

Precious Metals 2020 Outlook

Discipline Key as Gold Prices Set to Remain Strong; Cash Flow Should Be Rewarded

Precious Metals | Sector Review

■ **Gold price backdrop – continue to expect gold prices to perform well in 2020:**

Despite some near-term optimism on equities and economic conditions, we generally expect a risk-off skew in 2020 amid continued uncertainty on the US-China trade war (details/timing of a more comprehensive deal are unknown), Brexit, and lingering fears of a global economic slowdown/recession, for which we are seeing clearer signs in Europe and Asia but less so in the US. This uncertainty is leading to most central banks around the world cutting rates, which is supportive of gold prices (lower yields tend to lead to higher gold). In the US, the Fed has indicated a pause in rate cuts, but this stance could change quickly, as we saw last year, if economic fundamentals weaken. It is worth highlighting that what really moves gold equities is the commodity price, followed by company-specific factors. Risks to our gold price view are i) central banks globally pause rate cuts, and ii) historically high speculative long positions in gold begin to reverse. **We expect 2020 prices to average ~US\$1,540/oz, peaking in H1/20 at US\$1,560/oz and then gradually falling to US\$1,525/oz by year-end.**

■ **Macro focus – low/negative yields, central bank de-dollarization:**

Among the main supportive factors for gold prices in 2019 were low/negative yields and central bank buying, as countries increasingly diversify reserves away from the USD. Currently over ~US\$10 trillion worth of bonds globally are negative-yielding. Low/negative yields support gold prices as the opportunity cost for holding gold diminishes and gold screens as a more attractive safe haven asset. Central banks have been net buyers of gold for 10 consecutive years, and Asian central banks still have very low gold holdings which could mean countries like China continue to switch treasury holdings into gold. For gold, an increase to 20% of central bank reserves implies ~22kt additional demand (~5x 2018 demand).

■ **Sector focus – FCF and return of capital:**

We think the best performing gold stocks in 2020 will be for companies positioned to generate meaningful FCF at current gold prices and that can return capital to shareholders via increased dividends and/or buybacks. This past year, when gold prices increased ~18%, it became clear that investors (including generalist investors on the sidelines) wanted to see FCF generation, and we expect this sentiment to persist. Increasingly, investors appear wary of production growth via M&A, as reflected in the initial negative market reactions to NEM/GG, KL/DGC, and EDV/CEY. At current gold prices, the focus appears to be on controlling costs, growing margins, and harvesting cash flow for shareholders, to satisfy existing shareholders and attract generalists. Companies have taken note, with NEM, GOLD, AEM, AUJ, and KL increasing dividends (NEM also introduced a US\$1B buyback program).

■ **Top picks – AEM, NEM, and EDV:**

Keeping with the quality and FCF theme, our top picks are Agnico Eagle, Newmont, and Endeavour Mining, as these companies are poised to generate significant FCF in 2020 and return capital to shareholders, and have lower financial/operational risk vs. peers. **Rating changes: GOLD (from Neutral to Outperform), AGI and CG (from Outperform to Neutral, and EGO (from Neutral to Underperform).**

Research Analyst

Fahad Tariq, CPA, CA

416 352 4593

fahad.tariq@credit-suisse.com

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Sector Focus

Typical Bull Cycle Trends...but Not This Time

- 2019 – a strong year for gold:** With gold prices up ~18% in 2019, it was the best performing year for gold since 2010 and represented the first year of a new gold bull cycle which we expect will continue in 2020. This follows roughly seven years of gold trading sideways, during which time companies engaged in self-help – shoring up the balance sheet by paying down debt, optimizing operations to lower production costs (industry AISC down ~20% from 2012-17), limiting capex, and avoiding costly M&A. Despite these efforts, gold equities underperformed due to significant write-downs from deals in the last bull cycle, compressed margins at lower gold prices, and general negativity towards the sector. Now with gold prices at multi-year highs, the focus has turned to FCF and returning capital to shareholders, which is different than the almost exclusive production growth agenda that characterized the last bull cycle.

Figure 1: Gold Price History and 2019 Gold Equity Performance



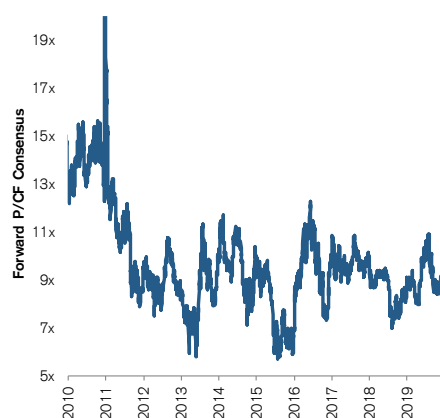
Source: Thomson Reuters Datastream, Credit Suisse

- Usually a gold bull market is typified by a growth focus, but this time around capital return to shareholders appears to matter more – at least for the senior producers:** The current gold bull cycle looks very different than the 2009-12 upswing. During that period, the focus of companies and what many investors were pushing for was to increase production and reserves via M&A, which turned out to be costly, particularly at premiums that were commonly over 20%. The focus this time around appears to be FCF generation and capital return to shareholders among the seniors, and consolidation among the intermediates as they look to achieve scale. What we expect to see in 2020 is the senior producers on the sidelines for M&A and harvesting cash flow to increase dividends and buybacks, while spending on exploration in a disciplined way. We expect intermediate producers to look to M&A to increase production and achieve economies of scale.
- Not seeing “loose” money...yet:** Investors we speak to remain cautious on gold and gold equities performance and do not want management teams to repeat the capital missteps last time gold prices were around these levels. Cash is king at current gold prices, and we expect corporate strategies for the seniors to reflect this, though of course the dynamic could change if gold prices returned to the previous peak of ~US\$1,900/oz.

More Sector Themes

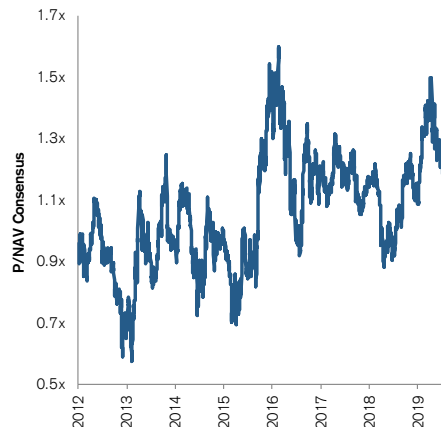
- Valuation:** Since the focus for this year is cash flow, we look more closely at current P/CF relative to the 10-year history for stocks in our coverage. Current P/CF for our coverage is ~9.0x, below the 10-year average of ~9.9x and well below the ~13x in the early 2010s. Looking at the more conventional P/NAV metric, we see the current multiple for our coverage is ~1.3x on consensus NAV vs. the 2012-19 average of ~1.1x, but below the recent peak of ~1.6x in 2016. We see potential for gold stocks to re-rate higher, particularly on a cash flow multiple, even if gold prices remain range-bound.

Figure 2: Forward P/CF Over Time



Source: FactSet, Credit Suisse; chart does not show extreme multiples in 2011

Figure 3: P/NAV Consensus Over Time



Source: FactSet, Credit Suisse

- If costly M&A is being shunned, there is an increased role of organic growth based on technological improvements:** If senior gold producers are largely avoiding M&A (because of (a) investor sentiment; (b) they are still in the process of integrating recent large mergers; and/or (c) have sufficient near-term organic growth), then attention will naturally turn to growth via exploration. We think companies will increasingly leverage technology to improve exploration and get the most out of their exploration budgets. Mining companies, and in particular gold producers, have generally lagged other industries in using the latest technology (AI, blockchain, autonomous driving, etc.), but are slowly catching up. For example, Yamana uses AI startup GoldSpot Discoveries to better map deposits and improve targeted drilling, and we think peers will follow suit. Barrick has also highlighted the importance of leveraging technology to optimize mining operations and attract a younger workforce.

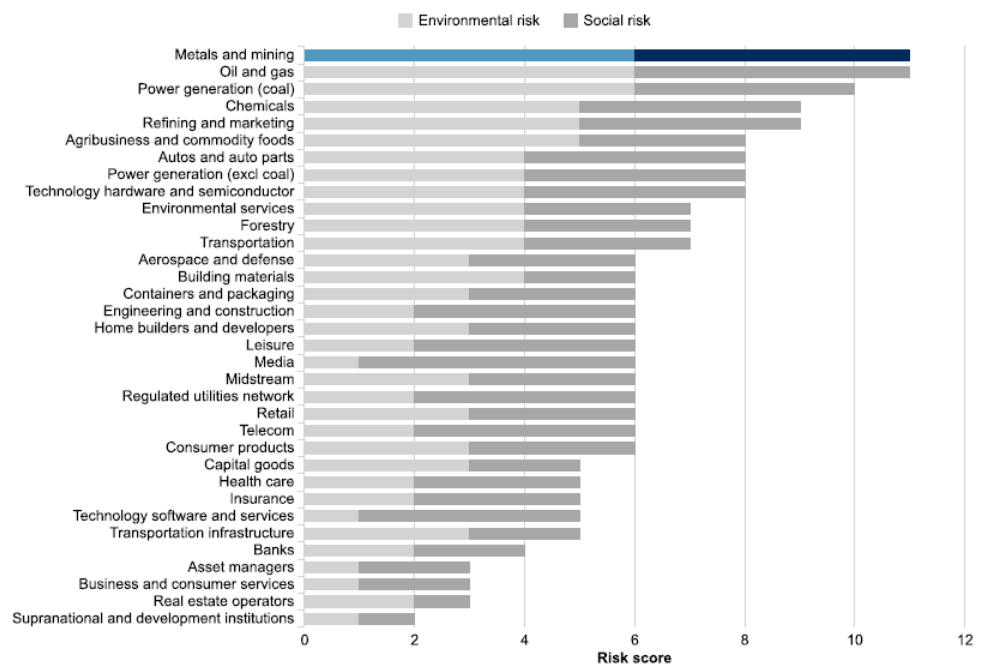
Figure 4: Growth Pathways

Challenge	Pathway	Considerations
Reserve replacement	Organic growth	<ul style="list-style-type: none"> Realistic exploration budgets Focus on underexplored regions Focus on brownfield / near-term greenfield Leverage technology
	Inorganic growth	<ul style="list-style-type: none"> Reasonable premiums Look at divested assets from seniors Synergies Balance near-term cash flow, long-term optionality

Source: Credit Suisse

- 2020 – The year of ESG:** We think one of the major factors that will influence investment decisions in 2020 and beyond will be Environmental, Social, and Governance (ESG) performance. Mining companies have historically not performed well on ESG metrics (ranked last in the S&P Global ESG Risk Atlas) given the extractive nature of mining and remote regions in which they commonly operate. However, there seems to be a concerted effort among mining companies and industry groups to improve on environmental and social fronts, to remain investible as more funds incorporate ESG screens. Importantly, in September 2019 the World Gold Council introduced its Responsible Gold Mining Principles (RGMPs), a standard framework that we believe will ultimately be adopted the same way the All-in Sustaining Cost (“AISC”) measure was adopted. **Investor meetings we attended last year increasingly included a discussion on which gold producers screen best on ESG metrics – NEM, AEM, and WPM, in our view.**

Figure 5: S&P Global Ratings – ESG Risk Atlas



Source: Standard & Poor's

Looking at Our Coverage

- Prefer quality and FCF:** Having set the stage for the sector, **the stocks that we rate Outperform for 2020 are: AEM, NEM, GOLD, AUJ, and EDV.** Though there are idiosyncratic factors for liking each of these stocks, we generally prefer these stocks because of their attractive FCF yield, operational track record, organic growth, management quality, and ability to attract generalist capital. These companies are also unlikely to participate in major M&A, with the exception of EDV which could in six-month's time look to acquire Centamin.
- Rating changes: GOLD (from Neutral to Outperform), AGI (from Outperform to Neutral), CG (from Outperform to Neutral), and EGO (from Neutral to Underperform).** We are more constructive on Barrick given the company's quick (and impressive) wins in 2019, strong management, FCF generation, and exploration upside. We rate Alamos and Centerra Neutral due to recent operational issues – Alamos is still waiting on renewal of mining concessions for Kirazli (which we had expected by now) and Centerra could see elevated costs due to the recent rock slide at the Lysii Waste Dump at Kumtor. We rate Eldorado Underperform given funding growth in Greece remains a challenge and we do not see as much upside following a very strong stock performance in 2019.

Figure 6: CS Canada Precious Metals Coverage

Monday, January 13, 2020	CS Analyst	CS Estimates				Performance					52 Wk Low	52 Wk High	NAV	P/NAV (on CS metals prices)					Shares (MM)	Mkt Cap (US\$B)	EV (US\$B)
		Rating*	Current Price	Target (12m)	Rt. to target	1-Day	1 week	2-week	1-month	YTD				Current	1-Day	2-Week	1-Month	YTD			
Precious Metals Producers																					
Agnico Eagle	F. Tariq	OP	\$58.13	\$74.00	27%	(2%)	(5%)	(7%)	(5%)	(6%)	\$38.99	\$64.15	\$41.43	1.37x	1.40x	1.47x	1.44x	1.45x	238	\$13.85	\$14.60
Barrick	F. Tariq	OP	\$17.45	\$22.00	26%	(2%)	(5%)	(6%)	(1%)	(6%)	\$11.74	\$19.94	\$12.88	1.35x	1.38x	1.44x	1.36x	1.44x	1,756	\$30.64	\$30.87
Kirkland Lake	F. Tariq	N	\$43.70	\$45.00	3%	(2%)	(2%)	(1%)	2%	(1%)	\$26.34	\$51.04	\$31.66	1.46x	1.49x	1.47x	1.43x	1.47x	213	\$9.30	\$8.15
Newmont	F. Tariq	OP	\$42.45	\$50.00	18%	0%	(2%)	(3%)	(15%)	(2%)	\$29.93	\$43.75	\$31.33	1.39x	1.39x	1.44x	1.35x	1.43x	820	\$34.81	\$32.40
Large-cap Average					19%	(1%)	(3%)	(4%)	(5%)	(4%)				1.39x	1.42x	1.45x	1.40x	1.45x		\$22.15	\$21.50
IAMGold	F. Tariq	N	\$3.29	\$4.00	22%	(4%)	(10%)	(12%)	(4%)	(12%)	\$2.30	\$4.07	\$7.55	0.33x	0.35x	0.40x	0.35x	0.40x	468	\$1.54	\$0.98
Yamana	F. Tariq	OP	\$3.59	\$4.75	32%	(3%)	(7%)	(9%)	(4%)	(9%)	\$1.80	\$3.95	\$3.82	0.95x	0.98x	1.03x	0.98x	1.03x	950	\$3.41	\$3.86
Endeavour	F. Tariq	OP	C\$23.66	C\$32.00	35%	(2%)	(4%)	(6%)	(7%)	(4%)	\$18.51	\$28.79	\$23.44	0.79x	0.80x	0.83x	0.84x	0.81x	110	C\$2.60	C\$2.74
Eldorado	F. Tariq	UP	\$7.21	\$7.50	4%	(4%)	(9%)	(9%)	(4%)	(10%)	\$2.64	\$9.99	\$12.15	0.66x	0.68x	0.71x	0.68x	0.72x	160	\$1.15	\$1.56
Centerra	F. Tariq	N	C\$9.58	C\$12.00	25%	(6%)	(5%)	(8%)	(6%)	(7%)	\$5.80	\$12.75	C\$11.23	0.84x	0.90x	0.92x	0.89x	0.91x	293	C\$2.81	C\$2.55
Alamos	F. Tariq	N	\$5.44	\$7.50	38%	(5%)	(7%)	(8%)	1%	(10%)	\$3.81	\$7.64	\$7.39	0.71x	0.76x	0.79x	0.71x	0.80x	400	\$2.17	\$1.94
New Gold	F. Tariq	N	\$0.94	\$1.00	7%	(5%)	3%	6%	6%	6%	\$0.63	\$1.50	\$0.98	0.98x	1.00x	0.95x	0.95x	0.95x	610	\$0.57	\$1.23
Mid-cap Average					23%	(4%)	(6%)	(7%)	(2%)	(6%)				0.75x	0.78x	0.80x	0.77x	0.80x		\$2.04	\$2.12
All Average					22%	(3%)	(5%)	(6%)	(3%)	(5%)				0.98x	1.01x	1.04x	1.00x	1.04x		\$9.35	\$9.17
Royalty Companies																					
Franco-Nevada	F. Tariq	N	\$101.36	\$105.00	4%	(1%)	(2%)	(2%)	3%	(2%)	\$68.90	\$104.08	C\$22.89	3.15x	3.18x	3.21x	3.06x	3.21x	188	\$19.01	\$18.64
Wheaton Precious Metals	F. Tariq	N	C\$35.84	C\$42.50	19%	(1%)	(6%)	(9%)	(4%)	(7%)	C\$25.15	C\$40.75		1.47x	1.48x	1.59x	1.52x	1.57x	447	C\$16.03	C\$18.15
Royalty Company Average						(1%)	(4%)	(5%)	(0%)	(5%)				2.31x	2.33x	2.40x	2.29x	2.39x		\$15.64	\$16.27

