



North America
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Industry
Metals in the Americas

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Industry Update

Precious Metals Review: Cash flow use key, prefer ABX, WPM, PAAS

Balance Sheets solid, now it comes down to decisions around cash allocation

Precious Metals equities under coverage have now all reported (with the exception of Wheaton Precious Metals (Buy), expected on March 21). After a number of years of deleveraging, balance sheets are now in a position allowing companies flexibility to differentiate strategies. In this note, we provide updated forecasts for each company, our view on gold including key drivers and correlations to macro variables and also key themes facing the sector. Key Points: 1) After making PT adjustments, our Buy-rated Precious stocks include: Barrick and Pan American Silver from the producers and Wheaton Precious Metals from royalties/streamers, 2) We forecast gold to modestly decline in 2H18 and average \$1,283/oz in 2018 (vs spot ~\$1,324/oz), 3) Key themes for the sector largely center on the use of cash flow; with a sector that invested very little in greenfield and brownfield projects over the past 5 years, companies must now decide on the split of capex/exploration/dividends/buybacks/further debt reduction/M&A opportunities, which will require sensible decisions from company management teams. The other key theme for the industry relates to cost inflation with a number of companies indicating some headwinds are returning.

1) Top picks: Barrick, Pan American and Wheaton Precious Metals

Overall, we have a neutral-to-cautious view on the direction of the gold price (see below) and as such our Buy-rated stocks are those that either screen relatively cheaper or offer specific catalysts. Out of the mainstream producers, our preference is for Barrick, with the stock trading at 0.8x NPV, 6.6% FCF yield (vs the peer average of 3.6%) and 5.1x EV/2018E EBITDA (vs the peer average of 7.0x). We believe the recent sell-off is overdone and despite the company lacking an attractive production profile, Barrick has high-quality assets, lower cash costs than most peers and should have its Balance Sheet fully in order during 2018 allowing medium-term organic project opportunities. Pan American is also Buy rated with the company post peak capex, net cash and now should see production improving out to 2020. The company is ~50% revenue exposed to silver and the current silver-to-gold ratio is ~80x, above the historical range of 63x - 79x over the past four years. In the royalty/streaming group, our preference is for Wheaton Precious Metals with the company trading at 16.4x EV/2018E EBITDA (vs Franco-Nevada at 24.2x), and risks have reduced with recent changes at the San Dimas stream. We believe the company is well positioned to leverage off potential new investments that could be made by producers in the medium term.

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Key Changes

Company	Target Price	Rating
ABX.N	17.50 to 15.00	-
PAAS.OQ	20.00 to 19.00	-

Source: Deutsche Bank

Top picks

Barrick (ABX.N), USD12.18	Buy
Pan American Silver (PAAS.OQ), USD15.91	Buy
Wheaton Precious Metals (WPM.N), USD19.88	Buy

Source: Deutsche Bank

Companies featured

Barrick (ABX.N), USD12.18	Buy
Goldcorp (GG.N), USD13.33	Hold
Kinross (KGC.N), USD3.59	Hold
Newmont (NEM.N), USD38.22	Hold
Pan American Silver (PAAS.OQ), USD15.91	Buy
Franco-Nevada (FNV.N), USD69.32	Hold
Wheaton Precious Metals (WPM.N), USD19.88	Buy

Source: Deutsche Bank



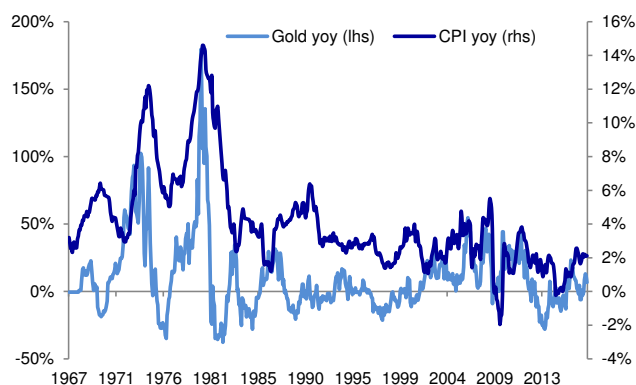
2) Gold Price: Can gold still be viewed as offering downside protection?

Gold with inflation: One relevant question is how realistic it is for companies to bring down costs (which has been the trend in the past 3 years), while it seems the inflationary environment is returning, and also, what this means for gold equities. In the past, gold has often been viewed as a good alternative for investors to hedge against inflation. [Figure 1](#) and [Figure 2](#) show gold against the Consumer Price Index (CPI) index and also gold against Personal Consumption Expenditure (PCE) indicating some correlation, but further variables are required. While gold seems to have acted largely independently in periods of healthy to elevated inflation (in the period of 1988-2000, for example), there can be a response from gold in periods of high inflation, such as in the 1970s, or when central banks start buying for their reserves.

Gold with market volatility: Gold is also often perceived to be a safe haven asset, for example, when there is equity market uncertainty, but as shown in [Figure 3](#) below, while gold has generally provided relative downside protection, the gold price has fallen just as often as it has risen for periods of S&P 500 declines of 8% or more since 1990. Gold generally has only provided consistent absolute downside protection for periods of time when there is a 5-day period of the S&P 500 declining >17% or more.

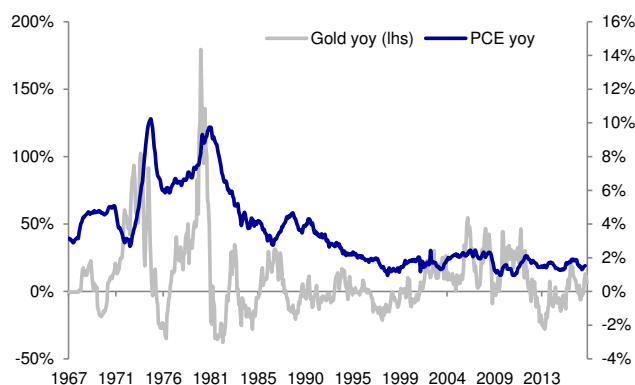
Gold against our model: While the spot price of gold is ~\$1,325/oz, we believe the gold price could fall modestly by year-end (we expect it to reach \$1,260/oz with some potential to undershoot, although this will depend on macro variables). Our predictable model is based on the real 10Y interest rate, the USD against a trade-weighted basket of currencies, the equity risk premium and Central Bank purchases. [Figure 4](#) and [Figure 5](#) show the model estimates over a 6-week period and also over the longer term, since 2007 shown in [Figure 6](#). Over a 10-year view, the model variables explain most of gold's movements but it is more difficult on a shorter-term basis. For more details, please refer to Michael Hsueh's report of February 14, 2018, titled [Valentine's Day Sale](#).

Figure 1: Gold and CPI (Consumer Price Index) performance



Source: Bloomberg Finance LP, Deutsche Bank

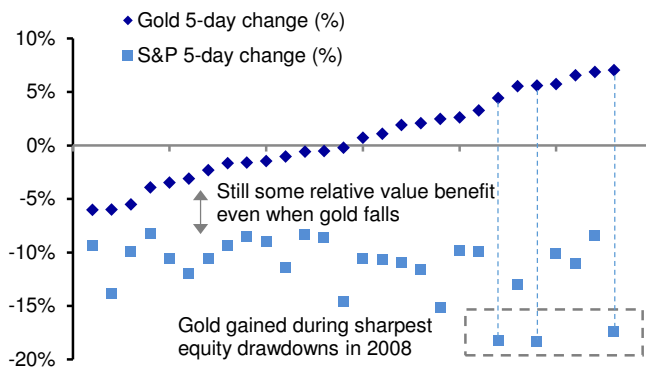
Figure 2: Gold and PCE (Personal Consumption Expenditure) performance



Source: Bloomberg Finance LP, Deutsche Bank

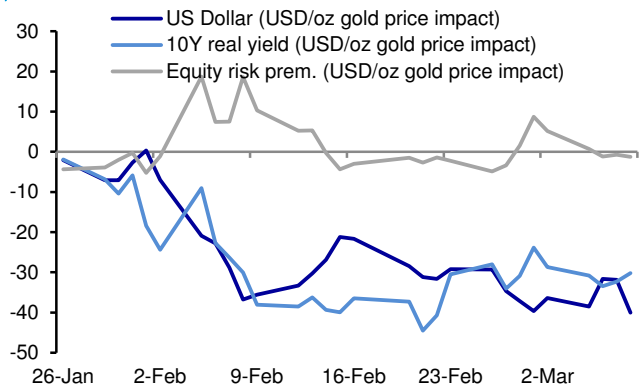


Figure 3: Gold performance during 5-day S&P drawdowns of at least -8%



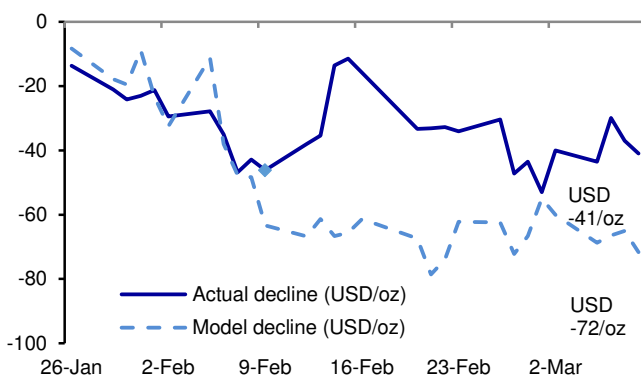
Source: Bloomberg Finance LP, Deutsche Bank

Figure 4: Model regression components, contribution to gold fair value since 25 Jan (USD/oz)



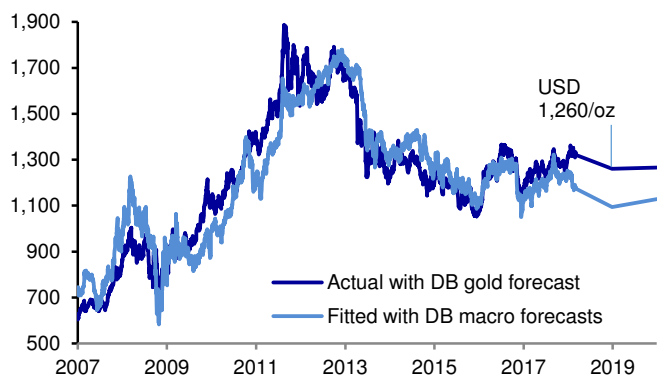
Source: Bloomberg Finance LP, Deutsche Bank

Figure 5: Model and actual gold price decline from 25 Jan (USD/oz)



Source: Bloomberg Finance LP, Deutsche Bank

Figure 6: Gold and model forecast from 2017 through to 2019 (USD/oz)



Source: Bloomberg Finance LP, Deutsche Bank

3) Key themes - investment decisions and cost inflation

- Capital allocation: We are nearing 5 years since the significant gold price (~\$1,600/oz down to \$1,360/oz) correction in early April 2013. The period since has largely been characterized by cost cutting, capex reduction and de-leveraging of Balance Sheets. With an average ND/2018E EBITDA ratio of 0.5x for Precious stocks under coverage, companies are largely finished with debt reduction and must now decide on the right mix of project capex (brownfield and greenfield)/exploration/dividends/buybacks/further debt reduction/M&A opportunities. Management decisions to define companies will likely diverge over the coming years and we believe this is a key consideration for investors, particularly for a sector that does not have a good record of deploying capital. In terms of dividends, companies will need to define policies that are both sustainable but also representative of variation in cash flow through the cycle, e.g., a base dividend with a supplementary dividend is most likely.
- Cost pressure starting to come back: A number of companies on recent conference calls mentioned cost pressure that is entering the industry either through macro factors or through mining sector specific areas.



Examples include the increase in energy costs (mainly due to higher diesel/gas prices), some currency moves, consumables, equipment and contracting. It does not appear to be significant at this stage but the opportunities for cost-cutting initiatives seem to have largely ended (with the potential exception of technology impacts, e.g., Barrick's initiatives medium- to long-term). As an example of cost pressure, Barrick's near-term All-In Sustaining Costs (AISC) are expected to be ~\$765-815/oz for 2018, ~\$50/oz higher than previous guidance of \$740-760/oz. Longer term, Barrick has alluded to the fact that its target of \$700/oz is going to be more difficult to achieve.

- Approach to new projects: Companies are now adopting a more targeted and sensible approach to growth projects and we expect this to continue, an example of this is the phased method Kinross is using to develop its Tasiast project (two-phases). Further JVs could be formed to share risk. Investors still appear cautious around new projects.



