	8	0.6	-0.0	-0.5	-1.0	9%
Zhaojin Mining	53	27	19	16	6.0	4.7	3.9	3.0	13%
Hecla	35	21	19	17	1.2	0.7	0.2	-0.3	0%
Northern Star Resources	15	10	9	9	-0.8	-0.9	-1.2	-1.7	45%
Sibanye Gold	12	-54	46	11	0.6	3.1	2.5	1.8	-3%
OceanaGold Corporation	15	15	11	9	0.9	0.6	-0.1	-0.6	50%
Coeur	31	-127	17	15	0.3	0.3	-0.5	-1.1	9%
Silver Standard	13	32	41	26	-0.6	-1.0	-1.1	-1.2	9%
Regis Resources	13	14	13	12	-0.5	-0.8	-1.2	-1.5	14%
St Barbara	9	10	9	9	-0.3	-0.8	-1.3	-2.0	7%
Harmony	12	-86	-17	-20	0.2	1.1	2.2	2.1	8%
Alacer Gold	76	3	8	4	-5.9	1.3	2.4	0.3	192%
Dacian Gold	-21	1,739	6	4	3.4	12.4	0.3	-0.3	0%

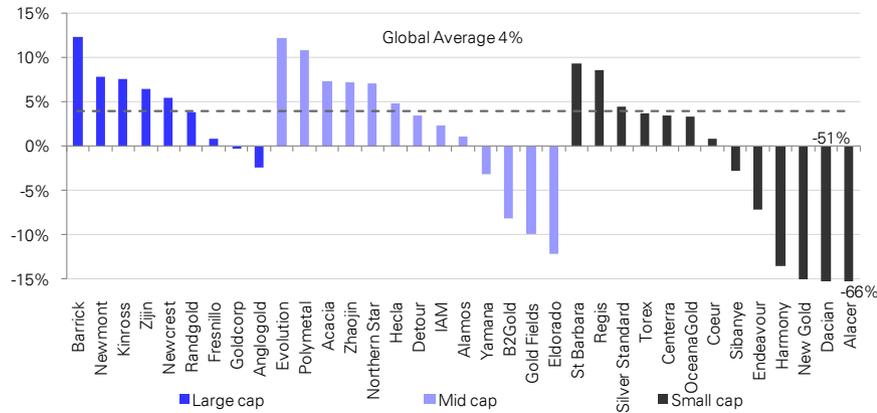
Source: Deutsche Bank, Company data



Appendix II: Non-covered stocks

Free cash flow

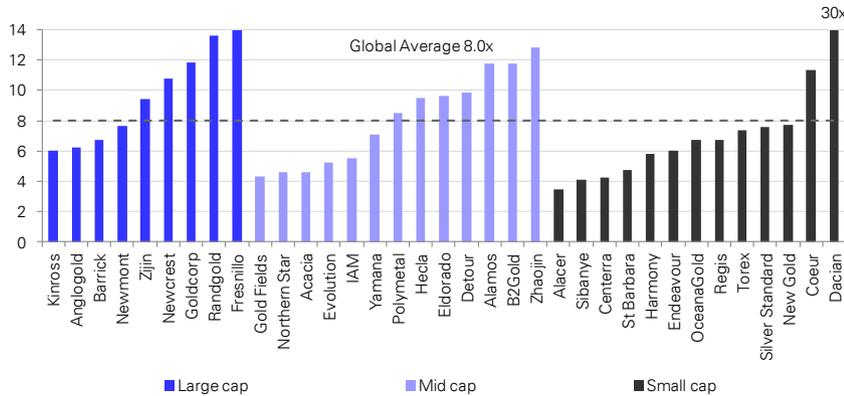
Figure 54: CY17/FY18E FCF yield (covered and non-covered companies)



Source: Deutsche Bank, FactSet; CY17/FY18 data shown, Bloomberg consensus for non-covered stocks

EV/EBITDA

Figure 55: CY17/FY18E EV/EBITDA (covered and non-covered companies)

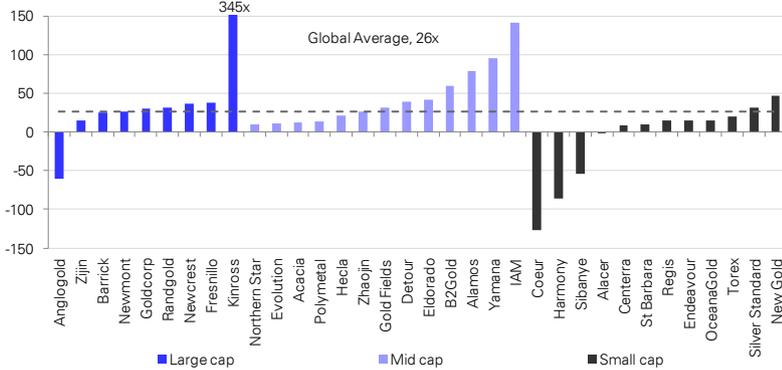


Source: Deutsche Bank, FactSet; CY17/FY18 data shown, Bloomberg consensus for non-covered stocks



Price-to-Earnings ratio

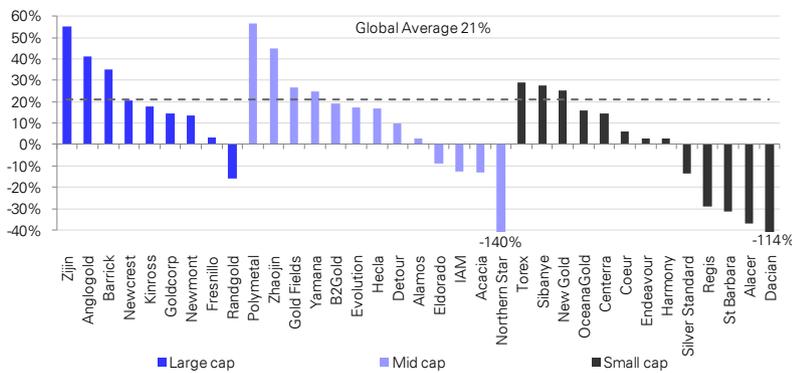
Figure 56: CY17/FY18E P/E (covered and non-covered companies)



Source: Deutsche Bank, FactSet; CY17/FY18 data shown, Bloomberg consensus for non-covered stocks

Gearing

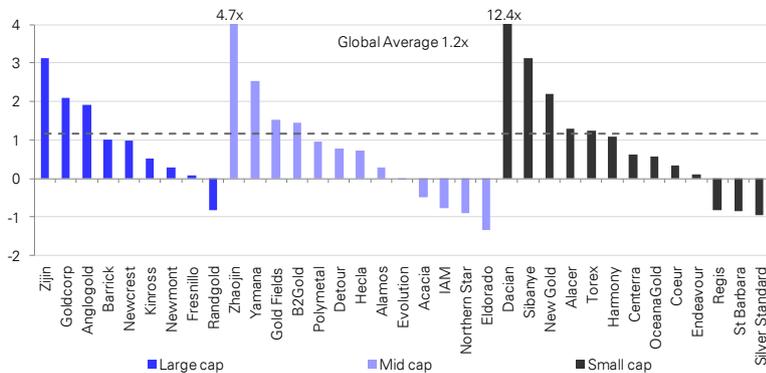
Figure 57: CY16/FY17E Gearing ratio (covered and non-covered companies)



Source: Deutsche Bank, FactSet; CY16/FY17 data shown, Bloomberg consensus for non-covered stocks

Net debt/EBITDA

Figure 58: Net Debt/EBITDA



Source: Deutsche Bank, FactSet; , last reported net debt position / CY17/FY18 EBITDA; Bloomberg consensus for non-covered stocks



Valuations and risks

Barrick Gold

Our 12-month is based on 1.1x (unchanged) our NPV calculated using a DCF (6.9% WACC with 7.6% Ke and 4.0% after-tax Kd, 1.5% terminal growth rate (based on our knowledge of the asset base and expectations of long-term growth). A premium, compared to peer average of 1.0x, is given to Barrick based on its ability to deliver.

Given Barrick's ~85% revenue exposure to gold, the main downside risk is lower-than-expected gold prices. With ~10% copper exposure, lower-than-expected copper prices could pose additional risks. Downside risks also include higher-than-expected raw material and other operating cost pressures, currency fluctuations in key producing countries given the geographical diversity of assets, project delays and cost overruns, and geopolitical risks given production and exploration sites in Tanzania, Dominican Republic, Papua New Guinea, Zambia and Argentina. Exploration and drilling activities carried out by the company may not produce any new reserves, leading to shortened mine lives if current production is sustained. Possible gold asset sales may reduce debt position at the expense of lower gold volumes in the future. Company's investment grade could also change over time.

Newmont

Our 12-month PT for Newmont is based on 1.1x (unchanged) our NPV calculated under a DCF methodology (6.9% WACC with 8.0% Ke and 2.4% after-tax Kd, 1.5% terminal growth rate [based on our knowledge of the asset base and expectations of long-term growth]).

Given Newmont's ~90% revenue exposure to gold, the main downside risk is lower-than-expected gold prices. Lower-than-expected copper prices would decrease the benefit from by-product credits. Other risks include higher-than-expected raw material and other operating costs, currency fluctuations in main producing countries given the geographical diversity of assets. Exploration and drilling activities carried out by the company may not produce any new reserves, leading to shortened mine lives.

Newcrest Mining

Our valuation is a DCF-based calculation with the PT set at 1x P/NPV. Our DCF is based on life-of-mine scenarios and assumes: long-term prices of US\$1,300/oz gold, US\$2.99/lb copper and a 9% WACC.

Key upside risk factors include: (1) production and costs better than guidance (2) stronger than expected performance as Cadia East continues to ramp up (3) delivery of sustainable improvements at Lihir (4) continued deleveraging than anticipated (5) re-stating dividend payments sooner than expected (6) stronger commodity prices and weaker AUDUSD.

Goldcorp

Our 12-month PT for Goldcorp is based on 1.0x (unchanged) our NPV calculated under a DCF methodology (7.1% WACC with 8.2% Ke and 2.6% after-tax Kd, 1.3% terminal growth rate [based on our knowledge of the asset base and expectations of long-term growth]). NPV multiple of 1.0x is in-line with peer average based on balanced risk/reward.



Given Goldcorp's ~85% revenue exposure to gold and silver, the main upside/downside risk includes higher/lower-than-expected gold and silver prices. Upside/downside risks also include lower/higher-than-expected raw material and other operating costs, currency depreciation in key producing countries given the geographic diversity of assets and acceleration of growth projects. Exploration and drilling activities carried out by the company may or may not result in new reserves, leading to extended/shortened mine lives. Project execution could be better/worse-than-expected at Cochenour in the future, Eléonore and Cerro Negro. We are concerned about the production decline into 2016 and operational uncertainty.

Zijin Mining

Our target price for Zijin is based on a life-of-mine DCF methodology, 7.9% WACC (3.9% Rf, 5.6% MRP and Beta of 1.3).

Lower-than-expected gold and copper prices are the main downside risks to our outlook. Also, higher-than-expected raw material and other operating costs, project ramp-up delays, and expansion development issues are additional downside risks.

Anglogold Ashanti

We value AngloGold based on a sum-of-the-parts DCF model of individual operations and projects. We apply a WACC of 10.5% and a 1x multiple to our DCF-derived net asset value for the company. We believe this is a conservative but sensible approach given our confidence that the long-term gold price assumption (US\$1,300/oz in real terms in 2021) rate reflect reasonable incentive pricing for the projects we expect AngloGold to develop for IRRs of 9-15% (on a real post-tax basis). For CY17 we use a gold price forecast of US\$1,203/ounce and a ZAR/USD forecast of 13.01. We derive our one-year forward target price from rolling our DCF forward at the cost of equity (11.7%) less the expected dividend yield.

Risks include a different-than-forecast gold price and exchange rates in the countries to which AngloGold is exposed; as well as the outcome of the Obuasi dispute in Ghana which has gone to an international arbitration process. Upside risks are posed by a recovery in production at South African operations after a number of safety-related incidents have weighed on production. Downside risks to our target price include renewed strain on the balance sheet should major projects go ahead (not currently modelled); as well as potential interruptions to production from i) labour productivity in South Africa and/or ii) load-curtailment as a result of electricity shortages in South Africa; Lower mining flexibility as a result of lower sustaining capital spend and higher-than-expected mining inflation and costs are also downside risks to our target price.

Kinross

Our 12-month PT is based on 1.0x (unchanged) our NPV calculated under a DCF methodology (8.5% WACC with 10.0% Ke and 2.7% after-tax Kd, 1.0% terminal growth rate [based on our knowledge of the asset base and expectations of long-term growth]).

Given Kinross' ~95% exposure to gold, main upside/downside risk includes higher/lower-than-expected gold prices. Other upside/downside risks include lower/higher-than-expected raw material and other operating costs, currency fluctuations in main producing countries given the geographical diversity of assets, and geopolitical risks (including lower/higher royalty or taxes) given



production and exploration sites particularly in Russia, Ghana and Mauritania. Exploration and drilling activities carried out by the company may or may not produce new reserves, leading to extended/shortened mine lives.

Polymetal

Our price target is set at a 20% premium to our DCF valuation, to reflect the ranking we assign to Polymetal within our coverage universe and our view that gold miners deserve a premium to non-precious metals mining stocks given our constructive view of gold on a 12 month view. We value Polymetal from a sum-of-the-parts life-of-mine DCF model. We apply a 9% WACC based on a targeted capital structure of 70% equity and 30% debt.

Key risks include silver and gold prices significantly higher/lower than our expectation as well as Russian macroeconomic factors such as Rouble appreciation/depreciation. Management risks are concentrated around its ability to integrate newly acquired deposits. Other risks include changes in fiscal regimes and/or mining legislation. 90% of Polymetal's assets are in Russia, with the residual 10% in Kazakhstan and Armenia.

Gold Fields

We value Gold Fields based on a sum-of-the-parts DCF model of individual operations and projects. We apply a WACC of 11.1% and a 1x multiple to our DCF-derived net asset value for the company. For CY17 we use a gold price forecast of US\$1,203/ounce and a ZAR/USD forecast of 13.01. For descriptive purposes, Gold Fields is trading on a 4.1x (under DBe prices and FX) to 4.0x (under spot prices and FX) EV / EBITDA FY17, in line with its average since 2013 of 3.9x EV/EBITDA forward.

Risks include further M&A, a better-/worse-than-forecast project delivery at South Deep, Gruyere and Damang; rate of discoveries/ replenishment of resources and reserves in Australia; the gold price and the ZAR/USD rate, amongst others.

Sibanye Gold

We derive our target price from a life-of-mine DCF model, using a WACC of 12% for South African mines and a WACC of 6.4% for Stillwater in the United States. We apply a 1x multiple to our NPV. For CY17 we use a gold price forecast of US\$1,203/ounce; a platinum price forecast of US\$996/oz; a palladium forecast of US\$748/oz and a ZAR/USD forecast of 13.01. (Rand Gold price of c.R500k per kilogram).

Upside risks include: the Stillwater acquisition does not go ahead, better-than-expected revenues or costs of production from the acquired Rustenburg Platinum Mines, an improvement in the South African operating environment leading to improved efficiencies, potentially as a result of, amongst others, fewer Section 54 safety stoppages and/or improved labour relations and productivity. Further upside risks are posed by the potential for value-accretive corporate action and/or value-accretive project investments. Higher-than-forecast Rand-PGM prices, higher-than-forecast Rand-Gold prices and/or a positive market response from potential entry into new commodity production markets (such as coal) also pose upside risks to valuation.



Evolution Mining

Our 12-month target is set at 1.0x the LOM NPV, consistent with other mid-tier gold producers in our Australian coverage list. Our long-term forecasts for valuation determinations are gold US\$1,300/oz, AUDUSD 0.75 and a 9% real WACC. We value exploration at a nominal A\$450m in our NPV.

Key downside risks would be failure to convert resources into reserves at low mine life assets, which would reduce confidence in the future of those operations. Cowal plant upgrade capex increases. Additional downside risks include operational underperformance and lower AUD gold and copper prices than we forecast.

Hecla

Our 12-month PT is based on ~1.0x (unchanged) our NPV, calculated under a DCF methodology (7% WACC with 7.5% Ke and 4.5% after-tax Kd), based on our knowledge of the asset base and expectations of long-term growth.

The major upside/downside risk is higher/lower-than-expected silver, gold, zinc and lead prices. Given its portfolio of relatively few operating mines, adverse events could significantly affect the company's performance. Exploration and drilling activities carried out at operating mines may or may not produce new reserves, extending/limiting mine life. Discovery of high-grade reserves at its exploratory properties may translate to volume growth in the future and help re-rate the stock (depending on capex outlay required to monetize deposits). Other risks include project/permitting delays and cost overrun of its capital projects, changes in mining legislation and taxation, geopolitical risk (Mexico) and environmental risk.

Northern Star Resources

Our 12-month target is set at 1.0x the NPV consistent with all other gold producers in our Australian coverage list. Our long-term forecasts for valuation determinations are gold US\$1,300/oz, AUDUSD 0.75 and a 9% real discount rate in line with our coverage.

NST's production profile is leveraged to i) successful resource definition and conversion into economic ounces and ii) AUD gold price which can influence returns on marginal ounces in the mine plan. Key upside risks include: i) significant exploration success that materially adds mine life at a mature asset, ii) continuing cost deflation as currently being experienced in the industry and iii) higher AUD gold prices than our forecasts. Key downside risks include: i) exploration disappointment, ii) operational issues and mine cost pressures and iii) lower AUD gold prices than our forecasts.

OceanaGold Corporation

Our 12 month price target is set in-line with the NPV, consistent with other gold producers in our Australian coverage list. Our long term forecasts used in our valuation are US\$1,300/oz gold, AUDUSD 0.75 and NZDUSD of 0.63 from 2023. We assume a 9% real discount rate, which is comparable with other stocks under coverage.

Key upside risks include: (i) better production and costs relative to forecasts; (ii) exploration success leading to extensions to mine life or new development opportunities (iii) macro risks including higher gold, copper prices and FX rates. Key downside risks include: (i) delayed ramp up of operations at Halie; (ii) macro risks including lower gold, copper prices and FX rates.



Coeur

Our 12-month PT is based on 1.0x (unchanged) our NPV, calculated on a DCF basis (using a 7.5% WACC, 9.2% Ke and 2.7% after-tax Kd, based on our knowledge of the asset base and expectations of long-term growth). NPV multiple of 1.0x is in-line with peer average based on balanced risk/reward.

The main upside/downside risk is higher/lower-than-expected silver and gold prices. Other risks include better/worse-than-expected execution at its main projects lower/higher-than-expected sustaining capital requirements and the possibility of asset sales and/or partnerships with other mining companies.

Regis Resources

Our target price is set at 1.0x NPV. The NPV is derived from a life-of-mine DCF. Our long-term forecasts for valuation determinations are gold US\$1,300/oz and AUDUSD 0.75. When calculating the DCF we use a 9% Real WACC.

Now that Regis has three operational assets (Garden Well, Rosemont and Moolart Well), the longevity of production will rely on ongoing resource delineation and reconciliation with the reserve model. Upside risks include better operational performance, particularly higher grades and better recovery at Garden Well, positive exploration results which generate mine life extensions.

St Barbara

Our 12-month target is set at 1.0x the LOM NPV, in line with other ASX-listed gold companies under coverage. Our long-term forecasts for valuation determinations are; gold US\$1,300/oz, AUDUSD 0.75. Our DCF uses a 9% real WACC which incorporates the risk of operating outside Australia.