*OP = Outperform, N = Neutral, UP = Underperform

Source: Company data, Credit Suisse estimates

Figure 7: Cash Flow and Earnings Metrics

Monday, January 13, 2020	EBITDA (US\$M)			EVEBITDA			P/E			P/CF			P/OpCfa*			FCF (US\$M)			FCF Yield			
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	
Precious Metals Producers																						
Agnico Eagle	\$1,026	\$1,630	\$1,571	14.2x	9.0x	9.3x	68.6x	33.0x	40.5x	16.3x	10.3x	9.9x	39.9x	24.8x	13.4x	(\$87)	\$588	\$781	(0.6%)	4.2%	5.6%	
Barrick***	\$3,397	\$4,474	\$4,369	9.1x	6.9x	7.1x	34.8x	19.6x	19.8x	11.3x	8.5x	8.7x	38.8x	20.8x	12.3x	\$1,065	\$1,912	\$1,875	3.5%	6.2%	6.1%	
Kirkland Lake	\$952	\$1,390	\$1,288	8.6x	5.9x	6.3x	17.3x	16.9x	18.6x	10.4x	9.4x	11.7x	13.1x	9.3x	13.3x	\$480	\$884	\$593	5.2%	9.5%	6.4%	
Newmont	\$3,543	\$5,212	\$5,005	9.1x	6.2x	6.5x	31.2x	20.7x	22.1x	11.5x	8.8x	8.8x	30.3x	21.6x	13.3x	\$1,230	\$1,935	\$1,695	3.5%	5.6%	4.9%	
Large-cap Average		\$2,229	\$3,177	\$3,058	10.3x	7.0x	7.3x	27.8x	22.6x	25.3x	12.4x	9.2x	9.8x	30.5x	19.1x	13.1x	\$672	\$1,330	\$1,236	3.0%	6.0%	5.6%
IAMGold	\$234	\$503	\$461	4.2x	2.0x	2.1x	159.8x	14.4x	15.3x	8.8x	3.9x	4.1x	41.0x	20.2x	5.2x	(\$93)	\$95	\$107	(6.1%)	6.2%	6.9%	
Yamana	\$711	\$741	\$745	5.4x	5.2x	5.2x	23.8x	13.5x	14.1x	8.2x	6.3x	6.0x	43.0x	17.3x	9.0x	\$112	\$354	\$368	3.3%	10.4%	10.8%	
Endeavour	\$365	\$489	\$503	5.7x	4.3x	4.2x	30.2x	12.1x	11.3x	7.4x	4.7x	4.5x	17.2x	9.5x	5.6x	\$25	\$287	\$317	1.3%	14.4%	15.9%	
Eldorado	\$256	\$434	\$253	6.1x	3.6x	3.6x	68.8x	8.9x	758.9x	6.2x	3.4x	5.0x	29.8x	11.4x	4.6x	(\$22)	\$228	\$130	(1.9%)	19.7%	11.2%	
Centerra	\$489	\$546	\$646	4.0x	3.6x	3.0x	10.3x	8.1x	7.3x	6.0x	3.4x	3.5x	44.3x	10.7x	4.7x	\$41	\$267	\$274	1.9%	12.4%	12.7%	
Alamos	\$289	\$320	\$451	6.7x	6.1x	4.3x	28.3x	23.5x	13.6x	8.7x	9.0x	5.5x	14.5x	12.5x	14.0x	(\$2)	\$48	\$155	(0.1%)	2.2%	7.1%	
New Gold	\$242	\$339	\$305	5.1x	3.6x	4.0x	18.8x	24.4x	30.0x	2.3x	2.0x	2.3x	18.3x	49.3x	7.2x	(\$37)	\$4	\$10	(6.5%)	0.6%	1.7%	
Mid-cap Average		\$369	\$482	\$480	5.3x	4.0x	4.1x	23.1x	15.0x	15.3x	6.8x	4.7x	4.4x	29.7x	18.7x	7.2x	\$3	\$183	\$194	0.3%	10.2%	10.8%
All Average		\$1,046	\$1,462	\$1,418	9.6x	6.6x	6.9x	27.2x	21.6x	24.0x	11.7x	8.7x	9.1x	30.4x	19.1x	12.3x	\$247	\$600	\$573	2.7%	6.6%	6.3%
Royalty Companies																						
Franco-Nevada	\$661	\$790	\$724	28.2x	23.6x	25.7x	59.5x	50.1x	56.0x	31.2x	26.3x	29.2x	31.2x	26.3x	29.2x	\$171	\$603	\$532	0.9%	3.2%	2.8%	
Wheaton Precious Metals	\$401	\$704	\$751	34.7x	19.8x	18.5x	46.8x	32.0x	32.0x	23.5x	18.9x	18.0x	23.5x	18.9x	18.0x	\$520	\$649	\$654	4.2%	5.3%	5.3%	
Royalty Company Average		\$531	\$747	\$738	31.4x	21.7x	22.1x	53.1x	41.0x	44.0x	27.4x	22.6x	23.6x	27.4x	22.6x	23.6x	\$345	\$626	\$593	2.4%	4.1%	4.0%

*OpCfa refers to "adjusted operating cash flow", calculated as operating cash flow less sustaining capex. Sustaining capex is defined as capex required to maintain current levels of production.

CS target prices are calculated based on an even weighting of NAV and OpCfa based valuations.

**Attributable OpCfa

FCF Yield is calculated as ((Operating cash flow)-(Total Capex))/Market capitalization. FCF yield averages weighted by market cap.

***Barrick 2017/2018 are pre Randgold merger

Source: Company data, Credit Suisse estimates

Figure 8: Balance Sheet Metrics

Monday, January 13, 2020	Cash (US\$M)			Total debt (US\$M)			Net debt (US\$M)			Net debt/mkt cap*			Net debt/equity*			Net Debt/EBITDA			Dividend as % of FCF		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Precious Metals Producers																					
Agnico Eagle	\$193	\$256	\$873	\$1,363	\$1,003	\$1,003	\$1,171	\$747	\$130	8%	5%	1%	24%	15%	2%	1.1x	0.5x	0.1x	FCF-ve	18%	13%
Barrick***	\$3,446	\$5,331	\$6,921	\$5,560	\$5,560	\$5,560	\$2,114	\$229	(\$1,361)	7%	1%	(4%)	8%	1%	(5%)	0.6x	0.1x	0.1x	21%	12%	12%
Kirkland Lake	\$699	\$1,658	\$2,182	\$18	\$130	\$130	(\$681)	(\$1,528)	(\$2,052)	(7%)	(16%)	(22%)	(40%)	(35%)	(41%)				4%	2%	3%
Newmont	\$3,396	\$5,852	\$6,795	\$6,765	\$6,765	\$6,765	\$3,369	\$913	(\$30)	10%	3%	(0%)	15%	4%	(0%)	1.0x	0.2x	0.1x	37%	24%	27%
Large-cap average										7%	0%	(4%)	8%	0%	(6%)	0.9x	0.2x	0.1x			
IAMGold	\$799	\$928	\$1,034	\$405	\$405	\$405	(\$394)	(\$523)	(\$630)	(26%)	(34%)	(41%)	(14%)	(18%)	(21%)				FCF-ve	0%	0%
Yamana	\$179	\$511	\$851	\$991	\$991	\$991	\$812	\$480	\$141	24%	14%	4%	19%	11%	3%	1.1x	0.6x	0.2x	17%	5%	5%
Endeavour	\$167	\$454	\$548	\$657	\$657	\$434	\$490	\$203	(\$114)	25%	10%	(6%)	52%	18%	(9%)	1.3x	0.4x	0.0x	0%	0%	0%
Eldorado	\$170	\$331	\$363	\$450	\$383	\$316	\$279	\$52	(\$46)	24%	4%	(4%)	8%	1%	(1%)	1.1x	0.1x	0.0x	FCF-ve	0%	0%
Centerra	\$85	\$352	\$625	\$96	\$96	\$96	\$11	(\$256)	(\$530)	0%	(12%)	(25%)	1%	(11%)	(20%)	0.0x	0%	0%	0%	0%	0%
Alamos	\$194	\$218	\$349	-	-	-	(\$194)	(\$218)	(\$349)	(9%)	(10%)	(16%)	(7%)	(8%)	(12%)				FCF-ve	17%	5%
New Gold	\$77	\$80	\$90	\$728	\$728	\$728	\$651	\$647	\$638	114%	113%	112%	69%	66%	63%	2.7x	1.9x	2.1x	FCF-ve	0%	0%
Mid-cap Average										13%	3%	(8%)	15%	3%	(6%)	1.3x	0.8x	1.1x			
All Average										15%	7%	(0%)	12%	4%	(4%)	1.1x	0.5x	0.8x			
Royalty companies																					
Franco-Nevada	\$228	\$691	\$1,083	\$249	\$249	\$249	\$21	(\$442)	(\$834)	0%	(2%)	(4%)	0%	(9%)	(15%)	0.0x			104%	30%	33%
Wheaton Precious Metals	\$263	\$708	\$1,630	\$1,014	\$1,014	\$1,514	\$751	\$306	(\$116)	6%	2%	(1%)	14%	6%	(2%)	1.9x	0.4x		31%	25%	25%
Royalty Company Average										3%	(0%)	(3%)	7%	(2%)	(9%)	1.0x	0.4x	#DIV/0!			

* A low P/B ratio for a mining company is an indicator of a potential accounting (non-cash) impairment.

* Averages weighted by market cap where indicated.

Source: Company data, Credit Suisse estimates

Figure 9: Production, Cost, Margin, and Reserve Metrics

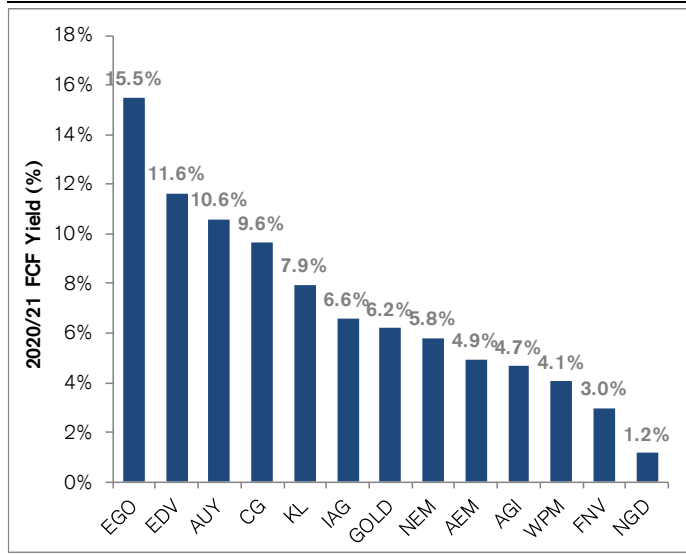
Monday, January 13, 2020	Production				19 Prdn Guid.	CS vs. Guid.	2-Yr. Growth	Unit Costs				19 Cost Guid.	CS vs. Guid.	2-Yr. Trend	CFO (adj.) margin %				Reserves 2P	Resources M&I	EV/Reserves
	2018	2019	2020	2021				2018	2019	2020	2021				2018	2019	2020	2021			
Precious Metals Producers																					
AISC																					
Agnico Eagle	1,627	1,791	2,057	2,252	1,750	2%	26%	\$876	\$902	\$827	\$825	\$875-\$925	0%	(6%)	16%	22%	32%	32%	22.0	57.5	\$662
Barrick***	4,526	5,405	5,095	4,827	5,100-5,600	1%	13%	\$906	\$925	\$921	\$1,022	\$870-\$920	3%	2%	11%	15%	22%	24%	75.1	220.5	\$411
Kirkland Lake	717	975	1,619	1,620	950-1000	(0%)	126%	\$685	\$567	\$728	\$623	\$520-\$560	5%	6%	40%	51%	40%	30%	5.8	36.2	\$1,416
Newmont	7,395	6,273	6,451	6,693	6,500	(3%)	(13%)	\$909	\$960	\$930	\$813	\$975	(1%)	2%	16%	16%	22%	23%	65.4	120.4	\$495
Large-cap Total/Average	14,265	14,444	15,222	15,391		(0%)	38%	\$861	\$913	\$858	\$881		2%	1%	15%	19%	25%	26%	168.3	434.7	\$746
IAMGold	882	779	838	871	765-810	(1%)	(5%)	\$1,057	\$1,103	\$1,044	\$1,042	\$1030-\$1080	5%	(1%)	3%	7%	21%	20%	11.4	37.5	\$86
Yamana	1,077	910	887	936	1010	(10%)	(18%)	\$835	\$923	\$915	\$859	\$920-\$960	(2%)	10%	4%	12%	24%	26%	12.5	38.6	\$309
Endeavour	727	649	703	705	615-695	(1%)	(3%)	\$818	\$837	\$879	\$806	\$760-\$810	7%	7%	15%	24%	33%	37%	6.8	13.8	\$308
Eldorado	349	399	526	430	390-420	(1%)	51%	\$994	\$950	\$929	\$1,015	\$900-\$1000	(0%)	(7%)	8%	16%	27%	19%	16.1	44.9	\$97
Centerra	680	768	821	872	705-750	6%	21%	\$652	\$723	\$693	\$673	\$713-\$743	(1%)	6%	4%	15%	37%	31%	14.2	31.8	\$137
Alamos	505	499	458	573	480-520	(0%)	(9%)	\$989	\$959	\$1,044	\$886	\$920-\$960	2%	6%	23%	26%	22%	35%	9.7	22.4	\$200
New Gold	430	317	379	361	300-335	(0%)	(12%)	\$950	\$1,410	\$1,077	\$1,175	\$1330-\$1430	2%	13%	5%	2%	11%	7%	13.4	19.0	\$92
Mid-cap Total/Average	4,651	4,322	4,613	4,747		(1%)	3%	\$887	\$950	\$921	\$892		2%	5%	8%	15%	26%	26%	84.2	208.1	\$176
All average Total/Average	18,916	18,765	19,835	20,138		(1%)	16%	\$868	\$922	\$873	\$884		2%	4%	15%	26%	26%	26%	253	643	\$383
Royalty companies																					
Franco-Nevada	436	505	560	525	465-500	n/a	28%					n/a			73%	74%	74%	72%			
Wheaton Precious (gold only)	374	397	362	367	385	n/a	(3%)					n/a			60%	59%	64%	64%			
Royalty company Total/Average	811	902	922	893																	

**Costs are shown on a by-product basis

***Barrick 2017/2018 are pre Randgold merger

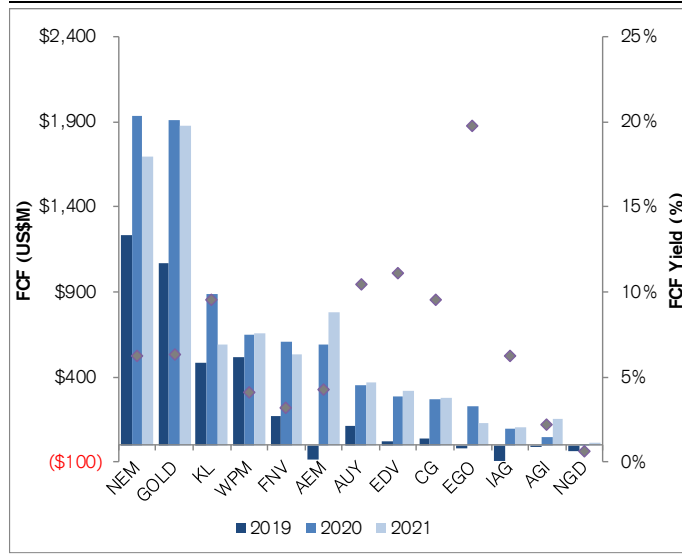
Source: Company data, Credit Suisse estimates

Figure 10: 2020/21 Average FCF Yield



Source: Company data, Credit Suisse estimates

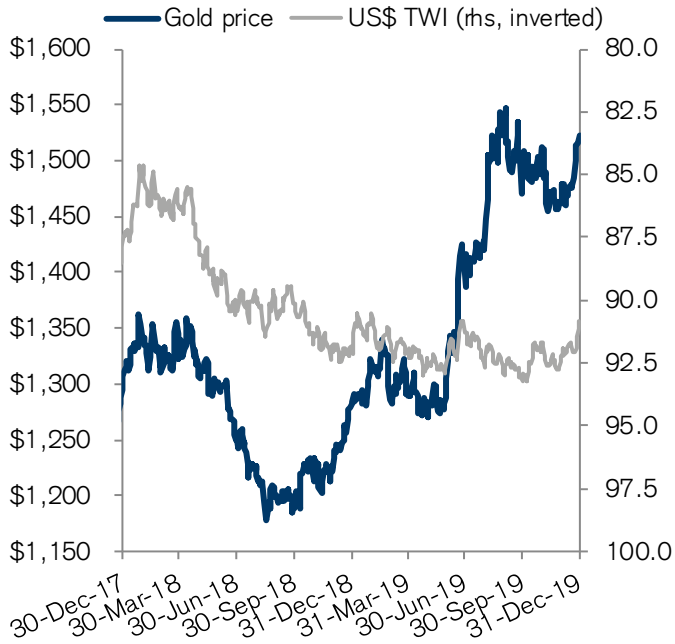
Figure 11: 2019-21 FCF (Ranked by 2020 FCF)



Source: Company data, Credit Suisse estimates

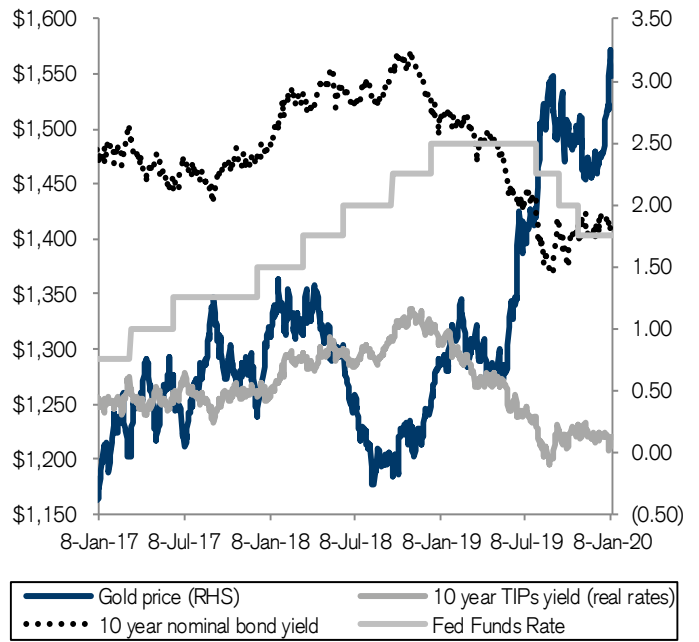
Key Charts

Figure 12: Gold Price vs. USD



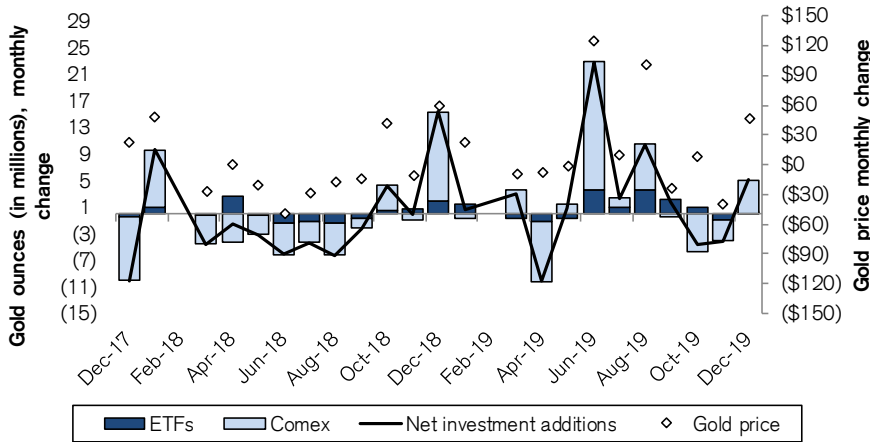
Source: the BLOOMBERG PROFESSIONAL™ service