Precious Metals coverage overview

Out of the mainstream producers, our preference is for Barrick (PT \$15/sh with 23% upside potential), with the stock trading at 0.8x NPV, 6.6% FCF yield (vs the peer average of 3.9%) and 5.1x EV/2018E EBITDA (vs the peer average of 7.0x). We believe the recent sell-off is overdone and despite the company lacking an attractive production profile, Barrick has high-quality assets, lower cash costs than most peers and should have its Balance Sheet fully in order during 2018 allowing medium-term organic project opportunities. Pan American (PT \$19/sh with 19% upside potential) is also Buy rated with the company post peak capex, net cash and now should see production improving out to 2020. The company is ~50% revenue exposed to silver and the current silver-to-gold ratio is ~80x, above the historical range of 63x - 79x in the past four years. In the royalty/streaming group, our preference is for Wheaton Precious Metals (PT \$27/sh with 35% upside potential) with the company trading at 16.4x EV/2018E EBITDA (vs Franco-Nevada at 24.2x) and risks have reduced with recent changes at the San Dimas stream. We believe the company is well positioned to leverage off potential new investments that could be made in the mining sector.

We maintain a Hold on Newmont (PT \$40/sh) as we believe key catalysts have now played out, e.g., de-leveraging is largely complete, Merian has successfully ramped up and the market has adjusted to reward Newmont as a dividend leader. For Kinross (PT \$4.00/sh, Hold), we believe the stock is fairly valued although further developments at Tasiast and Round Mountain are positive catalysts for forward years. We maintain a Hold on Goldcorp (PT \$16/sh), as we are waiting for evidence of further execution and implementation of management's 20/20/20 strategy (20% increase in Reserves and production along with a 20% decrease in costs). We maintain a Hold on Franco-Nevada (PT \$77/sh) as we believe the company is fairly valued and 2018 is a transition year until the ramp-up at Cobre Panama is complete.

Our Price Targets are based on ~1.0x NPV, calculated using a DCF methodology. Key up-/downside risks include gold/silver prices, raw material costs, and geopolitical risks. This report contains PT changes.

Barrick - PT \$15/sh (from \$17.5/sh previously), Maintain Buy

We maintain a Buy on Barrick and we see it as the best value among the main stream gold producers under coverage. However, we are cutting our PT to \$15/sh from \$17.5/sh, as we have made adjustments to our model post-4Q17 earnings. 2018 guidance fell short, as gold production guidance was lowered to 4.5-5.0moz (previously announced at 4.8-5.3moz, which was partly impacted by asset sales), and 2018 All-In Sustaining Costs (AISC) guidance was increased by ~\$50/oz to \$765-815/oz. The reduced production forecast is mainly related to lower grades at Barrick Nevada and some planned maintenance at Pueblo Viejo, along with the sale of 50% of Veladero to Shandong Gold in 2017. At Acacia, the ongoing uncertainties in Tanzania remain unresolved but could be a positive catalyst for the stock if there is more clarity by mid-2018. Barrick continues to focus on further developing medium- and long-term organic opportunities as well as continuously improving efficiencies via technology applications, especially at Barrick Nevada. We believe that management's focus on improving the Balance Sheet over the past two years and the efforts of reducing Debt are now paying off as Net Debt reached ~\$4.2bn at YE17 and Debt was reduced by ~\$1.5bn during 2017. Barrick's key organic opportunity set includes projects such as Turquoise Ridge (construction of a third shaft, which could double production to ~500koz on a



consolidated basis) and an expansion of Deep South at Cortez. Barrick is also aiming to further develop JV opportunities, including existing relationships with partners such as Shandong Gold.

Pan American Silver - PT \$19/sh (from \$20/sh previously), maintain Buy

We maintain a Buy rating on Pan American Silver (PAAS) but we are cutting our PT to \$19/sh, from \$20/sh, based on ~1.0x NPV of \$18.7/sh. Beyond La Colorada and Dolores expansions, we believe PAAS has a range of interesting organic projects, which we think could be beneficial to the company over time, such as the development of Joaquin and COSE projects to extend the mine life at Manantial Espejo. PAAS has a net cash position, is post peak capex and production and costs should continue to improve out to 2020. In 2017, silver Reserves increased to 288moz (+2.0moz compared with 2016) but gold Reserves decreased slightly to 1.9moz (-0.1moz vs 2016), mainly due to depletion at the Morococha and Huaron mines. PAAS intends to continue drilling in 2018 with focus around Manantial Espejo. The quarterly dividend was increased to 3.5c/sh (to be paid on March 16, 2018), representing a ~40% increase from 2.5c/sh previously. Navidad remains further upside to the company if progress can be made on the permitting process.

Wheaton Precious Metals - PT unchanged at \$27/sh, maintain Buy

Although Wheaton Precious Metals has not yet reported 4Q17 results, we maintain a Buy and a \$27/sh PT. At San Dimas, a change in ownership recently occurred (from Primero to First Majestic Silver) and the stream agreement was slightly revised (WPM now will receive 25% of gold production, in addition to 25% of silver production converted to gold at a fixed gold/silver exchange ratio of 70:1). Wheaton Precious Metals will pay First Majestic the lower of \$600/oz or the prevailing market price. We believe this is a positive outcome at the mine after months of uncertainty. An update on the tax audit with the Canada Revenue Agency could also be shared during 4Q17 results; this has been an overhang for the stock.

Newmont - PT unchanged at \$40/sh, maintain Hold

We maintain a Hold and a \$40/sh PT on Newmont as we continue to believe the stock is fairly valued and key catalysts have now played out. Although, we see the announced dividend increase of almost 50% from 7.5c to 14c as a positive sign of shareholder returns to come, we believe this is now priced in. At YE17, Newmont Net Debt was \$0.8bn, with Debt of ~\$4.6bn, ranking the company as one of the Balance Sheet leaders in the industry, with a 2017A Net Debt/EBITDA ratio of ~0.3x. Lastly, while Reserves remained stable at 68.5moz, Resources were increased by 1% to 48.2moz by adding 4.4moz via exploration and 2.0moz through acquisitions and some revisions at existing mines. Copper Reserves increased by 7% to 1.2mt, while Resources were constant at 2.3mt.

Goldcorp - PT unchanged at \$16/sh, maintain Hold

We maintain a Hold and a \$16/sh PT for Goldcorp as we are waiting to see further consistency and execution of management's 20/20/20 strategy (20% Reserves and production increase, and 20% cost decrease). Goldcorp's Reserves went up by ~+26% from 42.3moz in June 2016 to 53.5moz in June 2017, mainly on Porcupine's Century project. We expect to see progress at the Borden project (Porcupine) and Coffee projects in 2018. At Coffee, a Reserves & Resources update is expected in early 2Q18, which would include an update on drilling for the past 12 months. At NuevaUnion, an update on the pre-feasibility study is expected during 1Q18 results, which will be released on April 25. Management seems confident around pursuing the opportunity, and the first half of 2019 could



see an investment decision. At Norte, Goldcorp continues to drill and 2018 will be a focus year to try to get confirmation of the geological profile.

Kinross - PT unchanged at \$4.00/sh, maintain Hold

We maintain a Hold and \$4.00/sh PT on Kinross as we believe the stock is fairly valued, but we believe there could be improvements in the coming years as further progress at the development of Tasiast and Round Mountain continues. Production from Tasiast Phase One is expected by 2H18, and Phase Two development should start in the next few months; both phases in combination are expected to transform Tasiast into a large, low-cost operation with over 10 years of mine life. Kinross recently acquired two hydroelectric power plants in Brazil near Paracatu (~\$260m, to be mostly debt financed). The plants should help in providing long-term power to the Paracatu mine, forecast by the company to reach ~70% of the mine's power needs. This could result in lower production costs (~\$80/oz) and this demonstrates Kinross' continued commitment to improving Paracatu.

Franco-Nevada - PT unchanged at \$77/sh, maintain Hold

We maintain a Hold and a \$77/sh PT for Franco-Nevada as we believe the stock is fairly valued, and we believe 2018 will be a transition year with the further development and ramp-up at Cobre Panama. Franco-Nevada acquired an additional 10% stream at Cobre Panama from KORES in January 2018 for \$178m (expected to close in 1Q18). Cobre Panama is now ~70% complete and an initial 15% expansion to the throughput capacity has been approved by First Quantum earlier this year. Franco-Nevada continues to look further into diversification; O&G is an area of interest for the company and therefore management continues to look for potential acquisitions.

Figure 7: DB Americas Precious Metals Valuation Summary

DB Americas Precious Metals valuation matrix																			
Company	Ticker	Price		% upside	Mkt cap (US\$m)	EV/EBITDA (x)			P/E (x)			FCF Yld (%)			P/BV (x)	Div yield (%)	ROE (%)	ND/Eq. (%)	
		3/13/2018	Rating			Target	2018E	2019E	2020E	2018E	2019E	2020E	2018E	2019E					2020E
Barrick Gold Corporation	ABX.N	12.18	Buy	15	23%	14,202	5.1	5.2	4.8	15.7	16.7	16.4	6.6	6.8	7.3	1.4	0.9	9.4	23.9
Goldcorp	GG.N	13.33	Hold	16	20%	11,410	6.8	5.1	4.8	29.7	17.7	17.3	(1.3)	5.9	7.6	0.8	0.6	2.7	16.2
Kinross Gold Corporation	KGC.N	3.59	Hold	4	11%	4,477	4.1	3.8	3.2	22.0	18.0	14.7	(3.0)	0.7	6.4	0.9	-	4.4	15.3
Newmont Mining	NEM.N	38.22	Hold	40	5%	20,371	9.0	7.5	7.3	29.7	22.7	21.8	2.8	6.3	6.7	1.9	1.5	6.4	3.0
Pan American Silver	PAAS.OQ	15.91	Buy	19	19%	2,452	7.6	6.6	5.7	23.0	20.8	16.6	3.8	5.8	7.0	1.5	0.9	6.8	(14.3)
Franco-Nevada	FNV.N	69.32	Hold	77	11%	12,875	24.2	21.4	19.7	62.6	54.2	48.4	(1.1)	3.1	4.3	2.7	1.4	4.4	(4.1)
Wheaton Precious Metals	WPM.N	19.88	Buy	27	36%	8,789	16.4	16.2	15.5	36.5	35.2	27.9	2.8	(0.3)	2.0	1.7	0.9	4.6	9.3
Precious Metals						74,575	11.1	9.9	9.3	32.8	27.3	24.8	1.9	4.7	6.0	1.7	1.0	5.7	8.7

Source: Company information, Deutsche Bank



Barrick - Earnings revision summary

We have revised our model post-4Q17 results and Barrick's recent Investor Day. Our adjusted EBITDA estimate for 2018 has declined 4% to \$3.7bn, mainly due to a lower gold production assumption of 4.8moz (-7%). Previous guidance was at 4.8-5.3moz, and we assumed 5.2moz. Guidance is now 4.5-5.0moz, mainly due to the 50% sale of Veladero to Shandong Gold, lower grades expected at Barrick Nevada and planned maintenance at Pueblo Viejo, all of which negatively impacted production expectations. Copper production guidance has been slightly increased to 385-450mlbs, and our model reflects this change as we now assume 422mlbs (vs. 411mlbs previously, +3%). Our 2019E adjusted EBITDA is \$3.4bn (-13%) mainly driven by decreased gold production assumptions. DB 2018E and 2019E EBITDA are in line and 3% below Factset consensus of \$3.73bn and \$3.55bn, respectively.

All-in Sustaining Cost (AISC) guidance was recently increased by ~\$50/oz to \$765-815/oz in 2018 (previously \$710-770/oz). We have revised our model and now expect AISC of \$780/oz (vs. \$714/oz). Capex guidance has been increased to \$1.4-1.6bn (previously \$1.35-1.65bn) and above the 2017 level of ~\$1.35bn.

Our 2018E and 2019E adjusted diluted EPS declined by 7% and 23% to 78c and 73c, respectively. Our revised EPS forecasts are 2% above and 1% below Factset consensus of \$0.76 and \$0.74, respectively.

We have revised our 12-month PT to \$15/sh (from \$17.5/sh), based on ~1.0x \$14.91/sh NPV (previously \$17.20/sh) due to lower production and higher cost assumptions. Key risks include the gold price vs forecasts, raw material costs and geopolitical risks.