Downside risk from operational underperformance and project risk, failure to convert resources to reserves lower gold prices, stronger AUDUSD.

Harmony

We value Harmony based on a sum-of-the-parts DCF model of individual operations and projects, and a nominal WACC of 11.1%. We apply a 1x multiple to our DCF-derived net asset value for the company. For CY17 we use a gold price forecast of US\$1,203/ounce and a ZAR/USD forecast of 13.01 (Rand-Gold price of c.R500,000 per kilogram). We derive our one-year forward target price by rolling our DCF forward at the cost of equity (11.7%) less the expected dividend yield.

Risks include higher Rand-Gold prices, better-than-expected grades also pose a risk to the upside for production and unit-costs (lower unit costs). The potential for M&A in South Africa, the Rest of Africa and in PNG poses a risk to valuation. Improving labour relations and improved/lower impact of safety related stoppages in South Africa pose an upside risk to production forecasts; while in Papua New Guinea, better-than-expected progress at the Golpu project poses an upside risk to forecasts.

Alacer Gold

We derive our valuation using a life-of-mine DCF on the combined asset suite. We model the Çöpler asset on the projected profile but recognize some amendments are likely with the release of the update technical report. We have a long-term gold price assumption of US\$1,300/oz and use a 9% real WACC. Our target price is set in line with our NPV, consistent with other mid-tier gold names on the ASX.



Key downside risks from lower gold prices, weak gold production, higher oxide operating costs and lower production, further permitting issues, geopolitical risks associated with Turkey, project delays & capital cost over-runs with the Çöpler sulphide expansion.

Dacian Gold

Our 12 month price target is set at 1.0x LOM NPV consistent with the other mid tier gold producers in our Australia coverage list. Our long-term forecasts for DCF valuation determinations are; gold US\$1,300/oz, AUDUSD 0.75 and a 9% real WACC which is in line with our coverage.

DCN's production profile is leveraged to i) delivery of the Mount Morgan project, ii) successful resource definition and conversion into economic ounces and iii) AUD gold price which can influence returns on marginal ounces in the mine plan. Key down side risks include i) delays in project delivery and permitting, ii) lower AUD gold price, iii) project cost overruns and delays to project and iv) lack of exploration success finding additional ounces to extend mine life.

Zhaojin Mining

Our target price for Zhaojin is based on a life-of-mine DCF methodology, with a WACC of 6.6%. We adopt 9.5% as the cost of equity for Zhaojin, reflecting a risk-fee rate of 3.9%, a market risk premium of 5.6% and beta of 1.0.

Major downside risks include: lower-than-expected production volume and lower-than-expected ASP realization.



Model updated: 11 May 2017

Running the numbers

North America

Canada

Metals & Mining

Barrick

Reuters: ABX.N

Bloomberg: ABX US

Buy

Price (19 May 17) USD 16.65

Target Price USD 22.00

52 Week range USD 14.00 - 23.16

Market Cap (m) EURm 17,331

USDm 19,397

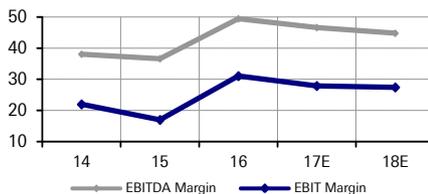
Company Profile

Barrick Gold Corp (ABX), based in Toronto, Canada, is the world's largest gold company by production and reserves. Barrick produced 6.1m oz of gold in 2015 and controls 92m oz of gold reserves. Barrick has 4 regional business units: North America (58% of 2015 gold production), South America (20%), Australia Pacific (15%) and Africa (8%). Barrick produced 511m lbs of copper in 2015. The company's main listing is the NYSE, trading under the symbol ABX.N.

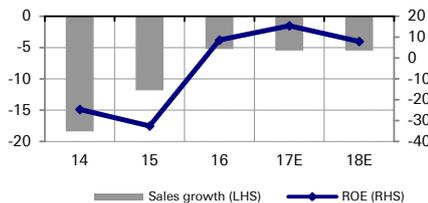
Price Performance



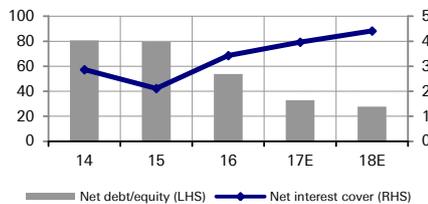
Margin Trends



Growth & Profitability



Solvency



Jorge Beristain, CFA

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Fiscal year end 31-Dec

2014 2015 2016 2017E 2018E

Financial Summary

DB EPS (USD)	0.68	0.30	0.70	0.69	0.65
Reported EPS (USD)	-2.51	-2.44	0.56	1.13	0.65
DPS (USD)	0.20	0.14	0.08	0.11	0.11
BVPS (USD)	8.80	6.16	6.81	7.84	8.38

Valuation Metrics

Price/Sales (x)	1.9	1.3	2.2	2.4	2.5
P/E (DB) (x)	24.5	32.9	23.3	24.1	25.8
P/E (Reported) (x)	nm	nm	29.2	14.7	25.8
P/BV (x)	1.2	1.2	2.3	2.1	2.0
FCF yield (%)	2.4	20.2	10.6	7.7	5.6
Dividend yield (%)	1.2	1.4	0.5	0.6	0.6
EV/Sales	3.1	2.2	3.0	3.0	3.2
EV/EBITDA	8.3	6.0	6.1	6.5	7.1
EV/EBIT	14.3	13.0	9.7	10.9	11.6

Income Statement (USDm)

Sales	10,239	9,029	8,558	8,090	7,648
EBITDA	3,898	3,305	4,232	3,771	3,425
EBIT	2,250	1,534	2,658	2,256	2,098
Pre-tax profit	174	-3,144	1,776	1,700	1,653
Net income	-2,928	-2,838	653	1,322	752

Cash Flow (USDm)

Cash flow from operations	3,004	3,989	3,054	2,838	2,681
Net Capex	-2,545	-1,701	-1,040	-1,336	-1,600
Free cash flow	459	2,288	2,014	1,502	1,081
Equity raised/(bought back)	0	0	0	0	0
Dividends paid	-234	-160	-87	-124	-124
Net inc/(dec) in borrowings	-785	-726	-775	-569	-475
Other investing/financing cash flows	853	1,467	817	895	-88
Net cash flow	294	2,869	1,969	1,703	394
Change in working capital	-588	653	-261	237	0

Balance Sheet (USDm)

Cash and cash equivalents	2,699	2,455	2,389	3,914	4,308
Property, plant & equipment	19,193	14,434	14,103	11,475	11,743
Goodwill	4,426	1,371	1,371	1,176	1,176
Other assets	7,561	8,048	7,401	10,419	10,419
Total assets	33,879	26,308	25,264	26,985	27,646
Debt	13,081	9,968	7,931	7,753	7,753
Other liabilities	7,936	6,885	7,020	7,526	7,465
Total liabilities	21,017	16,853	14,951	15,279	15,218
Total shareholders' equity	12,862	9,455	10,313	11,706	12,428
Net debt	10,382	7,513	5,542	3,839	3,445

Key Company Metrics

Sales growth (%)	-18.4	-11.8	-5.2	-5.5	-5.5
DB EPS growth (%)	-73.1	-56.6	137.8	-1.6	-6.6
Payout ratio (%)	nm	nm	14.3	9.4	16.5
EBITDA Margin (%)	38.1	36.6	49.4	46.6	44.8
EBIT Margin (%)	22.0	17.0	31.1	27.9	27.4
ROE (%)	-24.6	-32.6	8.6	15.5	8.0
Net debt/equity (%)	80.7	79.5	53.7	32.8	27.7
Net interest cover (x)	2.9	2.1	3.4	4.0	4.4

DuPont Analysis

EBIT margin (%)	22.0	17.0	31.1	27.9	27.4
x Asset turnover (x)	0.3	0.3	0.3	0.3	0.3
x Financial cost ratio (x)	0.7	0.5	0.7	0.7	0.8
x Tax and other effects (x)	-2.0	-3.5	0.3	0.8	0.5
= ROA (post tax) (%)	-8.2	-9.4	2.5	5.1	2.8
x Financial leverage (x)	3.0	3.5	3.4	3.1	2.9
= ROE (%)	-24.6	-32.6	8.6	15.5	8.0
annual growth (%)	58.0	-32.3	na	79.3	-48.6
x NTA/share (avg) (x)	10.2	7.5	6.5	7.3	8.1
= Reported EPS	-2.51	-2.44	0.56	1.13	0.65
annual growth (%)	75.2	3.1	na	102.5	-43.1

Source: Company data, Deutsche Bank estimates



Model updated: 11 May 2017

Running the numbers

North America

Canada

Metals & Mining

Goldcorp

Reuters: GG.N

Bloomberg: GG US

Hold

Price (19 May 17) USD 13.84

Target Price USD 16.00

52 Week range USD 12.19 - 20.10

Market Cap (m) EURm 10,276

USDm 11,501

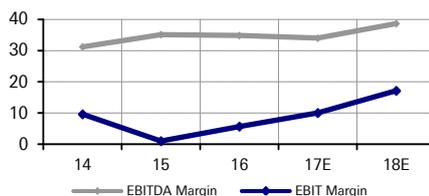
Company Profile

Goldcorp is a gold mining company based in Vancouver, Canada. In 2015, Goldcorp produced 3.5m oz of gold, 40m oz of silver and 52m lbs of copper. Reserves at year-end 2015 stood at 41m oz of gold, 0.7bn oz of silver and 8.5bn lbs of copper. Goldcorp has operations and projects in Canada, the US, Mexico, the Dominican Republic, Guatemala, Chile and Argentina. The company's main listing is on the NYSE under the symbol GG.N. Goldcorp is also listed on the Toronto Stock Exchange, trading under the symbol G.TO.

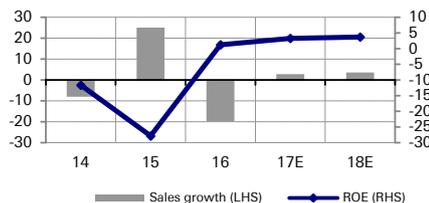
Price Performance



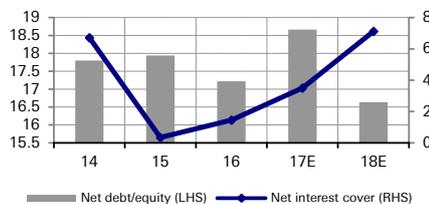
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2014	2015	2016	2017E	2018E
DB EPS (USD)	0.60	-0.10	0.28	0.42	0.60
Reported EPS (USD)	-2.58	-5.04	0.19	0.52	0.60
DPS (USD)	0.60	0.42	0.12	0.08	0.08
BVPS (USD)	20.86	15.55	16.09	16.63	17.18

Valuation Metrics

Price/Sales (x)	5.7	3.1	3.8	3.2	3.1
P/E (DB) (x)	40.7	nm	56.7	32.8	22.9
P/E (Reported) (x)	nm	nm	82.2	26.6	22.9
P/BV (x)	0.9	0.7	0.8	0.8	0.8
FCF yield (%)	nm	6.0	4.7	nm	2.0
Dividend yield (%)	2.5	2.5	0.8	0.6	0.6
EV/Sales	6.6	3.6	4.4	3.9	3.7
EV/EBITDA	21.1	10.3	12.6	11.4	9.5
EV/EBIT	68.7	360.8	77.4	38.5	21.4

Income Statement (USDm)

Sales	3,498	4,375	3,510	3,608	3,737
EBITDA	1,092	1,537	1,223	1,227	1,445
EBIT	336	44	199	362	640
Pre-tax profit	-2,555	-4,683	222	465	681
Net income	-2,127	-4,153	162	448	522

Cash Flow (USDm)

Cash flow from operations	1,743	2,014	1,345	1,204	1,286
Net Capex	-2,025	-1,191	-722	-1,257	-1,056
Free cash flow	-282	823	623	-52	230
Equity raised/(bought back)	10	0	0	0	0
Dividends paid	-488	-371	-100	-66	-66
Net inc/(dec) in borrowings	810	166	-430	-103	-90
Other investing/financing cash flows	-558	429	-391	-47	131
Net cash flow	-508	1,048	-298	-269	205
Change in working capital	213	-8	182	-6	1

Balance Sheet (USDm)

Cash and cash equivalents	535	383	200	1	205
Property, plant & equipment	24,545	19,469	19,572	19,943	20,194
Goodwill	479	0	0	0	0
Other assets	2,307	1,576	1,725	1,846	1,854
Total assets	27,866	21,428	21,497	21,790	22,253
Debt	3,592	2,688	2,510	2,580	2,580
Other liabilities	7,099	5,892	5,572	5,391	5,399
Total liabilities	10,691	8,580	8,082	7,971	7,979
Total shareholders' equity	17,175	12,848	13,415	13,819	14,274
Net debt	3,057	2,305	2,310	2,579	2,375

Key Company Metrics

Sales growth (%)	-8.0	25.1	-19.8	2.8	3.6
DB EPS growth (%)	-21.8	na	na	51.1	43.1
Payout ratio (%)	nm	nm	62.5	14.8	12.7
EBITDA Margin (%)	31.2	35.1	34.8	34.0	38.7
EBIT Margin (%)	9.6	1.0	5.7	10.0	17.1
ROE (%)	-11.7	-27.9	1.2	3.3	3.7
Net debt/equity (%)	17.8	17.9	17.2	18.7	16.6
Net interest cover (x)	6.7	0.3	1.5	3.5	7.1

DuPont Analysis

EBIT margin (%)	9.6	1.0	5.7	10.0	17.1
x Asset turnover (x)	0.1	0.2	0.2	0.2	0.2
x Financial cost ratio (x)	0.9	-1.9	0.3	0.7	0.9
x Tax and other effects (x)	-7.4	48.4	2.6	1.7	0.9
= ROA (post tax) (%)	-7.4	-16.8	0.8	2.1	2.4
x Financial leverage (x)	1.6	1.7	1.6	1.6	1.6
= ROE (%)	-11.7	-27.9	1.2	3.3	3.7
annual growth (%)	9.7	-139.7	na	166.7	12.9
x NTA/share (avg) (x)	22.1	18.1	15.6	15.8	16.3
= Reported EPS	-2.58	-5.04	0.19	0.52	0.60
annual growth (%)	21.8	-95.6	na	170.1	16.1

Source: Company data, Deutsche Bank estimates

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Model updated: 01 May 2017

Running the numbers

Asia

China

Metals & Mining

Zijin Mining

Reuters: 2899.HK

Bloomberg: 2899.HK

Buy

Price (22 May 17) HKD 2.58

Target Price HKD 3.60

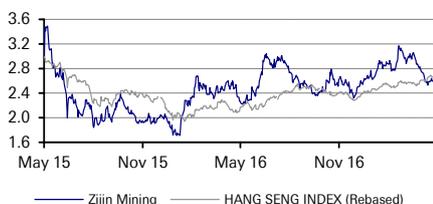
52 Week range HKD 2.22 - 3.17

Market Cap (m) HKDm 56,275
USDm 7,230

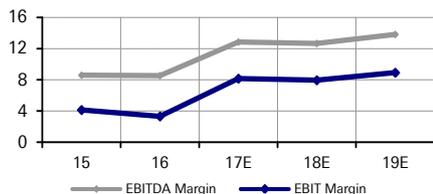
Company Profile

Zijin Mining is a mining conglomerate in the PRC. It is engaged primarily in the exploration, mining and sale of gold and other non-ferrous metals. The company is one of the largest and most efficient mine-produced gold producers in the PRC.

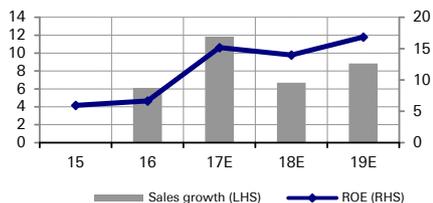
Price Performance



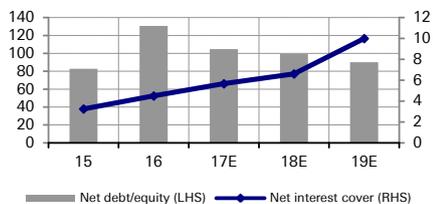
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2015	2016	2017E	2018E	2019E
DB EPS (CNY)	0.08	0.09	0.21	0.21	0.28
Reported EPS (CNY)	0.08	0.09	0.21	0.21	0.28
DPS (CNY)	0.06	0.00	0.16	0.12	0.15
BVPS (CNY)	1.3	1.3	1.5	1.6	1.7
Weighted average shares (m)	21,557	21,541	21,543	21,543	21,543
Average market cap (CNYm)	41,277	45,642	49,828	49,828	49,828
Enterprise value (CNYm)	63,631	79,437	80,370	79,702	79,518

Valuation Metrics

P/E (DB) (x)	24.9	24.8	10.8	10.7	8.3
P/E (Reported) (x)	24.9	24.8	10.8	10.7	8.3
P/BV (x)	1.29	1.66	1.52	1.47	1.33
FCF Yield (%)	13.3	7.4	9.7	11.0	8.0
Dividend Yield (%)	3.1	0.0	6.9	5.1	6.6
EV/Sales (x)	0.9	1.0	0.9	0.8	0.8
EV/EBITDA (x)	10.0	11.8	7.1	6.7	5.6
EV/EBIT (x)	20.7	30.4	11.2	10.7	8.7

Income Statement (CNYm)

Sales revenue	74,304	78,851	88,182	94,088	102,402
Gross profit	8,795	12,277	15,412	16,258	18,855
EBITDA	6,385	6,731	11,332	11,918	14,149
Depreciation	3,309	4,116	4,132	4,435	5,012
Amortisation	0	0	0	0	0
EBIT	3,076	2,615	7,200	7,484	9,137
Net interest income/(expense)	-946	-582	-1,271	-1,132	-914
Associates/affiliates	-44	92	112	112	112
Exceptionals/extraordinaries	0	0	0	0	0
Other pre-tax income/(expense)	0	0	0	0	0
Profit before tax	2,086	2,126	6,042	6,464	8,335
Income tax expense	743	439	1,247	1,616	2,084
Minorities	-313	-153	240	242	313
Other post-tax income/(expense)	0	0	0	0	0
Net profit	1,656	1,840	4,555	4,605	5,939
DB adjustments (including dilution)	0	0	0	0	0
DB Net profit	1,656	1,840	4,555	4,605	5,939

Cash Flow (CNYm)

Cash flow from operations	10,269	8,602	9,360	9,734	12,014
Net Capex	-4,794	-5,238	-4,597	-4,304	-8,069
Free cash flow	5,476	3,363	4,763	5,431	3,945
Equity raised/(bought back)	0	0	0	0	0
Dividends paid	-3,414	-2,865	0	-3,388	-2,534
Net inc/(dec) in borrowings	1,083	-7,849	0	0	0
Other investing/financing cash flows	-2,493	-3,393	-1,690	-1,552	-1,333
Net cash flow	652	-10,743	3,073	490	78
Change in working capital	2,679	-2,196	-837	-680	-163

Balance Sheet (CNYm)

Cash and other liquid assets	5,498	5,023	8,096	8,586	8,664
Tangible fixed assets	35,760	36,710	37,387	37,529	40,779
Goodwill/intangible assets	10,781	10,721	10,520	10,258	10,257
Associates/investments	8,461	10,237	10,657	11,076	11,496
Other assets	23,413	26,528	27,631	28,480	28,823
Total assets	83,914	89,218	94,289	95,929	100,019
Interest bearing debt	31,922	45,701	45,701	45,701	45,701
Other liabilities	20,063	12,400	12,677	12,857	13,229
Total liabilities	51,986	58,101	58,378	58,558	58,930
Shareholders' equity	27,537	27,762	32,318	33,535	36,940
Minorities	4,391	3,354	3,594	3,836	4,149
Total shareholders' equity	31,928	31,117	35,912	37,371	41,089
Net debt	26,424	40,678	37,605	37,115	37,037

Key Company Metrics

Sales growth (%)	nm	6.1	11.8	6.7	8.8
DB EPS growth (%)	na	11.2	147.6	1.1	29.0
EBITDA Margin (%)	8.6	8.5	12.9	12.7	13.8
EBIT Margin (%)	4.1	3.3	8.2	8.0	8.9
Payout ratio (%)	78.1	0.0	74.4	55.0	55.0
ROE (%)	6.0	6.7	15.2	14.0	16.9
Capex/sales (%)	6.5	7.0	5.2	4.6	7.9
Capex/depreciation (x)	1.5	1.3	1.1	1.0	1.6
Net debt/equity (%)	82.8	130.7	104.7	99.3	90.1
Net interest cover (x)	3.3	4.5	5.7	6.6	10.0

Source: Company data, Deutsche Bank estimates

Sharon Ding

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Model updated: 14 May 2017

Running the numbers

Australasia

Australia

M&M - Gold

Newcrest Mining Ltd

Reuters: NCM.AX

Bloomberg: NCM AU

Sell

Price (22 May 17) AUD 21.31

Target Price AUD 17.50

52 Week range AUD 16.75 - 26.63

Market Cap (m) AUDm 16,338

USDm 12,177

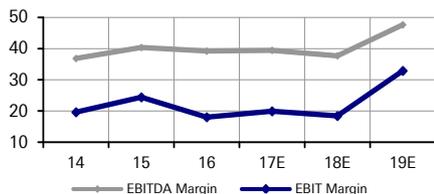
Company Profile

Newcrest Mining Ltd. is an Australian-based gold company headquartered in Melbourne. It is engaged in the exploration, development, mining and sale of gold and gold/copper concentrates. The company's current operations (Telfer, Cadia Valley, Lihir, Gosowong and Bonikro) are spread across Australia, PNG and Côte d'Ivoire in Africa.