Figure 13: Gold Price vs. US Yields



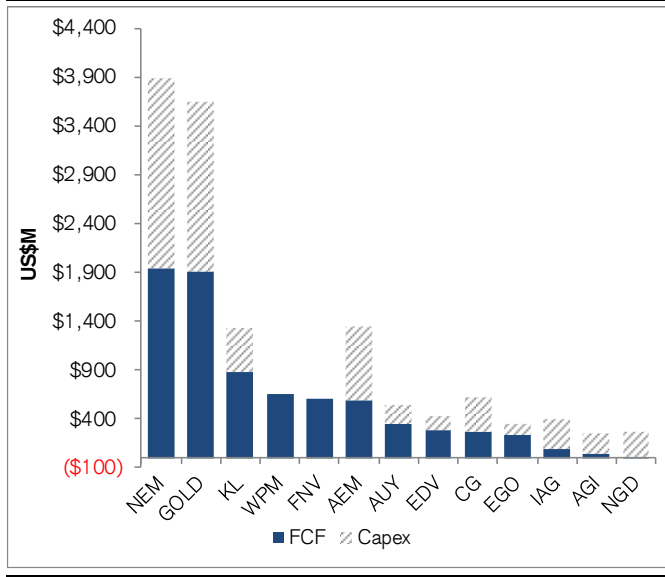
Source: the BLOOMBERG PROFESSIONAL™ service

Figure 14: Gold Investment Demand



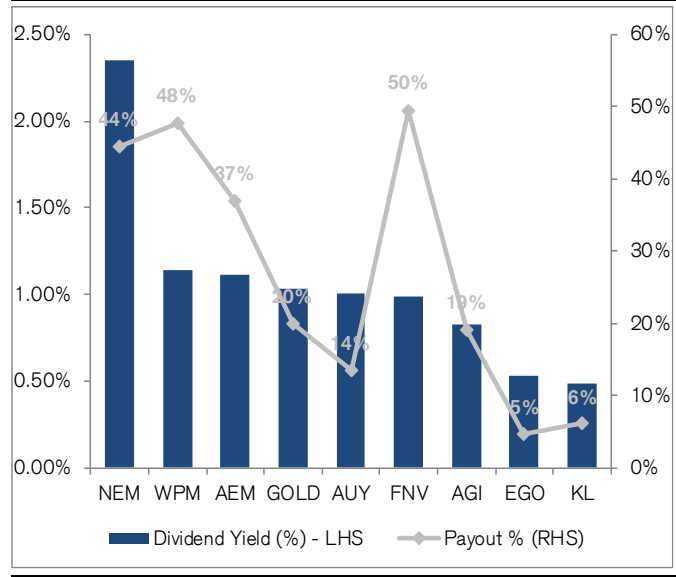
Source: the BLOOMBERG PROFESSIONAL™ service

Figure 15: 2020 FCF and Capex



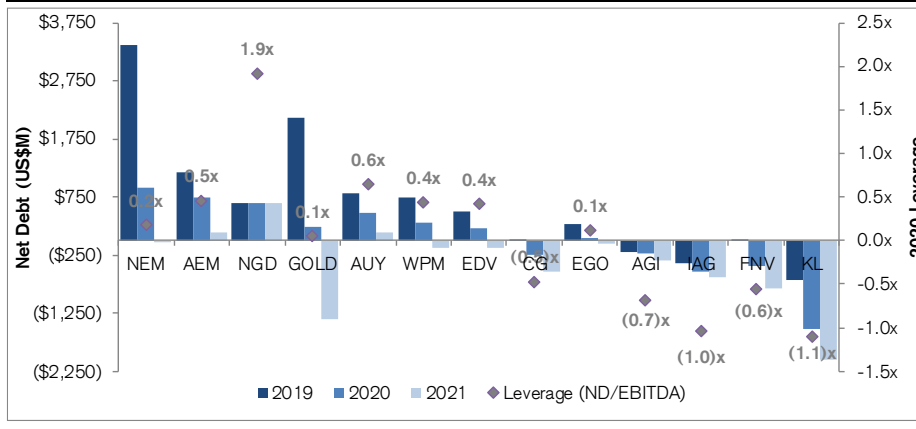
Source: Company data, Credit Suisse estimates

Figure 16: Dividend Yield and Payout



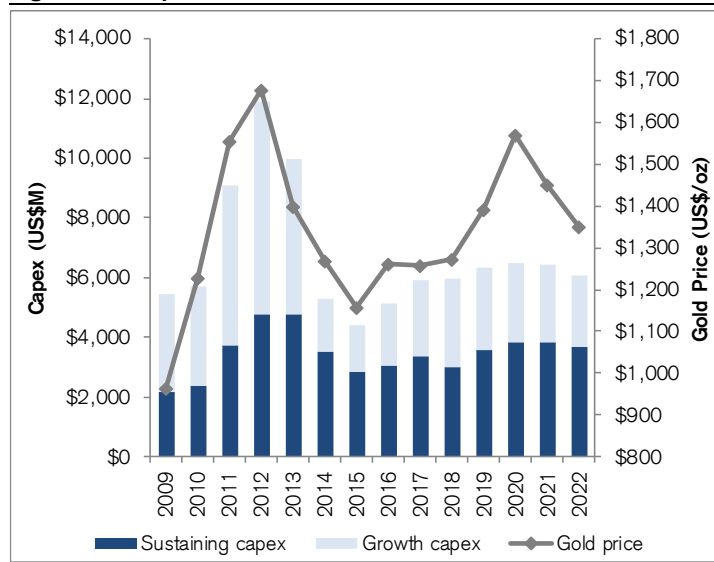
Source: Company data, Credit Suisse estimates

Figure 17: 2019-21 Leverage (Ranked by 2020 Net Debt)



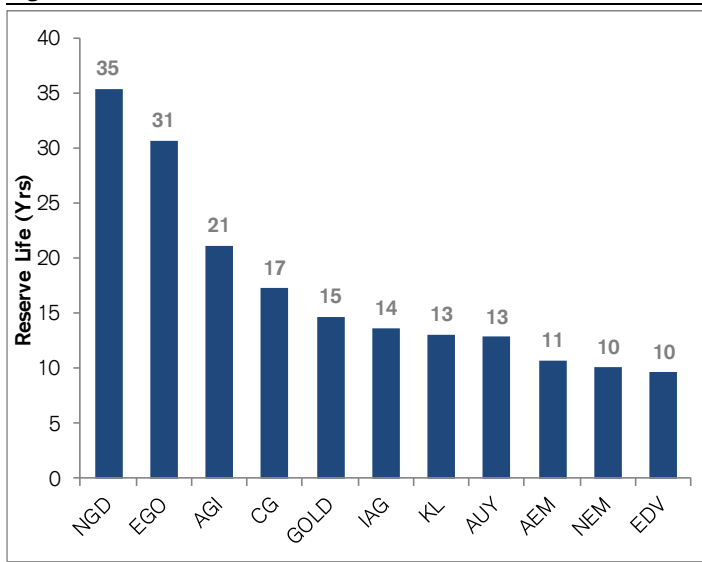
Source: Company data, Credit Suisse estimates

Figure 18: Capex/EBITDA Over Time



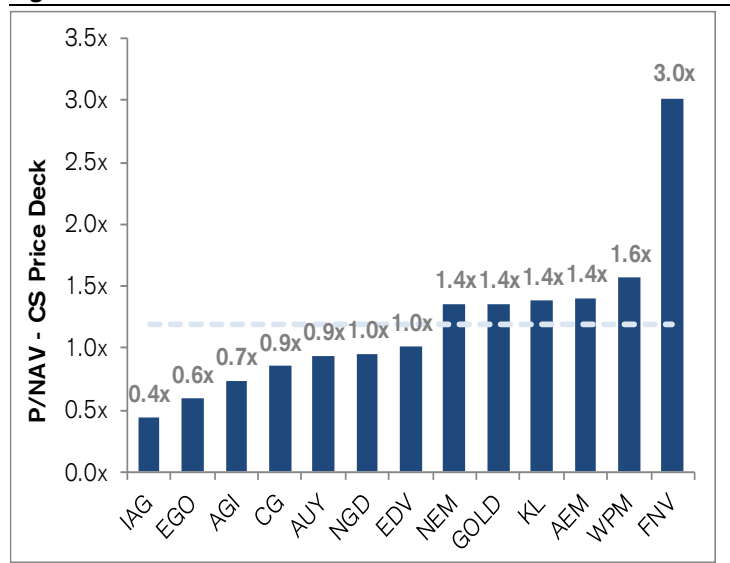
Source: Company data, Credit Suisse estimates; data is for the gold equities in our coverage

Figure 19: 2P Reserve Life Based on 2020 Production



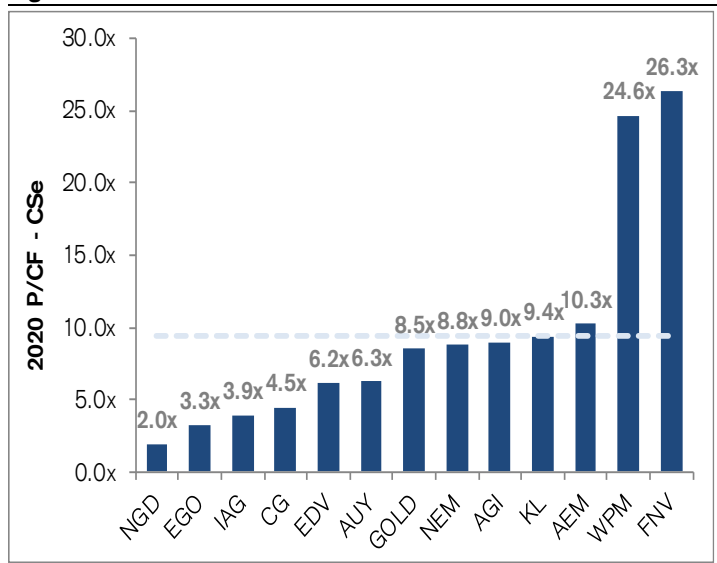
Source: Company data, Credit Suisse estimates

Figure 20: P/NAV – CS Price Deck



Source: Company data, Credit Suisse estimates

Figure 21: 2020 P/CF – CS Estimates



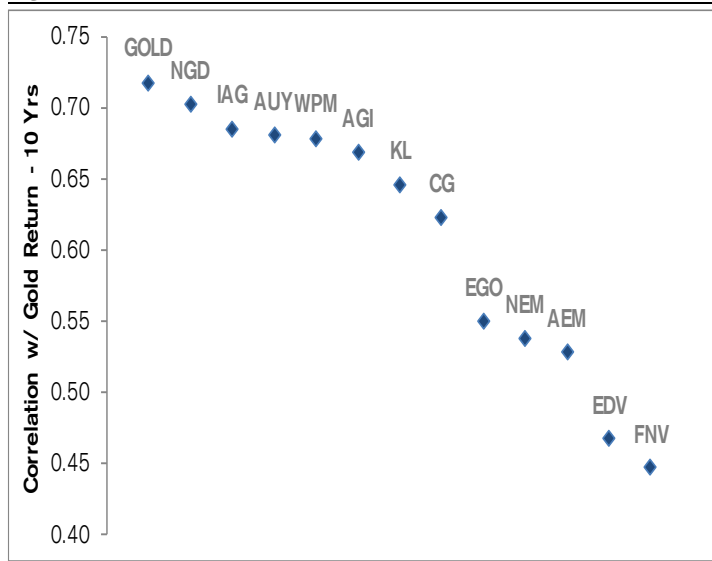
Source: Company data, Credit Suisse estimates

Figure 22: 2020 P/CFO (adj.) – CFO Less Sustaining Capex



Source: Company data, Credit Suisse estimates

Figure 23: Gold Equities Correlation with Gold Price – 10 Years



Source: Company data, Credit Suisse estimates

Agnico Eagle Mines Limited

2020 Outlook

Precious Metals

AEM

Target price (12M, US\$)

74.00**Outperform**

- Outperform rating, US\$74.00 TP:** Our new \$74 target price (was \$70) is based on a 50/50 weighting of our NAV/sh of US\$41.43 using a 1.7x multiple and our FY20 CFO (adj.) of US\$4.38 using an 18x multiple. We continue to like AEM as a high quality gold stock with near-term organic production growth in low-risk jurisdictions, FCF generation, and best in class operational track record.
- FCF generation in 2020:** With the Nunavut (Meadowbank/Amaruq) expansion complete, we expect AEM to generate meaningful FCF in 2020 (~US\$590M), with production growing to ~2.0Moz. We expect AEM to use the FCF to repay US\$360M debt due in 2020 and also increase the dividend (following a 40% increase announced in Q3/19). We do not expect the company to engage in significant M&A as it has a clear path to production growth through 2021, as well as exploration/reserve upside from its existing mine portfolio. If AEM does make an acquisition, we would expect it to be an early-stage project in Canada where the company's technical team could apply geological expertise.
- Project pipeline requires capex in future years:** Taking away from the FCF story somewhat will be increased exploration spending and greenlighting projects in our view, as AEM needs to grow production post-2021. However, we do not expect annual capex through 2021 (~US\$675M) to be at 2019 levels (~US\$935M). Agnico has highlighted a number of growth projects through 2023 requiring capex: LaRonde 3 extension at depth (2-3 sublevels developed per year through 2022), Goldex stope development for Deep 1 and South Zones, East Malartic and Odyssey underground exploration, Kittila phased mine expansion through 2021 (tie-in in H2/20), Meliadine Phase 2, and Amaruq underground.
- Best in class execution:** AEM tends to trade at a premium and we assign a target P/NAV multiple of 1.7x. We believe the premium, which has persisted through the cycle, is justified given the company's strong operational track record in low-risk jurisdictions. Agnico has beat production/cost guidance for the past seven years, has the highest reserve grades among peers (2.7g/t vs. peers at ~1.1g/t), and is mining ~17% below reserve grade on average across its portfolio.
- ESG edge:** As investors increasingly weigh ESG metrics when making investment decisions, AEM stands out and scores well on a number of metrics, due in part to the fact that it must adhere to stricter regulations in Canada.