Figure 8: Barrick earnings revision summary

	Current			Previous			Change		
(\$m)	2017A	2018E	2019E	2017E	2018E	2019E	2017E	2018E	2019E
Revenues	8,374	7,768	7,444	8,243	7,970	7,916	2%	-3%	-6%
Adj. EBITDA	4,119	3,724	3,445	3,955	3,892	3,945	4%	-4%	-13%
Adj. EBITDA margin	49.2%	47.9%	46.3%	48.0%	48.8%	49.8%	121bps	-89bps	-357bps
Gross profit	2,472	2,163	1,944	3,042	2,944	3,033	-19%	-27%	-36%
Selling, general & admin	248	274	289	261	244	254	-5%	12%	14%
R&D expenses	354	286	290	356	286	290	-1%	0%	0%
Operating profit	2,472	2,163	1,944	2,425	2,414	2,489	2%	-10%	-22%
Operating margin	30%	28%	26%	29%	30%	31%	10bps	-244bps	-534bps
Net financial gain (exp)	(691)	(617)	(413)	(678)	(309)	(297)	-2%	-67%	-39%
Pre-tax profit	2,747	1,784	1,691	2,102	2,105	2,193	31%	-15%	-23%
Taxes	1,231	749	710	1,212	1,052	1,096	2%	-29%	-35%
Tax rate	45%	42%	42%	58%	50%	50%	-1281bps	-800bps	-800bps
Net income	1,438	905	853	1,757	969	1,108	-18%	-7%	-23%
Adj. Net Income	862	905	853	833	969	1,108	4%	-7%	-23%
Diluted EPS (\$)	1.23	0.78	0.73	1.51	0.83	0.95	-18%	-7%	-23%
Adj. diluted EPS	0.74	0.78	0.73	0.71	0.83	0.95	4%	-7%	-23%
Net debt (cash)	4,189	2,863	1,611	4,274	2,483	632	-2%	15%	155%
Operational Highlights									
Volumes-attributable									
Gold production (000 oz)	5,323	4,823	4,561	5,323	5,167	5,107	0%	-7%	-11%
Gold sales (000 oz)	5,302	4,735	4,464	5,302	5,080	5,011	0%	-7%	-11%
Copper production (m lb)	413	422	421	413	411	411	0%	3%	3%
Copper sales (m lb)	405	420	419	405	408	408	0%	3%	3%
Average prices									
Gold price (\$/oz)	1,258	1,283	1,266	1,258	1,283	1,266	0%	0%	0%
Copper price (\$/lb)	2.80	3.26	3.40	2.9	3.3	3.4	-3%	0%	0%
Cash costs									
Gold cash costs (\$/oz)	526	562	581	527	570	554	0%	-1%	5%
Copper cash costs (\$/lb)	1.62	1.73	1.76	1.56	1.41	1.41	4%	23%	25%

Source: Company data and Deutsche Bank estimates



Figure 9: Barrick operational summary

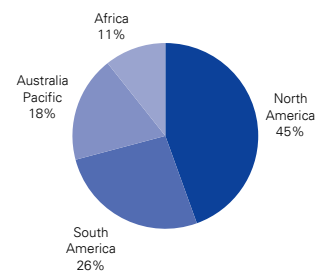
Commodities (Nominal)	2015A	2016E	2017A	2018E	2019E	2020E	2021E	2022E	2023E
Gold (\$/oz)	1,161	1,249	1,258	1,283	1,266	1,305	1,344	1,383	1,421
Copper (\$/lb)	2.50	2.21	2.80	3.26	3.40	3.50	3.43	3.35	3.36
Silver (\$/oz)	15.72	17.10	17.06	16.95	17.70	19.50	20.50	21.90	21.87
Cashflow metrics									
Operating Cash Flow (\$m)	2,794	2,640	2,065	2,895	2,765	2,752	2,743	2,739	2,853
Capex (\$m)	(1,713)	(1,203)	(1,353)	(1,444)	(1,388)	(1,312)	(1,308)	(1,308)	(1,308)
Acquisitions, Divestments, other (\$)	1,980	723	1,018	-	-	-	-	-	-
FCF - pre interest (\$m)	3,061	2,160	1,730	1,451	1,378	1,440	1,435	1,431	1,545
Interest (\$m)	(726)	(775)	(691)	(517)	(413)	(404)	(395)	(386)	(377)
FCF (\$m)	2,335	1,385	1,039	934	965	1,035	1,040	1,045	1,169
FCF Yield (%)	21%	7%	5%	7%	7%	7%	7%	7%	8%
EV/EBITDA (x)	7.1	6.9	6.5	5.1	5.2	4.8	4.5	4.1	3.7
EV/EBITDA attributable (x)	7.0	6.6	6.4	4.7	4.8	4.3	3.9	3.4	2.9
Balance sheet									
Net Debt (\$m)	7,513	5,542	4,189	2,863	1,611	297	(1,013)	(2,318)	(3,738)
Leverage (D/D+E), %	51%	43%	37%	31%	30%	28%	27%	26%	25%
ND/EBITDA	2.4	1.4	1.1	0.8	0.5	0.1	(0.3)	(0.7)	(1.0)
Production volumes									
Gold - consolidated (m oz)	6.1	5.5	5.3	4.5-5.0	4.2-4.6	4.2-4.8	4.2-4.8	4.2-4.8	4.3
North America	2.6	2.8	2.8	2.7	2.5	2.4	2.4	2.4	2.4
South America	1.7	1.7	1.5	1.2	1.1	1.1	1.1	1.1	1.1
Australia Pacific	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5
Africa	0.5	0.5	0.5	0.3	0.3	0.3	0.3	0.3	0.3
Adjustments / Other	0.6	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Copper (m lbs)	511	415	413	422	421	421	421	421	421
Gold - consolidated (m oz)	6.1	5.5	5.3	4.8	4.6	4.5	4.4	4.3	4.3
Barrick Nevada (100%)	2.1	2.3	2.3	2.2	2.0	2.0	2.0	1.8	1.8
Pueblo Viejo (60%)*	0.6	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.5
Lagunas Norte (100%)	0.6	0.4	0.4	0.3	0.2	0.2	0.2	0.2	0.2
Veladero (50%)*	0.6	0.5	0.4	0.3	0.3	0.4	0.4	0.4	0.4
Acacia (63.9%)*	0.5	0.5	0.5	0.3	0.3	0.3	0.3	0.3	0.3
Kalgoorlie (50%)*	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Others	1.5	0.6	0.7	0.7	0.7	0.7	0.6	0.7	0.8
Revenues (\$m)									
Revenue by product									
Gold	7,813	7,908	7,631	6,965	6,596	6,585	6,633	6,573	6,716
Copper	1,002	466	608	803	848	872	864	845	841
Other	214	184	135	-	-	-	-	-	-
Total	9,029	8,558	8,374	7,768	7,444	7,456	7,497	7,418	7,557
Revenue by segment									
North America	2,845	3,598	3,539	3,456	3,191	3,097	3,099	3,082	3,148
South America	3,613	2,560	2,522	2,049	1,954	1,951	1,997	1,964	1,998
Australia Pacific	2,045	2,261	1,922	1,433	1,536	1,623	1,638	1,641	1,660
Africa	860	778	773	830	763	786	764	731	752
Eliminations/adjustments	-334	-639	-382	-	-	-	-	-	-
Total	9,029	8,558	8,374	7,768	7,444	7,456	7,497	7,418	7,557
Net cash costs									
Gold cash costs (\$/oz)	596	546	526	562	581	594	607	601	602
Copper cash costs (\$/lbs)	1.74	1.49	1.62	1.73	1.76	1.76	1.76	1.76	1.76
AISC									
Gold AISC (\$/oz)	832	731	753	786-815	780	788	779	779	776
Copper AISC (\$/lbs)	2.12	2.04	2.33	2.38	2.41	2.41	2.41	2.41	2.41
EBITDA Consolidated (\$m)	3,187	4,021	3,971	3,724	3,445	3,462	3,464	3,477	3,601
EBITDA Attributable (\$m)	2,514	3,527	3,503	3,340	3,064	3,103	3,110	3,119	3,221
EBITDA margin (%)	35.3%	47.0%	47.4%	47.9%	46.3%	46.4%	46.2%	46.9%	47.6%
Consolidated capex (\$m)									
Sustaining	1,359	1,005	1,106	1,040	1,024	944	940	940	940
Growth	354	198	300	404	364	368	368	368	368
				1,400-1,600	1,100-1,500	1,100-1,500	1,100-1,500	1,100-1,500	1,100-1,500
									-30% growth capital - \$400m

* NPVs for Pueblo Viejo, Veladero, Acacia Mining, Kalgoorlie, Turquoise Ridge, Porgera, Zaldívar and Jabal Sayid shown on an attributable basis

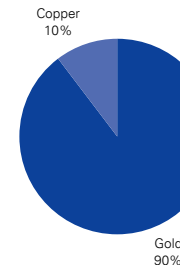
Source: Company data and Deutsche Bank estimates

NAV (CY18)	\$M	\$/sh
Barrick Nevada (100%)	6,643	5.70
Pueblo Viejo (60%)*	2,619	2.25
Lagunas Norte (100%)	553	0.47
Veladero (50%)*	510	0.44
Acacia (63.9%)*	442	0.38
Kalgoorlie (50%)*	1,426	1.22
Other Gold Mines	2,396	2.06
Copper	3,997	3.43
Other Assets	5,000	4.29
Total Assets	23,587	20.23
Corporate	(2,013)	(1.73)
Net Debt	(4,189)	(3.59)
TOTAL	17,385	14.91
WACC (nominal)	6.0%	Shares 1,166M

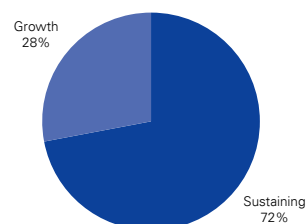
Revenue by region (2018E)



Revenue (2018E)



Capex (2018E)





Pan American Silver - Earnings revision summary

Pan American Silver reported 4Q17 adjusted diluted EPS of 13c, versus DBE and Factset consensus of 18c. Headline diluted EPS was 32c, which mainly included a \$62m pre-tax impairment reversal at Morococha, a \$5m pre-tax inventory adjustment, a \$13m pre-tax gain on FX and a \$6m tax adjustment.

2018E guidance was reaffirmed at 25-26.5moz of silver (DBE 26.3moz) and 175-185koz of gold (182koz). 2019 and 2020 silver production is anticipated to reach 27.7-29.7m (DBE 29.3moz) and 30.5-33moz (32.7moz), respectively, mainly due to the addition of the Joaquin Project and the expansion at Manantial Espejo. 2018E cash costs expected at \$3.60-4.60/oz (DBE \$4.05/oz); 2019E and 2020E costs guidance of \$4.50-6.00/oz (DBE \$4.41/oz) and \$4.75-6.75/oz (DBE \$4.96/oz), respectively. We have adjusted cash costs at the mine level and our 2018E and 2019E EBITDA are now \$292m and \$324m, 9% and 7% below Factset consensus of \$321m and \$348m, respectively. Our 2018E adjusted diluted EPS is 69c, while our 2019E EPS is 77c, versus Factset consensus of 78c and 82c, respectively.

While we maintain Buy, we have revised our 12-month PT to \$19/sh (from \$20/sh), based on ~1.0x \$18.71/sh NPV (previously \$19.9/sh), this mainly relates to higher cost forecasts than previous estimates. A change in the Mexican peso could result in cost movements. Key risks include gold and silver prices, raw material costs and geopolitical risks.