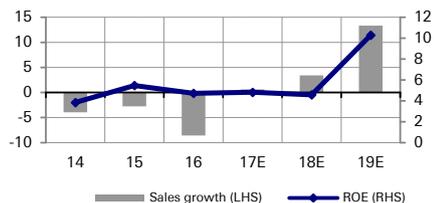
Price Performance



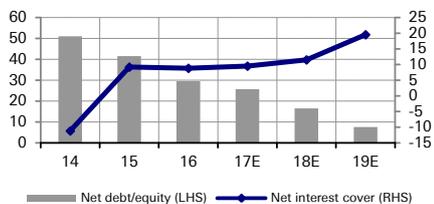
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 30-Jun

Financial Summary

	2014	2015	2016	2017E	2018E	2019E
DB EPS (USD)	0.43	0.49	0.42	0.45	0.44	1.05
Reported EPS (USD)	-2.75	0.49	0.43	0.34	0.44	1.05
DPS (USD)	0.00	0.00	0.08	0.10	0.11	0.26
BVPS (USD)	9.32	8.94	9.19	9.42	9.82	10.65

Valuation Metrics

Price/Sales (x)	2.0	2.1	2.5	3.7	3.6	3.1
P/E (DB) (x)	22.4	20.4	25.7	35.3	36.3	15.1
P/E (Reported) (x)	nm	20.4	25.0	46.9	36.3	15.1
P/BV (x)	1.0	1.2	1.8	1.7	1.6	1.5
FCF yield (%)	2.8	11.7	10.4	3.7	5.8	6.9
Dividend yield (%)	0.0	0.0	0.7	0.6	0.7	1.7
EV/Sales	3.1	3.1	3.3	4.3	4.1	3.4
EV/EBITDA	8.4	7.7	8.5	10.9	10.8	7.2
EV/EBIT	15.7	12.7	18.5	21.5	22.0	10.4

Income Statement (USDm)

Sales	3,707	3,604	3,295	3,315	3,429	3,886
EBITDA	1,366	1,454	1,292	1,308	1,293	1,852
EBIT	728	880	594	661	631	1,278
Pre-tax profit	-2,586	722	453	424	519	1,183
Net income	-2,105	376	332	259	336	807

Cash Flow (USDm)

Cash flow from operations	965	1,280	1,241	1,048	1,060	1,437
Net Capex	-759	-382	-377	-591	-357	-592
Free cash flow	206	898	864	456	703	845
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	-15	-22	-32	-112	-34	-163
Net inc/(dec) in borrowings	-45	-760	-930	-170	0	0
Other investing/financing cash flows	-20	-13	-3	-59	0	0
Net cash flow	69	65	-145	58	619	632
Change in working capital	-146	163	140	-127	0	0

Balance Sheet (USDm)

Cash and cash equivalents	133	198	53	111	730	1,361
Property, plant & equipment	4,411	4,067	3,871	3,858	3,554	3,572
Goodwill	0	0	0	0	0	0
Other assets	8,255	7,538	7,267	7,135	7,150	7,165
Total assets	12,799	11,803	11,191	11,104	11,434	12,099
Debt	3,839	3,087	2,160	1,991	1,991	1,991
Other liabilities	1,700	1,759	1,911	1,786	1,786	1,786
Total liabilities	5,539	4,846	4,071	3,777	3,777	3,777
Total shareholders' equity	7,260	6,957	7,120	7,327	7,657	8,322
Net debt	3,706	2,889	2,107	1,880	1,261	630

Key Company Metrics

Sales growth (%)	-3.9	-2.8	-8.6	0.6	3.4	13.3
DB EPS growth (%)	-70.0	14.0	-14.1	6.9	-2.9	140.5
Payout ratio (%)	nm	0.0	17.3	29.1	25.0	25.0
EBITDA Margin (%)	36.8	40.3	39.2	39.4	37.7	47.7
EBIT Margin (%)	19.6	24.4	18.0	19.9	18.4	32.9
ROE (%)	3.8	5.5	4.7	4.8	4.6	10.3
Net debt/equity (%)	51.0	41.5	29.6	25.7	16.5	7.6
Net interest cover (x)	-11.2	9.2	8.8	9.5	11.5	19.5

DuPont Analysis

EBIT margin (%)	19.6	24.4	18.0	19.9	18.4	32.9
x Asset turnover (x)	0.2	0.3	0.3	0.3	0.3	0.3
x Financial cost ratio (x)	0.8	0.8	0.8	0.8	0.8	0.9
x Tax and other effects (x)	-3.7	0.5	0.7	0.5	0.6	0.7
= ROA (post tax) (%)	-14.1	3.1	2.9	2.3	3.0	6.9
x Financial leverage (x)	1.7	1.8	1.7	1.6	1.5	1.5
= ROE (%)	-24.5	5.5	4.9	3.6	4.6	10.3
annual growth (%)	36.1	na	-17.3	-25.5	26.7	124.5
x NTA/share (avg) (x)	11.2	9.0	8.9	9.4	9.5	10.2
= Reported EPS	-2.75	0.49	0.43	0.34	0.44	1.05
annual growth (%)	60.5	na	-17.7	-21.9	29.3	140.5

Source: Company data, Deutsche Bank estimates

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Model updated: 11 May 2017

Running the numbers

North America

United States

Metals & Mining

Newmont

Reuters: NEM.N

Bloomberg: NEM US

Buy

Price (19 May 17) USD 33.63

Target Price USD 44.00

52 Week range USD 30.91 - 45.86

Market Cap (m) USDm 17,790

EURm 15,895

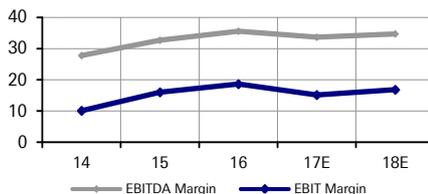
Company Profile

Newmont Mining Corporation is the world's second-largest gold company. In 2015, it sold ~5.0m oz of gold and 166m lbs of copper on an attributable basis. Wholly-owned reserves stood at 73.7m oz of gold and 5.7bn lbs of copper. With operations in the US, Canada, Mexico, Peru, Australia, New Zealand, Indonesia, Suriname and Ghana; North America represented 33% of 2015 attributable gold production, Asia Pacific (41%), South America (10%) and Africa (16%). Newmont is listed on the NYSE under the symbol NEM.N.

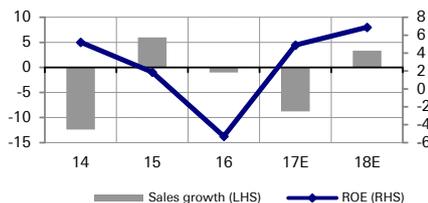
Price Performance



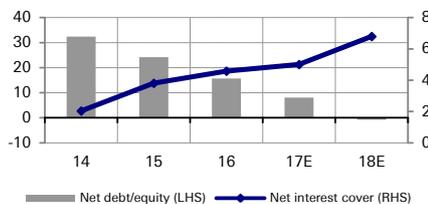
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

2014 2015 2016 2017E 2018E

Financial Summary

DB EPS (USD)	0.78	0.99	1.41	1.17	1.49
Reported EPS (USD)	1.06	0.39	-1.10	1.01	1.49
DPS (USD)	0.23	0.10	0.13	0.18	0.20
BVPS (USD)	20.52	22.02	20.27	21.13	22.43

Valuation Metrics

Price/Sales (x)	1.6	1.4	2.3	2.5	2.5
P/E (DB) (x)	30.0	21.3	23.5	28.7	22.5
P/E (Reported) (x)	22.0	53.7	nm	33.3	22.5
P/BV (x)	0.9	0.8	1.7	1.6	1.5
FCF yield (%)	6.3	4.5	6.0	6.7	7.9
Dividend yield (%)	1.0	0.5	0.4	0.5	0.6
EV/Sales	2.5	2.2	2.7	2.8	2.6
EV/EBITDA	9.1	6.7	7.4	8.4	7.5
EV/EBIT	25.0	13.6	14.2	18.7	15.4

Income Statement (USDm)

Sales	7,292	7,729	7,650	6,980	7,213
EBITDA	2,026	2,526	2,724	2,351	2,505
EBIT	736	1,238	1,425	1,057	1,213
Pre-tax profit	510	921	1,184	835	1,035
Net income	532	203	-584	536	793

Cash Flow (USDm)

Cash flow from operations	1,844	1,893	2,211	2,106	2,308
Net Capex	-1,110	-1,401	-1,161	-913	-900
Free cash flow	734	492	1,050	1,193	1,408
Equity raised/(bought back)	0	599	508	0	0
Dividends paid	-115	-52	-68	-93	-106
Net inc/(dec) in borrowings	-361	-325	-311	-211	-179
Other investing/financing cash flows	684	-97	263	-68	-23
Net cash flow	942	617	1,442	821	1,101
Change in working capital	-49	11	119	-6	0

Balance Sheet (USDm)

Cash and cash equivalents	2,403	2,782	2,756	3,623	4,724
Property, plant & equipment	13,650	14,303	12,485	12,111	11,719
Goodwill	132	0	0	0	0
Other assets	8,731	8,097	5,790	5,672	5,672
Total assets	24,916	25,182	21,031	21,406	22,115
Debt	6,646	6,236	4,615	4,621	4,621
Other liabilities	5,181	4,654	4,542	4,432	4,432
Total liabilities	11,827	10,890	9,157	9,053	9,053
Total shareholders' equity	13,089	14,292	11,874	12,353	13,062
Net debt	4,243	3,454	1,859	998	-103

Key Company Metrics

Sales growth (%)	-12.4	6.0	-1.0	-8.8	3.3
DB EPS growth (%)	-44.4	27.2	42.5	-16.8	27.3
Payout ratio (%)	21.6	24.3	nm	17.3	13.3
EBITDA Margin (%)	27.8	32.7	35.6	33.7	34.7
EBIT Margin (%)	10.1	16.0	18.6	15.1	16.8
ROE (%)	5.2	1.9	-5.3	4.9	6.9
Net debt/equity (%)	32.4	24.2	15.7	8.1	-0.8
Net interest cover (x)	2.0	3.8	4.6	5.0	6.8

DuPont Analysis

EBIT margin (%)	10.1	16.0	18.6	15.1	16.8
x Asset turnover (x)	0.3	0.3	0.3	0.3	0.3
x Financial cost ratio (x)	0.5	0.7	0.8	0.8	0.9
x Tax and other effects (x)	1.4	0.2	-0.5	0.6	0.8
= ROA (post tax) (%)	2.1	0.8	-2.5	2.5	3.6
x Financial leverage (x)	2.4	2.3	2.1	1.9	1.9
= ROE (%)	5.2	1.9	-5.3	4.9	6.9
annual growth (%)	na	-64.0	na	na	40.6
x NTA/share (avg) (x)	20.4	20.9	20.8	20.6	21.7
= Reported EPS	1.06	0.39	-1.10	1.01	1.49
annual growth (%)	na	-63.0	na	na	47.9

Source: Company data, Deutsche Bank estimates

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Model updated: 11 May 2017

Running the numbers

North America

Canada

Metals & Mining

Kinross

Reuters: KGC.N

Bloomberg: KGC UN

Hold

Price (19 May 17) USD 4.25

Target Price USD 3.80

52 Week range USD 2.91 - 5.74

Market Cap (m) EURm 4,730

USDm 5,294

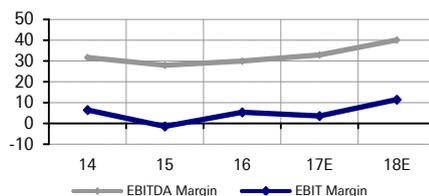
Company Profile

Kinross Gold Corp, based in Toronto, Canada, is one of the world's largest gold companies and produced ~2.6m oz of gold equivalent in 2015. Attributable reserves stood at ~34m oz of gold, 41m oz of silver and 1.4bn lbs of copper. Kinross's operations are divided into 3 regional units: Americas (53% of 2015 output), Russia (29%) and West Africa (18%). The company's main listing is on the NYSE under the symbol KGC.N. It is also listed on the Toronto Stock Exchange, trading under the symbol K.TO.

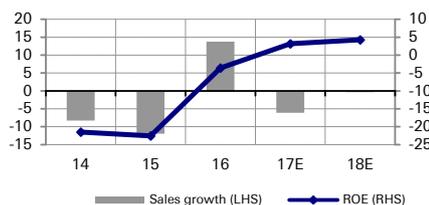
Price Performance



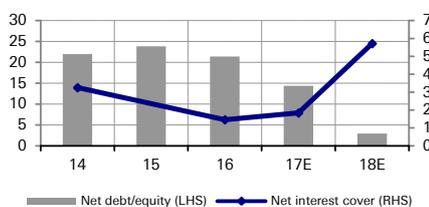
Margin Trends



Growth & Profitability



Solvency



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Fiscal year end 31-Dec

Financial Summary

	2014	2015	2016	2017E	2018E
DB EPS (USD)	0.11	-0.08	0.05	0.02	0.15
Reported EPS (USD)	-1.02	-0.86	-0.12	0.11	0.15
DPS (USD)	0.00	0.00	0.00	0.00	0.00
BVPS (USD)	4.23	3.39	3.38	3.45	3.60

Valuation Metrics

Price/Sales (x)	1.3	0.9	1.4	1.6	1.6
P/E (DB) (x)	34.2	nm	72.2	263.4	28.4
P/E (Reported) (x)	nm	nm	nm	39.9	28.4
P/BV (x)	0.7	0.5	0.9	1.2	1.2
FCF yield (%)	8.9	15.1	8.4	3.0	10.5
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
EV/Sales	1.5	1.1	1.6	1.8	1.6
EV/EBITDA	4.8	4.0	5.4	5.4	4.1
EV/EBIT	23.7	nm	30.0	49.5	14.3

Income Statement (USDm)

Sales	3,466	3,052	3,472	3,260	3,248
EBITDA	1,099	854	1,041	1,074	1,304
EBIT	224	-44	186	117	372
Pre-tax profit	-1,317	-848	-60	167	307
Net income	-1,167	-985	-144	134	188

Cash Flow (USDm)

Cash flow from operations	1,027	1,003	1,037	1,057	1,193
Net Capex	-632	-610	-634	-899	-638
Free cash flow	395	393	403	158	556
Equity raised/(bought back)	0	0	276	0	0
Dividends paid	0	0	0	0	0
Net inc/(dec) in borrowings	-69	-88	-125	-64	-65
Other investing/financing cash flows	-16	-167	-529	176	0
Net cash flow	311	137	24	271	491
Change in working capital	38	290	86	12	0

Balance Sheet (USDm)

Cash and cash equivalents	984	1,044	839	1,110	1,600
Property, plant & equipment	5,409	4,594	4,918	4,592	4,298
Goodwill	163	163	163	163	163
Other assets	2,396	1,935	2,060	2,144	2,144
Total assets	8,951	7,735	7,929	8,008	8,205
Debt	2,058	1,981	1,733	1,734	1,734
Other liabilities	2,002	1,821	2,062	1,933	1,933
Total liabilities	4,060	3,802	3,795	3,667	3,667
Total shareholders' equity	4,892	3,933	4,184	4,341	4,538
Net debt	1,075	938	895	624	133

Key Company Metrics

Sales growth (%)	-8.3	-11.9	13.8	-6.1	-0.4
DB EPS growth (%)	-59.3	na	na	-70.3	825.9
Payout ratio (%)	nm	nm	nm	0.0	0.0
EBITDA Margin (%)	31.7	28.0	30.0	32.9	40.1
EBIT Margin (%)	6.5	-1.4	5.4	3.6	11.5
ROE (%)	-21.5	-22.5	-3.6	3.2	4.3
Net debt/equity (%)	22.0	23.8	21.4	14.4	2.9
Net interest cover (x)	3.3	nm	1.5	1.8	5.7

DuPont Analysis

EBIT margin (%)	6.5	-1.4	5.4	3.6	11.5
x Asset turnover (x)	0.4	0.4	0.4	0.4	0.4
x Financial cost ratio (x)	0.7	3.0	0.3	0.5	0.8
x Tax and other effects (x)	-7.5	7.5	-2.5	2.5	0.6
= ROA (post tax) (%)	-12.1	-11.8	-1.8	1.7	2.3
x Financial leverage (x)	1.8	1.9	2.0	1.9	1.8
= ROE (%)	-21.5	-22.5	-3.6	3.2	4.3
annual growth (%)	54.5	-4.9	84.1	na	34.9
x NTA/share (avg) (x)	4.7	3.8	3.3	3.4	3.5
= Reported EPS	-1.02	-0.86	-0.12	0.11	0.15
annual growth (%)	68.9	15.7	86.3	na	40.3

Source: Company data, Deutsche Bank estimates



Model updated: 17 May 2017

Running the numbers

Sub-Saharan Africa

South Africa

Gold

AngloGold Ashanti

Reuters: ANGJ.J

Bloomberg: ANG SJ

Hold

Price (19 May 17) ZAR 156.98

Target Price ZAR 145.00

52 Week range ZAR 129.06 - 317.00

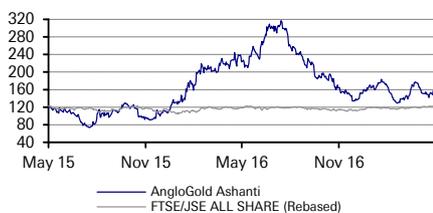
Market Cap (m) ZARm 64,768

USDm 4,898

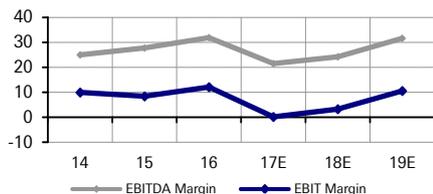
Company Profile

AngloGold Ashanti has 20 operations on four continents. The current production profile split by region is approximately 30% South Africa; 36% Continental Africa; 20% the Americas; and 14% Australia. AngloGold is free cash flow focused and is targeting maximising free cash flow and lowering net debt from an improving portfolio.