Previous target price (12M, US\$)	70.00
Price (13 Jan 20, US\$)	58.13
52-week price range	64.15 - 38.99
Market cap (US\$ m)	14,081.12
Enterprise value (US\$ m)	15,252

Research Analyst

Fahad Tariq, CPA, CA
416 352 4593
fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	0.31	0.85	1.76	1.44
Prev. EPS (US\$)	-	0.93	1.89	-
Revenue (US\$ m)	2,191.2	2,490.3	3,217.3	3,305.4
EBITDA (US\$ m)	753.9	1,026.0	1,630.0	1,570.6
P/OCF (x)	15.6	16.3	10.3	9.9
EV/EBITDA (current)	20.1	14.8	9.3	9.7
Net debt (US\$ m)	1,419	1,171	747	130
ROIC (%)	4.37	4.41	12.27	10.29
Number of shares (m)	242.23	IC (current, US\$ m)	5,969.49	
Net debt (Next Qtr., US\$ m)	1,170.9	Dividend (current, US\$)	0.70	
Net debt/tot eq (Next Qtr., %)	24.4			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13 Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$39.85

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.15	0.02	0.13	0.14
2019E	0.14	0.10	0.36	0.25
2020E	0.39	0.47	0.46	0.44

Agnico Eagle Mines Limited (AEM.N)

Price (13 Jan 2020): **US\$58.13**Target Price: (from 70.00) **74.00**Analyst: **Fahad Tariq**Rating: **Outperform**

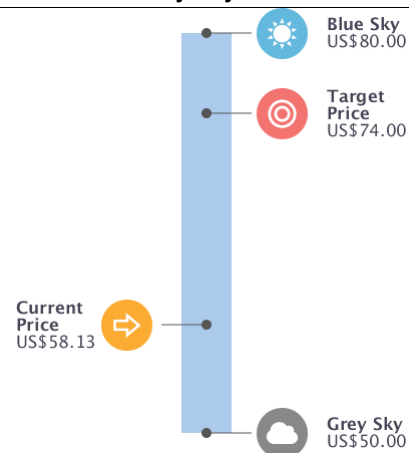
Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	2,191.2	2,490.3	3,217.3	3,305.4
EBITDA (US\$ m)	754	1,026	1,630	1,571
Depr. & amort.	(554)	(586)	(770)	(873)
EBIT (US\$)	200	440	860	698
Net interest exp	(97)	(103)	(94)	(74)
PBT (US\$)	(259)	344	765	624
Income taxes	(68)	(142)	(349)	(285)
Profit after tax	(327)	201	416	339
Minorities	-	-	-	-
Reported net income (US\$)	(327)	201	416	339
Other NPAT adjustments	(399)	(1)	0	0
Adjusted net income	72	202	416	339
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	200	440	860	698
Net interest	(97)	(103)	(94)	(74)
Change in working capital	(40)	(18)	(111)	(35)
Cash from operations	606	848	1,339	1,380
CAPEX	(1,089)	(935)	(751)	(699)
Capex - Expansionary	(831)	(646)	(445)	(287)
Capex - Maintenance	(258)	(289)	(305)	(312)
Free cashflow to the firm	(483)	(87)	588	781
Acquisitions	(162)	0	0	0
Divestments	35	0	0	0
Cash flow from investments	(1,204)	(955)	(751)	(599)
Other	(1)	(0)	(0)	0
Cashflow from financing activities	274	(3)	(524)	(164)
Changes in Net Cash/Debt	(681)	249	424	617
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	302	193	256	873
Total current assets	1,072	1,177	1,311	2,000
Total assets	7,853	8,405	8,519	8,934
Liabilities				
Total current liabilities	361	867	826	864
Total liabilities	3,303	3,597	3,419	3,618
Total liabilities and equity	7,853	8,405	8,519	8,934
Net debt	1,419	1,171	747	130
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	234	238	236	236
CS adj. EPS	0.31	0.85	1.76	1.44
Prev. EPS (US\$)	-	0.93	1.89	-
Dividend (US\$)	0.44	0.52	0.70	0.70
Free cash flow per share	(5.62)	(3.08)	0.60	2.09
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	(4.1)	13.6	29.2	2.7
EBIT growth (%)	(56.6)	120.0	95.4	(18.8)
Net profit growth (%)	(69.9)	181.3	106.2	(18.5)
EPS growth (%)	(70.0)	175.9	108.0	(18.5)
EBITDA margin (%)	34.4	41.2	50.7	47.5
EBIT margin (%)	9.1	17.7	26.7	21.1
Pretax margin (%)	(11.8)	13.8	23.8	18.9
Net margin (%)	3.3	8.1	12.9	10.3
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	7.07	6.12	4.61	4.30
EV/EBITDA (x)	20.1	14.8	9.3	9.7
EV/EBIT (x)	77.5	34.7	17.3	20.4
P/E (x)	189.3	68.6	33.0	40.5
Price to book (x)	3.0	2.9	2.7	2.6
Asset turnover	0.3	0.3	0.4	0.4
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	(6.9)	4.3	8.4	6.5
ROIC (%)	4.4	4.4	12.3	10.3
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	31.2	24.4	14.6	2.4
Interest coverage ratio (X)	2.1	4.3	9.1	9.5
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.15	0.02	0.13	0.14
2019E	0.14	0.10	0.36	0.25
2020E	0.39	0.47	0.46	0.44

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

Agnico-Eagle Mines Limited (Agnico-Eagle) is a Canada-based international gold producer with mining operations in northwestern Quebec, northern Mexico, northern Finland and Nunavut and exploration activities in Canada, Europe, Latin America.

Blue/Grey Sky Scenario



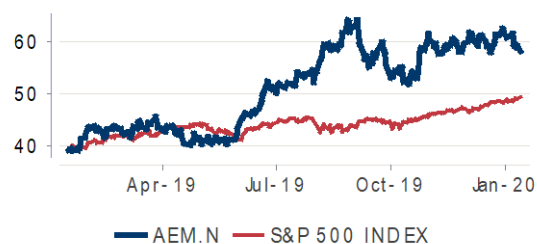
Our Blue Sky Scenario (US\$) (from 75.00) 80.00

Blue sky valuation is based on a 10% higher gold price outlook vs. our base case.

Our Grey Sky Scenario (US\$) 50.00

Grey sky valuation is based on a US\$1,200 spot gold pricing and 1.0x P/NAV multiple.

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13
Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$39.85

Alamos Gold

2020 Outlook

Precious Metals

AGI

Target price (12M, US\$)

7.50

Neutral^[M]

- Downgrade to Neutral (from Outperform), reduce target price to US\$7.50 (from US\$10):** Our target price is based on a 50/50 weighting of our NAV/sh of US\$7.39 using a 1.0x multiple and our FY20 CFO (adj.) of US\$0.45 using a 16x multiple. We rate AGI Neutral due to elevated execution risk including uncertainty around Kirazli construction restart and the multi-month Young-Davidson tie-in in Q2/20 (though this has largely been de-risked), and limited FCF in 2020. However, from a trading perspective, we note investors looking for a gold stock with more torque than a senior producer in a rising gold environment are likely to consider AGI given it largely operates in lower-risk jurisdictions and has a strong balance sheet (no debt).
- Awaiting Kirazli restart:** Construction activities at Kirazli were halted in Oct. 2019 pending renewal of Turkish mining concessions. We understand the company remains in discussion with the Turkish Department of Energy and Natural Resources to renew the concessions, and that the government is supportive of the project but is looking to avoid additional protests/opposition and is therefore waiting to renew the permit. Kirazli was initially expected to come online in late 2020 but we now expect a Q2/21 start, assuming the concessions are received in Q1/20. On Dec. 10, local Turkish media reported that 200 employees working at Kirazli were temporary laid off, until the concessions are renewed.
- Key catalyst for 2020 – Young-Davidson tie-in:** Though telegraphed for some time now, the key operational catalyst in 2020 will be the underground tie-in at Young-Davidson, which will take the mine offline from March to June, after which mining rates are expected to increase to 7.5ktpd by 2020-end. Young-Davidson production in 2020 is expected to decrease to 150koz.
- 2020 guidance:** Alamos recently released its annual guidance – production of 425-465koz at cash costs of US\$770-810/oz and AISC of US\$1,020-1,060/oz.
- Dividend increase:** To demonstrate confidence in its H2/20 FCF projection, Alamos recently announced a 50% dividend increase beginning in Q1/20 (to US\$0.06 per year).

Previous rating	Outperform
Previous target price (12M, US\$)	10.00
Price (13 Jan 20, US\$)	5.44
52-week price range	7.64 - 3.83
Market cap (US\$ m)	2,127.43
Enterprise value (US\$ m)	1,933

[M] = Stock Considered Volatile (see Disclosure Appendix)

Research Analyst

Fahad Tariq, CPA, CA

416 352 4593

fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	0.05	0.19	0.23	0.40
Prev. EPS (US\$)	-	0.21	0.36	0.51
Revenue (US\$ m)	651.8	684.0	704.4	829.9
EBITDA (US\$ m)	208.0	289.1	319.8	450.6
P/OCF (x)	6.6	8.7	9.0	5.5
EV/EBITDA (current)	9.3	6.7	6.1	4.3
Net debt (US\$ m)	-206	-194	-218	-349
ROIC (%)	-0.01	3.35	3.69	6.35
Number of shares (m)	391.07	IC (current, US\$ m)		2,396.30
Net debt (Next Qtr., US\$ m)	-194.0	Dividend (current, US\$)		0.04
Net debt/tot eq (Next Qtr., %)	-7.2			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13 Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$3.81

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.03	0.01	-0.00	0.01
2019E	0.03	0.05	0.06	0.07
2020E	0.03	0.04	0.08	0.08

Alamos Gold (AGI.N)

Price (13 Jan 2020): **US\$5.44**Target Price: (from 10.00) **7.50**Analyst: **Fahad Tariq**Rating: (from Outperform) **Neutral [V]**

Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	651.8	684.0	704.4	829.9
EBITDA (US\$ m)	208	289	320	451
Depr. & amort.	(167)	(165)	(180)	(209)
EBIT (US\$)	41	124	139	241
Net interest exp	(3)	(2)	-0	-0
PBT (US\$)	34	122	140	241
Income taxes	(34)	(40)	(45)	(78)
Profit after tax	(0)	82	94	163
Minorities	-	-	-	-
Reported net income (US\$)	(73)	85	94	163
Other NPAT adjustments	(92)	7	0	0
Adjusted net income	20	78	94	163
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	41	124	139	241
Net interest	(3)	(2)	-0	-0
Change in working capital	2	(28)	(26)	1
Cash from operations	214	255	246	401
CAPEX	(222)	(257)	(199)	(246)
Capex - Expansionary	(158)	(177)	(108)	(138)
Capex - Maintenance	(64)	(81)	(91)	(108)
Free cashflow to the firm	(8)	(2)	48	155
Acquisitions	0	0	0	0
Divestments	-	-	-	-
Cash flow from investments	(197)	(259)	(199)	(246)
Other	(1)	0	0	0
Cashflow from financing activities	(9)	(9)	(24)	(24)
Changes in Net Cash/Debt	13	(12)	24	131
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	206	194	218	349
Total current assets	380	385	408	537
Total assets	3,265	3,361	3,402	3,568
Liabilities				
Total current liabilities	125	124	97	96
Total liabilities	663	673	636	653
Total liabilities and equity	3,265	3,361	3,402	3,568
Net debt	(206)	(194)	(218)	(349)
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	390	406	406	406
CS adj. EPS	0.05	0.19	0.23	0.40
Prev. EPS (US\$)	-	0.21	0.36	0.51
Dividend (US\$)	0.03	0.04	0.06	0.06
Free cash flow per share	(0.42)	(0.44)	(0.15)	0.04
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	20.1	4.9	3.0	17.8
EBIT growth (%)	(26.1)	199.2	12.6	73.0
Net profit growth (%)	(37.6)	298.2	20.5	73.1
EPS growth (%)	(50.5)	282.1	20.5	73.1
EBITDA margin (%)	31.9	42.3	45.4	54.3
EBIT margin (%)	6.4	18.1	19.8	29.1
Pretax margin (%)	5.2	17.8	19.8	29.1
Net margin (%)	3.0	11.4	13.4	19.6
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	2.95	2.83	2.71	2.14
EV/EBITDA (x)	9.3	6.7	6.1	4.3
EV/EBIT (x)	46.4	15.6	13.7	7.4
P/E (x)	108.2	28.3	23.5	13.6
Price to book (x)	0.8	0.8	0.8	0.7
Asset turnover	0.2	0.2	0.2	0.2
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	(2.7)	3.2	3.5	5.7
ROIC (%)	(0.0)	3.3	3.7	6.3
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	(7.9)	(7.2)	(7.9)	(12.0)
Interest coverage ratio (X)	13.8	59.0		
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.03	0.01	-0.00	0.01
2019E	0.03	0.05	0.06	0.07
2020E	0.03	0.04	0.08	0.08

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

Alamos Gold Inc. is engaged in the acquisition, exploration, development and extraction of precious metals in Mexico and Turkey. It owns 100% of the 30,536 hectare Salamandra group of concessions located in the state of Sonora in northwest Mexico.

Blue/Grey Sky Scenario



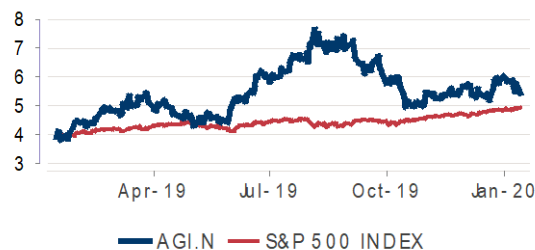
Our Blue Sky Scenario (US\$) **12.00**

Blue sky valuation is based on a 10% higher gold price outlook vs. our base case.

Our Grey Sky Scenario (US\$) **4.30**

Grey sky valuation is based on a 10% lower gold price outlook vs. our base case.

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13
Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$3.81

Barrick Gold Corp

2020 Outlook

Precious Metals

GOLD

Target price (12M, US\$)

22.00

Outperform

- We upgrade Barrick Gold to Outperform from Neutral and increase its target price to US\$22 from US\$21:** Our target price is based on a 50/50 weighting of our NAV/sh of US\$12.88 using a 1.6x multiple and our FY20 CFO (adj.) of US\$1.41 using a 16x multiple. We rate Barrick Outperform (from Neutral) as we have confidence in Barrick's management team, recent history of quick (and impressive) wins, FCF generation, strong balance sheet, and exploration upside across a broad portfolio. We see Barrick as a popular option for generalists looking to get gold exposure.
- Quick wins impressive, next major catalysts could take time:** Barrick has had a number of quick wins in 2019, including finalizing the Nevada JV with Newmont, completing the buyout of Acacia, executing US\$311M of run-rate synergies in Nevada (of the US\$450-500M target), and divesting Kalgoorlie and Massawa. Investor attention now turns to next catalysts which will be achieving the remainder of the Nevada synergies, and increasing reserves via exploration to sustain the production profile. Reserve growth could take some time, and there are multiple exploration fronts that are being advanced (Veladero, Fourmile, and Turquoise Ridge/Twin Creeks). From our discussions with management, 2020 will be about harvesting FCF (while spending in a disciplined way on exploration), returning capital to shareholders, and maintaining an industry leading balance sheet.
- Next challenge – replacing reserves:** Barrick's five-year guidance shows a relatively flat production profile, and the company needs to be able to replace reserves to maintain ~5-5.5Mozs annual production beyond 2024.
- 10-year guidance:** Barrick will release 10-year guidance in Q1/20, the first gold company to do so.
- Nevada synergies:** Recall that Barrick is targeting US\$450-500M in Nevada synergies while Newmont is (conservatively) assuming US\$350M in its guidance.
- Divestments:** With the sale of Kalgoorlie to Saracen for US\$750M cash and cash from the sale of Massawa to Teranga for up to US\$350M, Barrick has achieved over ~73% of its US\$1.5B target. Including the value of Teranga shares, Barrick has achieved ~79% of its divestment target.

Previous rating	Neutral
Previous target price (12M, US\$)	21.00
Price (13 Jan 20, US\$)	17.45
52-week price range	19.94 - 11.74
Market cap (US\$ m)	31,022.29
Enterprise value (US\$ m)	33,136

Research Analyst

Fahad Tariq, CPA, CA

416 352 4593

fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	0.35	0.50	0.89	0.88
Prev. EPS (US\$)	-	0.60	1.13	0.97
Revenue (US\$ m)	7,243.0	9,643.1	11,480.0	10,066.6
EBITDA (US\$ m)	2,665.0	3,396.7	4,474.2	4,369.3
P/OCF (x)	9.0	11.3	8.5	8.7
EV/EBITDA (current)	12.8	10.1	7.6	7.8
Net debt (US\$ m)	4,167	2,114	229	-1,361
ROIC (%)	25.24	7.16	11.95	10.84
Number of shares (m)	1,777.78	IC (current, US\$ m)		15,295.00
Net debt (Next Qtr., US\$ m)	2,113.9	Dividend (current, US\$)		0.16
Net debt/tot eq (Next Qtr., %)	8.0			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13 Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$12.3

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.15	0.07	0.08	0.06
2019E	0.11	0.09	0.15	0.16
2020E	0.22	0.23	0.22	0.21

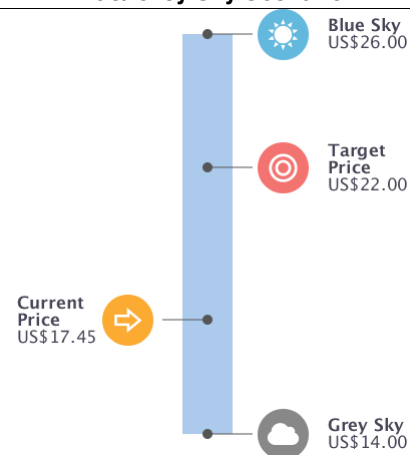
Barrick Gold Corp (GOLD.N)Analyst: **Fahad Tariq**Price (13 Jan 2020): **US\$17.45**Target Price: (from 21.00) **22.00**Rating: (from Neutral) **Outperform**

Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	7,243.0	9,643.1	11,480.0	10,066.6
EBITDA (US\$ m)	2,665	3,397	4,474	4,369
Depr. & amort.	(1,457)	(1,943)	(2,123)	(1,999)
EBIT (US\$)	1,298	2,477	4,810	3,903
Net interest exp	(545)	(518)	(520)	(520)
PBT (US\$)	(237)	4,798	4,310	3,389
Income taxes	(1,198)	(1,386)	(1,300)	(772)
Profit after tax	(1,435)	3,413	3,010	2,617
Minorities	(110)	(555)	(1,429)	(1,053)
Reported net income (US\$)	(1,545)	2,858	1,581	1,564
Other NPAT adjustments	(1,954)	1,980	0	0
Adjusted net income	409	878	1,581	1,564
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	1,298	2,477	4,810	3,903
Net interest	(545)	(518)	(520)	(520)
Change in working capital	(173)	(263)	0	0
Cash from operations	1,765	2,707	3,642	3,549
CAPEX	(1,400)	(1,642)	(1,730)	(1,674)
Capex - Expansionary	(425)	(408)	(589)	(541)
Capex - Maintenance	(975)	(1,234)	(1,141)	(1,133)
Free cashflow to the firm	365	1,065	1,912	1,875
Acquisitions	(159)	0	0	0
Divestments	0	779	258	0
Cash flow from investments	(1,494)	50	(1,472)	(1,674)
Other	(113)	(70)	0	0
Cashflow from financing activities	(925)	(881)	(284)	(284)
Changes in Net Cash/Debt	22	2,053	1,885	1,590
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	1,571	3,446	5,331	6,921
Total current assets	3,978	6,551	8,436	10,026
Total assets	22,631	44,063	45,298	46,516
Liabilities				
Total current liabilities	1,668	1,844	1,844	1,844
Total liabilities	11,503	17,490	17,418	17,346
Total liabilities and equity	22,631	44,063	45,298	46,516
Net debt	4,167	2,114	229	(1,361)
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	1,167	1,753	1,777	1,778
CS adj. EPS	0.35	0.50	0.89	0.88
Prev. EPS (US\$)	-	0.60	1.13	0.97
Dividend (US\$)	0.11	0.30	0.16	0.16
Free cash flow per share	(0.05)	0.38	0.74	0.75
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	(13.5)	33.1	19.0	(12.3)
EBIT growth (%)	(46.3)	90.8	94.2	(18.9)
Net profit growth (%)	(53.3)	114.7	80.1	(1.1)
EPS growth (%)	(53.3)	43.0	77.5	(1.1)
EBITDA margin (%)	36.8	35.2	39.0	43.4
EBIT margin (%)	17.9	25.7	41.9	38.8
Pretax margin (%)	(3.3)	49.8	37.5	33.7
Net margin (%)	5.6	9.1	13.8	15.5
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	4.86	3.44	2.72	2.95
EV/EBITDA (x)	12.8	10.1	7.6	7.8
EV/EBIT (x)	27.1	13.4	6.5	7.6
P/E (x)	49.8	34.8	19.6	19.8
Price to book (x)	2.2	1.7	1.7	1.7
Asset turnover	0.3	0.2	0.3	0.2
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	(16.5)	20.9	8.8	8.7
ROIC (%)	25.2	7.2	12.0	10.8
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	37.4	8.0	0.8	(4.7)
Interest coverage ratio (X)	2.4	4.8	9.2	7.5
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.15	0.07	0.08	0.06
2019E	0.11	0.09	0.15	0.16
2020E	0.22	0.23	0.22	0.21

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

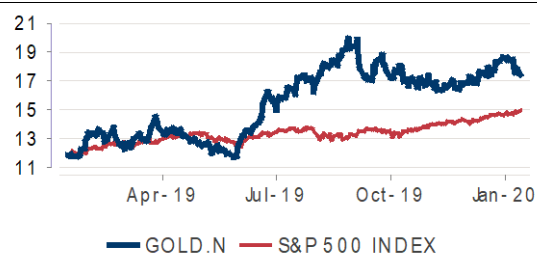
Barrick Gold Corporation is engaged in the production and sale of gold and copper (>90% gold revenues). The company's mines are located in four regions: North America, South America, Australia/Pacific and Africa.