Figure 10: Pan American Silver earnings revision summary

(\$m)	Current			Previous			Change		
	2017A	2018E	2019E	2017E	2018E	2019E	2017E	2018E	2019E
Revenues	817	881	910	799	868	897	2%	2%	1%
Cost of goods sold	648	685	699	623	652	635	4%	5%	10%
Depreciation & others	123	133	152	119	149	160	3%	-11%	-5%
Cash production cost	525	553	547	503	503	475	4%	10%	15%
EBITDA	250	292	324	253	319	371	-1%	-8%	-13%
EBITDA margin (%)	30.7%	33.2%	35.6%	31.7%	36.7%	41.4%	-102bps	-356bps	-571bps
Gross profit	169	196	211	177	216	261	-4%	-9%	-19%
Selling, general & admin	21	23	27	24	33	39	-9%	-31%	-31%
R&D expenses	20	14	12	19	14	12	4%	0%	0%
Operating profit	128	160	173	134	169	211	-5%	-6%	-18%
Operating margin	0	0	0	16.8%	19.5%	23.5%	-116bps	-139bps	-451bps
Net financial gain (exp)	(7)	(0)	0	(4)	1	2	61%	-132%	-85%
Pre-tax profit	121	159	173	135	171	213	-10%	-7%	-19%
Taxes	59	50	52	33	51	64	79%	-3%	-19%
Tax rate	49%	31%	30%	24.5%	30.0%	30.0%	nm	111bps	0bps
Net income	123	110	121	102	119	149	21%	-8%	-19%
Net income	122	106	118	100	116	146	23%	-9%	-19%
Normalized net income	74	106	118	82	116	146	-10%	-9%	-19%
Shares outstanding (m), b.	153	153	153	153	153	153	0%	0%	0%
Basic EPS	1	1	1	0.65	0.76	0.95	23%	-9%	-19%
Normalized basic EPS	0	1	1	0.53	0.76	0.95	-10%	-9%	-19%
Shares outstanding (m), di	153	153	153	154	154	154	0%	0%	0%
Diluted EPS	0.80	0.69	0.77	0.65	0.75	0.95	23%	-8%	-19%
Adjusted diluted EPS	0.48	0.69	0.77	0.53	0.75	0.95	-9%	-8%	-19%
Net debt (cash) (cash)	(159)	(231)	(311)	(174)	(278)	(408)	-9%	-17%	-24%
Operational Highlights									
Volumes									
Silver production (000' oz)	24,980	26,323	29,312	24,996	26,087	28,642	0%	1%	2%
Silver sales (000' oz)	24,120	24,696	27,551	23,509	23,903	26,245	3%	3%	5%
Gold sales (000' oz)	161	182	197	162	177	200	-1%	3%	-2%
Average prices									
Silver price (\$/oz)	17.05	16.95	17.70	17.05	16.95	17.70	0%	0%	0%
Gold price (\$/oz)	1,257	1,283	1,266	1,257	1,283	1,266	0%	0%	0%
Cash costs									
Silver net cash cost (\$/oz)	4.55	4.05	4.41	4.55	2.07	1.70	0%	96%	159%

Source: Company data and Deutsche Bank estimates



Figure 11: Pan American Silver operational summary

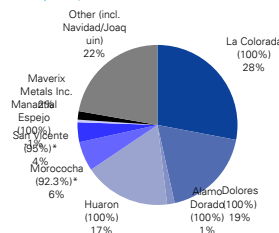
Commodities (Nominal)	2014A	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E
Silver (\$/oz)	19.10	15.72	17.10	17.06	16.95	17.70	19.50	20.50	21.90
Gold (\$/oz)	1,267	1,161	1,249	1,258	1,283	1,266	1,305	1,344	1,383
Zinc (\$/lb)	0.98	0.88	0.95	1.31	1.41	1.23	1.18	1.15	1.15
Lead (\$/oz)	0.96	0.81	0.85	1.05	0.89	0.82	0.82	0.82	0.81
Copper (\$/oz)	3.11	2.50	2.21	2.80	3.26	3.40	3.50	3.43	3.35
Cashflow metrics									
Operating Cash Flow (\$m)	124	89	215	225	242	273	284	319	323
Capex (\$m)	(132)	(147)	(203)	(137)	(149)	(131)	(115)	(73)	(51)
Acquisitions, Divestments, other (\$m)	(12)	91	73	(33)	-	-	-	-	-
FCF - pre interest (\$m)	(19)	33	86	56	93	142	169	245	272
Interest (\$m)	(6)	(6)	(8)	(7)	(0)	0	1	3	5
FCF (\$m)	(25)	27	77	48	93	142	171	248	276
FCF Yield (%)	-1%	2%	4%	2%	4%	6%	7%	10%	11%
EV/EBITDA (x)	12.4	12.2	7.3	9.9	7.6	6.8	6.7	4.6	4.0
EV/EBITDA attributable (x)	12.6	12.3	7.4	10.1	7.7	6.7	6.7	4.6	4.0
Balance sheet									
Net Debt (\$m)	(278)	(171)	(174)	(159)	(231)	(311)	(419)	(603)	(814)
Leverage (D/D+E), %	3%	4%	3%	4%	4%	4%	4%	4%	3%
ND/EBITDA	(2.2)	(1.9)	(0.6)	(0.6)	(0.8)	(1.0)	(1.2)	(1.5)	(2.0)
Production volumes									
Silver guidance (moz)					25-26.5	27.7-29.7	30.5-33		
Silver (m oz)	26.1	26.1	25.4	25.0	26.3	29.3	32.7	32.7	26.8
Gold guidance (koz)					175-185	183-193	165-179		
Gold (k oz)	162	184	184	159	182	197	180	184	159
Zinc (k tons)	44	41	52	55	60	57	61	60	59
Lead (k tons)	15	14	20	22	22	24	24	25	23
Copper (k tons)	9	15	15	13	12	11	12	10	10
Revenues (\$m)									
Silver	471	391	419	427	419	488	596	619	546
Gold	211	232	223	203	234	250	234	247	219
Zinc	85	67	107	153	187	154	157	153	149
Lead	30	24	37	50	42	43	43	44	41
Copper	54	71	68	79	87	85	92	79	76
Others	-99	-110	-79	-95	-88	-109	-173	-168	-95
Net cash costs per unit (\$/oz)									
La Colorada	8.14	7.40	6.15	2.09	1.58	3.37	3.67	3.89	4.42
Dolores	12.94	9.28	-1.08	-0.77	-0.41	-2.90	-2.59	-5.25	-5.13
Alamo Dorado	12.89	11.40	16.02	16.06	0.00	0.00	0.00	0.00	0.00
Huaron	11.56	10.91	5.79	1.35	1.17	4.26	3.83	4.01	4.72
Morococha	12.90	13.02	4.21	-5.23	-4.36	-0.92	-0.57	5.82	5.53
San Vicente	13.21	11.57	11.95	12.69	10.56	12.28	13.08	13.54	14.18
Manantial Espejo	10.12	7.33	4.28	19.16	18.43	19.10	19.94	0.00	0.00
Total	11.44	9.70	6.29	4.81	4.05	4.41	4.96	3.39	4.01
Cash cost guidance (\$/oz)					\$3.60-4.60	\$4.50-6.00	\$4.75-6.75		
EBITDA (\$m)									
La Colorada	48	40	73	113	115	117	129	143	148
Dolores	-2	40	86	78	84	128	129	158	158
Alamo Dorado	22	9	5	0	0	0	0	0	0
Huaron	17	8	43	55	50	45	53	55	57
Morococha	9	-2	37	57	50	47	51	45	49
San Vicente	25	18	24	21	31	25	31	36	38
Manantial Espejo	32	4	61	-17	-5	-4	-1	0	0
Other	-25	-27	-51	-56	-31	-34	-34	-32	-34
EBITDA margins (%)	16.6%	13.2%	35.9%	30.7%	33.2%	35.6%	37.6%	41.6%	44.4%
La Colorada	48.5%	44.8%	58.6%	65.3%	59.6%	58.6%	61.0%	62.2%	63.4%
Dolores	-1.5%	23.8%	44.7%	39.2%	30.8%	39.7%	41.3%	45.1%	46.2%
Alamo Dorado	24.6%	13.3%	10.0%	-1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Huaron	17.5%	10.5%	38.7%	41.7%	37.0%	35.6%	37.3%	39.4%	39.5%
Morococha	11.1%	-3.8%	38.0%	45.8%	41.8%	41.3%	42.2%	39.9%	43.2%
San Vicente	32.2%	27.9%	30.5%	29.8%	37.4%	31.4%	33.5%	35.4%	36.6%
Manantial Espejo	20.4%	2.6%	42.8%	-16.0%	-5.5%	-5.2%	-1.6%	0.0%	0.0%
EBITDA attributable (\$m)	123	88	276	245	287	319	352	400	410
Consolidated capex (\$m)									
Capex sustaining guidance (US\$m)					\$100-105	\$100-110	\$75-90		
Sustaining	99	74	89	86	108	103	79	63	50
Growth	33	73	113	55	41	28	36	10	10
Exploration	13	12	11	20	14	12	12	12	12

* NPVs for Morococha and San Vicente shown on 100% basis, and minority interest subtracted from total NPVs

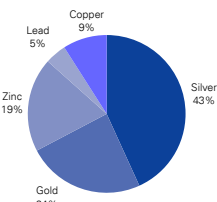
Source: Company data and Deutsche Bank estimates

NPV (CY18)	\$M	\$/sh
La Colorada (100%)	855	5.62
Dolores (100%)	567	3.73
Alamo Dorado (100%)	47	0.31
Huaron (100%)	534	3.51
Morococha (92.3%)*	182	1.20
San Vicente (95%)*	122	0.80
Manantial Espejo (100%)	(16)	(0.11)
Maverix Metals Inc.	52	0.34
Other (incl. Navidad/Joaquin)	679	4.46
Minority interest	(20)	(0.13)
Total Assets	3,001	19.7
Corporate	(315)	(2.07)
Net Cash	159	1.04
TOTAL	2,844	18.71
WACC (nominal)	7.5%	
Long term prices		
Silver (\$/oz)		20.00
Gold (\$/oz)		1,300
Zinc (\$/lb)		1.05

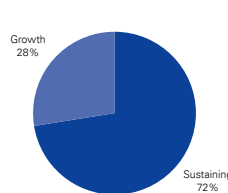
Net Asset Value (2018E)



Revenue (2018E)



Capex (2018E)





Newmont - Earnings revision summary

Newmont reported 4Q17 adjusted diluted EPS of 40c, versus DBe of 45c and Factset consensus of 37c. Headline diluted EPS loss was (99c), related to the US corporate tax reform, as it included a \$701m (\$1.31/sh pre-tax) adjustment. Other major adjustments included a \$61m (\$0.11/sh) pre-tax reclamation charge for closure sites and a \$11m (\$0.01/sh pre-tax) impairment. Newmont reiterated 2018 production guidance of 4.9-5.4moz (DBe 5.2moz) and cash costs at \$700-750/oz (DBe \$745/oz).

We have revised our model post-4Q17 results. Our adjusted EBITDA estimates for 2018 and 2019 have declined 5% to \$2.4bn and 2% to \$2.7bn, respectively, on slightly higher cash costs. Our 2018 cash cost forecast is now \$745/oz (vs \$734/oz prior) and 2019E cost is at \$685/oz vs \$675/oz. Our EBITDA estimates are 8% and 2% below Factset consensus of \$2.6bn and \$2.8bn, respectively. We have adjusted our assumption for reclamation and exploration expenses, and as a result, our 2018 and 2019 adjusted diluted EPS estimates decline by 13% and 3%, respectively, to \$1.29/sh and \$1.68/sh. Our revised EPS forecasts are 10% below and 5% above Factset consensus of \$1.43 and \$1.60, respectively.

Newmont indicated 2018 earnings will be weighted towards the second half of the year, as high stripping, planned maintenance and mine sequencing are expected during 1H18. We have factored this into our model and we expected an average of ~1,265koz in the first half of the year, followed by ~1,348koz in the second half.

Our unchanged 12-month \$40/sh PT (Hold) is based on ~1.0x \$39.6/sh NPV. Our NPV is largely unchanged. Key risks include up-/down gold prices and operating costs.

Figure 12: Newmont earnings revision summary

(\$m)	Current			Previous			Change		
	2017A	2018E	2019E	2017E	2018E	2019E	2017E	2018E	2019E
Revenues	7,348	7,498	7,495	7,380	7,536	7,457	0%	0%	1%
Cost of goods sold	5,287	5,577	5,302	5,331	5,543	5,233	-1%	1%	1%
Depreciation & others	1,249	1,234	1,248	1,246	1,240	1,247	0%	0%	0%
Cash production cost	4,038	4,343	4,054	4,086	4,304	3,986	-1%	1%	2%
EBITDA	2,615	2,395	2,716	2,644	2,532	2,766	-1%	-5%	-2%
EBITDA margin(%)	35.6%	31.9%	36.2%	35.8%	33.6%	37.1%	-24bps	-166bps	-86bps
Gross profit	2,061	1,921	2,193	2,048	1,993	2,224	1%	-4%	-1%
Selling, general & admin	237	220	223	226	220	223	5%	0%	0%
Others (R&D, recl. & expl.)	545	540	502	489	480	482	11%	13%	4%
Operating profit	1,279	1,161	1,468	1,333	1,293	1,519	-4%	-10%	-3%
Operating margin	17.4%	15.5%	19.6%	18.1%	17.2%	20.4%	-66bps	-167bps	-78bps
Net financial gain (exp)	(241)	(163)	(154)	(219)	(161)	(150)	10%	1%	2%
Pre-tax profit	1,076	1,025	1,337	1,133	1,158	1,392	-5%	-12%	-4%
Taxes	1,125	287	374	442	324	390	154%	-12%	-4%
Tax rate	104.6%	28.0%	28.0%	39.0%	28.0%	28.0%	6552bps	0bps	0bps
Net income	(87)	738	963	647	834	1,002	-113%	-12%	-4%
Adj. net income	780	691	903	805	792	930	-3%	-13%	-3%
Net income	(98)	691	903	670	792	930	-115%	-13%	-3%
Diluted EPS (\$)	(0.18)	1.29	1.68	1.26	1.48	1.73	-114%	-13%	-3%
Adj. diluted EPS (\$)	1.46	1.29	1.68	1.51	1.48	1.73	-3%	-13%	-3%
Net debt (cash)	806	365	(784)	815	145	(1,046)	-1%	151%	25%
Operational Highlights									
Volumes									
Gold sales (000 oz)	5,215	5,190	5,279	5,243	5,218	5,249	-1%	-1%	1%
Copper sales (m lb)	107	112	106	108	113	106	-1%	-1%	0%
Average prices									
Gold price (\$/oz)	1,254	1,283	1,266	1,258	1,283	1,266	0%	0%	0%
Copper price (\$/lb)	2.85	3.26	3.40	2.80	3.26	3.40	2%	0%	0%
Cash costs									
Gold cash cost (\$/oz)	691	745	685	701	734	675	-1%	2%	2%
Copper cash cost (\$/lb)	1.47	1.78	1.85	1.45	1.77	1.94	1%	1%	-5%