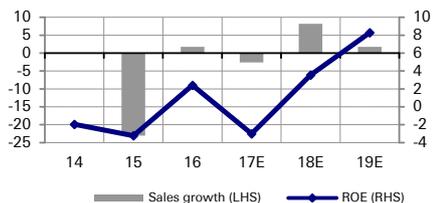
Price Performance



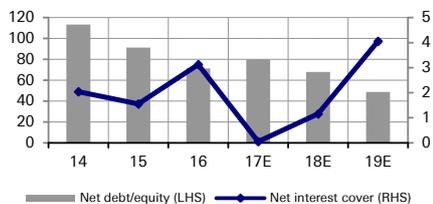
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2014	2015	2016	2017E	2018E	2019E
DB EPS (USD)	0.00	0.12	0.34	-0.19	0.23	0.56
Reported EPS (USD)	-0.14	-0.21	0.15	-0.19	0.23	0.56
DPS (USD)	0.00	0.00	0.09	0.00	0.06	0.11
BVPS (USD)	7.0	5.9	6.6	6.3	6.5	7.0
Weighted average shares (m)	408	410	413	413	413	413
Average market cap (USDm)	5,944	3,627	5,874	4,898	4,898	4,898
Enterprise value (USDm)	7,619	4,300	6,243	5,438	5,205	4,805

Valuation Metrics

P/E (DB) (x)	nm	74.0	41.4	nm	52.1	21.2
P/E (Reported) (x)	nm	nm	94.7	nm	52.1	21.2
P/BV (x)	1.26	1.14	1.69	1.89	1.82	1.69
FCF Yield (%)	3.1	7.0	5.5	nm	5.2	9.1
Dividend Yield (%)	0.0	0.0	0.6	0.0	0.5	0.9
EV/Sales (x)	1.5	1.1	1.5	1.4	1.2	1.1
EV/EBITDA (x)	5.8	3.9	4.8	6.4	5.0	3.5
EV/EBIT (x)	14.7	12.8	12.6	891.6	36.9	10.4

Income Statement (USDm)

Sales revenue	5,218	4,015	4,085	3,980	4,304	4,380
Gross profit	1,814	1,498	1,631	1,301	1,506	1,675
EBITDA	1,305	1,114	1,303	855	1,042	1,386
Depreciation	786	777	809	849	901	923
Amortisation	0	0	0	0	0	0
EBIT	519	337	494	6	141	463
Net interest income/(expense)	-254	-217	-158	-118	-122	-114
Associates/affiliates	-25	88	11	12	95	7
Exceptionals/extraordinaries	0	-116	0	0	0	0
Other pre-tax income/(expense)	-24	49	-79	0	0	0
Profit before tax	241	169	257	-112	19	349
Income tax expense	255	211	189	-34	6	105
Minorities	19	15	17	14	14	19
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	-58	-85	62	-80	94	232
DB adjustments (including dilution)	57	134	80	0	0	0
DB Net profit	-1	49	142	-80	94	232

Cash Flow (USDm)

Cash flow from operations	995	913	1,028	831	1,032	1,217
Net Capex	-813	-658	-702	-946	-779	-770
Free cash flow	182	255	326	-115	253	447
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	-17	-5	-15	-37	0	-24
Net inc/(dec) in borrowings	-144	-867	-546	0	0	0
Other investing/financing cash flows	-181	633	-34	0	0	0
Net cash flow	-160	16	-269	-152	253	423
Change in working capital	131	89	-76	2	-23	-2

Balance Sheet (USDm)

Cash and other liquid assets	468	484	215	63	315	739
Tangible fixed assets	4,863	4,058	4,111	4,208	4,086	3,933
Goodwill/intangible assets	225	161	145	145	145	145
Associates/investments	1,604	1,617	1,633	1,633	1,633	1,633
Other assets	1,974	964	1,049	1,094	1,147	1,126
Total assets	9,134	7,284	7,153	7,143	7,326	7,576
Interest bearing debt	3,721	2,737	2,178	2,183	2,188	2,193
Other liabilities	2,542	2,080	2,221	2,309	2,380	2,398
Total liabilities	6,263	4,817	4,399	4,492	4,568	4,591
Shareholders' equity	2,845	2,430	2,715	2,598	2,692	2,900
Minorities	26	37	39	53	67	86
Total shareholders' equity	2,871	2,467	2,754	2,651	2,759	2,986
Net debt	3,253	2,253	1,963	2,120	1,873	1,454

Key Company Metrics

Sales growth (%)	nm	-23.1	1.7	-2.6	8.2	1.8
DB EPS growth (%)	na	na	187.7	na	na	146.3
EBITDA Margin (%)	25.0	27.7	31.9	21.5	24.2	31.6
EBIT Margin (%)	9.9	8.4	12.1	0.2	3.3	10.6
Payout ratio (%)	nm	nm	59.2	nm	25.1	19.0
ROE (%)	-2.0	-3.2	2.4	-3.0	3.6	8.3
Capex/sales (%)	16.2	16.5	17.3	23.8	18.1	17.6
Capex/depreciation (x)	1.1	0.9	0.9	1.1	0.9	0.8
Net debt/equity (%)	113.3	91.3	71.3	80.0	67.9	48.7
Net interest cover (x)	2.0	1.6	3.1	0.1	1.2	4.1

Source: Company data, Deutsche Bank estimates

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Model updated: 16 March 2017

Running the numbers

Emerging Europe

Russia

Metals & Mining

Polymetal

Reuters: POLYP.L

Bloomberg: POLY LN

Hold

Price (19 May 17) GBP 1,060.00

Target Price GBP 780.00

52 Week range GBP 731.50 - 1,190.00

Market Cap (m) GBPm 4,507
USDm 5,871

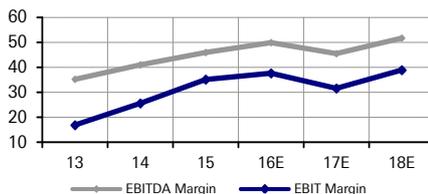
Company Profile

Polymetal International is the holding company of Polymetal, a leading Russian gold and silver miner. In 2010, Polymetal was the fourth largest gold producer in Russia by production volume and its largest silver producer, ranked eighth worldwide. Polymetal produced 810koz of gold equivalent in 2011 at six operating assets and targets a 73% organic growth in gold equivalent output by 2014.

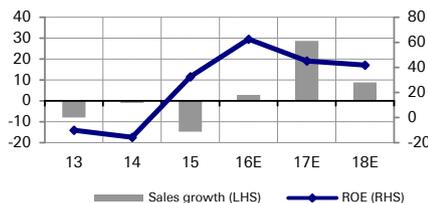
Price Performance



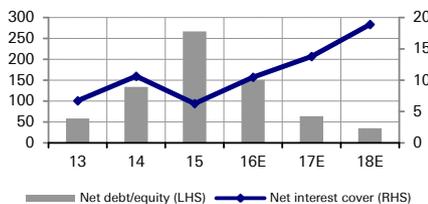
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

2013 2014 2015 2016E 2017E 2018E

Financial Summary

DB EPS (USD)	0.30	-0.61	0.56	0.93	1.11	1.48
Reported EPS (USD)	-0.51	-0.53	0.52	0.94	1.11	1.49
DPS (USD)	0.09	0.36	0.51	0.25	0.32	0.45
BVPS (USD)	4.6	2.2	1.2	1.9	3.1	4.1
Weighted average shares (m)	386	397	423	425	425	425
Average market cap (USDm)	4,420	3,645	3,512	5,871	5,871	5,871
Enterprise value (USDm)	5,427	4,796	4,796	7,378	6,667	6,443

Valuation Metrics

P/E (DB) (x)	37.8	nm	14.8	14.8	12.5	9.3
P/E (Reported) (x)	nm	nm	15.9	14.7	12.4	9.3
P/BV (x)	2.06	4.10	7.49	6.99	4.50	3.39
FCF Yield (%)	3.2	8.4	8.1	3.0	11.0	6.9
Dividend Yield (%)	0.8	3.9	6.1	1.8	2.3	3.2
EV/Sales (x)	3.2	2.8	3.3	5.0	3.5	3.1
EV/EBITDA (x)	9.0	6.9	7.2	10.0	7.7	6.0
EV/EBIT (x)	18.9	11.1	9.5	13.2	11.1	8.0

Income Statement (USDm)

Sales revenue	1,707	1,690	1,441	1,482	1,908	2,077
Gross profit	829	929	829	870	1,083	1,274
EBITDA	601	693	662	740	868	1,074
Depreciation	238	260	156	182	266	266
Amortisation	76	0	0	0	0	0
EBIT	287	432	506	558	602	808
Net interest income/(expense)	-43	-41	-81	-53	-44	-43
Associates/affiliates	-2	-7	-4	0	0	0
Exceptionals/extraordinaries	-310	35	-17	2	2	2
Other pre-tax income/(expense)	-90	-558	-129	25	25	25
Profit before tax	-158	-138	276	532	585	792
Income tax expense	40	71	55	131	111	157
Minorities	0	0	0	0	0	0
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	-198	-209	221	401	474	635
DB adjustments (including dilution)	315	-35	17	-2	-2	-2
DB Net profit	117	-244	238	398	472	632

Cash Flow (USDm)

Cash flow from operations	462	515	490	498	1,025	659
Net Capex	-319	-210	-205	-322	-376	-253
Free cash flow	142	305	285	176	648	407
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	-316	-65	-300	-93	-121	-162
Net inc/(dec) in borrowings	213	202	27	-154	-114	-30
Other investing/financing cash flows	8	-350	-117	-21	0	0
Net cash flow	47	92	-105	-92	413	215
Change in working capital	0	-81	15	-2	311	-215

Balance Sheet (USDm)

Cash and other liquid assets	66	157	52	50	624	818
Tangible fixed assets	2,095	2,021	1,360	1,606	1,716	1,703
Goodwill/intangible assets	31	18	14	16	16	16
Associates/investments	39	15	14	34	34	34
Other assets	1,025	786	642	1,108	819	1,045
Total assets	3,255	2,997	2,081	2,813	3,209	3,615
Interest bearing debt	1,111	1,323	1,350	1,454	1,454	1,424
Other liabilities	356	805	245	427	454	464
Total liabilities	1,467	2,128	1,595	1,881	1,908	1,888
Shareholders' equity	1,787	869	487	795	1,303	1,730
Minorities	0	0	0	137	0	0
Total shareholders' equity	1,787	869	487	932	1,303	1,730
Net debt	1,046	1,165	1,298	1,404	830	606

Key Company Metrics

Sales growth (%)	-8.0	-0.9	-14.7	2.9	28.7	8.9
DB EPS growth (%)	-73.1	na	na	66.1	18.5	34.0
EBITDA Margin (%)	35.2	41.0	45.9	49.9	45.5	51.7
EBIT Margin (%)	16.8	25.6	35.1	37.6	31.5	38.9
Payout ratio (%)	nm	nm	97.6	26.9	28.4	29.9
ROE (%)	-10.1	-15.7	32.6	62.5	45.2	41.9
Capex/sales (%)	18.7	12.4	14.3	21.7	19.7	12.2
Capex/depreciation (x)	1.3	0.8	1.3	1.8	1.4	1.0
Net debt/equity (%)	58.5	134.0	266.7	150.7	63.7	35.0
Net interest cover (x)	6.7	10.6	6.3	10.5	13.8	18.9

Source: Company data, Deutsche Bank estimates

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Model updated: 18 May 2017

Running the numbers

Sub-Saharan Africa

South Africa

Gold

Gold Fields

Reuters: GFIJ.J

Bloomberg: GFI SJ

Hold

Price (19 May 17) ZAR 51.34

Target Price ZAR 45.00

52 Week range ZAR 36.80 - 91.00

Market Cap (m) ZARm 42,130
USDm 3,186

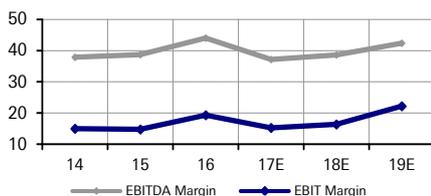
Company Profile

Gold Fields is a gold producer with operations in Australia, South Africa, Ghana and Peru. The company underwent a transformative period recently, unbundling the majority of its South African assets into Sibanye and purchasing the Yilgarn South mines in Western Australia. Gold Fields now mines most of its c.2.2Mozpa from Australia, but remains with a primary listing on South Africa's JSE.

Price Performance



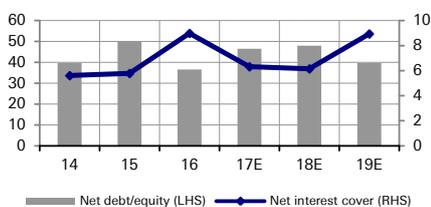
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2014	2015	2016	2017E	2018E	2019E
DB EPS (USD)	0.11	0.06	0.23	0.12	0.15	0.33
Reported EPS (USD)	0.02	-0.31	0.20	0.12	0.15	0.33
DPS (USD)	0.04	0.02	0.08	0.04	0.05	0.10
BVPS (USD)	4.6	3.4	3.7	3.8	3.9	4.2
Weighted average shares (m)	769	775	810	821	821	821
Average market cap (USDm)	3,015	2,692	3,461	3,186	3,186	3,186
Enterprise value (USDm)	4,335	4,044	4,560	4,650	4,756	4,586

Valuation Metrics

P/E (DB) (x)	35.3	60.2	18.4	31.9	25.8	11.7
P/E (Reported) (x)	235.6	nm	21.5	31.9	25.8	11.7
P/BV (x)	0.99	0.79	0.85	1.02	0.99	0.93
FCF Yield (%)	8.1	5.2	8.9	nm	nm	7.8
Dividend Yield (%)	0.9	0.5	1.8	0.9	1.2	2.6
EV/Sales (x)	1.5	1.6	1.7	1.7	1.7	1.4
EV/EBITDA (x)	4.0	4.1	3.8	4.7	4.3	3.3
EV/EBIT (x)	10.1	10.8	8.6	11.5	10.2	6.4

Income Statement (USDm)

Sales revenue	2,869	2,545	2,750	2,664	2,853	3,242
Gross profit	1,191	1,089	1,362	1,140	1,257	1,536
EBITDA	1,086	985	1,210	990	1,102	1,374
Depreciation	657	610	679	584	636	654
Amortisation	0	0	0	0	0	0
EBIT	430	375	531	406	467	720
Net interest income/(expense)	-77	-65	-59	-64	-76	-80
Associates/affiliates	-2	-6	-2	0	0	0
Exceptionals/extraordinaries	-126	-224	-24	-12	-12	-12
Other pre-tax income/(expense)	-86	-76	-80	-62	-65	-74
Profit before tax	141	10	368	267	313	553
Income tax expense	118	247	192	154	175	263
Minorities	8	-1	11	13	15	17
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	13	-242	163	100	124	272
DB adjustments (including dilution)	73	287	28	0	0	0
DB Net profit	85	45	191	100	124	272

Cash Flow (USDm)

Cash flow from operations	849	771	957	663	802	984
Net Capex	-604	-631	-648	-938	-816	-737
Free cash flow	245	140	309	-275	-13	247
Equity raised/(bought back)	0	0	152	0	0	0
Dividends paid	-40	-27	-39	-40	-43	-59
Net inc/(dec) in borrowings	-128	-88	-115	0	0	0
Other investing/financing cash flows	56	-43	-220	-37	-35	0
Net cash flow	133	-18	87	-352	-91	188
Change in working capital	84	44	-3	-34	28	41

Balance Sheet (USDm)

Cash and other liquid assets	458	440	527	175	83	271
Tangible fixed assets	4,896	4,312	4,548	4,902	5,082	5,165
Goodwill/intangible assets	386	295	318	355	390	390
Associates/investments	258	140	190	190	190	190
Other assets	860	690	752	786	788	792
Total assets	6,858	5,878	6,335	6,407	6,533	6,808
Interest bearing debt	1,911	1,820	1,693	1,693	1,693	1,693
Other liabilities	1,284	1,289	1,452	1,452	1,482	1,528
Total liabilities	3,194	3,110	3,145	3,145	3,175	3,220
Shareholders' equity	3,539	2,656	3,067	3,127	3,207	3,420
Minorities	125	112	123	136	151	168
Total shareholders' equity	3,663	2,768	3,190	3,262	3,358	3,588
Net debt	1,453	1,380	1,166	1,518	1,610	1,422

Key Company Metrics

Sales growth (%)	nm	-11.3	8.0	-3.1	7.1	13.6
DB EPS growth (%)	na	-48.0	303.4	-47.8	23.8	120.3
EBITDA Margin (%)	37.9	38.7	44.0	37.2	38.6	42.4
EBIT Margin (%)	15.0	14.7	19.3	15.2	16.4	22.2
Payout ratio (%)	222.3	nm	37.8	29.6	29.9	30.1
ROE (%)	0.1	-1.2	0.8	0.5	0.6	1.5
Capex/sales (%)	21.2	24.9	23.6	35.2	28.6	22.7
Capex/depreciation (x)	0.9	1.0	1.0	1.6	1.3	1.1
Net debt/equity (%)	39.7	49.9	36.6	46.5	47.9	39.6
Net interest cover (x)	5.6	5.8	9.0	6.3	6.1	8.9

Source: Company data, Deutsche Bank estimates

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Model updated: 20 April 2017

Running the numbers

Australasia

Australia

M&M - Gold

Evolution Mining

Reuters: EVN.AX

Bloomberg: EVN AU

Buy

Price (22 May 17) AUD 2.36

Target Price AUD 2.60

52 Week range AUD 1.61 - 3.06

Market Cap (m) AUDm 3,964
USDm 2,955

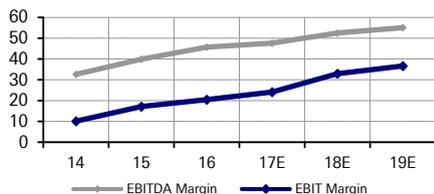
Company Profile

Evolution Mining owns and operates six gold operations in Queensland, Western Australia and New South Wales. Two of the assets were acquired in 2015 - Mungari from La Mancha Resources and Cowal from Barrick Gold. EVN also holds an economic interest in the Ernest Henry mine in Queensland, which was purchased in August 2016 from Glencore.