Blue/Grey Sky Scenario**Our Blue Sky Scenario (US\$)** (from 25.00) **26.00**

Blue sky valuation is based on a 10% higher gold price outlook vs. our base case.

Our Grey Sky Scenario (US\$) **14.00**

Grey sky valuation is based on a 10% lower gold price outlook vs. our base case.

Share price performance

On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13
Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$12.3

Centerra Gold

2020 Outlook

Precious Metals

CG.TO

Target price (12M, C\$)

12.00

Neutral

- We downgrade Centerra to Neutral from Outperform and reduce our target price to C\$12 from C\$13:** Our target price is based on a 50/50 weighting of our NAV/sh of C\$11.23 using a 0.8x multiple and our FY20/21 CFO (adj.) of C\$2.48 using a 6x multiple. The recent rock slide at the Lysii Waste Dump at Kumtor adds near-term uncertainty, particularly around timing of mining restart and potentially higher costs. Recall that the rock slide did not occur at the open pit and the company has sufficient stockpiles to feed the mill through 2020. Positively, we see potential for the stock to re-rate higher as Oksut ramps up (project appears on track) and adds FCF.
- Kumtor revised waste dump plan:** We understand CG is required to submit a revised waste dump plan in order to receive the mining permit from the government and restart mining operations (the plant continues to run unaffected). Waste from cut-back 20 was supposed to be dumped at the Lysii Waste Dump but will now need to be redirected to other sites.
- Could see higher cost guidance:** We would not be surprised to see higher cost guidance (Kumtor specifically, but also company-wide) since the company may have to use an alternative waste dump (Central Valley and Sarytor Waste Dump) which would mean a longer haul route and lower productivity. The Lysii Waste Dump could still be an option longer-term but would likely remain unavailable for 2020.
- 2020 guidance expected this month:** CG is expected to pre-release 2019 actual production and 2020 guidance later this month. We are currently modeling ~768koz gold production in 2019 (~179koz in Q4/19) and ~821koz in 2020.
- Watching for Mt. Milligan production in Q1/20, updated technical report:** Centerra has walked back from its cautionary language around a potential reduction in Mt. Milligan production in Q1/20 due to limited water. The company expects normal throughput/production and we will be keeping an eye on water availability following the spring melt and through the rest of the year. We are also awaiting an updated NI 43-101 technical report for Mt. Milligan following the recent ~US\$230M impairment due to higher costs than what was included in the previous technical report. Recall that Centerra indicated that the technical report could be more positive than the impairment test because it would include the results of 2019 drilling and mine optimization.

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	0.38	0.71	0.90	1.00
Prev. EPS (US\$)	-	0.76	0.87	1.03
Revenue (US\$ m)	1,129.3	1,363.0	1,239.3	1,418.2
EBITDA (US\$ m)	373.6	488.6	545.8	646.5
P/OCF (x)	5.8	6.0	3.4	3.5
EV/EBITDA (current)	5.8	4.4	4.0	3.4
Net debt (US\$ m)	33	11	-256	-530
ROIC (%)	7.93	11.35	14.22	16.74
Number of shares (m)	293.57	IC (current, US\$ m)		2,180.59
Net debt (Next Qtr., US\$ m)	40.7	Dividend (current, US\$)		-
Net debt/tot eq (Next Qtr., %)	1.9			

Source: Company data, Refinitiv, Credit Suisse estimates

Previous rating	Outperform
Previous target price (12M, C\$)	13.00
Price (13 Jan 20, C\$)	9.58
52-week price range	9.77 - 4.44
Market cap(C\$ m)	2,812
Enterprise value (C\$ m)	2,826

Research Analyst

Fahad Tariq, CPA, CA

416 352 4593

fahad.tariq@credit-suisse.com

Share price performance



On 13-Jan-2020 the S&P/TSX Composite closed at 17293.42 Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = C\$5.81

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.05	0.15	0.02	0.17
2019E	0.17	0.11	0.26	0.17
2020E	0.20	0.20	0.25	0.25

Centerra Gold (CG.TO)

Price (13 Jan 2020): **C\$9.58**Target Price: (from 13.00) **12.00**Analyst: **Fahad Tariq**Rating: (from Outperform) **Neutral**

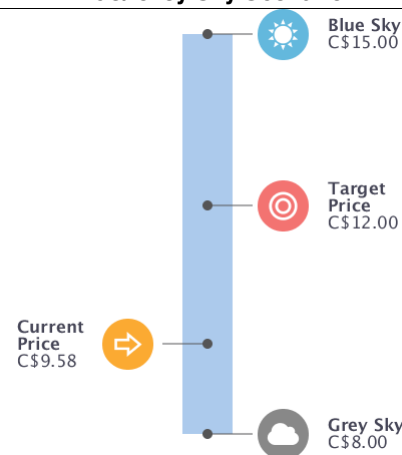
Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	1,129.3	1,363.0	1,239.3	1,418.2
EBITDA (US\$ m)	374	489	546	646
Depr. & amort.	(201)	(245)	(238)	(275)
EBIT (US\$)	173	243	308	371
Net interest exp	(30)	(16)	(20)	(22)
PBT (US\$)	99	199	288	349
Income taxes	15	1	(22)	(56)
Profit after tax	113	201	266	293
Minorities	-0	-0	-0	-0
Reported net income (US\$)	108	(30)	266	293
Other NPAT adjustments	(5)	(241)	0	0
Adjusted net income	112	211	266	293
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	173	243	308	371
Net interest	(30)	(16)	(20)	(22)
Change in working capital	(120)	(64)	101	(4)
Cash from operations	217	360	628	616
CAPEX	(272)	(318)	(361)	(342)
Capex - Expansionary	(103)	(160)	(191)	(167)
Capex - Maintenance	(169)	(158)	(170)	(175)
Free cashflow to the firm	(54)	41	267	274
Acquisitions	(227)	0	0	0
Divestments	192	0	0	0
Cash flow from investments	(352)	(331)	(361)	(342)
Other	(25)	(13)	0	0
Cashflow from financing activities	(130)	(95)	0	0
Changes in Net Cash/Debt	(188)	22	267	274
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	152	85	352	625
Total current assets	834	948	1,113	1,391
Total assets	2,827	2,752	3,041	3,386
Liabilities				
Total current liabilities	235	245	245	245
Total liabilities	679	623	642	691
Total liabilities and equity	2,827	2,752	3,041	3,386
Net debt	33	11	(256)	(530)
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	293	295	295	293
CS adj. EPS	0.38	0.71	0.90	1.00
Prev. EPS (US\$)	-	0.76	0.87	1.03
Dividend (US\$)	0.00	0.00	0.00	0.00
Free cash flow per share	(0.54)	(0.40)	0.26	0.36
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	(5.8)	20.7	(9.1)	14.4
EBIT growth (%)	11.9	40.9	26.4	20.7
Net profit growth (%)	(20.7)	87.6	26.3	10.1
EPS growth (%)	(20.6)	86.4	26.0	10.8
EBITDA margin (%)	33.1	35.8	44.0	45.6
EBIT margin (%)	15.3	17.9	24.8	26.2
Pretax margin (%)	8.8	14.6	23.2	24.6
Net margin (%)	9.9	15.4	21.5	20.7
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	1.94	1.59	1.53	1.15
EV/EBITDA (x)	5.8	4.4	4.0	3.4
EV/EBIT (x)	12.7	8.9	6.2	4.4
P/E (x)	19.1	10.3	8.1	7.3
Price to book (x)	1.0	1.0	0.9	0.8
Asset turnover	0.4	0.5	0.4	0.4
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	5.1	(1.4)	11.7	11.5
ROIC (%)	7.9	11.3	14.2	16.7
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	1.5	0.5	(10.7)	(19.6)
Interest coverage ratio (X)	5.7	15.2	15.4	16.9
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.05	0.15	0.02	0.17
2019E	0.17	0.11	0.26	0.17
2020E	0.20	0.20	0.25	0.25

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

Centerra is a gold mining company with assets in the Kyrgyz Republic, Turkey and Canada. It also has exploration interests in Portugal, Mexico and Nicaragua.

Blue/Grey Sky Scenario



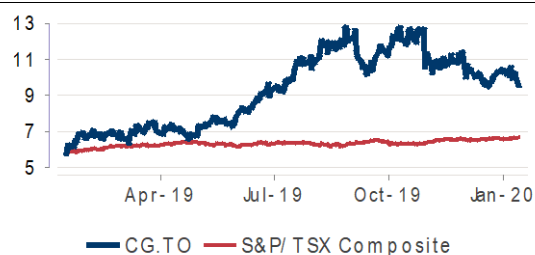
Our Blue Sky Scenario (C\$) (from 18.00) **15.00**

Blue sky valuation is based on a 10% higher gold price outlook vs. our base case.

Our Grey Sky Scenario (C\$) **8.00**

Grey sky valuation is based on a 10% lower gold price outlook vs. our base case.

Share price performance



On 13-Jan-2020 the S&P/TSX Composite closed at 17293.42
Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = C\$5.81

Eldorado Gold

2020 Outlook

Precious Metals

EGO

Target price (12M, US\$)

7.50

Underperform^[M]

- **We downgrade Eldorado to Underperform from Neutral and reduce our target price to US\$7.50 from \$9:** Our target price is based on a 50/50 weighting of our NAV/sh of US\$12.11 using a 0.6x multiple and our FY20/21 CFO (adj.) of US\$1.07 using an 8x multiple. EGO was the best performing stock in our coverage in 2019 due mainly to torque to rising gold, debt refinancing (pushed out to 2024), and the election of a mining-friendly Greek government in July 2019. Given the strong stock performance in 2019, we do not see as much upside in 2020, particularly as we see gold prices being range-bound, and the company remains challenged to fund growth projects in Greece. We expect near-term FCF, which looks encouraging if Skouries is excluded, will ultimately be used to fund growth projects and build cash to repay debt.
- **Operational catalysts:** (i) Kisladag – updated mine plan in Q1/20 with potentially longer mine life from deeper material. (ii) Greece – revised regulatory framework under new government. Olympias expansion from 1.2ktpd to 1.9ktpd. (iii) Lamaque – PFS in H2/20 and exploration results for potential further expansion.
- **Kisladag main production growth driver in 2020, initial test results promising:** Eldorado is advancing testwork at Kisladag to potentially increase the mine life beyond the current three year guidance. Testwork includes Intermittent Bottle Roll Tests which indicate >50% recoveries with 250-day leach cycles. Kisladag production is expected to grow from ~155koz in 2019 to ~250koz in 2020, before falling off to 85koz in 2021 (this could change based on the testwork).
- **Limited FCF if projects advance, need funding partner for Skouries to advance:** Development capex for Skouries is pegged at ~US\$690M. Therefore, in order to advance the project, Eldorado will have to find a funding partner, as taking on additional debt would be problematic given the current leverage. The company is awaiting a dry-stack tailings permit for Skouries, which remains in care and maintenance. Eldorado estimates it would take two years from construction restart to reach run-rate production of 140koz.

Previous rating	Neutral
Previous target price (12M, US\$)	9.00
Price (13 Jan 20, US\$)	7.21
52-week price range	9.99 - 2.64
Market cap (US\$ m)	1,145.24
Enterprise value (US\$ m)	1,430

[M] = Stock Considered Volatile (see Disclosure Appendix)

Research Analyst

Fahad Tariq, CPA, CA

416 352 4593

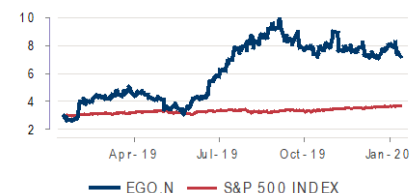
fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	-0.18	0.07	0.81	0.01
Prev. EPS (US\$)	-	0.15	0.96	0.04
Revenue (US\$ m)	459.0	627.9	931.0	681.1
EBITDA (US\$ m)	106.9	250.5	434.5	252.8
P/OCF (x)	6.9	6.4	3.3	5.0
EV/EBITDA (current)	13.7	5.8	3.4	5.8
Net debt (US\$ m)	296	285	57	-40
ROIC (%)	-0.13	0.38	6.07	1.79
Number of shares (m)	158.84	IC (current, US\$ m)		3,643.01
Net debt (Next Qtr., US\$ m)	285.0	Dividend (current, US\$)		-
Net debt/tot eq (Next Qtr., %)	8.5			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13 Daily Jan15, 2019 - Jan13, 2020, 01/15/19 = US\$2.94

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.09	-0.01	-0.14	-0.12
2019E	-0.11	-0.01	0.05	0.15
2020E	0.20	0.21	0.21	0.19

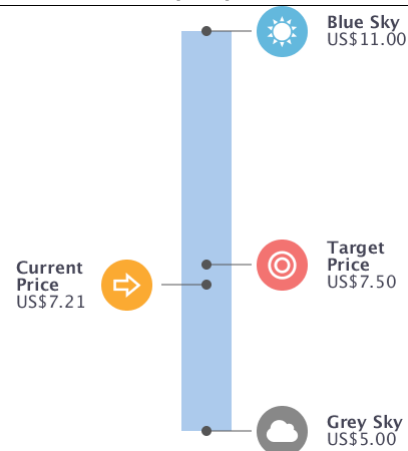
Eldorado Gold (EGO.N)Price (13 Jan 2020): **US\$7.21**Target Price: **(from 9.00) 7.50**Analyst: **Fahad Tariq**Rating: **(from Neutral) Underperform [V]**

Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	459.0	627.9	931.0	681.1
EBITDA (US\$ m)	107	251	434	253
Depr. & amort.	(106)	(150)	(193)	(153)
EBIT (US\$)	(6)	91	235	93
Net interest exp	(4)	(48)	(39)	(30)
PBT (US\$)	(466)	49	194	61
Income taxes	86	(41)	(45)	(33)
Profit after tax	(380)	8	149	28
Minorities	18	4	(17)	(27)
Reported net income (US\$)	(362)	12	131	2
Other NPAT adjustments	(333)	1	0	0
Adjusted net income	(29)	11	131	2
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	(6)	91	235	93
Net interest	4	48	39	30
Change in working capital	5	14	19	12
Cash from operations	66	179	353	234
CAPEX	(274)	(207)	(125)	(104)
Capex - Expansionary	(246)	(123)	(21)	0
Capex - Maintenance	(28)	(83)	(104)	(104)
Free cashflow to the firm	(208)	(28)	228	130
Acquisitions	-	-	-	-
Divestments	57	32	0	0
Cash flow from investments	(221)	(170)	(125)	(104)
Other	0	(20)	0	0
Cashflow from financing activities	(2)	(126)	(67)	(67)
Changes in Net Cash/Debt	(182)	11	228	98
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	300	165	326	357
Total current assets	528	415	578	578
Total assets	4,629	4,523	4,618	4,569
Liabilities				
Total current liabilities	142	168	150	125
Total liabilities	1,282	1,159	1,098	1,014
Total liabilities and equity	4,629	4,523	4,618	4,569
Net debt	296	285	57	(40)
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	159	160	162	162
CS adj. EPS	(0.18)	0.07	0.81	0.01
Prev. EPS (US\$)	-	0.15	0.96	0.04
Dividend (US\$)	0.00	0.00	0.00	0.00
Free cash flow per share	(2.86)	(0.94)	1.28	0.80
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	17.3	36.8	48.3	(26.8)
EBIT growth (%)	(136.0)	1663.0	157.2	(60.2)
Net profit growth (%)	(288.2)	139.0	1075.9	(98.8)
EPS growth (%)	(276.4)	138.7	1063.6	(98.8)
EBITDA margin (%)	23.3	39.9	46.7	37.1
EBIT margin (%)	(1.3)	14.5	25.2	13.7
Pretax margin (%)	(101.5)	7.8	20.8	8.9
Net margin (%)	(6.2)	1.8	14.1	0.2
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	3.14	2.28	1.29	1.62
EV/EBITDA (x)	13.7	5.8	3.4	5.8
EV/EBIT (x)	(246.9)	15.7	5.1	11.8
P/E (x)	(40.0)	103.3	8.9	770.2
Price to book (x)	0.3	0.3	0.3	0.3
Asset turnover	0.1	0.1	0.2	0.1
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	(10.4)	0.4	3.9	0.0
ROIC (%)	(0.1)	0.4	6.1	1.8
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	8.8	8.5	1.6	(1.1)
Interest coverage ratio (X)	(1.4)	1.9	6.1	3.1
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.09	-0.01	-0.14	-0.12
2019E	-0.11	-0.01	0.05	0.15
2020E	0.20	0.21	0.21	0.19

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

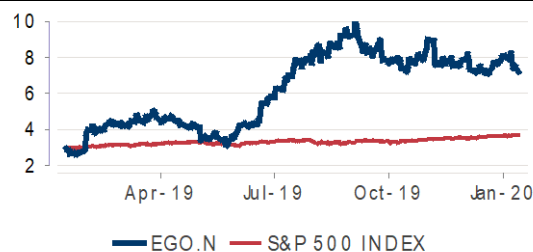
Eldorado Gold Corporation (Eldorado) owns and operates gold mines around the world. The Company's activities involve exploration, discovery, development, production and reclamation. Its business is focused on Brazil, Greece and Turkey.