Source: Company data and Deutsche Bank estimates



Figure 13: Newmont operational summary

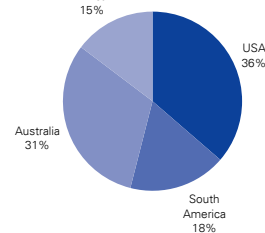
Commodities (Nominal)	2013A	2014A	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E
Gold (\$/oz)	1,413	1,267	1,161	1,249	1,258	1,283	1,266	1,305	1,344	1,383	1,421
Copper (\$/lb)	3.34	3.11	2.50	2.21	2.80	3.26	3.40	3.50	3.43	3.35	3.36
Cashflow metrics											
Operating Cash Flow (\$m)	1,585	1,451	2,157	1,592	2,344	1,972	2,211	2,156	2,300	2,396	2,551
Capex (\$m)	(1,900)	(1,110)	(1,401)	(1,161)	(866)	(1,232)	(764)	(856)	(656)	(656)	(656)
Acquisitions, Divestments, other (\$m)	636	608	(591)	936	(95)	-	-	-	-	-	-
FCF - pre interest (\$m)	321	949	165	1,367	1,383	740	1,447	1,500	1,644	1,740	1,895
Interest (\$m)	(303)	(361)	(325)	(311)	(241)	(163)	(154)	(140)	(125)	(108)	(90)
FCF (\$m)	18	588	(160)	1,056	1,142	577	1,293	1,361	1,519	1,632	1,805
FCF Yield (%)	0%	5%	-7%	6%	6%	3%	6%	7%	7%	8%	9%
EV/EBITDA (x)	-10.3	9.4	6.5	7.0	7.8	9.0	7.5	7.3	6.3	5.6	4.7
EV/EBITDA attributable (x)	-8.2	9.4	6.2	7.1	8.1	9.5	7.9	7.5	6.4	5.6	4.7
Balance sheet											
Net Debt (\$m)	5,185	4,243	3,454	1,859	806	365	(784)	(1,986)	(3,331)	(4,773)	(6,369)
Leverage (D/D+E), %	27%	34%	34%	30%	28%	26%	25%	24%	23%	22%	21%
ND/EBITDA	(2.3)	2.2	1.3	0.6	0.3	0.2	(0.3)	(0.7)	(1.2)	(1.6)	(2.0)
Production volumes											
Gold (k oz)	5,084	4,845	5,036	4,898	5,266	5,226	5,292	5,030	4,988	4,963	4,919
USA	1,767	1,506	1,643	2,024	2,211	2,097	1,940	2,013	2,013	1,979	1,944
South America	522	498	471	414	659	656	666	573	513	513	513
Australia	1,357	1,370	1,546	1,641	1,573	1,614	1,534	1,548	1,548	1,548	1,548
Africa	699	915	805	819	822	860	1,154	897	914	914	914
Other	719	556	571	0	1	0	0	0	0	0	0
Copper (m lbs)	190	271	480	208	109	113	106	107	107	107	107
Copper (kt)	95	138	240	104	55	56	53	54	54	54	54
Gold (k oz)	5,084	4,845	5,036	4,898	5,266	5,226	5,292	5,030	4,988	4,963	4,919
Carlin (100%)	1,025	906	896	944	972	982	845	802	802	768	733
Phoenix (100%)	233	211	205	209	239	213	196	196	196	196	196
Twin Creeks (100%)	509	389	471	453	375	363	343	343	343	343	343
Long Canyon (100%)	0	0	0	22	174	160	160	190	190	190	190
CC&V (100%)	0	0	81	396	451	379	395	482	482	482	482
Yanacocha (51.35%)	522	498	471	336	275	254	215	162	154	154	154
Merian (75%)*	0	0	0	78	384	402	451	410	359	359	359
Boddington (100%)	702	696	794	800	787	730	694	701	701	701	701
Tanami (100%)	323	345	436	459	419	472	466	474	474	474	474
Kalgoorlie (50%)	332	329	316	382	367	411	374	373	373	373	373
Ahafo (100%)	570	442	332	349	349	454	679	422	439	439	439
Akyem (100%)	129	473	473	470	473	406	475	475	475	475	475
Other mines	719	556	571	0	1	0	0	0	0	0	0
Revenue (\$m)											
Revenue by product											
Gold	6,775	6,316	5,669	6,461	7,042	7,135	7,132	6,926	7,042	7,197	7,350
Copper	303	307	280	250	311	364	362	376	368	360	360
Eliminations/adjustments	0	0	0	0	0	0	0	0	0	0	0
Total	8,414	7,292	7,729	6,711	7,292	7,498	7,495	7,302	7,409	7,557	7,711
Revenue by segment											
USA	2,505	2,361	1,999	2,597	2,819	2,725	2,515	2,698	2,763	2,792	2,819
South America	1,458	1,210	1,070	909	1,315	1,322	1,291	1,127	1,047	1,077	1,107
Australia	2,158	1,886	1,945	2,179	2,185	2,349	2,228	2,318	2,371	2,425	2,485
Africa	957	1,166	935	1,026	1,034	1,102	1,461	1,170	1,228	1,263	1,299
Eliminations/adjustments	1,336	669	1,780	0	0	0	0	0	0	0	0
Total	8,414	7,292	7,729	6,711	7,353	7,498	7,495	7,302	7,409	7,557	7,711
Cash cost per unit											
USA (\$/oz)	696	772	755	717	720	801	759	735	756	779	751
South America (\$/oz)	776	857	716	868	853	731	649	719	782	782	771
Asia Pacific (\$/oz)	1,011	823	682	635	671	711	692	709	709	709	709
Africa (\$/oz)	520	468	526	681	682	694	584	686	673	673	712
Gold net cash costs (\$/oz)	768	736	686	703	723	745	685	717	731	740	734
Copper cash costs (\$/lb)	2.56	2.41	1.83	1.97	1.48	1.78	1.85	1.83	1.83	1.83	1.83
AISC											
USA (\$/oz)	867	985	937	847	872	970	901	868	888	914	888
South America (\$/oz)	1,027	1,014	889	1,044	887	910	841	914	998	998	987
Asia Pacific (\$/oz)	1,175	984	804	763	789	847	830	843	843	843	843
Africa (\$/oz)	819	629	705	822	795	848	709	811	796	796	834
Gold AISC (\$/oz)	966	911	846	837	918	979	921	928	935	935	930
Copper AISC (\$/lb)	3.13	2.99	2.17	2.29	1.80	2.10	2.15	2.13	2.13	2.13	2.13
EBITDA (\$m)											
EBITDA (\$m)	(2,269)	1,939	2,582	2,877	2,615	2,395	2,716	2,652	2,846	2,965	3,166
EBITDA margin (%)	-27.0%	26.6%	33.4%	42.9%	35.9%	31.9%	36.2%	36.3%	38.4%	39.2%	41.1%
EBITDA attributable (\$m)											
EBITDA attributable (\$m)	(2,695)	1,706	2,363	2,748	2,450	2,220	2,518	2,500	2,712	2,822	3,008
Consolidated capex (\$m)											
Consolidated capex (\$m)	1,900	1,110	1,401	1,161	866	1,232	764	856	656	656	656
Sustaining	985	837	746	595	578	672	640	588	588	588	588
Growth	915	243	655	566	172	560	124	68	68	68	68
						1.2-1.3bn	790-830	680-690	590-690	560-690	

* NPVs for Yanacocha and Merian shown as 100%, minority interest subtracted before total NPV. NPV for Kalgoorlie shown on an attributable basis

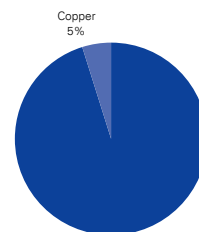
Source: Company data and Deutsche Bank estimates

NAV (CY18)	\$m	\$/sh
Carlin	2,003	3.7
Phoenix	824	1.5
Twin Creeks	2,458	4.6
Long Canyon	608	1.1
CC&V	1,452	2.7
Yanacocha (51.35%)*	209	0.4
Merian (75%)*	2,102	3.9
Boddington	3,267	6.1
Tanami	1,458	2.7
Kalgoorlie (50%)	1,439	2.7
Ahafo	2,158	4.0
Akyem	2,108	3.9
Other Resources	4,000	7.5
Minority interest	(581)	(1.1)
Total Assets	23,505	43.9
Corporate	(1,459)	(2.7)
Net Debt	(806)	(1.5)
TOTAL	21,239	39.6
WACC (nominal)	6.0%	Shares (m)
WACC (nominal)	6.0%	536

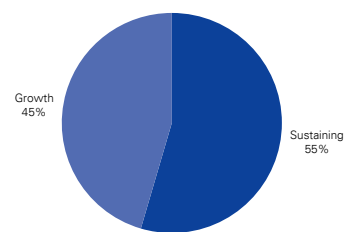
Revenue by segment (2018E)



Revenue (2018E)



Capex (2018E)





Goldcorp - Earnings revision summary

Goldcorp reported 4Q17 adjusted diluted EPS of 10c (versus DBe of 16c and Factset consensus of 11c), and a headline diluted EPS of 28c, which mainly included a deferred income tax recovery due to the impact of Argentina tax reform (18c pre-tax), and an impairment reversal at Red Lake, Pueblo Viejo and Porcupine (3c pre-tax).

Our model remains largely unchanged as guidance was restated from the prior announcement on January 16 (Goldcorp Investor Day), and 2018 gold production is expected at 2.5moz (+/-5%), in line with DBe at 2.5moz. Goldcorp reiterated output could be higher in the next three years to reach 3.0moz (+-5%) as part of the company's 20/20/20 strategy (20% production increase, 20% Reserves increase and 20% costs improvement). Our 2019 production estimate is 2.6moz, gradually increasing to 2.9moz in 2020 and 3.0moz by 2021. Gold cash guidance was unchanged at \$450/oz (+-5%) in 2018; DBe at \$438/oz.

Our EBITDA estimate for 2018 is largely unchanged at \$1.6bn and 2019 EBITDA is expected at \$2.2bn, 7% and 6% below Factset consensus of \$1.7bn and \$2.3bn, respectively. Our 2018 and 2019 adjusted diluted EPS estimates are \$0.45/sh and \$0.76/sh, respectively. Our adjusted diluted EPS estimates are 2% below and 1% above Factset consensus, respectively.

Our unchanged 12-month \$16/sh PT (Hold) is based on ~1.0x \$16.3/sh NPV. Our NPV is largely unchanged as we have not made significant adjustments since guidance was reaffirmed. Key up/down risks include gold prices and operating costs.