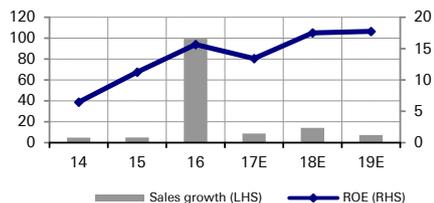
Price Performance



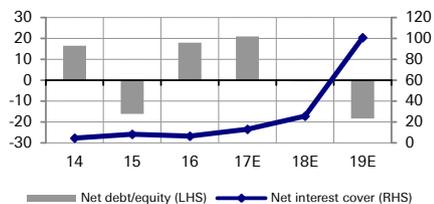
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 30-Jun

Financial Summary

	2014	2015	2016	2017E	2018E	2019E
DB EPS (AUD)	0.07	0.12	0.15	0.16	0.23	0.27
Reported EPS (AUD)	0.07	0.12	-0.02	0.13	0.18	0.21
DPS (AUD)	0.02	0.02	0.03	0.03	0.03	0.03
BVPS (AUD)	1.11	1.13	1.06	1.26	1.42	1.60

Valuation Metrics

Price/Sales (x)	0.9	1.1	1.7	2.7	2.4	2.2
P/E (DB) (x)	11.1	7.1	9.9	15.1	10.1	8.8
P/E (Reported) (x)	11.1	7.1	nm	18.4	13.3	11.2
P/BV (x)	0.6	1.0	2.2	1.9	1.7	1.5
FCF yield (%)	5.8	13.4	15.3	9.8	13.3	14.0
Dividend yield (%)	2.6	2.4	2.0	1.3	1.1	1.1
EV/Sales	1.1	1.1	1.9	3.1	2.5	2.1
EV/EBITDA	3.3	2.8	4.1	6.5	4.8	3.8
EV/EBIT	10.6	6.6	9.1	12.8	7.7	5.7

Income Statement (AUDm)

Sales	634	666	1,329	1,444	1,649	1,769
EBITDA	207	266	608	688	866	975
EBIT	64	114	272	348	544	648
Pre-tax profit	50	100	-22	213	387	504
Net income	50	100	-24	215	299	353

Cash Flow (AUDm)

Cash flow from operations	202	285	574	606	762	804
Net Capex	-170	-190	-231	-219	-235	-248
Free cash flow	32	95	343	388	527	555
Equity raised/(bought back)	0	240	112	409	0	0
Dividends paid	-13	-12	-24	-53	-41	-44
Net inc/(dec) in borrowings	-1	-144	164	277	-140	-155
Other investing/financing cash flows	0	-5	-784	-905	0	0
Net cash flow	18	174	-188	101	316	326
Change in working capital	-15	3	-97	-42	0	0

Balance Sheet (AUDm)

Cash and cash equivalents	32	206	17	118	434	761
Property, plant & equipment	489	471	790	706	619	541
Goodwill	0	0	0	0	0	0
Other assets	589	636	1,380	2,201	2,090	1,995
Total assets	1,110	1,312	2,187	3,025	3,143	3,297
Debt	161	24	296	563	423	268
Other liabilities	163	164	339	341	341	341
Total liabilities	324	188	636	904	764	609
Total shareholders' equity	785	1,125	1,551	2,121	2,380	2,688
Net debt	130	-182	279	445	-11	-493

Key Company Metrics

Sales growth (%)	4.9	5.0	99.5	8.7	14.2	7.3
DB EPS growth (%)	12.3	66.3	32.0	0.8	50.2	14.1
Payout ratio (%)	28.4	17.1	nm	24.8	14.4	12.5
EBITDA Margin (%)	32.6	39.9	45.7	47.6	52.5	55.1
EBIT Margin (%)	10.1	17.1	20.5	24.1	33.0	36.6
ROE (%)	6.5	11.3	15.7	13.4	17.5	17.8
Net debt/equity (%)	16.5	-16.2	18.0	21.0	-0.5	-18.3
Net interest cover (x)	4.5	8.2	6.4	13.0	25.6	100.8

DuPont Analysis

EBIT margin (%)	10.1	17.1	20.5	24.1	33.0	36.6
x Asset turnover (x)	0.6	0.6	0.6	0.5	0.5	0.5
x Financial cost ratio (x)	0.8	0.9	0.8	0.9	1.0	1.0
x Tax and other effects (x)	1.0	1.0	-0.1	0.7	0.6	0.5
= ROA (post tax) (%)	4.6	8.5	-1.2	7.7	9.6	10.8
x Financial leverage (x)	1.4	1.3	1.4	1.4	1.4	1.3
= ROE (%)	6.5	11.3	-1.7	11.0	13.3	13.9
annual growth (%)	na	74.7	na	na	20.7	4.8
x NTA/share (avg) (x)	1.1	1.0	1.0	1.2	1.3	1.5
= Reported EPS	0.07	0.12	-0.02	0.13	0.18	0.21
annual growth (%)	na	66.3	na	na	38.9	17.9

Source: Company data, Deutsche Bank estimates

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Model updated:01 May 2017

Running the numbers

Asia

China

Metals & Mining

Zhaojin Mining

Reuters: 1818.HK

Bloomberg: 1818.HK

Buy

Price (22 May 17) HKD 6.62

Target Price HKD 8.00

52 Week range HKD 6.08 - 9.62

Market Cap (m) HKDm 19,634
USDm 2,522

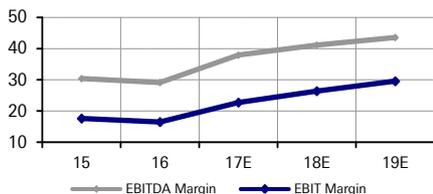
Company Profile

Zhaojin is an integrated mining company with exploration, mining, processing and smelting operations focusing on the gold production business. The Company is one of the leading gold producers and one of the largest enterprises of gold smelting in the PRC.

Price Performance



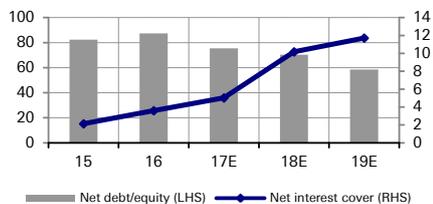
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2015	2016	2017E	2018E	2019E
DB EPS (CNY)	0.10	0.12	0.25	0.36	0.86
Reported EPS (CNY)	0.10	0.12	0.25	0.36	0.86
DPS (CNY)	0.04	0.04	0.08	0.12	0.29
BVPS (CNY)	3.6	3.8	4.0	4.3	9.2
Weighted average shares (m)	2,966	2,966	2,966	2,966	1,483
Average market cap (CNYm)	10,771	17,880	17,385	17,385	17,385
Enterprise value (CNYm)	24,206	32,223	30,782	30,982	30,238

Valuation Metrics

	2015	2016	2017E	2018E	2019E
P/E (DB) (x)	35.0	50.6	23.7	16.4	6.8
P/E (Reported) (x)	35.0	50.6	23.7	16.4	6.8
P/BV (x)	0.98	1.51	1.47	1.37	0.64
FCF Yield (%)	nm	1.2	8.7	2.7	19.3
Dividend Yield (%)	1.1	0.7	1.4	2.0	4.9
EV/Sales (x)	4.1	4.8	4.7	4.3	3.7
EV/EBITDA (x)	13.5	16.6	12.4	10.4	8.5
EV/EBIT (x)	23.3	29.3	20.7	16.2	12.5

Income Statement (CNYm)

	2015	2016	2017E	2018E	2019E
Sales revenue	5,887	6,665	6,538	7,242	8,153
Gross profit	2,983	3,573	3,591	4,197	4,922
EBITDA	1,789	1,942	2,479	2,981	3,552
Depreciation	752	844	993	1,069	1,142
Amortisation	0	0	0	0	0
EBIT	1,037	1,098	1,487	1,912	2,410
Net interest income/(expense)	-486	-305	-296	-188	-206
Associates/affiliates	3	6	10	10	10
Exceptionals/extraordinaries	0	0	0	0	0
Other pre-tax income/(expense)	0	0	0	0	0
Profit before tax	555	799	1,201	1,734	2,214
Income tax expense	155	366	300	433	554
Minorities	91	80	167	241	380
Other post-tax income/(expense)	0	0	0	0	0
Net profit	308	353	734	1,060	1,281
DB adjustments (including dilution)	0	0	0	0	0
DB Net profit	308	353	734	1,060	1,281

Cash Flow (CNYm)

	2015	2016	2017E	2018E	2019E
Cash flow from operations	1,504	1,863	3,017	2,215	3,426
Net Capex	-1,917	-1,650	-1,500	-1,750	-1,750
Free cash flow	-413	213	1,517	465	1,676
Equity raised/(bought back)	0	0	0	0	0
Dividends paid	-210	-224	-119	-247	-356
Net inc/(dec) in borrowings	1,089	704	-997	-647	-1,000
Other investing/financing cash flows	-1,772	-1,289	-296	-188	-206
Net cash flow	-1,305	-595	106	-616	115
Change in working capital	-217	-426	717	-466	307

Balance Sheet (CNYm)

	2015	2016	2017E	2018E	2019E
Cash and other liquid assets	2,167	1,758	1,864	1,248	1,362
Tangible fixed assets	12,820	12,974	13,720	14,648	15,503
Goodwill/intangible assets	10,268	11,006	10,768	10,521	10,274
Associates/investments	696	927	937	947	957
Other assets	5,104	6,298	5,881	6,094	5,949
Total assets	31,054	32,964	33,170	33,459	34,045
Interest bearing debt	13,397	14,115	13,118	12,472	11,472
Other liabilities	4,016	4,713	5,134	5,015	5,297
Total liabilities	17,413	18,828	18,253	17,487	16,769
Shareholders' equity	10,741	11,222	11,837	12,651	13,576
Minorities	2,900	2,913	3,080	3,321	3,701
Total shareholders' equity	13,641	14,135	14,917	15,971	17,276
Net debt	11,230	12,357	11,254	11,224	10,110

Key Company Metrics

	2015	2016	2017E	2018E	2019E
Sales growth (%)	nm	13.2	-1.9	10.8	12.6
DB EPS growth (%)	na	14.7	107.8	44.4	141.7
EBITDA Margin (%)	30.4	29.1	37.9	41.2	43.6
EBIT Margin (%)	17.6	16.5	22.7	26.4	29.6
Payout ratio (%)	38.5	33.6	33.6	33.6	33.6
ROE (%)	3.2	3.2	6.4	8.7	9.8
Capex/sales (%)	33.9	25.0	22.9	24.2	21.5
Capex/depreciation (x)	2.7	2.0	1.5	1.6	1.5
Net debt/equity (%)	82.3	87.4	75.4	70.3	58.5
Net interest cover (x)	2.1	3.6	5.0	10.2	11.7

Source: Company data, Deutsche Bank estimates

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Model updated: 11 May 2017

Running the numbers

North America

United States

Metals & Mining

Hecla

Reuters: HL.N

Bloomberg: HL US

Hold

Price (19 May 17) USD 5.88

Target Price USD 5.50

52 Week range USD 3.87 - 7.24

Market Cap (m) USDm 2,339

EURm 2,089

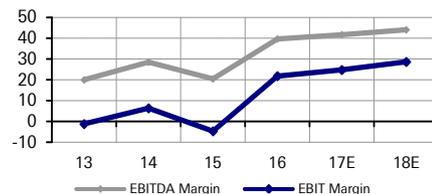
Company Profile

Hecla Mining, based in Idaho's Silver Valley, is the largest primary silver producer in the US, and produced 11.6m oz in 2015. Apart from silver, it also produces gold, zinc and lead as by-products. Hecla operates three silver mines, Greens Creek (Alaska), Lucky Friday (Idaho) and San Sebastian (Mexico) and owns exploration properties in Idaho, Colorado and Mexico. Hecla trades on the NYSE under the symbol HL.N.

Price Performance



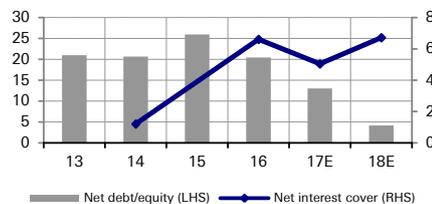
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2013	2014	2015	2016	2017E	2018E
DB EPS (USD)	-0.05	0.02	-0.10	0.18	0.25	0.32
Reported EPS (USD)	-0.07	0.01	-0.23	0.17	0.28	0.32
DPS (USD)	0.02	0.01	0.01	0.01	0.01	0.01
BVPS (USD)	3.87	3.80	3.53	3.72	4.01	4.32

Valuation Metrics

Price/Sales (x)	3.3	2.2	2.2	2.8	3.5	3.1
P/E (DB) (x)	nm	142.6	nm	25.6	23.1	18.4
P/E (Reported) (x)	nm	570.8	nm	26.3	20.9	18.3
P/BV (x)	0.8	0.7	0.5	1.4	1.5	1.4
FCF yield (%)	nm	0.4	nm	4.4	5.9	7.4
Dividend yield (%)	0.5	0.3	0.4	0.2	0.2	0.2
EV/Sales	4.0	2.8	3.0	3.3	3.8	3.2
EV/EBITDA	19.9	9.7	14.7	8.3	9.2	7.3
EV/EBIT	nm	43.6	nm	15.1	15.4	11.2

Income Statement (USDm)

Sales	383	501	444	646	664	749
EBITDA	76	143	91	256	277	330
EBIT	-5	32	-21	141	164	215
Pre-tax profit	-35	5	-31	97	119	183
Net income	-25	2	-87	70	112	128

Cash Flow (USDm)

Cash flow from operations	60	136	39	244	247	275
Net Capex	-151	-132	-137	-165	-110	-102
Free cash flow	-90	4	-98	80	138	173
Equity raised/(bought back)	0	55	0	8	0	0
Dividends paid	-6	-4	-4	-4	-4	-5
Net inc/(dec) in borrowings	-22	-26	-24	-21	-33	-32
Other investing/financing cash flows	-350	-39	68	-17	16	0
Net cash flow	-470	-10	-59	45	118	137
Change in working capital	-26	-4	5	16	-22	0

Balance Sheet (USDm)

Cash and cash equivalents	212	210	155	199	294	431
Property, plant & equipment	1,792	1,832	1,897	2,033	2,034	2,021
Goodwill	0	0	0	0	0	0
Other assets	228	221	170	140	160	160
Total assets	2,232	2,262	2,222	2,372	2,488	2,612
Debt	491	498	503	501	502	502
Other liabilities	415	367	380	390	391	391
Total liabilities	906	865	883	892	893	893
Total shareholders' equity	1,326	1,397	1,339	1,480	1,596	1,719
Net debt	279	289	348	303	208	71

Key Company Metrics

Sales growth (%)	19.1	30.9	-11.4	45.6	2.7	12.9
DB EPS growth (%)	na	na	na	na	42.0	25.7
Payout ratio (%)	nm	191.2	nm	5.7	3.6	3.1
EBITDA Margin (%)	20.0	28.5	20.4	39.7	41.7	44.1
EBIT Margin (%)	-1.2	6.3	-4.7	21.8	24.8	28.7
ROE (%)	-2.0	0.1	-6.4	4.9	7.3	7.7
Net debt/equity (%)	21.0	20.7	26.0	20.4	13.0	4.1
Net interest cover (x)	nm	1.2	nm	6.6	5.0	6.7

DuPont Analysis

EBIT margin (%)	-1.2	6.3	-4.7	21.8	24.8	28.7
x Asset turnover (x)	0.2	0.2	0.2	0.3	0.3	0.3
x Financial cost ratio (x)	5.6	0.2	2.2	0.8	0.8	0.9
x Tax and other effects (x)	0.9	0.4	1.9	0.6	0.8	0.7
= ROA (post tax) (%)	-1.4	0.1	-3.9	3.0	4.6	5.0
x Financial leverage (x)	1.5	1.7	1.6	1.6	1.6	1.5
= ROE (%)	-2.0	0.1	-6.4	4.9	7.3	7.7
annual growth (%)	na	na	na	na	47.4	6.1
x NTA/share (avg) (x)	3.6	3.7	3.6	3.5	3.9	4.2
= Reported EPS	-0.07	0.01	-0.23	0.17	0.28	0.32
annual growth (%)	na	na	na	na	60.8	14.4

Source: Company data, Deutsche Bank estimates

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Model updated: 27 April 2017

Running the numbers

Australasia

Australia

M&M - Gold

Northern Star Resources

Reuters: NST.AX

Bloomberg: NST AU

Hold

Price (22 May 17) AUD 4.57

Target Price AUD 4.10

52 Week range AUD 2.98 - 5.78

Market Cap (m) AUDm 2,757

USDm 2,055

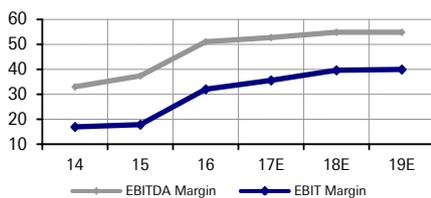
Company Profile

Northern Star Resources (NST) is an Australian-based gold producer, with five operating assets located in Western Australia and a 60% interest in a pre-production project located in the Northern Territory.

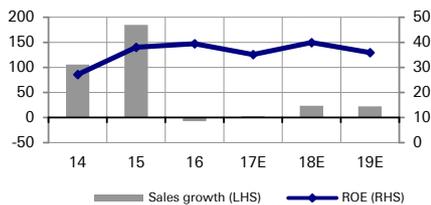
Price Performance



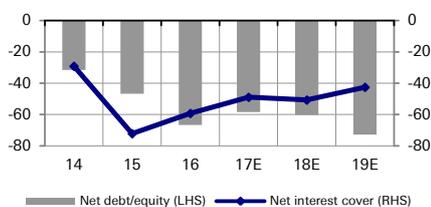
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 30-Jun

Financial Summary

	2014	2015	2016	2017E	2018E	2019E
DB EPS (AUD)	0.08	0.18	0.25	0.30	0.47	0.57
Reported EPS (AUD)	0.05	0.16	0.25	0.34	0.47	0.57
DPS (AUD)	0.04	0.06	0.10	0.07	0.12	0.07
BVPS (AUD)	0.42	0.55	0.75	0.99	1.36	1.79

Valuation Metrics

Price/Sales (x)	1.5	1.2	2.4	3.4	2.8	2.3
P/E (DB) (x)	12.1	9.6	12.4	15.1	9.8	8.0
P/E (Reported) (x)	20.2	11.3	12.4	13.6	9.8	8.0
P/BV (x)	3.0	4.1	6.6	4.6	3.4	2.5
FCF yield (%)	14.1	23.7	13.6	5.1	9.6	15.9
Dividend yield (%)	3.7	3.5	3.2	1.4	2.5	1.6
EV/Sales	1.3	1.1	2.1	3.1	2.4	1.7
EV/EBITDA	4.0	3.1	4.1	5.8	4.3	3.2
EV/EBIT	7.7	6.4	6.6	8.6	5.9	4.4

Income Statement (AUDm)

Sales	297	846	786	805	993	1,214
EBITDA	98	316	401	425	545	666
EBIT	50	151	252	286	394	485
Pre-tax profit	36	133	224	281	401	496
Net income	22	92	151	203	281	342

Cash Flow (AUDm)

Cash flow from operations	99	359	383	292	441	537
Net Capex	-37	-113	-128	-151	-178	-100
Free cash flow	62	246	255	141	263	438
Equity raised/(bought back)	126	0	0	2	0	0
Dividends paid	-16	-27	-36	-60	-56	-81
Net inc/(dec) in borrowings	-5	-8	-10	-5	0	0
Other investing/financing cash flows	-126	-91	0	26	0	0
Net cash flow	27	85	148	42	147	296
Change in working capital	-51	59	-1	0	0	0

Balance Sheet (AUDm)

Cash and cash equivalents	82	167	315	357	504	800
Property, plant & equipment	151	266	214	228	254	173
Goodwill	0	0	0	0	0	0
Other assets	160	160	234	276	327	378
Total assets	394	593	764	861	1,086	1,352
Debt	6	16	14	9	9	9
Other liabilities	145	254	298	255	255	255
Total liabilities	151	270	312	264	264	264
Total shareholders' equity	242	323	452	597	821	1,087
Net debt	-76	-151	-301	-348	-495	-791

Key Company Metrics

Sales growth (%)	105.9	184.8	-7.1	2.4	23.4	22.2
DB EPS growth (%)	15.8	136.0	36.3	20.4	53.6	21.9
Payout ratio (%)	74.7	40.1	39.7	19.3	25.0	12.5
EBITDA Margin (%)	33.0	37.4	51.1	52.8	54.9	54.9
EBIT Margin (%)	17.0	17.8	32.0	35.6	39.6	40.0
ROE (%)	27.2	38.0	39.5	35.2	39.9	35.9
Net debt/equity (%)	-31.5	-46.7	-66.7	-58.4	-60.3	-72.8
Net interest cover (x)	-29.1	-72.2	-59.2	-48.9	-50.7	-42.6

DuPont Analysis

EBIT margin (%)	17.0	17.8	32.0	35.6	39.6	40.0
x Asset turnover (x)	1.1	1.7	1.2	1.0	1.0	1.0
x Financial cost ratio (x)	1.0	1.0	1.0	1.0	1.0	1.0
x Tax and other effects (x)	0.4	0.6	0.6	0.7	0.7	0.7
= ROA (post tax) (%)	7.9	18.6	22.3	25.0	28.9	28.1
x Financial leverage (x)	1.9	1.7	1.8	1.6	1.4	1.3
= ROE (%)	15.3	32.1	39.5	39.0	39.9	35.9
annual growth (%)	-42.9	109.3	23.0	-1.3	2.4	-10.0
x NTA/share (avg) (x)	0.3	0.5	0.6	0.9	1.2	1.6
= Reported EPS	0.05	0.16	0.25	0.34	0.47	0.57
annual growth (%)	-30.7	232.8	61.5	33.5	38.5	21.9

Source: Company data, Deutsche Bank estimates

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Model updated: 18 May 2017

Running the numbers

Sub-Saharan Africa

South Africa

Mining

Sibanye Gold

Reuters: SGLJ.J

Bloomberg: SGL SJ

Sell

Price (19 May 17) ZAR 26.54

Target Price ZAR 20.00

52 Week range ZAR 21.98 - 70.23

Market Cap (m) ZARm 32,597

USDm 2,465

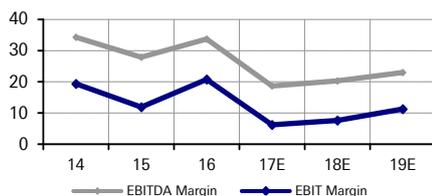
Company Profile

Sibanye Gold owns and operates underground gold mines in South Africa - Kloof, Driefontein, Beatrix (which were previously wholly owned by Gold Fields Limited) and the acquired Cooke operations; in total producing 1.5-1.6Moza of gold. Sibanye Platinum acquired Aquarius Platinum (Kroondal, 50% share in Mimosas) and Amplats Rustenburg in 2016, in total producing between 1-1.1Moza (4E). Sibanye is in the process of purchasing Stillwater, a majority palladium producer in the United States (0.5-0.6Moza 2E), for US\$2.2bn.