Blue/Grey Sky Scenario**Our Blue Sky Scenario (US\$)****(from 12.00) 11.00**

Blue sky valuation is based on a 10% higher gold price outlook vs. our base case.

Our Grey Sky Scenario (US\$)**5.00**

Grey sky valuation is based on a 10% lower gold price outlook vs. our base case.

Share price performance

On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13
Daily Jan15, 2019 - Jan13, 2020, 01/15/19 = US\$2.94

Endeavour Mining

2020 Outlook

Precious Metals

EDV.TO

Target price (12M, C\$)

32.00**Outperform**

- Outperform rating, C\$32.00 TP:** Our target price is based on a 50/50 weighting of our NAV/sh of C\$30.48 using a 0.9x multiple and our FY20 CFO (adj.) of C\$4.22 using a 9x multiple. Despite M&A overhang, we continue to like EDV for a strong operational track record, FCF generation, and reserve growth (meaningful reserve additions expected in Q1/20). A tie-up with Centamin, which could still happen later this year, would resolve Endeavour's longstanding liquidity issue and attract additional investor interest. Endeavour recently indicated it terminated merger discussions with Centamin after not receiving sufficient information during the due diligence process. Per UK takeover rules, EDV cannot make a bid for Centamin until June 14, unless (a) the Centamin board agrees; (b) a third party announces an offer for Centamin; (c) Centamin announces a whitewash transaction or a reverse takeover; and/or (d) there has been a material change of circumstances.
- Centamin deal still seems possible but terms unknown:** We think Centamin shareholders are likely to vote in favour of a deal, if and when it materializes, even at a modest premium given the opportunity to be part of a multi-asset company with a strong operational track record, which is particularly relevant as Centamin's CEO recently resigned and there have been multiple negative guidance revisions. EDV shareholders we have spoken to are increasing turning positive on the deal as they see an opportunity to add a third cornerstone asset with optimization and exploration upside. An Endeavour-Centamin tie-up would result in a ~1.2Moz senior gold producer, with AISC of US\$875/oz and ND/EBITDA of 0.6x.
- Strong FCF in 2020 now that lty CIL is online and upsized:** We expect EDV to use cash to deleverage (model 2020 ND/EBITDA of 0.4x). 2020 capex is expected to be relatively limited (US\$135M), with the lty plant upsize completed in Q4/19.
- Operational catalysts:** (i) Hounde – reserve additions at Kari West and Kari Center in Q1/20 (Kari Pump reserves added 710koz in 2019). (ii) lty – reserve additions at Le Plaque in Q1/20. (iii) Continued exploration updates toward five-year target of adding 10-15Moz resources.

Previous target price (12M, C\$)	34.50
Price (13 Jan 20, C\$)	23.66
52-week price range	22.05 - 14.18
Market cap (US\$ m)	2,600.88
Enterprise value (US\$ m)	3,454

Research Analyst**Fahad Tariq, CPA, CA**

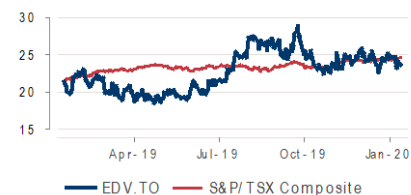
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fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	-1.28	0.60	1.50	1.60
Prev. EPS (US\$)	-	0.82	2.25	2.04
Revenue (US\$ m)	752.0	890.6	1,082.9	1,021.6
EBITDA (US\$ m)	264.8	365.2	489.1	502.9
P/OCF (x)	7.0	7.4	4.7	4.5
EV/EBITDA (current)	10.0	7.3	5.4	5.3
Net debt (US\$ m)	566	657	657	434
ROIC (%)	1.38	-0.72	8.54	9.08
Number of shares (m)	109.93	IC (current, US\$ m)		1,510.62
Net debt (Next Qtr., US\$ m)	656.9	Dividend (current, US\$)		-
Net debt/tot eq (Next Qtr., %)	69.1			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance

On 13-Jan-2020 the S&P/TSX Composite closed at 17293.42 Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = C\$21.75

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.26	-0.14	-0.19	-1.20
2019E	-0.04	0.08	0.30	0.26
2020E	0.35	0.40	0.39	0.36

Endeavour Mining (EDV.TO)

Price (13 Jan 2020): **C\$23.66**Target Price: (from 34.50) **32.00**Analyst: **Fahad Tariq**Rating: **Outperform**

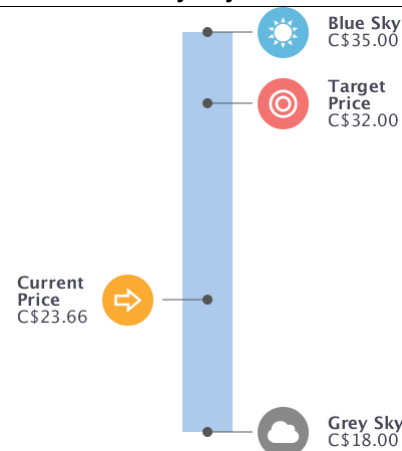
Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	752.0	890.6	1,082.9	1,021.6
EBITDA (US\$ m)	265	365	489	503
Depr. & amort.	(169)	(201)	(267)	(270)
EBIT (US\$)	96	164	222	233
Net interest exp	(24)	(36)	(19)	(10)
PBT (US\$)	79	72	203	223
Income taxes	(62)	(77)	(64)	(73)
Profit after tax	17	(5)	138	150
Minorities	(7)	(19)	(29)	(33)
Reported net income (US\$)	(145)	(24)	110	117
Other NPAT adjustments	(7)	(90)	(55)	(59)
Adjusted net income	(138)	66	164	176
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	96	164	222	233
Net interest	(24)	(36)	(19)	(10)
Change in working capital	(10)	(37)	(9)	(4)
CAPEX	(402)	(244)	(135)	(125)
Free cashflow to the firm	116	210	357	380
Acquisitions	0	0	0	0
Divestments	33	0	0	0
Cash flow from investments	(453)	(252)	(135)	(125)
Changes in Net Cash/Debt	(262)	(91)	0	223
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	-	-	-	-
Total current assets	328	388	688	767
Total assets	1,922	1,992	2,160	2,093
Liabilities				
Total current liabilities	248	212	215	196
Total liabilities	978	1,041	1,044	802
Total liabilities and equity	1,922	1,992	2,160	2,093
Net debt	566	657	657	434
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	108	110	110	110
CS adj. EPS	(1.28)	0.60	1.50	1.60
Prev. EPS (US\$)	-	0.82	2.25	2.04
Dividend (US\$)	0.00	0.00	0.00	0.00
Free cash flow per share	(1.40)	0.23	2.61	2.89
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	15.3	18.4	21.6	(5.7)
EBIT growth (%)	225.6	71.5	35.0	5.0
Net profit growth (%)	22.2	147.8	149.8	6.9
EPS growth (%)	28.6	147.0	149.6	6.9
EBITDA margin (%)	35.2	41.0	45.2	49.2
EBIT margin (%)	12.7	18.4	20.5	22.8
Pretax margin (%)	10.4	8.0	18.7	21.8
Net margin (%)	(18.3)	7.4	15.2	17.2
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	3.40	2.97	2.45	2.37
EV/EBITDA (x)	10.0	7.3	5.4	5.3
EV/EBIT (x)	26.7	16.1	12.0	10.4
P/E (x)	(14.2)	30.2	12.1	11.3
Price to book (x)	2.3	2.3	2.0	1.8
Asset turnover	0.4	0.4	0.5	0.5
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	(15.7)	(2.8)	12.0	11.1
ROIC (%)	1.4	(0.7)	8.5	9.1
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	60.0	69.1	58.9	33.6
Interest coverage ratio (X)	4.0	4.5	11.7	23.5
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.26	-0.14	-0.19	-1.20
2019E	-0.04	0.08	0.30	0.26
2020E	0.35	0.40	0.39	0.36

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

Endeavour Mining is a mining company. Its interests include operating gold mines and projects in Western Africa.

Blue/Grey Sky Scenario



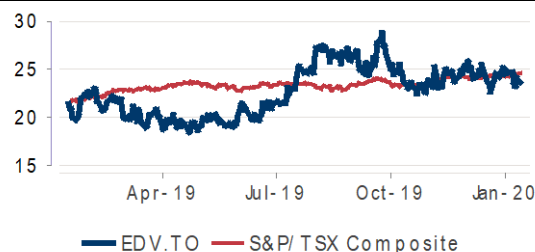
Our Blue Sky Scenario (C\$) (from 37.00) **35.00**

Our blue sky scenario is based on 10% higher commodity price forecasts.

Our Grey Sky Scenario (C\$) (from 17.00) **18.00**

Our grey sky scenario is based on 10% lower commodity price forecasts.

Share price performance



On 13-Jan-2020 the S&P/TSX Composite closed at 17293.42
Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = C\$21.75

Franco Nevada Corporation

2020 Outlook

Precious Metals

FNV

Target price (12M, US\$)

105.00

Neutral

- Neutral rating, US\$105.00 TP:** Our target price is based on a 50/50 weighting of our NAV/sh of US\$36.05 using a 2.8 multiple and our FY20 CFO (adj.) of US\$3.85 using a 29x multiple. While we appreciate that FNV is among the go-to stocks for getting exposure to gold, we do not see many catalysts in 2020 and think the energy exposure could weigh on the multiple. FNV also continues to trade at a significant premium to WPM, which is why we prefer WPM among the royalty companies.
- CRA overhang remains, recently resurfaced:** On Dec. 2, FNV announced it had received a proposal letter from the CRA for the 2014 and 2015 taxation years. According to FNV, the proposal letter read-through is an estimated tax bill of US\$11M for royalty income earned in Mexico and US\$5M for stream income earned in Barbados. More importantly, FNV noted that if the CRA audits and reassesses the 2016-2018 taxation years, it could result in a tax bill of US\$3.5M for Mexican income and US\$48M for Barbados income. We think many investors stopped focusing on the ongoing CRA audit and assumed minimal impact, given the favourable decision for Wheaton Precious Metals in late 2018. However, the recent update from Franco brings the CRA issues back to the fore.
- Cobre Panama major contributor in 2020:** FNV expects Cobre Panama to contribute ~105kGEO in 2020 (vs ~30kGEO in 2019 due to shipping delays).
- Not many catalysts in the portfolio:** The Cobre Panama ramp-up is the only major catalyst in FNV's portfolio in 2020. The restart of Musselwhite will not occur until Q3/20 according to Newmont.
- Deal pipeline:** We expect FNV to focus on acquiring additional precious metals royalties and maintain a precious metals/energy revenue mix of 80/20 (energy made up 16% of revenues in Q3/19). Under the Continental Resources energy venture, FNV has a remaining commitment of ~US\$152M through 2021. If the company's revenue mix skewed beyond 20% energy, we think there is potential for the stock to re-rate lower.

Previous target price (12M, US\$)	100.00
Price (13 Jan 20, US\$)	101.36
52-week price range	104.08 - 68.90
Market cap (US\$ m)	19,398.39
Enterprise value (US\$ m)	19,419

Research Analyst

Fahad Tariq, CPA, CA

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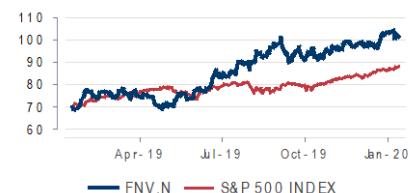
fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	1.16	1.70	2.02	1.81
Prev. EPS (US\$)	-	1.68	2.09	1.78
Revenue (US\$ m)	653.2	822.4	979.8	899.3
EBITDA (US\$ m)	511.7	661.1	790.1	723.8
P/OCF (x)	27.5	31.2	26.3	29.2
EV/EBITDA (current)	38.2	29.6	24.8	27.0
Net debt (US\$ m)	139	21	-442	-834
ROIC (%)	4.49	6.50	8.08	7.55
Number of shares (m)	191.38	IC (current, US\$ m)		4,771.20
Net debt (Next Qtr., US\$ m)	20.6	Dividend (current, US\$)		1.00
Net debt/tot eq (Next Qtr., %)	.4			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13 Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$70.63

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.35	0.29	0.29	0.22
2019E	0.36	0.35	0.54	0.47
2020E	0.49	0.52	0.51	0.50

Franco Nevada Corporation (FNV.N)

Price (13 Jan 2020): **US\$101.36** Target Price: (from 100.00) **105.00**

Analyst: **Fahad Tariq**

Rating: **Neutral**

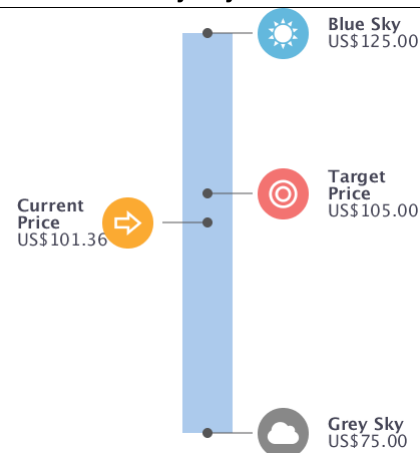
Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	653.2	822.4	979.8	899.3
EBITDA (US\$ m)	512	661	790	724
Depr. & amort.	(248)	(258)	(260)	(249)
EBIT (US\$)	264	403	530	475
Net interest exp	(8)	2	(7)	(8)
PBT (US\$)	265	396	522	467
Income taxes	(50)	(78)	(144)	(128)
Profit after tax	215	317	379	339
Minorities	-0	-0	-0	-0
Reported net income (US\$)	139	320	379	339
Other NPAT adjustments	(78)	0	0	0
Adjusted net income	217	320	379	339
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	264	403	530	475
Net interest	(8)	2	(7)	(8)
Change in working capital	4	(8)	17	3
Cash from operations	475	609	721	650
CAPEX	(989)	(438)	(118)	(118)
Capex - Expansionary	-	-	-	-
Capex - Maintenance	-	-	-	-
Free cashflow to the firm	(514)	171	603	532
Acquisitions	0	0	0	0
Divestments	-	-	-	-
Cash flow from investments	(989)	(438)	(118)	(118)
Other	(1)	(1)	0	0
Cashflow from financing activities	78	(12)	(140)	(140)
Changes in Net Cash/Debt	(649)	119	463	392
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	70	228	691	1,083
Total current assets	179	393	841	1,228
Total assets	4,932	5,339	5,644	5,900
Liabilities				
Total current liabilities	25	41	43	40
Total liabilities	300	380	446	504
Total liabilities and equity	4,932	5,339	5,644	5,900
Net debt	139	21	(442)	(834)
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	186	188	187	187
CS adj. EPS	1.16	1.70	2.02	1.81
Prev. EPS (US\$)	-	1.68	2.09	1.78
Dividend (US\$)	0.96	0.99	1.00	1.00
Free cash flow per share	(2.76)	0.91	3.22	2.85
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	(3.2)	25.9	19.1	(8.2)
EBIT growth (%)	12.3	52.8	31.4	(10.4)
Net profit growth (%)	9.2	47.3	18.5	(10.6)
EPS growth (%)	7.3	46.5	18.8	(10.6)
EBITDA margin (%)	78.3	80.4	80.6	80.5
EBIT margin (%)	40.4	49.1	54.1	52.8
Pretax margin (%)	40.6	48.1	53.3	51.9
Net margin (%)	33.2	38.9	38.7	37.7
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	29.91	23.61	19.35	20.64
EV/EBITDA (x)	38.2	29.6	24.8	27.0
EV/EBIT (x)	74.0	48.1	35.8	39.1
P/E (x)	87.1	59.5	50.1	56.0
Price to book (x)	4.1	3.8	3.6	3.5
Asset turnover	0.1	0.2	0.2	0.2
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	3.0	6.7	7.5	6.4
ROIC (%)	4.5	6.5	8.1	7.5
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	3.0	0.4	(8.5)	(15.5)
Interest coverage ratio (X)	34.3	(188.8)	71.0	59.6
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.35	0.29	0.29	0.22
2019E	0.36	0.35	0.54	0.47
2020E	0.49	0.52	0.51	0.50

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

Franco-Nevada Corporation (TSX:FNV) is a gold-focused royalty and stream company with additional interests in platinum metals, oil & gas and other assets. It is the leading gold royalty and stream company by both gold revenues and number of gold assets.

Blue/Grey Sky Scenario



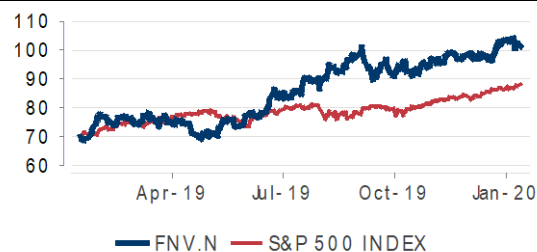
Our Blue Sky Scenario (US\$) (from 130.00) 125.00

Our blue sky scenario is based on gold prices 10% higher than our base case.

Our Grey Sky Scenario (US\$) (from 70.00) 75.00

Our grey sky scenario is based on gold prices 10% lower than our base case.