Figure 14: Goldcorp earnings revision summary

(\$m)	Current			Previous			Change		
	2017A	2018E	2019E	2017E	2018E	2019E	2017E	2018E	2019E
Revenues	3,423	3,588	4,361	3,449	3,557	4,361	-1%	1%	0%
Cost of goods sold	2,879	2,736	3,044	2,839	2,721	3,044	1%	1%	0%
Depreciation & others	990	987	1,088	961	973	1,088	3%	1%	0%
Cash production cost	1,889	1,749	1,956	1,878	1,749	1,956	1%	0%	0%
EBITDA	1,479	1,617	2,170	1,407	1,607	2,170	5%	1%	0%
EBITDA margin	43.2%	45.1%	49.8%	40.8%	45.2%	49.8%	242bps	-11bps	0bps
Gross profit	544	853	1,317	610	836	1,317	-11%	2%	0%
Selling, general & admin	158	141	184	152	160	184	4%	-12%	0%
R&D expenses	62	82	51	60	41	51	3%	100%	0%
Operating profit	324	630	1,082	398	635	1,082	-19%	-1%	0%
Operating margin	9.5%	17.6%	24.8%	11.5%	17.8%	24.8%	-208bps	-28bps	0bps
Net financial gain (exp)	(133)	(123)	(122)	(133)	(133)	(131)	0%	-7%	-7%
Pre-tax profit	437	654	1,099	457	576	1,078	-4%	14%	2%
Taxes	(465)	268	451	(101)	166	342	363%	62%	32%
Tax rate	nm	41.0%	41.0%	-22.0%	28.8%	31.8%	nm	1225bps	923bps
Net income	658	386	649	558	410	736	18%	-6%	-12%
Diluted EPS (\$)	0.77	0.45	0.76	0.65	0.48	0.86	18%	-6%	-12%
Adj. diluted EPS	0.81	0.45	0.76	0.57	0.48	0.86	42%	-6%	-12%
Net debt (cash)	2,249	2,347	1,617	2,542	2,390	1,574	-12%	-2%	3%
Operational Highlights									
Volumes									
Gold produced (000 oz)	2,569	2,481	2,606	2,569	2,475	2,616	0%	0%	0%
Silver produced (000 oz)	25,009	29,543	47,720	27,986	29,543	47,720	-11%	0%	0%
Average prices									
Gold realized price (\$/oz)	1,258	1,283	1,266	1,264	1,283	1,266	0%	0%	0%
Silver realized price (\$/o:	17.06	16.95	17.70	11.03	16.95	17.70	55%	0%	0%
Cash unit costs									
Gold cash cost (\$/oz)	499	438	474	518	441	474	-4%	-1%	0%

Source: Company data and Deutsche Bank estimates

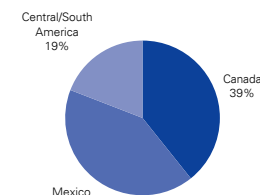


Figure 15: Goldcorp operational summary

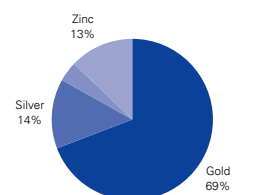
Commodities (Nominal)	2013A	2014A	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E
Gold (\$/oz)	1,413	1,267	1,161	1,249	1,258	1,283	1,266	1,305	1,344	1,383	1,421
Silver (\$/oz)	23.89	19.10	15.72	17.10	17.06	16.95	17.70	19.50	20.50	21.90	21.87
Lead (\$/lb)	0.98	0.96	0.81	0.85	1.05	0.89	0.82	0.82	0.82	0.81	0.81
Zinc (\$/lb)	0.88	0.98	0.88	0.95	1.31	1.41	1.23	1.18	1.15	1.15	1.18
Cashflow metrics											
Operating Cash Flow (\$m)	944	982	1,423	799	1,211	1,282	1,679	1,848	1,858	1,935	2,001
Capex (\$m)	(2,244)	(2,025)	(1,191)	(710)	(931)	(1,312)	(880)	(856)	(864)	(784)	(816)
Acquisitions, Divestments, other (\$m)	595	165	736	-	54	-	-	-	-	-	-
FCF - pre interest (\$m)	(705)	(678)	968	89	334	(30)	799	992	994	1,151	1,185
Interest (\$m)	(50)	(50)	(130)	(137)	(133)	(123)	(122)	(118)	(113)	(109)	(103)
FCF (\$m)	(755)	(928)	839	(48)	201	(153)	677	874	881	1,042	1,082
FCF Yield (%)	-3%	-5%	6%	0%	2%	-1%	6%	8%	8%	9%	9%
EV/EBITDA (x)	16.1	20.5	10.1	12.6	7.7	6.8	5.1	4.8	4.9	4.6	4.4
Balance sheet											
Net Debt (\$m)	1,689	3,057	2,305	2,310	2,249	2,347	1,617	693	(232)	(1,315)	(2,431)
Leverage (D/D+E), %	10%	17%	17%	16%	15%	15%	14%	14%	13%	13%	12%
ND/EBITDA	1.2	2.8	1.5	1.9	1.5	1.5	0.7	0.3	(0.1)	(0.5)	(1.0)
Production											
Gold (k oz)	2,628	2,792	3,464	2,873	2,569	2,481	2,606	2,866	3,010	2,947	2,911
Canada	1,010	1,041	1,011	1,188	1,136	1,022	1,137	1,293	1,393	1,409	1,336
Mexico	412	342	546	833	456	476	341	391	560	693	702
Central/South America	0	325	596	889	830	885	904	922	913	909	909
Adjustments	975	920	640	554	451	186	100	0	0	0	0
Silver (m oz)	30.3	36.8	40.4	28.1	28.6	29.5	47.7	41.3	36.2	35.1	35.1
Lead (m lbs)	159	152	223	143	133	161	302	266	163	138	138
Zinc (m lbs)	279	330	389	263	360	328	447	451	408	421	421
Gold (k oz)	2,628	2,792	3,464	2,873	2,569	2,481	2,606	2,866	3,010	2,947	2,911
Cerro Negro	0	152	507	363	452	489	520	520	520	520	520
Penasquito	342	546	833	456	476	341	391	560	693	702	702
Pueblo Viejo	325	443	382	467	433	415	403	394	389	389	389
Red Lake	493	414	376	324	209	236	279	298	309	309	309
Eleonore	0	18	268	274	305	361	391	403	407	407	407
Porcupine	292	300	274	277	272	277	332	403	403	403	403
Musselwhite	256	278	270	261	236	263	290	290	290	217	181
Adjustments	920	640	554	451	186	100	0	0	0	0	0
Revenues (\$m)											
Revenue by product											
Gold	1,982	1,975	3,028	2,446	2,420	2,482	2,722	3,154	3,442	3,546	3,637
Silver	503	514	542	354	417	501	845	805	742	768	767
Lead	144	153	145	95	135	143	247	217	132	113	113
Zinc	225	330	337	248	475	462	548	532	472	485	496
Eliminations/adjustments	936	696	323	367	(23)	349	400	400	400	400	400
Total	3,789	3,668	4,375	3,510	3,423	3,588	4,361	4,708	4,789	4,911	5,013
Revenue by segment											
Canada	1,444	1,262	1,312	1,408	1,275	1,409	1,558	1,729	1,792	1,836	1,879
Mexico	1,148	1,432	1,646	1,044	1,400	1,493	2,078	2,227	2,222	2,276	2,314
Central/South America	0	0	790	532	609	686	725	752	774	800	820
Eliminations/adjustments	1,197	974	627	526	139	349	400	400	400	400	400
Total	3,789	3,668	4,375	3,510	3,423	3,588	4,361	4,708	4,789	4,911	5,013
Net cash costs per unit											
Canada (\$/oz)	641	607	676	671	775	674	688	687	687	690	691
Mexico (\$/oz)	509	403	342	725	-172	-439	-258	-133	-42	-42	-42
Central and South America (\$/oz)	531	425	559	424	431	455	466	467	472	454	470
Gold net cash costs (\$/oz)	552	531	592	603	499	438	474	463	460	449	452
AISC											
Cerro Negro	0	0	775	747	682	625	670	620	608	608	647
Penasquito	1,011	837	568	1,341	395	227	273	238	257	254	254
Pueblo Viejo	0	0	614	449	525	632	611	635	666	622	661
Red Lake	886	946	916	877	1,201	1,032	1,032	987	987	987	961
Eleonore	0	0	848	962	1,099	913	906	881	891	891	891
Porcupine	1,044	911	1,084	903	985	948	952	899	899	899	899
Musselwhite	1,104	814	778	681	777	784	781	837	837	902	954
Gold AISC costs (\$/oz)	1,042	948	884	866	824	799	736	694	682	676	686
EBITDA (\$m)											
EBITDA margins (%)	38.5%	29.8%	35.1%	34.8%	43.2%	45.1%	49.8%	48.8%	46.7%	48.8%	50.0%
Consolidated capex (\$m)											
Sustaining	2,244	2,025	1,191	710	931	1,312	800	856	864	784	816
Growth	951	733	646	392	311	652	596	576	584	584	596
Total	1,293	1,348	570	115	333	660	284	280	280	200	220

NAV (CY18)	DBe	
	\$M	\$/sh
Cerro Negro	2,709	3.2
Penasquito	5,275	6.2
Pueblo Viejo (40%)*	1,830	2.1
Red Lake	1,287	1.5
Eleonore	584	0.7
Porcupine	1,618	1.9
Musselwhite	135	0.2
Other assets	3,500	4.1
Total Assets	16,936	19.7
Corporate	(695)	(0.8)
Net Debt	(2,249)	(2.6)
TOTAL	13,992	16.3
WACC (nominal)	7%	Shares 858

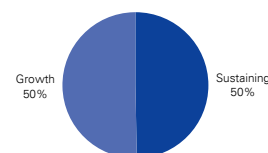
Revenue by segment (2018E)



Revenue by product (2018E)



Capex (2018E)



Source: Company data and Deutsche Bank estimates



Kinross - Earnings revision summary

Kinross reported 4Q17 adjusted diluted EPS of 1c (versus DBe of 4c and Factset consensus of 3c), and a headline diluted EPS of 17c, which included a \$93m (pre-tax) tax-related adjustment following the new US corporate tax rate reform, and a \$22m pre-tax impairment charge at Paracatu, Tasiast and Fort Knox.

2018E production guidance was announced at 2.5moz (+/-5%) and is expected to be at a similar level over the next three years, which is lower than 2017 gold production of ~2.7moz. While Kinross expects a production increase in Africa, this is likely offset by lower anticipated grades at Kupol/Dvoynoye, the closure of River-Buckhorn and the suspension of mining at Maricunga. Our 2018 production estimate is 2.56moz. Cost of sales guidance is \$750/oz in 2018 (DBe \$723/oz), while AISC is forecast at \$925-1,025/oz (DBe \$950/oz). Kinross has announced capex guidance of \$1,075m in 2018 (+/-5%) and we have modeled out close to this at \$1,062m. Production is expected to be higher in 2H18 as Tasiast Phase One Expansion production should kick-in. Our model reflects 1H18 production at ~597koz while 2H18 production is estimated at ~646koz.

Our 2018E and 2019E EBITDA remain largely unchanged at \$1.21bn and \$1.28bn, largely in line with Factset consensus of \$1.18bn and \$1.24bn, respectively. Our 2018 adjusted diluted EPS is expected at 16c, in line with Factset consensus of 16c. Our 2019 EPS is forecast at 20c, 5c above Factset consensus of 15c.

Our unchanged 12-month \$4/sh PT (Hold) is based on ~1.0x \$3.80/sh NPV. Our NPV is largely unchanged as we have not made significant adjustments to our assumptions. Key risks include up-/down gold prices and operating costs.

Figure 16: Kinross earnings revision summary

(\$m)	Current			Previous			Change		
	2017A	2018E	2019E	2017E	2018E	2019E	2017E	2018E	2019E
Revenues	3,303	3,277	3,250	3,325	3,206	3,138	-1%	2%	4%
Cost of goods sold	2,598	2,655	2,549	2,615	2,522	2,468	-1%	5%	3%
Depreciation & others	819	828	825	837	808	790	-2%	3%	4%
Cash production cost	1,779	1,827	1,724	1,779	1,714	1,678	0%	7%	3%
EBITDA	1,156	1,216	1,282	1,167	1,193	1,160	-1%	2%	11%
EBITDA margin (%)	35.0%	37.1%	39.4%	35.1%	37.2%	37.0%	-10bps	-10bps	248bps
Gross profit	705	621	701	710	684	670	-1%	-9%	5%
Selling, general & admin	262	161	164	288	218	220	-9%	-26%	-26%
R&D expenses	106	73	80	92	80	79	15%	-10%	2%
Operating profit	337	388	457	330	385	370	2%	1%	23%
Operating margin	10.2%	11.8%	14.1%	9.9%	12.0%	11.8%	25bps	-19bps	226bps
Net financial gain (exp)	(104)	(91)	(94)	(101)	(85)	(84)	3%	7%	11%
Pre-tax profit	419	297	363	352	300	286	19%	-1%	27%
Taxes	(23)	95	116	75	96	91	-131%	-1%	27%
Tax rate	-5.5%	32.0%	32.0%	21.2%	32.0%	32.0%	nm	0bps	0bps
Net income	442	202	247	277	204	194	60%	-1%	27%
Adj. net income	177	205	250	212	203	193	-17%	1%	30%
Net income	445	205	250	279	203	193	59%	1%	30%
Diluted EPS (\$)	0.35	0.16	0.20	0.22	0.16	0.15	59%	1%	30%
Adj. diluted EPS (\$)	0.14	0.16	0.20	0.17	0.16	0.15	-17%	1%	30%
Net debt (cash)	707	739	603	780	674	594	-9%	10%	1%
Operational Highlights									
Volumes									
Gold equivalent (000 oz)*	2,674	2,556	2,566	2,672	2,500	2,478	0%	2%	4%
Gold (000 oz)*	2,674	2,509	2,517	2,660	2,453	2,428	1%	2%	4%
Silver (000 oz)*	3,879	3,569	3,569	3,923	3,569	3,569	-1%	0%	0%
Average prices									
Gold price (\$/oz)	1,258	1,283	1,266	1,258	1,283	1,266	0%	0%	0%
Silver price (\$/oz)	17.06	16.95	17.70	17.06	16.95	17.70	0%	0%	0%
Cash costs									
Op. cash cost (\$/oz)	670	723	679	676	693	685	-1%	4%	-1%
* Attributable									