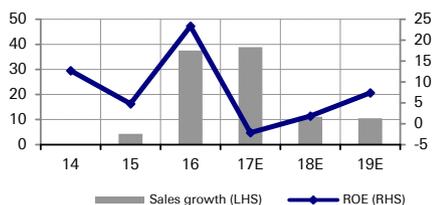
Price Performance



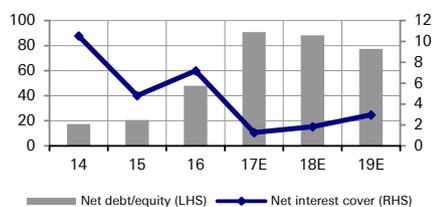
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

2014 2015 2016 2017E 2018E 2019E

Financial Summary

DB EPS (ZAR)	1.70	0.74	2.70	-0.39	0.25	1.01
Reported EPS (ZAR)	1.86	0.79	4.02	-0.39	0.25	1.01
DPS (ZAR)	1.12	1.00	1.45	0.20	0.20	0.50
BVPS (ZAR)	16.7	16.4	18.0	13.4	13.4	13.9
Weighted average shares (m)	836	912	922	1,228	2,126	2,126
Average market cap (ZARm)	19,430	20,495	43,477	32,597	32,597	32,597
Enterprise value (ZARm)	21,742	23,414	48,970	55,818	54,843	52,335

Valuation Metrics

P/E (DB) (x)	13.7	30.4	17.5	nm	107.6	26.3
P/E (Reported) (x)	12.5	28.6	11.7	nm	107.6	26.3
P/BV (x)	1.35	1.40	1.41	1.98	1.98	1.91
FCF Yield (%)	9.4	4.4	4.5	nm	1.1	5.3
Dividend Yield (%)	4.8	4.5	3.1	0.8	0.8	1.9
EV/Sales (x)	1.0	1.0	1.6	1.3	1.1	1.0
EV/EBITDA (x)	2.9	3.7	4.6	6.9	5.6	4.3
EV/EBIT (x)	5.2	8.7	7.5	20.8	14.9	8.7

Income Statement (ZARm)

Sales revenue	21,781	22,717	31,241	43,392	48,222	53,296
Gross profit	7,469	6,337	10,532	8,104	9,784	12,251
EBITDA	7,469	6,337	10,532	8,104	9,784	12,251
Depreciation	3,255	3,637	4,042	5,419	6,112	6,251
Amortisation	0	0	0	0	0	0
EBIT	4,214	2,700	6,490	2,685	3,672	6,000
Net interest income/(expense)	-400	-562	-903	-2,111	-2,003	-2,025
Associates/affiliates	-471	116	13	194	167	237
Exceptionals/extraordinaries	-63	-230	557	-354	0	0
Other pre-tax income/(expense)	-945	-1,109	-1,643	-1,343	-1,271	-1,407
Profit before tax	2,335	915	4,514	-930	564	2,805
Income tax expense	828	377	1,243	-253	153	762
Minorities	-45	-179	-431	-196	-113	-103
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	1,552	717	3,702	-481	524	2,147
DB adjustments (including dilution)	-134	-42	-1,215	0	0	0
DB Net profit	1,418	675	2,487	-481	524	2,147

Cash Flow (ZARm)

Cash flow from operations	5,058	4,174	6,017	5,068	6,864	8,605
Net Capex	-3,228	-3,280	-4,052	-5,788	-6,254	-5,590
Free cash flow	1,830	894	1,966	-720	611	3,015
Equity raised/(bought back)	0	0	0	13,488	0	0
Dividends paid	-1,005	-658	-1,612	-757	-335	-744
Net inc/(dec) in borrowings	-673	-21	5,446	18,252	-404	-1,136
Other investing/financing cash flows	-1,081	-60	-5,392	-29,934	533	0
Net cash flow	-930	155	408	330	404	1,136
Change in working capital	215	-668	-238	-1,188	-227	-157

Balance Sheet (ZARm)

Cash and other liquid assets	563	717	968	1,298	1,702	2,838
Tangible fixed assets	22,704	22,132	27,241	62,049	61,589	60,858
Goodwill/intangible assets	737	737	936	4,614	4,614	4,614
Associates/investments	295	168	2,513	2,706	2,873	3,110
Other assets	3,623	4,512	10,064	12,312	13,198	14,046
Total assets	27,922	28,266	41,721	82,980	83,975	85,465
Interest bearing debt	3,170	3,804	8,974	27,226	26,821	25,686
Other liabilities	9,766	9,477	16,050	27,196	28,687	30,250
Total liabilities	12,936	13,281	25,024	54,422	55,508	55,935
Shareholders' equity	14,986	14,985	16,697	28,558	28,467	29,530
Minorities	0	0	0	0	0	0
Total shareholders' equity	14,986	14,985	16,697	28,558	28,467	29,530
Net debt	2,607	3,086	8,006	25,927	25,119	22,848

Key Company Metrics

Sales growth (%)	nm	4.3	37.5	38.9	11.1	10.5
DB EPS growth (%)	na	-56.4	264.7	na	na	309.5
EBITDA Margin (%)	34.3	27.9	33.7	18.7	20.3	23.0
EBIT Margin (%)	19.3	11.9	20.8	6.2	7.6	11.3
Payout ratio (%)	60.3	127.2	36.1	nm	81.1	49.5
ROE (%)	12.7	4.8	23.4	-2.1	1.8	7.4
Capex/sales (%)	14.9	14.7	13.3	13.3	13.0	10.5
Capex/depreciation (x)	1.0	0.9	1.0	1.1	1.0	0.9
Net debt/equity (%)	17.4	20.6	47.9	90.8	88.2	77.4
Net interest cover (x)	10.5	4.8	7.2	1.3	1.8	3.0

Source: Company data, Deutsche Bank estimates

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Model updated: 28 April 2017

Running the numbers

Australasia

Australia

M&M - Gold

OceanaGold Corporation

Reuters: OGC.AX

Bloomberg: OGC AT

Hold

Price (22 May 17) AUD 4.36

Target Price AUD 4.10

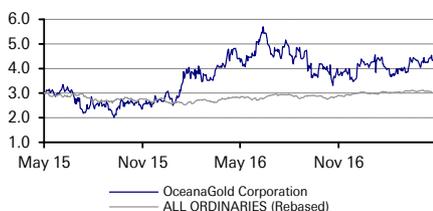
52 Week range AUD 3.31 - 5.70

Market Cap (m) AUDm 2,673
USDm 1,992

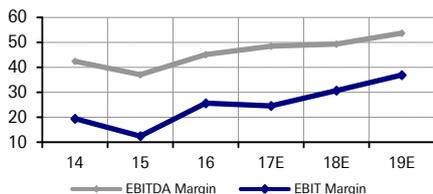
Company Profile

OceanaGold Corporation is an ASX- and TSX-listed gold producer that owns mining operations in New Zealand and the Philippines. It also owns pre-development and exploration projects in New Zealand, Philippines and the USA. The low cost Haile project is currently in commissioning and will ramp up over CY17. OGC has its main offices in Melbourne, Australia.

Price Performance



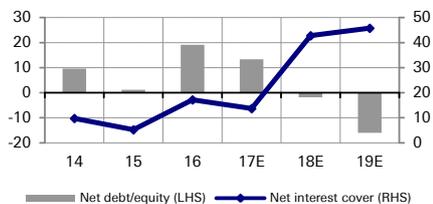
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2014	2015	2016	2017E	2018E	2019E
DB EPS (USD)	0.37	0.14	0.22	0.22	0.29	0.36
Reported EPS (USD)	0.37	0.14	0.22	0.22	0.29	0.36
DPS (USD)	0.00	0.04	0.04	0.02	0.02	0.02
BVPS (USD)	2.30	1.89	2.19	2.37	2.63	2.97

Valuation Metrics

Price/Sales (x)	1.2	1.5	3.0	2.9	2.5	2.3
P/E (DB) (x)	6.3	14.0	13.6	15.0	11.3	9.0
P/E (Reported) (x)	6.3	14.0	13.6	15.0	11.3	9.0
P/BV (x)	0.8	1.1	1.4	1.4	1.2	1.1
FCF yield (%)	15.6	4.6	nm	4.5	12.5	14.6
Dividend yield (%)	0.0	2.1	1.3	0.6	0.6	0.6
EV/Sales	1.4	1.6	3.2	3.2	2.6	2.2
EV/EBITDA	3.4	4.2	7.0	6.6	5.3	4.0
EV/EBIT	7.4	12.5	12.3	13.1	8.6	5.9

Income Statement (USDm)

Sales	563	508	629	692	787	850
EBITDA	239	188	284	335	388	456
EBIT	109	63	161	170	242	314
Pre-tax profit	98	51	155	157	236	307
Net income	112	53	136	133	177	221

Cash Flow (USDm)

Cash flow from operations	215	171	232	299	351	382
Net Capex	-106	-137	-437	-210	-101	-91
Free cash flow	109	34	-205	89	250	291
Equity raised/(bought back)	2	1	12	2	0	0
Dividends paid	0	-12	-24	-12	-12	-12
Net inc/(dec) in borrowings	-60	85	135	-61	-50	-130
Other investing/financing cash flows	-22	31	-25	5	-3	-3
Net cash flow	30	136	-119	-7	173	134
Change in working capital	99	35	50	-56	19	11

Balance Sheet (USDm)

Cash and cash equivalents	51	185	69	66	239	373
Property, plant & equipment	296	432	414	424	379	327
Goodwill	0	0	0	0	0	0
Other assets	572	926	1,433	1,476	1,468	1,468
Total assets	919	1,544	1,916	1,967	2,086	2,168
Debt	118	199	324	260	210	80
Other liabilities	106	205	256	254	254	254
Total liabilities	224	404	580	514	464	334
Total shareholders' equity	695	1,140	1,335	1,452	1,622	1,834
Net debt	67	13	256	194	-29	-293

Key Company Metrics

Sales growth (%)	1.8	-9.8	23.8	10.0	13.8	8.0
DB EPS growth (%)	na	-62.1	59.8	-3.4	33.0	25.2
Payout ratio (%)	0.0	28.7	17.7	9.2	6.9	5.5
EBITDA Margin (%)	42.4	37.0	45.1	48.5	49.3	53.7
EBIT Margin (%)	19.4	12.4	25.6	24.6	30.7	36.9
ROE (%)	17.0	6.6	11.0	9.5	11.5	12.9
Net debt/equity (%)	9.6	1.2	19.1	13.3	-1.8	-16.0
Net interest cover (x)	9.8	5.2	17.2	13.7	42.8	45.8

DuPont Analysis

EBIT margin (%)	19.4	12.4	25.6	24.6	30.7	36.9
x Asset turnover (x)	0.6	0.5	0.4	0.4	0.4	0.4
x Financial cost ratio (x)	0.9	0.8	0.9	0.9	1.0	1.0
x Tax and other effects (x)	1.1	1.0	0.9	0.8	0.7	0.7
= ROA (post tax) (%)	12.1	5.0	7.8	6.8	8.7	10.3
x Financial leverage (x)	1.4	1.3	1.4	1.4	1.3	1.3
= ROE (%)	17.0	6.6	11.0	9.5	11.5	12.9
annual growth (%)	na	-61.2	65.6	-13.2	21.1	11.8
x NTA/share (avg) (x)	2.2	2.1	2.0	2.3	2.5	2.8
= Reported EPS	0.37	0.14	0.22	0.22	0.29	0.36
annual growth (%)	na	-62.1	59.8	-3.4	33.0	25.2

Source: Company data, Deutsche Bank estimates

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Model updated: 21 March 2017

Running the numbers

North America

United States

Metals & Mining

Coeur

Reuters: CDE.N

Bloomberg: CDE UN

Hold

Price (19 May 17) USD 9.44

Target Price USD 9.00

52 Week range USD 7.28 - 15.98

Market Cap (m) USDm 1,686

EURm 1,506

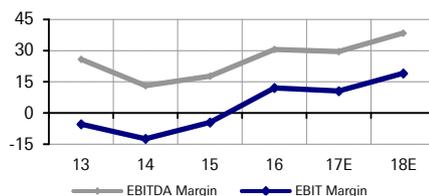
Company Profile

Coeur Mining (Coeur) is a primary silver miner that produced ~16m oz of silver in 2015. Coeur's earnings leverage and valuation are linked to the gold and silver market with gold revenues accounting for 60% of sales (328k oz) in 2015. Coeur operates three main silver mines - Palmarejo (Mexico), San Bartolome (Bolivia), and Rochester, Nevada (US) and two gold mines - Kensington (Alaska) and Wharf (South Dakota). In April 2015, Coeur completed the acquisition of Paramount Gold and Silver in an all-stock transaction valued at \$146m.

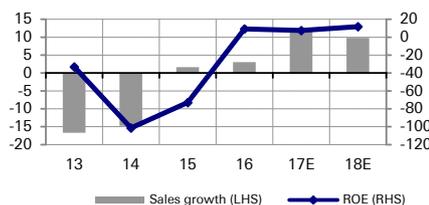
Price Performance



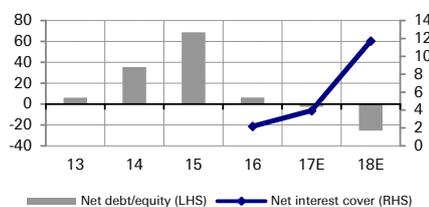
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2013	2014	2015	2016	2017E	2018E
DB EPS (USD)	-0.75	-1.09	-0.72	0.15	0.16	0.56
Reported EPS (USD)	-6.46	-11.46	-2.53	0.31	0.33	0.56
DPS (USD)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (USD)	17.19	5.72	2.91	4.30	4.46	5.02

Valuation Metrics

	2013	2014	2015	2016	2017E	2018E
Price/Sales (x)	2.0	1.2	1.0	2.4	2.3	2.1
P/E (DB) (x)	nm	nm	nm	60.4	60.1	16.8
P/E (Reported) (x)	nm	nm	nm	28.7	28.7	16.8
P/BV (x)	0.6	0.9	0.9	2.1	2.1	1.9
FCF yield (%)	14.2	2.2	24.7	10.3	5.2	13.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales	2.2	1.6	1.4	2.5	2.2	1.8
EV/EBITDA	8.4	12.0	8.1	8.0	7.5	4.6
EV/EBIT	nm	nm	nm	20.3	21.1	9.3

Income Statement (USDm)

	2013	2014	2015	2016	2017E	2018E
Sales	746	636	646	666	747	820
EBITDA	193	84	114	204	221	315
EBIT	-40	-79	-29	80	79	156
Pre-tax profit	-809	-153	-393	1	59	143
Net income	-651	-1,174	-367	55	59	100

Cash Flow (USDm)

	2013	2014	2015	2016	2017E	2018E
Cash flow from operations	317	82	253	264	221	272
Net Capex	-101	-64	-95	-101	-133	-52
Free cash flow	216	17	157	163	88	220
Equity raised/(bought back)	-28	0	0	183	0	0
Dividends paid	0	0	0	0	0	0
Net inc/(dec) in borrowings	-28	-46	-46	-37	-20	-13
Other investing/financing cash flows	-334	-73	-194	-32	2	1
Net cash flow	-173	-101	-82	276	69	208
Change in working capital	-34	-21	112	6	0	0

Balance Sheet (USDm)

	2013	2014	2015	2016	2017E	2018E
Cash and cash equivalents	207	271	201	162	232	439
Property, plant & equipment	2,238	729	785	775	765	657
Goodwill	0	0	0	0	0	0
Other assets	442	485	347	381	381	381
Total assets	2,886	1,485	1,332	1,319	1,378	1,478
Debt	313	478	490	211	211	211
Other liabilities	842	421	421	340	370	370
Total liabilities	1,155	900	911	550	581	581
Total shareholders' equity	1,731	585	421	768	797	897
Net debt	106	208	290	49	-21	-228

Key Company Metrics

	2013	2014	2015	2016	2017E	2018E
Sales growth (%)	-16.7	-14.8	1.6	3.0	12.2	9.8
DB EPS growth (%)	na	-45.2	33.9	na	6.8	256.7
Payout ratio (%)	nm	nm	nm	0.0	0.0	0.0
EBITDA Margin (%)	25.8	13.2	17.7	30.6	29.5	38.4
EBIT Margin (%)	-5.4	-12.4	-4.5	12.1	10.5	19.1
ROE (%)	-33.1	-101.4	-72.9	9.3	7.5	11.8
Net debt/equity (%)	6.1	35.5	68.7	6.3	-2.6	-25.5
Net interest cover (x)	nm	nm	nm	2.2	3.9	11.7

DuPont Analysis

	2013	2014	2015	2016	2017E	2018E
EBIT margin (%)	-5.4	-12.4	-4.5	12.1	10.5	19.1
x Asset turnover (x)	0.2	0.3	0.5	0.5	0.6	0.6
x Financial cost ratio (x)	1.7	1.6	2.6	0.5	0.7	0.9
x Tax and other effects (x)	9.6	9.4	4.9	1.3	1.0	0.7
= ROA (post tax) (%)	-21.3	-53.7	-26.1	4.2	4.4	7.0
x Financial leverage (x)	1.6	1.9	2.8	2.2	1.7	1.7
= ROE (%)	-33.1	-101.4	-72.9	9.3	7.5	11.8
annual growth (%)	na	-206.1	28.0	na	-19.3	57.6
x NTA/share (avg) (x)	19.5	11.3	3.5	3.3	4.4	4.7
= Reported EPS	-6.46	-11.46	-2.53	0.31	0.33	0.56
annual growth (%)	na	-77.4	77.9	na	6.1	70.5

Source: Company data, Deutsche Bank estimates

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Model updated: 11 May 2017

Running the numbers

North America

Canada

Metals & Mining

Silver Standard

Reuters: SSO.TO

Bloomberg: SSO CN

Hold

Price (19 May 17) CAD 13.67

Target Price CAD 14.50

52 Week range CAD 10.74 - 20.02

Market Cap (m) CADm 1,633

USDm 1,205

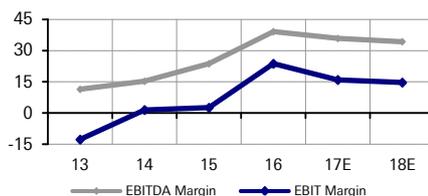
Company Profile

Silver Standard, headquartered in Vancouver, is transitioning to a hybrid silver/gold producer after acquiring Marigold and Claude Resources. It produced 10.3m oz of silver in 2015 and owns one of the largest reported silver resource bases totaling ~0.8bn oz. The company has partially spun off its non-core gold projects for ~\$250m in net cash proceeds plus a remaining marketable stake in Pretium Resources. It currently has three operating mines -Pirquitas, Marigold and Seabee- and two greenfield projects -San Luis and Pitarrilla.