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13
Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$70.63

IAMGold

2020 Outlook

Precious Metals

IAG

Target price (12M, US\$)

4.00

Neutral^[M]

- Neutral rating, US\$4.00 TP:** Our target price is based on a 50/50 weighting of our NAV/sh of US\$7.55 using a 0.4x multiple and our FY20/21 CFO (adj.) of US\$0.60 using an 8x multiple. Though IAG's valuation looks attractive vs. peers (~0.4x P/NAV vs. ~0.8x peer average), there remain a number of operational issues including Saramacca ramp-up (Rosebel) and implementing a revised mine plan for Westwood following seismicity in 2018 (a technical report is expected in H1/20). We think there is potential for continued security issues at Rosebel that would lead to downtime. Positively, IAG is a potential attractive takeover target given its reserves, balance sheet, and valuation.
- Saramacca ramping up, Essakane CIL optimization targeted for Q3/20:** Saramacca contributed only nominal ounces in Q4/19 and barring any security-related shutdowns at Rosebel, is expected to be a meaningful contributor to overall 2020 production (~37% of 2020 production). IAG completed the CIL/HL feasibility study at Essakane in Q3/19. The results of the study indicate production through 2031, with CIL through 2026 (avg. annual production of 433koz) and HL thereafter (avg. annual production of 73koz). CIL optimization is targeted for Q3/20 at a cost of US\$9M.
- Westwood will take time to return to normal production:** IAG recently guided to annual production of 100-125koz at AISC of US\$1,125-1,225/oz for the next three to four years, followed by longer-term production of 130-145koz at AISC of US\$1,000-1,100/oz (the 2016 technical report indicated annual production of 180-200koz). We expect an impairment charge in Q2/20 in conjunction with the updated technical report.
- Boto Gold:** On Jan. 13, the company announced it had received the mining permit for Boto, and provided updated project economics, which indicated an after-tax IRR at US\$1,250/oz gold of ~18% vs. 23% per the 2018 FS.
- Balance sheet bright spot:** The company currently has US\$634M cash on its balance sheet. With low investor appetite for expensive greenfield projects (this is why Cote Gold was deferred), IAG could use its cash for buybacks, an attractive option at the current share price, and/or greenlight the less costly Boto project (US\$271M initial capex).
- Sadiola sale complete in Q2/20:** Adding to IAG's cash balance will be the proceeds from the Sadiola sale expected to be completed in April 2020. We model ~US\$34M of cash initially received from the sale, including the one-time US\$6.15M dividend.

Previous target price (12M, US\$)	3.75
Price (13 Jan 20, US\$)	3.29
52-week price range	4.07 - 2.30
Market cap (US\$ m)	1,539.66
Enterprise value (US\$ m)	1,146
[M] = Stock Considered Volatile (see Disclosure Appendix)	

Research Analyst

Fahad Tariq, CPA, CA

416 352 4593

fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	0.07	0.02	0.23	0.22
Prev. EPS (US\$)	-	-	0.31	0.23
Revenue (US\$ m)	1,111.0	1,093.2	1,388.7	1,356.9
EBITDA (US\$ m)	300.3	234.5	503.2	460.8
P/OCF (x)	9.0	8.8	3.9	4.1
EV/EBITDA (current)	5.1	6.6	3.1	3.3
Net debt (US\$ m)	-217	-394	-523	0
ROIC (%)	-1.43	-6.32	6.35	5.33
Number of shares (m)	467.98	IC (current, US\$ m)		2,576.00
Net debt (Next Qtr., US\$ m)	-0	Dividend (current, US\$)		-
Net debt/tot eq (Next Qtr., %)	-0			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13 Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$3.66

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.09	0.03	-0.01	-0.03
2019E	-0.00	-0.03	-0.00	0.06
2020E	0.05	0.06	0.06	0.06

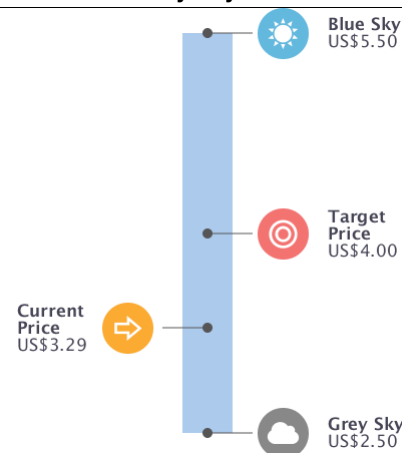
IAMGold (IAG.N)Price (13 Jan 2020): **US\$3.29**Target Price: (from 3.75) **4.00**Analyst: **Fahad Tariq**Rating: **Neutral [V]**

Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	1,111.0	1,093.2	1,388.7	1,356.9
EBITDA (US\$ m)	300	234	503	461
Depr. & amort.	(266)	(252)	(271)	(237)
EBIT (US\$)	34	(17)	232	224
Net interest exp	(9)	(7)	(30)	(30)
PBT (US\$)	18	(3)	202	194
Income taxes	(38)	(23)	(77)	(76)
Profit after tax	(20)	(25)	125	118
Minorities	(9)	(6)	(18)	(17)
Reported net income (US\$)	(28)	(31)	107	101
Other NPAT adjustments	(60)	(41)	0	0
Adjusted net income	32	10	107	101
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	34	(17)	232	224
Net interest	(9)	(7)	(30)	(30)
Change in working capital	(97)	(62)	(13)	1
Cash from operations	191	176	390	378
CAPEX	(328)	(269)	(294)	(271)
Capex - Expansionary	(174)	(169)	(203)	(158)
Capex - Maintenance	(154)	(100)	(92)	(113)
Free cashflow to the firm	(137)	(93)	95	107
Acquisitions	0	0	0	0
Divestments	0	0	34	0
Cash flow from investments	(225)	(167)	(261)	(271)
Other	(7)	187	0	0
Cashflow from financing activities	(11)	178	0	0
Changes in Net Cash/Debt	(56)	177	129	(523)
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	615	799	928	1,034
Total current assets	1,087	1,216	1,365	1,473
Total assets	3,961	4,155	4,293	4,435
Liabilities				
Total current liabilities	227	254	262	264
Total liabilities	1,168	1,381	1,394	1,419
Total liabilities and equity	3,961	4,155	4,293	4,435
Net debt	(217)	(394)	(523)	0
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	468	468	468	468
CS adj. EPS	0.07	0.02	0.23	0.22
Prev. EPS (US\$)	-	-	0.31	0.23
Dividend (US\$)	0.00	0.00	0.00	0.00
Free cash flow per share	(0.66)	(0.56)	(0.23)	(0.11)
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	1.5	(1.6)	27.0	(2.3)
EBIT growth (%)	(39.0)	(151.2)	1429.4	(3.6)
Net profit growth (%)	7.8	(69.5)	1010.7	(5.9)
EPS growth (%)	7.8	(69.5)	1011.2	(5.9)
EBITDA margin (%)	27.0	21.4	36.2	34.0
EBIT margin (%)	3.1	(1.6)	16.7	16.5
Pretax margin (%)	1.6	(0.3)	14.5	14.3
Net margin (%)	2.8	0.9	7.7	7.4
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	1.19	1.05	0.73	1.13
EV/EBITDA (x)	5.1	6.6	3.1	3.3
EV/EBIT (x)	38.8	(65.7)	4.4	6.9
P/E (x)	48.7	159.8	14.4	15.3
Price to book (x)	0.6	0.6	0.5	0.5
Asset turnover	0.3	0.3	0.3	0.3
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	(1.0)	(1.2)	3.9	3.5
ROIC (%)	(1.4)	(6.3)	6.4	5.3
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	(7.8)	(14.2)	(18.0)	0.0
Interest coverage ratio (X)	3.9	(2.4)	7.7	7.4
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.09	0.03	-0.01	-0.03
2019E	-0.00	-0.03	-0.00	0.06
2020E	0.05	0.06	0.06	0.06

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

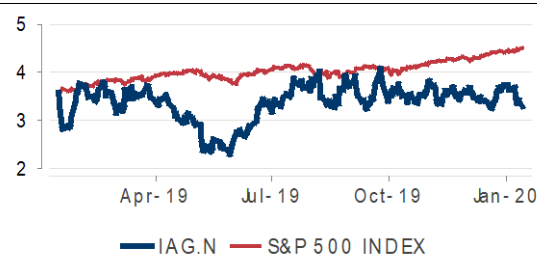
IAMGOLD Corporation is a mining company. It's interests include four operating gold mines and E&P projects in Africa and the Americas. It is focused in West Africa with select countries in South America and Quebec.

Blue/Grey Sky Scenario**Our Blue Sky Scenario (US\$)** (from 6.00) **5.50**

Our blue sky scenario represents a 10% increase in commodity prices.

Our Grey Sky Scenario (US\$) (from 2.70) **2.50**

Our blue sky scenario represents a 10% decrease in commodity prices.

Share price performance

On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13
Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$3.66

KIRKLAND LAKE GOLD Inc

2020 Outlook

Precious Metals

KL

Target price (12M, US\$)

45.00

Neutral

- Neutral rating, US\$45.00 TP:** Our target price is based on a 50/50 weighting of our NAV/sh of US\$31.66 using a 1.4x multiple and our FY20/21 CFO (adj.) of US\$2.95 using a 16x multiple. Following the announcement to acquire Detour Gold, which we expect will close in Jan. 2020, we are Neutral on the stock given the higher-cost profile of the combined entity, execution risk, and lower multiple assigned by the market due to the change in the company's portfolio and potentially weaker exploration outlook at Fosterville.
- Waiting for DGC acquisition to close:** We are awaiting the close of the deal for KL to acquire DGC via share exchange. The deal is expected to close end of January 2020, following shareholder votes. Each DGC share will be exchanged for 0.4343 KL share, and following the transaction KL/DGC will own ~73%/27% respectively. We expect the deal will close on the initial terms, though there is potential for a cash sweetener. Kirkland Gold CEO Tony Makuch recently commented that he does not see a need to increase or change the offer to Detour shareholders. We expect the combined company to generate ~US\$740M annual FCF in 2020/21, though this may prove optimistic with additional spending at Detour Lake.
- Key exploration updates:** With the announcement of the DGC deal, investor attention turned to upcoming exploration updates at Fosterville and, to a lesser extent, Macassa (there are lower expectations for Macassa exploration until Shaft #4 is complete). At Fosterville, we are awaiting Harrier exploration results, with KL in its most recent press release noting "Drilling at Harrier South remains at an early stage given the time required to extend the existing exploration drift and poor ground conditions encountered in some areas... We have not yet seen the ultra-high grades you get at Swan, but it is early days and we remain optimistic." On Dec. 10, KL released drilling results at Robbin's Hill which indicated a large mineralized system open at depth and along strike. KL indicated Robbin's Hill could be a second mining front to feed the Fosterville mill.
- Despite changes, still expect significant FCF in 2020:** KL is expected to produce ~1.6Moz in 2020 (590-610koz from Fosterville, 240-250koz from Macassa, 120-140koz Holt Complex, and we model ~623koz from Detour Lake).

Previous target price (12M, US\$)	47.00
Price (13 Jan 20, US\$)	43.70
52-week price range	51.04 - 26.34
Market cap (US\$ m)	9,160.59
Enterprise value (US\$ m)	8,480

Research Analyst

Fahad Tariq, CPA, CA

416 352 4593

fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	1.35	2.53	2.58	2.35
Prev. EPS (US\$)	-	2.57	2.92	2.65
Revenue (US\$ m)	915.9	1,379.1	2,473.5	2,331.2
EBITDA (US\$ m)	531.6	952.1	1,390.1	1,288.4
P/OCF (x)	10.2	10.4	9.4	11.7
EV/EBITDA (current)	16.1	9.0	6.2	6.6
Net debt (US\$ m)	-310	-681	-1,528	-2,052
ROIC (%)	36.42	55.63	26.58	23.20
Number of shares (m)	209.62	IC (current, US\$ m)	953.10	
Net debt (Next Qtr., US\$ m)	-680.6	Dividend (current, US\$)	0.24	
Net debt/tot eq (Next Qtr., %)	-39.8			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13 Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$27.01

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.25	0.30	0.28	0.50
2019E	0.53	0.50	1.09	0.67
2020E	0.63	0.67	0.66	0.63

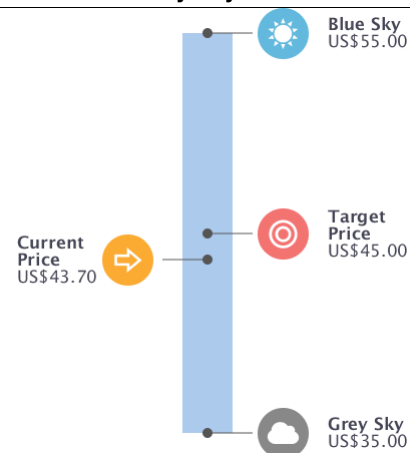
KIRKLAND LAKE GOLD Inc (KL.N)Price (13 Jan 2020): **US\$43.7**Target Price: (from 47.00) **45.00**Analyst: **Fahad Tariq**Rating: **Neutral**

Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	915.9	1,379.1	2,473.5	2,331.2
EBITDA (US\$ m)	532	952	1,390	1,288
Depr. & amort.	(134)	(162)	(378)	(379)
EBIT (US\$)	387	779	1,012	910
Net interest exp	2	3	-0	-0
PBT (US\$)	394	789	1,012	910
Income taxes	(120)	(257)	(270)	(235)
Profit after tax	274	532	741	674
Minorities	-	-	-	-
Reported net income (US\$)	274	532	741	674
Other NPAT adjustments	(13)	(13)	0	0
Adjusted net income	287	545	741	674
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	387	779	1,012	910
Net interest	2	3	-0	-0
Change in working capital	34	51	175	(12)
CAPEX	(275)	(407)	(450)	(477)
Free cashflow to the firm	369	708	997	700
Acquisitions	-	-	-	-
Divestments	2	1	0	0
Cash flow from investments	(459)	(648)	(564)	(584)
Changes in Net Cash/Debt	117	371	847	524
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	332	699	1,658	2,182
Total current assets	420	768	1,922	2,434
Total assets	1,710	2,364	5,860	6,453
Liabilities				
Total current liabilities	193	355	725	702
Total liabilities	447	654	1,437	1,413
Total liabilities and equity	1,710	2,364	5,860	6,453
Net debt	(310)	(681)	(1,528)	(2,052)
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	213	210	287	287
CS adj. EPS	1.35	2.53	2.58	2.35
Prev. EPS (US\$)	-	2.57	2.92	2.65
Dividend (US\$)	0.00	0.17	0.24	0.24
Free cash flow per share	1.26	2.28	3.08	2.07
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	22.5	50.6	79.4	(5.8)
EBIT growth (%)	90.9	101.3	29.9	(10.1)
Net profit growth (%)	92.6	89.8	36.0	(9.0)
EPS growth (%)	88.9	87.2	2.1	(9.0)
EBITDA margin (%)	58.0	69.0	56.2	55.3
EBIT margin (%)	42.3	56.5	40.9	39.0
Pretax margin (%)	43.1	57.2	40.9	39.0
Net margin (%)	31.4	39.5	30.0	28.9
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	9.66	6.15	3.09	3.05
EV/EBITDA (x)	16.1	9.0	6.2	6.6
EV/EBIT (x)	22.9	10.9	7.5	7.8
P/E (x)	32.4	17.3	16.9	18.6
Price to book (x)	6.9	5.1	2.8	2.4
Asset turnover	0.5	0.6	0.4	0.4
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	22.2	33.6	23.4	14.0
ROIC (%)	36.4	55.6	26.6	23.2
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	(24.5)	(39.8)	(34.5)	(40.7)
Interest coverage ratio (X)	(184.6)	(228.7)		
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.25	0.30	0.28	0.50
2019E	0.53	0.50	1.09	0.67
2020E	0.63	0.67	0.66	0.63

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

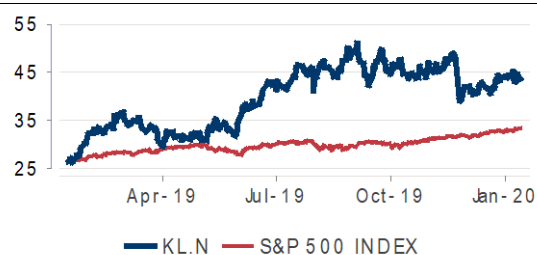
Kirkland Lake Gold is a gold mining company based in Canada. Its production profile is anchored by two major operations, the Macassa Mine located in Northeastern Ontario, and the Fosterville Mine located in the state of Victoria, Australia.

Blue/Grey Sky Scenario**Our Blue Sky Scenario (US\$)** **55.00**

Our blue sky scenario is based on 10% higher commodity price forecasts.

Our Grey Sky Scenario (US\$) **35.00**

Our grey sky scenario is based on 10% lower commodity price forecasts.

Share price performance

On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13
Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$27.01

Additional Details

- **Other catalysts will be focused on Detour Lake optimization:** In 2020, we expect KL to provide updates on Detour Lake synergies (incl. cost improvement initiatives), exploration, and potential to increase production/reserves. We expect the company to provide updates on how it is tracking relative to its US\$75-100M annual pre-tax synergy target, which is in addition to US\$35M cost savings from contract negotiations that Detour had previously identified.
- **Could see sale of Holt Complex in 2020:** KL has indicated it is determining whether Holt should remain the portfolio (“operations currently under review”) given the higher royalties. We would not be surprised to see an Australian producer acquire the asset, consistent with the recent trend of Australian gold companies using their strong balance sheets to acquire Canadian mines.
- **Potential restart of Northern Territory:** KL is working towards a potential restart of Northern Territory (Cosmo mine, Union Reefs mill) as early as February 2020.