Source: Company data and Deutsche Bank estimates



Figure 17: Kinross operational summary

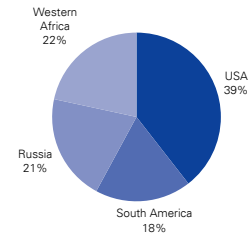
Commodities (Nominal)	2013A	2014A	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E
Gold (\$/oz)	1,413	1,267	1,161	1,249	1,258	1,283	1,266	1,305	1,344	1,383	1,421
Silver (\$/oz)	24	19	16	17	17	17	18	20	21	22	22
Copper (\$/lb)	3.34	3.11	2.50	2.21	2.80	3.26	3.40	3.50	3.43	3.35	3.36
Cashflow metrics											
Operating Cash Flow (\$m)	797	885	836	1,104	952	1,030	1,072	1,171	1,226	1,277	1,275
Capex (\$m)	(1,262)	(586)	(610)	(634)	(906)	(1,062)	(936)	(778)	(692)	(588)	(528)
Acquisitions, Divestments, other (\$m)	225	(25)	(57)	(639)	204	-	-	-	-	-	-
FCF - pre interest (\$m)	(241)	274	168	(168)	249	(32)	136	393	534	689	747
Interest (\$m)	(43)	(80)	(96)	(135)	(118)	(102)	(106)	(106)	(106)	(106)	(106)
FCF (\$m)	(284)	194	72	(303)	132	(134)	30	287	427	583	640
FCF Yield (%)	4%	3%	-8%	3%	-3%	1%	6%	10%	13%	14%	14%
#DIV/0!	0.0	4.8	4.0	5.4	4.8	4.1	3.8	3.2	2.7	2.1	1.6
EV/EBITDA (x)	0.0	5.3	4.2	5.5	5.2	4.5	4.2	3.5	3.0	2.3	1.9
EV/EBITDA attributable (x)	0.0	5.3	4.2	5.5	5.2	4.5	4.2	3.5	3.0	2.3	1.9
Balance sheet											
Net Debt (\$m)	1,385	1,075	938	906	707	739	603	209	(324)	(1,013)	(1,760)
Leverage (D/D+E), %	26%	30%	34%	29%	27%	29%	28%	26%	25%	24%	22%
ND/EBITDA	1.0	1.0	1.1	0.9	0.6	0.6	0.5	0.1	(0.2)	(0.6)	(1.1)
Production volumes (attributable)											
Gold (koz eq)	2,631	2,718	2,595	2,789	2,674	2,556	2,566	2,652	2,599	2,510	2,463
Gold (k oz)	2,631	2,710	2,595	2,799	2,674	2,509	2,517	2,598	2,558	2,470	2,429
USA	735	673	697	1,031	1,177	1,018	920	867	809	849	900
South America	851	768	690	659	451	475	475	475	475	469	442
Russia	550	751	759	744	580	481	481	481	396	354	289
Western Africa	496	518	450	366	465	535	641	775	877	798	798
Silver (m oz)	5.2	4.3	4.7	3.8	3.9	3.6	3.6	3.6	2.7	2.5	2.2
Gold (k oz)	2,631	2,710	2,595	2,799	2,674	2,509	2,517	2,598	2,558	2,470	2,429
Fort Knox	422	379	402	410	381	345	308	278	220	260	260
Round Mountain	163	170	198	378	437	383	357	335	335	335	386
Bald Mountain	0	0	0	130	283	290	255	255	255	255	255
Kettle River- Buckhorn	150	123	97	112	77	0	0	0	0	0	0
Paracatu	500	521	478	483	360	475	475	475	475	469	442
Maricunga	188	247	212	176	91	0	0	0	0	0	0
Kupol	550	751	759	744	580	481	481	481	396	354	289
Tasiast	248	260	219	175	243	338	443	578	680	798	798
Chirano (90%)*	248	258	230	191	221	198	198	198	198	0	0
Other assets	162	0	0	0	0	0	0	0	0	0	0
Revenues (\$m)											
Revenue by product											
Gold	3,780	3,465	3,052	3,472	3,303	3,244	3,214	3,420	3,468	3,415	3,452
Silver	-	-	-	-	0	60	63	70	55	56	49
Total	3,780	3,465	3,052	3,472	3,303	3,305	3,278	3,489	3,522	3,470	3,501
Revenue by segment											
USA	1,040	883	808	1,267	1,461	1,304	1,164	1,132	1,088	1,174	1,279
South America	1,233	959	809	819	499	609	602	620	638	648	628
Russia	775	948	883	919	727	677	672	697	587	545	459
Western Africa	732	675	552	467	616	714	840	1,041	1,209	1,103	1,134
Eliminations/adjustments	-	-	-	-	-	-	-	-	-	-	-
Total	3,780	3,465	3,052	3,472	3,303	3,305	3,278	3,489	3,522	3,470	3,501
Net cash costs per unit (Gold Equivalent Ounces)											
USA	627	741	699	789	648	635	654	704	714	728	783
South America	747	862	847	747	852	947	909	899	889	891	891
Russia	514	505	476	441	521	618	599	599	678	723	775
Western Africa	898	784	842	1,003	788	787	609	605	548	420	420
Gold cash costs (\$/oz)	743	719	697	714	670	723	679	690	683	659	682
AISC per unit (Gold Equivalent Ounces)											
Total AISC	1,089	976	977	989	953	950	949	914	894	846	868
EBITDA (\$m)											
EBITDA attributable (\$m)	525	1,083	874	1,061	1,145	1,211	1,271	1,397	1,471	1,579	1,575
EBITDA margin (%)	36%	32%	28%	30%	35%	37%	39%	40%	42%	46%	45%
Consolidated capex (\$m)											
Sustaining	483	305	429	447	613	344	472	384	348	308	296
Growth	780	128	182	187	294	718	464	394	344	280	232

* NPV for Chirano shown on an attributable basis

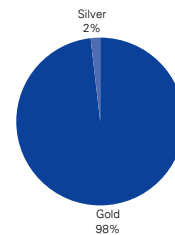
Source: Company data and Deutsche Bank estimates

NAV (CY18)	\$M	\$/sh
Fort Knox	392	0.31
Round Mountain	369	0.30
Bald Mountain	476	0.38
Kettle River- Buckhorn	100	0.08
Paracatu	1,202	0.96
Maricunga	200	0.16
Kupol	1,018	0.82
Tasiast	1,803	1.45
Chirano (90%)*	189	0.15
Other assets	600	0.48
Total Assets	6,350	5.09
Corporate	(901)	(0.72)
Net debt	(707)	(0.57)
TOTAL	4,742	3.80
WACC (nominal)	7.5%	Shares (m) 1,247

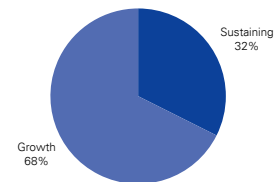
Revenue by segment (2018E)



Revenue (2018E)



Capex (2018E)





Franco-Nevada - Earnings revision summary

Franco-Nevada reported 4Q17 adjusted diluted EPS of 28c (in-line with DBe of 28c and slightly above Factset consensus of 27c), and a headline diluted EPS of 23c, which included a 4c (\$7m) adjustment related to the new US corporate tax rate reform, and a 2c (\$5m) impairment charge. Other adjustments included FX and other minor tax adjustments. 2018E production guidance was announced at 460-490k Gold Equivalent Ounces (GEOs) (DBe 473k GEOs) as GEOs are expected to be slightly lower in LatAm (at Candelaria as the mine plan is being revised) and in the US (at South Arturo with the end of mining in Phase 2 and start of stripping from the next phase). However, higher GEOs are expected at Tasiast (Phase 1) and Subika. Cobre Panama production is still around 6-9 months away.

Our 2018E and 2019E EBITDA are at \$516m and \$572m, 5% and 6% below Factset consensus of \$542m and \$607m, respectively. Our 2018 adjusted diluted EPS is expected at \$1.11, slightly below Factset consensus of \$1.14/sh. Our 2019 EPS is forecast at \$1.28/sh, 4% below Factset consensus of \$1.33.

Our unchanged 12-month \$77/sh PT (Hold) is based on ~1.0x \$77.7/sh NPV. Our NPV is largely unchanged as we have not made significant adjustments. Key risks include up/down gold prices and operating costs.

Figure 18: Franco-Nevada earnings revision summary

\$m	Current			Previous			Change		
	2017A	2018E	2019E	2017E	2018E	2019E	2017E	2018E	2019E
Revenues	675	670	755	676	726	791	0%	-8%	-5%
Cost of goods sold	415	392	437	415	402	435	0%	-2%	0%
Depreciation & others	273	269	287	276	274	286	-1%	-2%	1%
Cash production cost	142	123	150	138	128	149	3%	-4%	0%
EBITDA	510	516	572	513	561	590	-1%	-8%	-3%
Adj. EBITDA	516	516	572	517	561	590	0%	-8%	-3%
EBITDA margin (%)	76%	77%	76%	76%	77.2%	74.7%	0bp	0bp	1bp
Gross profit	260	277	318	261	324	356	0%	-15%	-11%
General & admin expenses	23	31	33	25	37	51	-7%	-16%	-35%
Operating profit	237	246	284	237	287	305	0%	-14%	-7%
Operating margin	35%	37%	38%	35%	39.6%	38.5%	0%	-7%	-2%
Net financial gain (exp)	1	1	1	2	2	3	-52%	-48%	-53%
Pre-tax profit	236	247	286	238	290	307	-1%	-15%	-7%
Taxes	41	42	49	36	72	77	16%	-42%	-37%
Tax rate	18%	17%	17%	15%	25.0%	25.0%	17%	-32%	-32%
Net income	195	205	237	202	217	231	-4%	-5%	3%
Net margin	29%	31%	31%	30%	30%	29%	-4%	3%	8%
Adj. diluted EPS (\$)	1.07	1.11	1.28	1.08	1.17	1.24	-1%	-5%	3%
Net debt (cash)	(511)	(194)	(410)	(558)	(540)	(750)	-8%	-64%	-45%
Operational Highlights									
Volumes									
Gold Equivalent (k geo)	498	473	539	499	503	555	0%	-6%	-3%
Gold and silver (k geo)	449	438	501	453	469	517	-1%	-6%	-3%
PGM (k geo)	35	31	35	30	31	35	13%	0%	0%
Other Minerals (k geo)	14	4	4	8	3	4	91%	22%	17%
Realized price									
Gold (\$/oz)	1,257	1,283	1,266	1,258	1,283	1,266	0%	0%	0%
Silver (\$/oz)	17.06	16.95	17.70	1,250	17.06	16.95	17.70	-1%	4%



Figure 19: Franco-Nevada operational summary

Commodities (Nominal)	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E	2023E
Silver (\$/oz)	15.72	17.10	17.06	16.95	17.70	19.50	20.50	21.90	21.87
Gold (\$/oz)	1,161	1,249	1,258	1,283	1,266	1,305	1,344	1,383	1,421
Palladium (\$/oz)	692	614	871	930	915	900	850	821	791
Platinum (\$/oz)	1,056	988	950	1,088	1,190	1,300	1,420	1,516	1,612
Copper (\$/lb)	2.50	2.22	2.39	3.26	3.40	3.50	3.43	3.35	3.36
Nickel (\$/lb)	5.38	4.38	5.33	5.45	5.92	6.59	7.25	7.92	8.39
Molybdenum (\$/lb)	6.95	6.58	6.53	7.33	7.65	7.98	8.31	8.64	8.96
WTI Cushing (\$/bbl)	49.2	43.4	50.9	56.0	56.0	57.0	59.0	60.0	60.0

Cashflow metrics	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E	2023E
Operating Cash Flow (\$m)	252	471	488	475	524	551	563	599	618
Capex (\$m)	(1,030)	(745)	(500)	(240)	(120)	-	-	-	-
Acquisitions, Divestments, other (\$m)	(28)	55	(1)	(376)	-	-	-	-	-
FCF - pre interest (\$m)	(806)	(219)	(13)	(141)	404	551	563	599	618
Interest (\$m)	-	-	-	-	-	-	-	-	-
FCF (\$m)	(806)	(219)	(13)	(141)	404	551	563	599	618
FCF Yield (%)	-17%	-2%	0%	-1%	3%	4%	4%	5%	5%
EV/EBITDA (x)	14.8	22.4	24.7	24.2	21.4	19.7	18.9	16.7	15.7