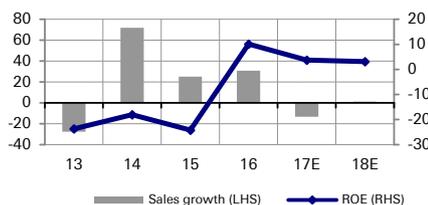
Price Performance



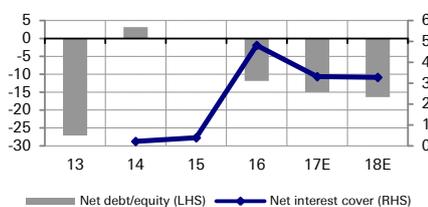
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

2013 2014 2015 2016 2017E 2018E

Financial Summary

DB EPS (USD)	-0.84	-0.44	-0.15	0.93	0.33	0.26
Reported EPS (USD)	-2.79	-1.57	-1.54	0.57	0.29	0.26
DPS (USD)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (USD)	10.43	7.09	5.54	7.55	8.15	8.41

Valuation Metrics

Price/Sales (x)	3.7	2.2	1.3	2.3	2.8	2.8
P/E (DB) (x)	nm	nm	nm	10.2	30.5	39.2
P/E (Reported) (x)	nm	nm	nm	16.6	34.6	39.2
P/BV (x)	0.7	0.7	0.9	1.2	1.2	1.2
FCF yield (%)	1.7	nm	6.6	6.3	4.5	3.1
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales	2.4	2.2	1.3	2.1	2.5	2.4
EV/EBITDA	21.3	14.3	5.4	5.3	6.9	7.0
EV/EBIT	nm	149.0	49.4	8.8	15.6	16.5

Income Statement (USDm)

Sales	175	300	375	491	426	431
EBITDA	20	46	89	192	153	148
EBIT	-22	4	10	117	68	63
Pre-tax profit	-210	-56	-114	84	47	44
Net income	-225	-128	-124	68	35	31

Cash Flow (USDm)

Cash flow from operations	95	-93	81	144	131	135
Net Capex	-84	-55	-50	-72	-77	-97
Free cash flow	11	-148	31	72	54	38
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0
Net inc/(dec) in borrowings	-17	-21	-25	-24	-20	-19
Other investing/financing cash flows	3	-78	11	60	0	0
Net cash flow	-3	-247	18	108	33	18
Change in working capital	91	-106	3	-32	-10	0

Balance Sheet (USDm)

Cash and cash equivalents	416	185	212	327	369	388
Property, plant & equipment	400	439	349	664	635	648
Goodwill	0	0	0	50	50	50
Other assets	375	363	311	398	449	449
Total assets	1,191	986	872	1,439	1,504	1,535
Debt	187	203	212	220	223	223
Other liabilities	162	204	212	317	308	308
Total liabilities	349	407	424	537	531	531
Total shareholders' equity	842	579	447	902	973	1,004
Net debt	-229	18	0	-107	-146	-164

Key Company Metrics

Sales growth (%)	-27.6	71.8	25.1	30.8	-13.3	1.2
DB EPS growth (%)	-22,536.1	48.0	65.5	na	-64.4	-22.1
Payout ratio (%)	nm	nm	nm	0.0	0.0	0.0
EBITDA Margin (%)	11.4	15.3	23.7	39.1	35.9	34.3
EBIT Margin (%)	-12.8	1.5	2.6	23.7	15.9	14.7
ROE (%)	-23.7	-18.1	-24.2	10.1	3.7	3.1
Net debt/equity (%)	-27.1	3.2	0.1	-11.9	-15.0	-16.4
Net interest cover (x)	nm	0.2	0.4	4.8	3.3	3.3

DuPont Analysis

EBIT margin (%)	-12.8	1.5	2.6	23.7	15.9	14.7
x Asset turnover (x)	0.1	0.3	0.4	0.4	0.3	0.3
x Financial cost ratio (x)	1.8	-3.7	-1.6	0.8	0.7	0.7
x Tax and other effects (x)	5.7	7.9	8.3	0.7	0.7	0.7
= ROA (post tax) (%)	-17.9	-11.8	-13.4	5.9	2.4	2.0
x Financial leverage (x)	1.3	1.5	1.8	1.7	1.6	1.5
= ROE (%)	-23.7	-18.1	-24.2	10.1	3.7	3.1
annual growth (%)	na	23.7	-34.1	na	-63.3	-16.2
x NTA/share (avg) (x)	11.8	8.7	6.4	5.6	7.9	8.3
= Reported EPS	-2.79	-1.57	-1.54	0.57	0.29	0.26
annual growth (%)	na	43.6	2.0	na	-48.9	-11.6

Source: Company data, Deutsche Bank estimates

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Model updated: 21 April 2017

Running the numbers

Australasia
Australia
Emerging Companies

Regis Resources

Reuters: RRL.AX Bloomberg: RRL AU

Sell

Price (22 May 17) AUD 3.30
Target Price AUD 2.90
52 Week range AUD 2.34 - 4.28
Market Cap (m) AUDm 1,693
USDm 1,262

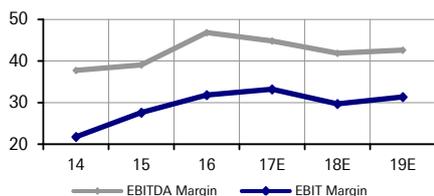
Company Profile

Regis operates three gold projects in Western Australia, Moolart Well, Garden Well and Rosemont. It is aiming to produce at a rate of +300kozpa from FY17, increasing to +340kozpa in FY19.

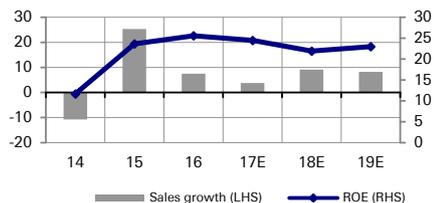
Price Performance



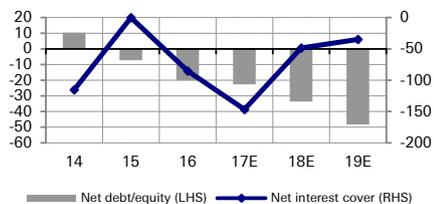
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 30-Jun

Financial Summary

	2014	2015	2016	2017E	2018E	2019E
DB EPS (AUD)	0.11	0.17	0.22	0.24	0.23	0.27
Reported EPS (AUD)	-0.30	0.17	0.22	0.24	0.23	0.27
DPS (AUD)	0.00	0.06	0.13	0.14	0.14	0.16
BVPS (AUD)	0.64	0.82	0.94	1.02	1.11	1.24

Valuation Metrics

Price/Sales (x)	4.0	1.7	2.2	3.3	3.0	2.8
P/E (DB) (x)	26.8	9.1	10.0	13.6	14.1	12.2
P/E (Reported) (x)	nm	9.1	10.0	13.6	14.1	12.2
P/BV (x)	2.5	1.3	3.6	3.2	3.0	2.7
FCF yield (%)	nm	9.8	12.4	7.9	9.9	12.3
Dividend yield (%)	0.0	3.8	5.9	4.4	4.3	4.9
EV/Sales	3.9	1.7	2.1	3.1	2.7	2.4
EV/EBITDA	10.5	4.4	4.5	6.8	6.5	5.5
EV/EBIT	18.1	6.2	6.7	9.2	9.1	7.5

Income Statement (AUDm)

Sales	371	465	500	519	567	613
EBITDA	140	182	234	233	237	261
EBIT	81	128	159	172	168	192
Pre-tax profit	-210	125	159	173	171	198
Net income	-148	87	112	124	120	138

Cash Flow (AUDm)

Cash flow from operations	124	142	204	195	196	231
Net Capex	-133	-65	-66	-61	-29	-22
Free cash flow	-9	77	138	133	167	209
Equity raised/(bought back)	3	0	0	0	0	0
Dividends paid	-75	0	-50	-80	-73	-75
Net inc/(dec) in borrowings	40	-20	-20	-1	0	0
Other investing/financing cash flows	0	-2	-2	-3	0	0
Net cash flow	-55	45	48	22	74	114
Change in working capital	3	-17	-10	3	5	22

Balance Sheet (AUDm)

Cash and cash equivalents	7	52	100	121	195	310
Property, plant & equipment	265	275	271	276	236	189
Goodwill	0	0	0	0	0	0
Other assets	195	190	221	265	278	275
Total assets	467	516	591	663	709	773
Debt	40	22	3	3	3	3
Other liabilities	106	84	107	135	135	135
Total liabilities	146	106	109	138	138	138
Total shareholders' equity	321	410	482	524	571	635
Net debt	33	-30	-97	-118	-192	-306

Key Company Metrics

Sales growth (%)	-10.8	25.3	7.5	3.8	9.2	8.2
DB EPS growth (%)	-63.8	57.7	27.7	9.2	-3.6	15.2
Payout ratio (%)	nm	34.5	59.0	59.4	60.0	60.0
EBITDA Margin (%)	37.8	39.1	46.8	44.8	41.9	42.6
EBIT Margin (%)	21.8	27.6	31.8	33.2	29.7	31.4
ROE (%)	11.6	23.6	25.6	24.5	21.9	23.0
Net debt/equity (%)	10.4	-7.2	-20.1	-22.6	-33.6	-48.3
Net interest cover (x)	-115.3	0.0	-85.2	-146.7	-48.5	-34.8

DuPont Analysis

EBIT margin (%)	21.8	27.6	31.8	33.2	29.7	31.4
x Asset turnover (x)	0.7	0.9	0.9	0.8	0.8	0.8
x Financial cost ratio (x)	1.0	1.0	1.0	1.0	1.0	1.0
x Tax and other effects (x)	-1.9	0.7	0.7	0.7	0.7	0.7
= ROA (post tax) (%)	-26.1	17.7	20.2	19.9	17.5	18.7
x Financial leverage (x)	1.2	1.3	1.3	1.3	1.3	1.2
= ROE (%)	-31.4	23.6	25.6	24.9	21.9	23.0
annual growth (%)	na	na	8.2	-2.8	-11.9	4.9
x NTA/share (avg) (x)	0.9	0.7	0.9	1.0	1.1	1.2
= Reported EPS	-0.30	0.17	0.22	0.24	0.23	0.27
annual growth (%)	na	na	27.7	9.2	-3.6	15.2

Source: Company data, Deutsche Bank estimates

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Model updated: 20 April 2017

Running the numbers

Australasia

Australia

M&M - Gold

St Barbara

Reuters: SBM.AX

Bloomberg: SBM AU

Buy

Price (22 May 17) AUD 2.94

Target Price AUD 3.10

52 Week range AUD 1.77 - 3.69

Market Cap (m) AUDm 1,462

USDm 1,090

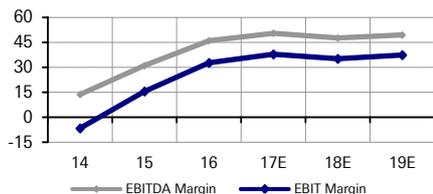
Company Profile

St Barbara is a gold mining and exploration company. The company's key assets are the Gwalia mine in Western Australia and Simberi in Papua New Guinea.

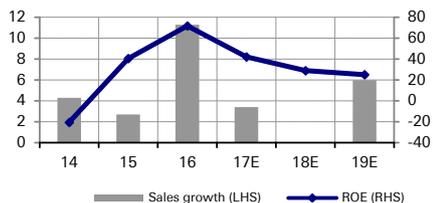
Price Performance



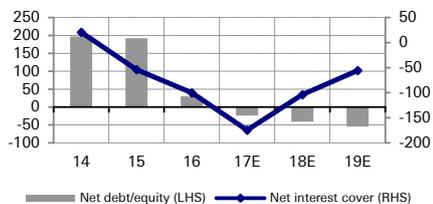
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 30-Jun

Financial Summary

	2014	2015	2016	2017E	2018E	2019E
DB EPS (AUD)	-0.19	0.09	0.31	0.33	0.32	0.36
Reported EPS (AUD)	-1.03	0.08	0.34	0.33	0.32	0.36
DPS (AUD)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (AUD)	0.27	0.28	0.60	0.93	1.25	1.61

Valuation Metrics

Price/Sales (x)	0.3	0.2	1.3	2.3	2.3	2.2
P/E (DB) (x)	nm	2.5	5.1	9.0	9.3	8.2
P/E (Reported) (x)	nm	2.7	4.6	8.9	9.3	8.2
P/BV (x)	0.4	2.0	4.9	3.1	2.4	1.8
FCF yield (%)	nm	68.2	27.5	15.2	11.1	13.9
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales	0.8	0.7	1.6	2.3	2.0	1.7
EV/EBITDA	6.0	2.3	3.4	4.5	4.3	3.4
EV/EBIT	-12.2	4.7	4.8	6.0	5.8	4.5

Income Statement (AUDm)

Sales	534	548	610	631	631	669
EBITDA	73	170	281	319	301	331
EBIT	-36	85	200	239	222	250
Pre-tax profit	-483	22	183	201	224	255
Net income	-501	40	169	164	157	178

Cash Flow (AUDm)

Cash flow from operations	42	121	250	272	256	279
Net Capex	-86	-48	-37	-50	-94	-75
Free cash flow	-45	72	212	222	162	203
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0
Net inc/(dec) in borrowings	15	-67	-140	-230	0	0
Other investing/financing cash flows	13	2	3	2	0	0
Net cash flow	-47	-9	57	-31	142	183
Change in working capital	12	-33	-7	-5	0	0

Balance Sheet (AUDm)

Cash and cash equivalents	79	77	137	113	255	438
Property, plant & equipment	441	410	373	323	338	332
Goodwill	0	0	0	0	0	0
Other assets	94	106	103	138	138	138
Total assets	614	593	613	574	731	909
Debt	340	347	226	2	2	2
Other liabilities	143	105	86	108	108	108
Total liabilities	483	452	312	110	110	110
Total shareholders' equity	132	140	301	465	621	800
Net debt	260	270	90	-111	-253	-437

Key Company Metrics

Sales growth (%)	4.3	2.7	11.3	3.4	0.0	6.0
DB EPS growth (%)	na	na	256.4	6.1	-3.1	13.7
Payout ratio (%)	nm	0.0	0.0	0.0	0.0	0.0
EBITDA Margin (%)	13.7	31.1	46.0	50.5	47.7	49.4
EBIT Margin (%)	-6.7	15.5	32.7	37.8	35.2	37.4
ROE (%)	-20.6	40.6	71.8	42.1	28.9	25.1
Net debt/equity (%)	197.4	192.3	29.8	-24.0	-40.8	-54.6
Net interest cover (x)	20.7	-53.7	-100.1	-174.5	-103.9	-55.5

DuPont Analysis

EBIT margin (%)	-6.7	15.5	32.7	37.8	35.2	37.4
x Asset turnover (x)	0.6	0.9	1.0	1.1	1.0	0.8
x Financial cost ratio (x)	2.2	0.5	0.8	0.9	1.0	1.0
x Tax and other effects (x)	6.4	0.9	1.0	0.7	0.7	0.7
= ROA (post tax) (%)	-57.4	6.6	28.1	27.6	24.0	21.7
x Financial leverage (x)	1.9	5.8	2.8	1.5	1.2	1.2
= ROE (%)	-109.8	38.0	80.1	42.6	28.9	25.1
annual growth (%)	-309.6	na	110.8	-46.7	-32.1	-13.3
x NTA/share (avg) (x)	0.9	0.2	0.4	0.8	1.1	1.4
= Reported EPS	-1.03	0.08	0.34	0.33	0.32	0.36
annual growth (%)	-144.0	na	324.9	-3.7	-4.3	13.7

Source: Company data, Deutsche Bank estimates

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Model updated: 18 May 2017

Running the numbers

Sub-Saharan Africa

South Africa

Gold

Harmony

Reuters: HARJ.J

Bloomberg: HAR SJ

Sell

Price (19 May 17) ZAR 30.64

Target Price ZAR 20.00

52 Week range ZAR 26.10 - 66.65

Market Cap (m) ZARm 13,399

USDm 1,013

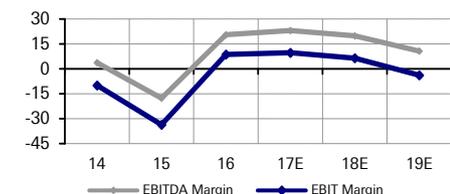
Company Profile

Harmony Gold is a South African based producer of about 1.1moz pa. In South Africa (over 90% of group production) the company has nine underground mines, one open-pit mine and several surface operations. In Papua New Guinea, operations are part of a 50-50 joint venture with Newcrest and comprise one mine (Hidden Valley) and one project (Golpu).

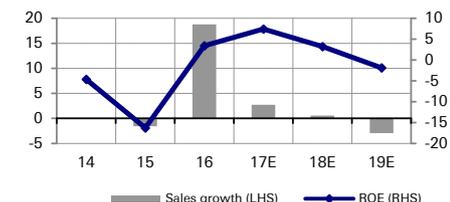
Price Performance



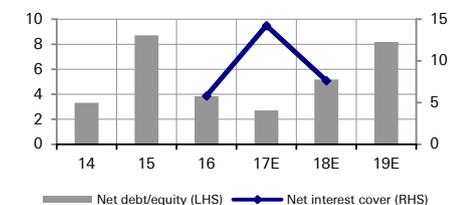
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 30-Jun

Financial Summary

	2014	2015	2016	2017E	2018E	2019E
DB EPS (ZAR)	3.44	6.61	2.19	2.45	1.85	-1.03
Reported EPS (ZAR)	-2.92	-10.35	2.13	4.36	1.85	-1.03
DPS (ZAR)	0.00	0.00	0.50	0.80	0.50	0.00
BVPS (ZAR)	71.7	61.6	64.7	70.9	72.9	71.3
Weighted average shares (m)	433	434	436	437	437	437
Average market cap (ZARm)	14,402	10,862	12,341	13,399	13,399	13,399
Enterprise value (ZARm)	15,429	13,109	13,419	14,234	15,045	15,943

Valuation Metrics

P/E (DB) (x)	9.7	3.8	12.9	12.5	16.6	nm
P/E (Reported) (x)	nm	nm	13.3	7.0	16.6	nm
P/BV (x)	0.43	0.25	0.81	0.43	0.42	0.43
FCF Yield (%)	nm	nm	16.9	0.7	nm	nm
Dividend Yield (%)	0.0	0.0	1.8	2.6	1.6	0.0
EV/Sales (x)	1.0	0.8	0.7	0.8	0.8	0.9
EV/EBITDA (x)	26.5	nm	3.6	3.3	4.0	8.1
EV/EBIT (x)	nm	nm	8.4	7.8	12.3	nm

Income Statement (ZARm)

Sales revenue	15,682	15,435	18,334	18,834	18,942	18,388
Gross profit	1,737	-1,146	4,718	3,533	3,904	2,538
EBITDA	582	-2,721	3,762	4,337	3,767	1,973
Depreciation	2,143	2,472	2,170	2,514	2,545	2,682
Amortisation	0	0	0	0	0	0
EBIT	-1,561	-5,193	1,592	1,823	1,222	-709
Net interest income/(expense)	-277	-264	-274	-128	-160	-81
Associates/affiliates	-108	-25	7	-13	0	0
Exceptionals/extraordinary	0	0	0	0	0	0
Other pre-tax income/(expense)	397	242	256	1,124	125	127
Profit before tax	-1,549	-5,240	1,581	2,806	1,187	-663
Income tax expense	-279	-704	632	790	332	-186
Minorities	0	0	0	0	0	0
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	-1,270	-4,536	949	2,016	854	-478
DB adjustments (including dilution)	2,768	7,430	30	-882	0	0
DB Net profit	1,498	2,894	979	1,134	854	-478

Cash Flow (ZARm)

Cash flow from operations	2,138	2,006	4,513	3,331	2,758	1,598
Net Capex	-2,528	-2,827	-2,433	-3,232	-3,622	-2,384
Free cash flow	-390	-821	2,080	99	-864	-786
Equity raised/(bought back)	0	0	0	0	0	0
Dividends paid	0	0	0	-437	0	-219
Net inc/(dec) in borrowings	144	148	-1,745	-710	812	679
Other investing/financing cash flows	-14	-89	-146	456	53	107
Net cash flow	-260	-762	189	-592	0	-219
Change in working capital	-159	259	248	-412	-15	-63

Balance Sheet (ZARm)

Cash and other liquid assets	1,829	1,067	1,256	664	664	446
Tangible fixed assets	33,069	29,548	29,919	31,197	32,274	31,976
Goodwill/intangible assets	886	885	870	863	863	863
Associates/investments	4	85	5	5	5	5
Other assets	5,082	4,552	4,980	7,392	7,428	7,491
Total assets	40,870	36,137	37,030	40,120	41,234	40,780
Interest bearing debt	2,860	3,399	2,339	1,504	2,316	2,995
Other liabilities	6,968	5,985	6,512	7,600	7,047	6,611
Total liabilities	9,828	9,384	8,851	9,104	9,363	9,606
Shareholders' equity	31,042	26,753	28,179	31,016	31,871	31,174
Minorities	0	0	0	0	0	0
Total shareholders' equity	31,042	26,753	28,179	31,016	31,871	31,174
Net debt	1,031	2,332	1,083	840	1,651	2,549

Key Company Metrics

Sales growth (%)	nm	-1.6	18.8	2.7	0.6	-2.9
DB EPS growth (%)	na	91.9	-66.8	11.9	-24.6	na
EBITDA Margin (%)	3.7	-17.6	20.5	23.0	19.9	10.7
EBIT Margin (%)	-10.0	-33.6	8.7	9.7	6.5	-3.9
Payout ratio (%)	nm	nm	23.0	17.4	25.6	nm
ROE (%)	-4.6	-16.3	3.4	7.4	3.2	-1.9
Capex/sales (%)	16.1	18.3	13.3	17.2	19.1	13.0
Capex/depreciation (x)	1.2	1.1	1.1	1.3	1.4	0.9
Net debt/equity (%)	3.3	8.7	3.8	2.7	5.2	8.2
Net interest cover (x)	nm	nm	5.8	14.2	7.6	nm

Source: Company data, Deutsche Bank estimates

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Model updated:03 May 2017

Running the numbers

Australasia

Australia

M&M - Gold

Alacer Gold

Reuters: AQG.AX

Bloomberg: AQG AU

Buy

Price (22 May 17) AUD 2.14

Target Price AUD 4.40

52 Week range AUD 1.90 - 3.74

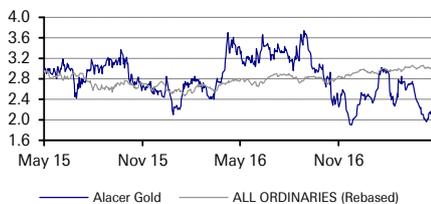
Market Cap (m) AUDm 626

USDm 467

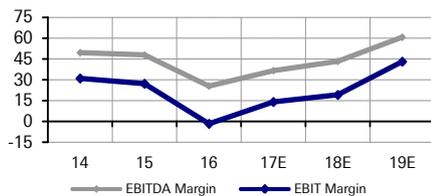
Company Profile

Alacer is a gold miner, developer and explorer with a focus on Turkey. The company's flagship mine is the Çöpler gold mine, which they are planning to expand to sulphide mining. The company is currently investigating the Çakmaktepe deposits located proximal to the Çöpler deposit and progressing the polymetallic Gediktepe deposit.

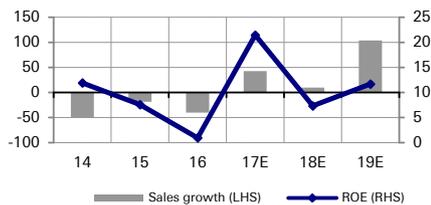
Price Performance



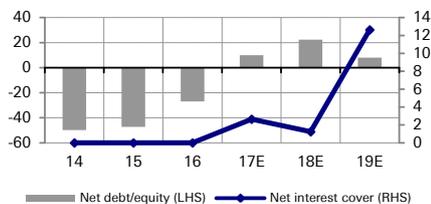
Margin Trends



Growth & Profitability



Solvency



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Fiscal year end 31-Dec

Financial Summary

	2014	2015	2016	2017E	2018E	2019E
DB EPS (USD)	0.23	0.16	0.02	0.52	0.20	0.36
Reported EPS (USD)	0.23	0.16	0.02	0.52	0.20	0.36
DPS (USD)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (USD)	2.02	2.19	2.21	2.73	2.93	3.29

Valuation Metrics

Price/Sales (x)	2.2	2.7	4.4	2.3	2.1	1.0
P/E (DB) (x)	10.0	13.5	101.8	3.0	7.8	4.4
P/E (Reported) (x)	10.0	13.5	101.8	3.0	7.8	4.4
P/BV (x)	1.1	0.8	0.8	0.6	0.5	0.5
FCF yield (%)	14.8	4.7	nm	nm	nm	31.8
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales	1.6	1.7	3.3	2.8	3.7	1.8
EV/EBITDA	3.1	3.5	13.0	7.6	8.4	2.9
EV/EBIT	5.0	6.1	-194.9	19.6	19.1	4.1

Income Statement (USDm)

Sales	292	237	142	202	222	453
EBITDA	145	114	36	74	96	275
EBIT	91	65	-2	29	43	195
Pre-tax profit	91	65	-2	18	8	180
Net income	65	47	6	153	60	107

Cash Flow (USDm)

Cash flow from operations	146	110	39	57	34	230
Net Capex	-49	-80	-168	-353	-155	-82
Free cash flow	97	30	-129	-296	-122	148
Equity raised/(bought back)	0	0	16	0	0	0
Dividends paid	-6	0	0	0	0	0
Net inc/(dec) in borrowings	0	0	0	190	80	0
Other investing/financing cash flows	-30	-13	-31	-9	0	0
Net cash flow	59	16	-143	-120	-54	136
Change in working capital	8	-7	-14	22	0	0

Balance Sheet (USDm)

Cash and cash equivalents	347	361	215	94	41	177
Property, plant & equipment	307	325	435	778	908	931
Goodwill	0	0	0	0	0	0
Other assets	106	130	215	359	428	440
Total assets	759	816	865	1,232	1,377	1,547
Debt	0	0	0	190	270	270
Other liabilities	64	51	67	82	82	108
Total liabilities	64	51	67	272	352	378
Total shareholders' equity	696	764	798	960	1,025	1,169
Net debt	-347	-361	-215	96	229	93

Key Company Metrics

Sales growth (%)	-50.0	-18.6	-40.2	42.6	9.8	103.8
DB EPS growth (%)	na	-29.0	-86.7	2,359.8	-60.9	77.8
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA Margin (%)	49.6	48.0	25.5	36.6	43.4	60.7
EBIT Margin (%)	31.1	27.2	-1.7	14.1	19.2	43.2
ROE (%)	11.9	7.6	1.0	21.4	7.3	11.7
Net debt/equity (%)	-49.8	-47.2	-26.9	10.0	22.4	8.0
Net interest cover (x)	0.0	0.0	0.0	2.6	1.2	12.6

DuPont Analysis

EBIT margin (%)	31.1	27.2	-1.7	14.1	19.2	43.2
x Asset turnover (x)	0.4	0.3	0.2	0.2	0.2	0.3
x Financial cost ratio (x)	1.0	1.0	1.0	0.6	0.2	0.9
x Tax and other effects (x)	0.7	0.7	-2.6	8.6	7.1	0.6
= ROA (post tax) (%)	9.1	5.9	0.7	15.1	4.6	7.3
x Financial leverage (x)	1.3	1.3	1.3	1.4	1.6	1.6
= ROE (%)	11.9	7.6	1.0	21.4	7.3	11.7
annual growth (%)	18.4	-36.4	-87.3	2,134.1	-65.8	59.5
x NTA/share (avg) (x)	1.9	2.1	2.2	2.4	2.8	3.1
= Reported EPS	0.23	0.16	0.02	0.52	0.20	0.36
annual growth (%)	-4.3	-29.0	-86.7	2,359.8	-60.9	77.8

Source: Company data, Deutsche Bank estimates



Model updated: 16 March 2017

Running the numbers

Australasia

Australia

M&M - Gold

Dacian Gold

Reuters: DCN.AX

Bloomberg: DCN AU

Buy

Price (22 May 17) AUD 1.88

Target Price AUD 3.10

52 Week range AUD 1.52 - 3.95

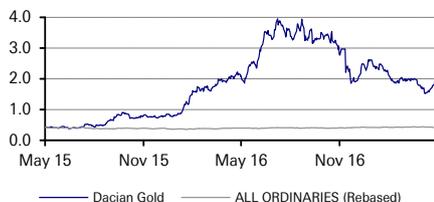
Market Cap (m) AUDm 318

USDm 237

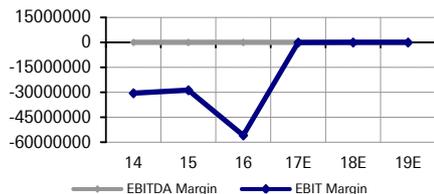
Company Profile

Dacian Gold is a Western Australia-based gold exploration and development company. It owns 100% of the Mt. Morgans Gold Project, which is expected to come into production in 2018.

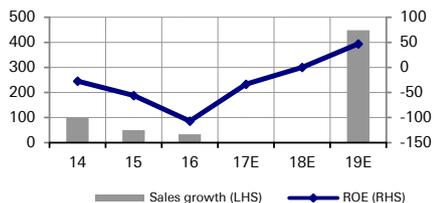
Price Performance



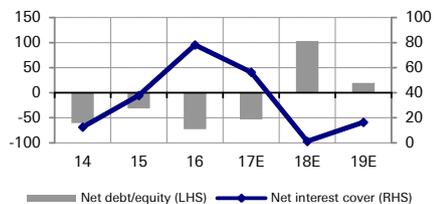
Margin Trends



Growth & Profitability



Solvency



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Fiscal year end 30-Jun

Financial Summary

	2014	2015	2016	2017E	2018E	2019E
DB EPS (AUD)	-0.06	-0.08	-0.16	-0.10	0.00	0.35
Reported EPS (AUD)	-0.06	-0.08	-0.16	-0.10	0.00	0.35
DPS (AUD)	0.00	0.00	0.00	0.00	0.00	0.07
BVPS (AUD)	0.19	0.11	0.10	0.62	0.62	0.95

Valuation Metrics

Price/Sales (x)	nm	nm	nm	nm	5.0	0.9
P/E (DB) (x)	nm	nm	nm	nm	nm	5.4
P/E (Reported) (x)	nm	nm	nm	nm	nm	5.4
P/BV (x)	1.9	4.0	29.2	3.0	3.0	2.0
FCF yield (%)	nm	nm	nm	nm	nm	27.6
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	3.7
EV/Sales	770,662.8	967,901.5	3,480,864.3	4,647.4	5.6	1.2
EV/EBITDA	-2.6	-3.5	-6.3	-15.4	36.0	2.9
EV/EBIT	-2.5	-3.4	-6.2	-15.3	199.8	4.0

Income Statement (AUDm)

Sales	0	0	0	0	63	348
EBITDA	-6	-8	-22	-19	10	141
EBIT	-6	-9	-22	-19	2	101
Pre-tax profit	-6	-8	-22	-18	0	95
Net income	-6	-8	-22	-16	0	67

Cash Flow (AUDm)

Cash flow from operations	-1	-1	-1	-2	10	109
Net Capex	0	0	-1	-45	-186	-10
Free cash flow	-1	-1	-2	-48	-176	100
Equity raised/(bought back)	0	0	24	116	0	0
Dividends paid	0	0	0	0	0	-3
Net inc/(dec) in borrowings	0	0	0	0	150	-25
Other investing/financing cash flows	1	0	0	0	0	0
Net cash flow	-4	-6	5	54	-36	62
Change in working capital	0	-7	4	-7	0	0

Balance Sheet (AUDm)

Cash and cash equivalents	11	5	10	63	27	89
Property, plant & equipment	1	0	1	46	224	195
Goodwill	0	0	0	0	0	0
Other assets	8	9	8	15	23	30
Total assets	20	14	19	124	274	313
Debt	0	1	0	0	150	125
Other liabilities	2	2	5	5	5	5
Total liabilities	2	3	5	5	155	130
Total shareholders' equity	18	10	13	119	119	183
Net debt	-11	-3	-10	-63	123	36

Key Company Metrics

Sales growth (%)	100.0	50.0	33.3	nm	nm	448.4
DB EPS growth (%)	3.2	-43.2	-96.3	40.8	na	31,484.0
Payout ratio (%)	nm	nm	nm	nm	0.0	20.0
EBITDA Margin (%)	nm	nm	nm	nm	15.6	40.4
EBIT Margin (%)	-	-	-	-30,411.8	2.8	29.1
ROE (%)	-27.2	-56.0	-107.0	-33.5	0.2	47.0
Net debt/equity (%)	-60.5	-31.1	-72.8	-53.2	103.3	19.7
Net interest cover (x)	12.6	37.9	78.2	56.4	1.2	16.4

DuPont Analysis

EBIT margin (%)	-	-	-	-30,411.8	2.8	29.1
x Asset turnover (x)	0.0	0.0	0.0	0.0	0.3	1.2
x Financial cost ratio (x)	0.9	1.0	1.0	1.0	0.2	0.9
x Tax and other effects (x)	1.0	1.0	1.0	0.9	0.7	0.7
= ROA (post tax) (%)	-25.2	-48.9	-87.6	-30.2	0.1	22.9
x Financial leverage (x)	1.1	1.1	1.2	1.1	2.0	2.1
= ROE (%)	-27.2	-56.0	-107.0	-33.5	0.2	47.0
annual growth (%)	9.5	-105.6	-91.2	68.7	na	25,903.1
x NTA/share (avg) (x)	0.2	0.1	0.2	0.3	0.6	0.7
= Reported EPS	-0.06	-0.08	-0.16	-0.10	0.00	0.35
annual growth (%)	3.2	-43.2	-96.3	40.8	na	31,484.0

Source: Company data, Deutsche Bank estimates



Appendix 1

Important Disclosures

*Other information available upon request

Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors . Other information is sourced from Deutsche Bank, subject companies, and other sources. For disclosures pertaining to recommendations or estimates made on securities other than the primary subject of this research, please see the most recently published company report or visit our global disclosure look-up page on our website at <http://gm.db.com/ger/disclosure/DisclosureDirectory.eqsr>. Aside from within this report, important conflict disclosures can also be found at <https://gm.db.com/equities> under the "Disclosures Lookup" and "Legal" tabs. Investors are strongly encouraged to review this information before investing.

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Equity rating key

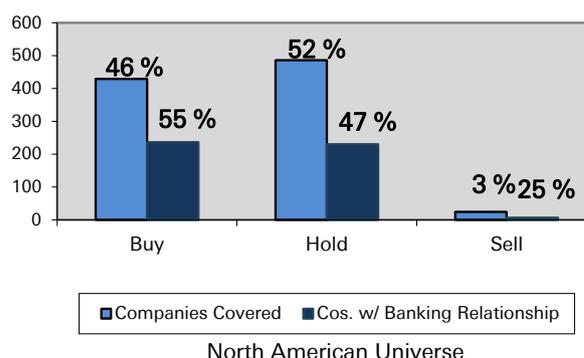
Buy: Based on a current 12- month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus pro-jected dividend yield) , we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total share-holder return, we recommend that investors sell the stock

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

Newly issued research recommendations and target prices supersede previously published research.

Equity rating dispersion and banking relationships





Additional Information

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Macroeconomic fluctuations often account for most of the risks associated with exposures to instruments that promise to pay fixed or variable interest rates. For an investor who is long fixed rate instruments (thus receiving these cash



flows), increases in interest rates naturally lift the discount factors applied to the expected cash flows and thus cause a loss. The longer the maturity of a certain cash flow and the higher the move in the discount factor, the higher will be the loss. Upside surprises in inflation, fiscal funding needs, and FX depreciation rates are among the most common adverse macroeconomic shocks to receivers. But counterparty exposure, issuer creditworthiness, client segmentation, regulation (including changes in assets holding limits for different types of investors), changes in tax policies, currency convertibility (which may constrain currency conversion, repatriation of profits and/or the liquidation of positions), and settlement issues related to local clearing houses are also important risk factors to be considered. The sensitivity of fixed income instruments to macroeconomic shocks may be mitigated by indexing the contracted cash flows to inflation, to FX depreciation, or to specified interest rates – these are common in emerging markets. It is important to note that the index fixings may – by construction – lag or mis-measure the actual move in the underlying variables they are intended to track. The choice of the proper fixing (or metric) is particularly important in swaps markets, where floating coupon rates (i.e., coupons indexed to a typically short-dated interest rate reference index) are exchanged for fixed coupons. It is also important to acknowledge that funding in a currency that differs from the currency in which coupons are denominated carries FX risk. Naturally, options on swaps (swaptions) also bear the risks typical to options in addition to the risks related to rates movements.

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