Balance sheet	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E	2023E
Net Debt (\$m)	308	(253)	(511)	(194)	(410)	(766)	(1,120)	(1,502)	(1,892)
Leverage (D/D+E), %	13%	0%	0%	0%	0%	0%	0%	0%	0%
ND/EBITDA	0.9	(0.5)	(1.0)	(0.4)	(0.7)	(1.3)	(1.8)	(2.2)	(2.8)

Sales volumes (attributable)	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E	2023E
Precious Metals (k geo)	322	425	488	438	501	516	502	503	503
US	54	56	76	69	63	63	63	62	62
Canada	42	47	64	41	44	43	42	42	42
Latin America	155	242	253	241	305	326	323	325	326
Rest of World	71	80	95	88	89	83	73	73	73
PGM (k geo)	29	29	35	31	35	35	37	38	40
Other Minerals (k geo)	9	7	14	4	4	2	2	26	25
Gold Equivalent (k oz)	360	464	498	473	539	552	541	567	568
				460-490				668-696	
Oil & Gas (kBoe)	1,108	1,177	1,244	1,422	1,307	1,365	1,365	1,365	1,365

Sales volumes (attributable)	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E	2023E
Candelaria	88	70	86	72	73	73	72	70	70
Palmarajo	43	43	31	25	29	22	19	9	9
Antapaccay	0	75	78	78	76	76	76	72	72
Cobre Panama	0	0	0	16	76	103	107	126	128
Antamina	17	62	52	48	48	48	46	44	43
Goldstrike	18	27	32	33	33	33	33	33	33
MWVS	26	23	24	24	24	24	26	26	26
Sabodala	23	23	22	20	16	14	12	10	10
Others	142	137	167	158	165	159	150	177	178
Gold Equivalent (k oz)	356	459	491	473	539	552	541	567	568

Revenues (\$m)	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E	2023E
Gold and silver	377	543	588	572	644	683	685	706	726
PGM	29	24	35	37	38	38	39	40	41
Oil & Gas	28	29	47	56	67	71	77	80	80
Other minerals	10	8	4	5	5	2	3	36	36
Oil & Gas Revenue Guidance				50-60				80-90	

Precious Metals	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E	2023E
US	78	87	92	106	98	98	101	103	105
Canada	65	66	71	54	58	58	59	60	62
Latin America	180	303	326	311	388	428	437	452	465
Rest of World	83	101	119	119	119	116	104	108	111

Other minerals	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E	2023E
Oil & gas	28	29	47	56	67	71	77	80	80

Net cash costs per unit	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E	2023E
Gold cash costs (\$/oz)	405	370	399	392	401	397	404	396	400
Silver cash cost (\$/geo)	14	62	63	64	63	65	67	69	71
PGMs (\$/oz)	416	425	430	434	439	443	447	452	456
Total cash costs (\$/geo)	405	370	399	392	401	397	404	396	400

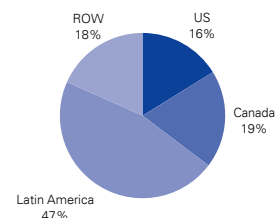
EBITDA (\$m)	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E	2023E
EBITDA margins (%)	75%	79%	76%	77%	76%	76%	76%	78%	77%

Consolidated capex (\$m)	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E	2023E
Mineral/oil & gas properties	1,033	747	501	240	120	0	0	0	0
Other acquisition	156	2	12	376	0	0	0	0	0
SG&A (\$m)	18	21	23	31	33	36	39	42	46

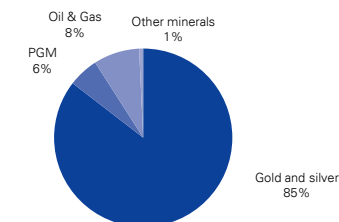
NAV (CY18)	DBe	
	\$M	\$/sh
Total Asset value	13,706	73.89
Equity Investment	203	1.09
Net Debt	(511)	(2.76)
TOTAL NPV	14,421	77.74
PT		77.00
WACC (nominal)	5%	

Long term prices	DBe
Gold (\$/oz)	1,383
Silver (\$/oz)	21.9
Palladium (\$/oz)	821
Platinum (\$/oz)	1,516
WTI Cushing (\$/bbl)	60

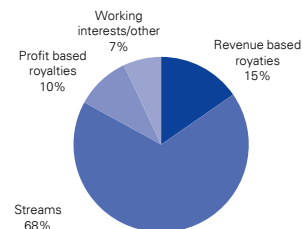
Revenue by country (2018E)



Revenue by product (2018E)



Revenue by contract (2018E)



Source: Company data and Deutsche Bank estimates



Wheaton Precious Metals- summary

The company is due to report after market on March 21. The below figure is a summary of our operational forecasts.

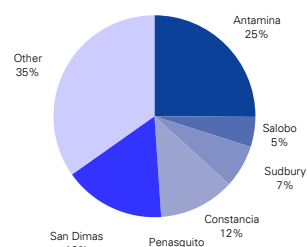
Figure 20: Wheaton Precious Metals operational summary

Commodities/FX (Nominal)	2014A	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E
Silver (\$/oz)	18.90	15.79	17.09	17.03	16.95	17.70	19.50	20.50	21.90
Gold (\$/oz)	1,263	1,160	1,246	1,257	1,283	1,266	1,305	1,344	1,383
Gold/silver ratio	67.2	74.0	73.5	74.0	75.7	71.5	66.9	65.6	63.1
Cashflow metrics									
Operating Cash Flow (\$m)	432	431	584	510	268	145	407	505	699
Capex (\$m)	(140)	(1,811)	(805)	(2)	-	(150)	(210)	-	-
Acquisitions, Divestments, other (\$m)	2	20	(0)	1	-	-	-	-	-
FCF - pre interest (\$m)	295	(1,360)	(221)	509	268	(5)	197	505	699
Interest (\$m)	(2)	(4)	(24)	(26)	(21)	(18)	(18)	(12)	(10)
FCF (\$m)	292	(1,364)	(245)	483	246	(23)	179	493	689
FCF Yield (%)	3.7%	-21.3%	-2.8%	5.5%	2.8%	-0.3%	2.0%	5.6%	7.8%
EV/EBITDA (x)	19.8	18.2	16.2	17.2	16.4	16.2	15.5	16.6	11.3
Balance sheet									
Net Debt (\$m)	692	1,363	1,069	676	489	514	391	(22)	(605)
Leverage (D/(D+E), %)	22%	26%	19%	14%	14%	13%	13%	7%	7%
ND/EBITDA	1.6	3.2	1.8	1.2	0.9	0.9	0.7	(0.0)	(0.8)
Production volumes									
Silver (m seo)	35.3	47.8	54.5	49.3	49.3	48.0	44.6	37.9	46.7
Antamina	0.0	2.4	6.8	6.6	5.1	4.7	4.7	4.7	0.0
Salobo	2.7	9.3	14.5	15.7	17.0	16.1	15.1	14.7	14.2
Sudbury	2.4	2.8	3.3	2.2	3.3	3.1	2.9	2.8	2.7
Constancia	0.0	0.9	4.2	3.0	4.6	4.4	3.9	3.2	3.2
Penasquito	7.3	7.2	5.0	6.1	8.3	9.5	9.8	0.0	9.8
San Dimas	5.8	7.4	5.2	3.6	0.0	0.0	0.0	0.0	0.0
Other	17.1	17.6	15.5	12.1	11.0	10.2	8.3	12.4	16.7
Silver (m oz)	25.7	30.7	30.3	27.6	23.8	24.0	22.8	17.6	25.4
				28	29	29	29	29	29
Gold (k oz)	144	230	336	292	383	379	369	354	381
				340	340	340	340	340	340
Revenues (\$m)									
Silver	476	453	478	439	384	408	427	347	527
Gold	232	284	389	349	467	456	457	452	500
North America	413	351	324	259	245	267	282	79	356
Europe	56	48	56	73	82	83	70	66	55
South America	150	250	484	456	472	462	478	598	560
Cash cost per unit (\$/oz)									
San Dimas	4.19	4.22	4.26	4.30	4.34	4.38	4.43	4.47	4.52
Yauliyacu	4.15	4.19	7.90	8.81	8.89	8.99	9.07	9.16	9.25
Penasquito	4.05	4.07	4.09	4.13	4.13	4.17	4.21	4.25	4.30
Antamina	0.00	2.80	3.41	3.41	3.39	3.54	3.90	4.10	4.38
Other	4.18	4.41	4.63	4.28	4.31	4.37	5.05	4.94	3.88
Total Silver	4.14	4.18	4.41	4.36	4.43	4.50	4.78	5.18	4.47
Sudbury	400	400	400	400	400	400	400	400	400
Salobo	400	400	400	400	400	404	408	412	416
Other	370	375	377	342	368	373	386	388	414
Total Gold	386	392	392	392	416	420	426	431	435
Average cash cost (\$/seo)	4.60	4.58	4.50	4.62	5.35	5.56	5.98	6.41	5.97
EBITDA (\$m)									
San Dimas	82	84	66	46	0	0	0	0	0
Yauliyacu	49	29	19	15	16	17	19	22	24
Penasquito	106	83	55	72	100	122	142	0	164
Antamina	0	16	99	80	69	67	73	77	0
Sudbury	26	26	38	25	36	35	37	39	40
Salobo	38	82	157	168	189	184	192	199	207
Other	130	107	169	140	151	143	125	186	282
EBITDA margins (%)									
San Dimas	69.5%	65.7%	67.0%	67.2%	65.9%	65.8%	66.5%	65.4%	69.8%
Yauliyacu	77.8%	73.1%	74.9%	74.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Penasquito	78.0%	73.2%	62.9%	48.5%	47.6%	49.3%	53.5%	55.3%	57.7%
Penasquito	78.7%	74.0%	76.2%	75.7%	75.6%	76.4%	78.4%	0.0%	80.4%
Antamina	0.0%	81.0%	80.0%	79.9%	80.0%	80.0%	80.0%	80.0%	0.0%
Sudbury	68.1%	65.8%	68.0%	69.2%	68.8%	68.4%	69.4%	70.2%	71.1%
Salobo	68.5%	66.4%	67.7%	66.5%	68.8%	68.1%	68.7%	69.3%	69.9%
Consolidated capex (\$m)									
Silver & gold interests	-125	-1,800	-800	0	0	-150	-210	0	0
Silver & gold interests - interest paid	-14	-9	-1	-2	0	0	0	0	0
Total Capex	-139	-1,809	-801	-2	0	-150	-210	0	0
Other Costs/Tax penalties	-1	-4	-1	-1	-272	-400	-156	0	0
SG&A (\$m)	38	32	34	35	38	41	42	44	46

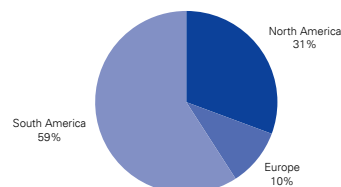
Source: Company data and Deutsche Bank estimates

NPV (CY18)	\$M	DBe \$/sh
Total Assets	12,647	28.6
Others	237	0.5
Net Debt	676	1.5
Total Equity Value	12,208	27.6
PT	-	27.0
WACC (nominal)	5.4%	
Long term prices		
Silver (\$/oz)		DBe 21.9
Gold (\$/oz)		DBe 1,383

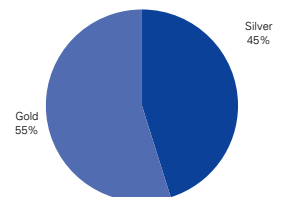
Production by assets (2018E)



Revenue by region (2018E)



Revenue by product (2018E)





Appendix 1

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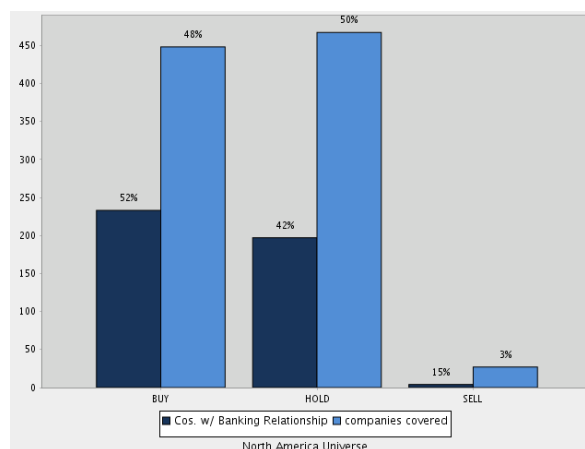
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