New Gold

2020 Outlook

Precious Metals

NGD

Target price (12M, US\$)

1.00

Neutral^[M]

- **We reduced our target price for New Gold to \$1 from \$1.25 and maintain our Neutral rating:** Our target price is based on a 50/50 weighting of our NAV/sh of US\$0.98 using a 0.9x multiple and our FY20 CFO (adj.) of US\$0.14 using an 11x multiple. We are Neutral on New Gold as Rainy River is still on the mend and we cannot be constructive on the stock until we see a clear path to sustainable FCF and that means seeing the revised mine plans for both Rainy River and New Afton which will be released on February 13.
- **Revised mine plans:** (i) Rainy River – focused on medium/high-grade ore to maximize open pit profitability, as well as outline the optimal underground scenario to maximize FCF. NGD is looking at potentially shrinking the pit shell to minimize waste and required tailings space. (ii) New Afton – integrating C-zone and updated tailings plan (in-pit disposal), as well as optimizing capex and opex.
- **Operational focus:** NGD's focus in 2020 is to optimize Rainy River operations (finish remaining construction that spilled into 2020 at a cost of ~US\$20M) and costs, and New Afton exploration and C-zone development (US\$271M capex in 2020).
- **Debt refinancing:** New Gold has repeatedly indicated that it would renegotiate its debt in 2020 following a full year of operational stability and meeting production/cost guidance at Rainy River. We understand the company will meet with creditors after the revised mine plans are released to refinance the US\$400M due Nov. 2022 (6.25% interest rate). We do not expect the company to refinance the US\$300M due May 2025 at this time.
- **Potential divestments to improve cash position:** We would not be surprised to see New Gold sell its Blackwater project in BC (US\$255M NAV in our model) as it re-evaluates the project size.
- **Limited FCF in 2020/21:** We model NGD generating minimal FCF in 2020 and 2021 of US\$4M and US\$10M respectively.

Previous target price (12M, US\$)	1.25
Price (13 Jan 20, US\$)	0.94
52-week price range	1.50 - 0.63
Market cap (US\$ m)	633.87
Enterprise value (US\$ m)	1,285

[M] = Stock Considered Volatile (see Disclosure Appendix)

Research Analyst

Fahad Tariq, CPA, CA

416 352 4593

fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	-0.15	-0.05	0.04	0.03
Prev. EPS (US\$)	-	-0.04	0.06	0.06
Revenue (US\$ m)	604.5	622.7	753.9	702.7
EBITDA (US\$ m)	248.1	241.5	339.3	305.0
P/OCF (x)	1.8	2.3	2.0	2.3
EV/EBITDA (current)	4.8	4.9	3.5	3.9
Net debt (US\$ m)	677	651	647	638
ROIC (%)	0.55	1.93	4.07	2.67
Number of shares (m)	677.07	IC (current, US\$ m)		1,636.10
Net debt (Next Qtr., US\$ m)	650.7	Dividend (current, US\$)		-
Net debt/tot eq (Next Qtr., %)	68.5			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13 Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$1.08

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	-0.03	-0.00	-0.01	-0.11
2019E	-0.00	-0.01	-0.02	-0.02
2020E	0.00	0.01	0.01	0.01

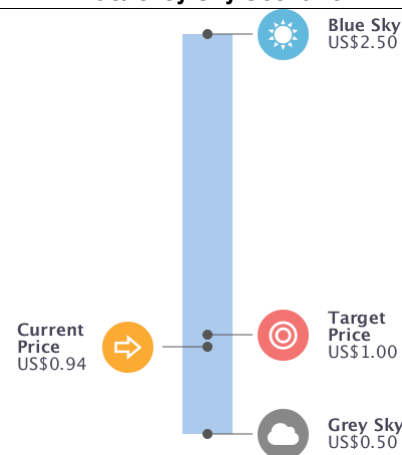
New Gold (NGD.A)Price (13 Jan 2020): **US\$0.9362**Target Price: **(from 1.25) 1.00**Analyst: **Fahad Tariq**Rating: **Neutral [V]**

Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	604.5	622.7	753.9	702.7
EBITDA (US\$ m)	248	242	339	305
Depr. & amort.	(240)	(213)	(225)	(216)
EBIT (US\$)	8	28	114	89
Net interest exp	(68)	(57)	(51)	(51)
PBT (US\$)	(41)	(79)	63	38
Income taxes	25	(5)	(41)	(20)
Profit after tax	(16)	(84)	22	18
Minorities	-	-	-	-
Reported net income (US\$)	(1,226)	(84)	22	18
Other NPAT adjustments	(1,140)	(55)	0	0
Adjusted net income	(86)	(30)	22	18
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	8	28	114	89
Net interest	68	47	0	0
Change in working capital	(72)	13	5	(2)
Cash from operations	245	239	275	241
CAPEX	(214)	(276)	(271)	(231)
Capex - Expansionary	0	(49)	(76)	(40)
Capex - Maintenance	(214)	(227)	(195)	(191)
Free cashflow to the firm	31	12	79	50
Acquisitions	-	-	-	-
Divestments	193	12	0	0
Cash flow from investments	(44)	(262)	(271)	(231)
Other	(83)	(55)	0	0
Cashflow from financing activities	(313)	(4)	0	0
Changes in Net Cash/Debt	115	26	4	10
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	104	77	80	90
Total current assets	290	216	238	242
Total assets	2,170	2,222	2,290	2,309
Liabilities				
Total current liabilities	131	166	190	182
Total liabilities	1,210	1,272	1,311	1,303
Total liabilities and equity	2,170	2,222	2,290	2,309
Net debt	677	651	647	638
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	579	595	579	579
CS adj. EPS	(0.15)	(0.05)	0.04	0.03
Prev. EPS (US\$)	-	(0.04)	0.06	0.06
Dividend (US\$)	0.00	0.00	0.00	0.00
Free cash flow per share	0.05	(0.06)	0.01	0.02
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	0.0	3.0	21.1	(6.8)
EBIT growth (%)	(70.6)	246.0	302.7	(22.3)
Net profit growth (%)	(274.2)	65.6	175.1	(18.5)
EPS growth (%)	(270.0)	66.5	177.1	(18.5)
EBITDA margin (%)	41.0	38.8	45.0	43.4
EBIT margin (%)	1.4	4.6	15.2	12.6
Pretax margin (%)	(6.8)	(12.7)	8.4	5.4
Net margin (%)	(14.2)	(4.7)	2.9	2.6
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	2.17	2.06	1.70	1.81
EV/EBITDA (x)	4.8	4.9	3.5	3.9
EV/EBIT (x)	159.8	45.3	11.2	14.3
P/E (x)	(6.3)	(18.8)	24.4	30.0
Price to book (x)	0.6	0.6	0.5	0.5
Asset turnover	0.3	0.3	0.3	0.3
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	(78.3)	(8.8)	2.3	1.8
ROIC (%)	0.6	1.9	4.1	2.7
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	70.6	68.5	66.1	63.4
Interest coverage ratio (X)	0.1	0.5	2.2	1.7
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	-0.03	-0.00	-0.01	-0.11
2019E	-0.00	-0.01	-0.02	-0.02
2020E	0.00	0.01	0.01	0.01

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

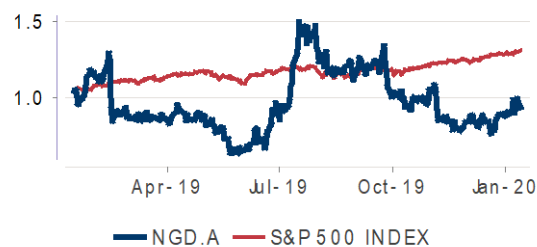
New Gold is a Canadian based gold producer with operating assets in Canada (New Afton), Mexico (Cerro San Pedro) and development projects in Canada (Blackwater) and Chile (El Morro-30%)

Blue/Grey Sky Scenario**Our Blue Sky Scenario (US\$)** (from 4.50) **2.50**

Blue sky valuation is based on a 10% higher commodity price outlook.

Our Grey Sky Scenario (US\$) **0.50**

Grey sky valuation is based on a 10% lower commodity price outlook.

Share price performance

On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13
Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$1.08

Newmont Goldcorp Corp.

2020 Outlook

Precious Metals

NEM

Target price (12M, US\$)

50.00

Outperform

- Outperform rating, US\$50.00 TP:** Our target price is based on a 50/50 weighting of our NAV/sh of US\$53.83 using a 1.3x multiple and our FY20/21 CFO (adj.) of US\$3.30 using a 14x multiple. We like NEM and think the stock could have breakout performance in 2020 as legacy Goldcorp operations stabilize (Penasquito situation improved and higher grades, Musselwhite return to full production in Q4/20, etc.), Goldcorp synergies exceed the initial US\$365M annual target (now targeting US\$500M in 2021), significant FCF generation, and industry leading dividend.
- Divestments:** Following the sale of Red Lake to Evolution Mining for US\$375M, the ~20% Continental Gold stake for US\$260M, and NEM's 50% stake in KCGM for US\$800M to Northern Star, total proceeds from divestments are ~US\$1,435M (vs. NEM's US\$1.0-1.5B divestment target). Newmont has also indicated it is reviewing its equity portfolio and would be willing to liquidate positions to generate additional cash. Divestment proceeds will be used towards the US\$1B buyback program in 2020.
- FCF:** NEM expects to generate ~US\$10B of FCF over the next five years (assuming US\$1,500/oz gold price). We model ~US\$1.8B of FCF in 2020/21. Annual exploration spend is ~US\$0.5B and annual capex is expected to be ~US\$1.3B, though we model higher based on including Yanacocha sulphides. The company plans to use FCF to de-lever, invest in projects, and return capital to shareholders via dividends/buybacks.
- Full potential in 2020:** Related to the Goldcorp acquisition, Newmont expects to achieve US\$340M in cash flow improvements in 2020 and US\$500M in annual synergies in 2021.
- ESG advantage:** As ESG becomes an increasingly important factor for investors, NEM has a distinct advantage with the highest ranking among gold miners on the Dow Jones Sustainability Index for five consecutive years and best-in-class ESG reporting and practices. The company operates in stable jurisdictions with stricter standards.

Price (13 Jan 20, US\$)	42.45
52-week price range	43.75 - 29.93
Market cap (US\$ m)	34,802.15
Enterprise value (US\$ m)	38,171

Research Analyst

Fahad Tariq, CPA, CA

416 352 4593

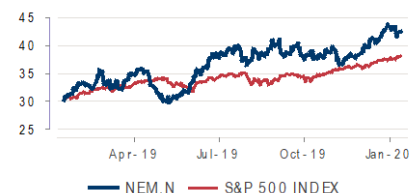
fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	1.34	1.36	2.05	1.92
Prev. EPS (US\$)	-	1.57	2.84	2.49
Revenue (US\$ m)	7,253.0	9,853.6	11,921.0	11,600.1
EBITDA (US\$ m)	2,906.0	3,543.2	5,212.3	5,004.7
P/OCF (x)	9.9	11.5	8.8	8.8
EV/EBITDA (current)	13.3	10.9	7.4	7.7
Net debt (US\$ m)	626	3,369	913	-30
ROIC (%)	11.05	-0.95	7.57	6.80
Number of shares (m)	819.84	IC (current, US\$ m)		12,138.00
Net debt (Next Qtr., US\$ m)	3,369.0	Dividend (current, US\$)		0.56
Net debt/tot eq (Next Qtr., %)	14.7			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13 Daily
Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$31.0067926

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.35	0.27	0.33	0.40
2019E	0.33	0.12	0.36	0.54
2020E	0.51	0.52	0.51	0.51

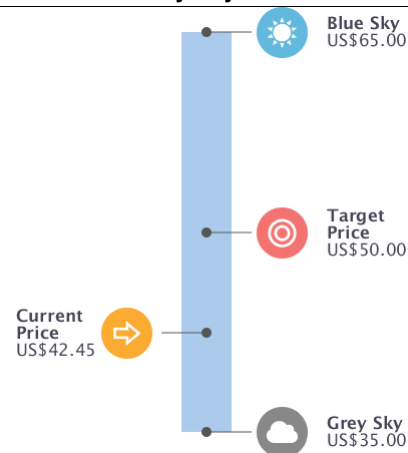
Newmont Goldcorp Corp. (NEM.N)Analyst: **Fahad Tariq**Price (13 Jan 2020): **US\$42.45**Target Price: **50.00**Rating: **Outperform**

Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	7,253.0	9,853.6	11,921.0	11,600.1
EBITDA (US\$ m)	2,906	3,543	5,212	5,005
Depr. & amort.	(1,215)	(1,942)	(2,230)	(2,338)
EBIT (US\$)	2,060	(931)	2,982	2,667
Net interest exp	(207)	(292)	(300)	(193)
PBT (US\$)	1,107	1,103	2,682	2,474
Income taxes	(386)	(808)	(1,005)	(926)
Profit after tax	721	295	1,677	1,548
Minorities	(39)	(102)	(23)	(5)
Reported net income (US\$)	280	2,778	1,654	1,543
Other NPAT adjustments	(438)	1,780	0	0
Adjusted net income	718	998	1,654	1,543
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	2,060	(931)	2,982	2,667
Net interest	(207)	(292)	(300)	(193)
Change in working capital	(743)	(409)	0	0
Cash from operations	1,827	2,706	3,893	3,871
CAPEX	(1,032)	(1,476)	(1,958)	(2,176)
Capex - Expansionary	(432)	(560)	(769)	(1,055)
Capex - Maintenance	(600)	(916)	(1,189)	(1,121)
Free cashflow to the firm	795	1,230	1,935	1,695
Acquisitions	(140)	(58)	(58)	(58)
Divestments	0	0	0	0
Cash flow from investments	(1,177)	(1,319)	(581)	(2,234)
Other	(151)	17	(49)	112
Cashflow from financing activities	(455)	(1,432)	(856)	(693)
Changes in Net Cash/Debt	118	(2,743)	2,456	943
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	3,445	3,396	5,852	6,795
Total current assets	5,277	6,225	8,681	9,624
Total assets	20,715	41,197	42,004	42,843
Liabilities				
Total current liabilities	1,787	2,611	2,611	2,611
Total liabilities	9,203	18,279	18,279	18,279
Total liabilities and equity	20,715	41,197	42,004	42,843
Net debt	626	3,369	913	(30)
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	535	733	807	805
CS adj. EPS	1.34	1.36	2.05	1.92
Prev. EPS (US\$)	-	1.57	2.84	2.49
Dividend (US\$)	0.56	0.56	1.00	1.00
Free cash flow per share	0.68	0.91	1.45	0.79
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	(0.1)	35.9	21.0	(2.7)
EBIT growth (%)	13.0	(145.2)	420.5	(10.6)
Net profit growth (%)	4.0	39.0	65.7	(6.7)
EPS growth (%)	4.0	1.4	50.7	(6.5)
EBITDA margin (%)	40.1	36.0	43.7	43.1
EBIT margin (%)	28.4	(9.4)	25.0	23.0
Pretax margin (%)	15.3	11.2	22.5	21.3
Net margin (%)	9.9	10.1	13.9	13.3
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	4.88	3.87	3.00	3.00
EV/EBITDA (x)	13.3	10.9	7.4	7.7
EV/EBIT (x)	17.2	(41.0)	12.0	13.0
P/E (x)	31.6	31.2	20.7	22.1
Price to book (x)	2.2	1.4	1.5	1.5
Asset turnover	0.4	0.2	0.3	0.3
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	2.7	17.2	7.4	6.7
ROIC (%)	11.1	(0.9)	7.6	6.8
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	5.4	14.7	3.8	(0.1)
Interest coverage ratio (X)	10.0	(3.2)	9.9	13.8
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.35	0.27	0.33	0.40
2019E	0.33	0.12	0.36	0.54
2020E	0.51	0.52	0.51	0.51

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

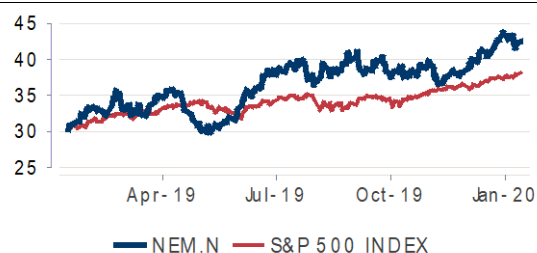
Newmont Mining is engaged in the production and sale of gold and copper (~90% gold revenues). The company has operations in North America, Australia, Africa, and South America.

Blue/Grey Sky Scenario**Our Blue Sky Scenario (US\$)** **65.00**

Blue sky valuation is based on a 10% higher gold price outlook vs. our base case

Our Grey Sky Scenario (US\$) **35.00**

Grey sky valuation is based on a 10% lower gold price outlook vs. our base case

Share price performance

On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13
Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = US\$31.0067926

Wheaton Precious Metals Corp.

2020 Outlook

Precious Metals

WPM.TO

Target price (12M, C\$)

42.50

Neutral

- **We increased our target price for Wheaton to C\$42.50 from C\$39 and maintain our Neutral rating:** Our target price is based on a 50/50 weighting of our NAV/sh of C\$22.89 using a 1.9X multiple and our FY20 CFO (adj.) of C\$1.82 using a 22x multiple. We see limited catalysts going forward and in a rising gold environment we continue to prefer producers to royalty companies due to torque. However, we retain a positive bias on the stock as we see reserve/production upside from the company's diversified portfolio and WPM trades at a significant discount to FNV, though this is partially due to WPM's silver exposure and higher leverage.
- **Predictable cost profile leading to FCF:** WPM has maintained a consistent cost profile in recent history, with gold cash costs in a narrow band of ~US\$300-US\$400/oz since 2009, and expected to average US\$426/oz from 2019 to 2023. Silver cash costs have been ~US\$4.00-US\$4.70/oz since 2009, and expected to average US\$4.42 from 2019-2023.
- **Using FCF to potentially de-lever:** We think a potential use of cash would be to de-lever to bring leverage more in line with its direct peer FNV. However, management has indicated it wants to maintain a healthy cash balance to fund more gold/silver deals.
- **Five-year guidance:** WPM sees average annual production of 750kGEO (ex. Rosemont and Salobo III). This guidance also excludes potential production upside from San Dimas reserve growth, which is trending materially higher. The revenue mix in the upcoming years is expected to be ~51% gold, ~42% silver, ~4% palladium, and ~3% cobalt.
- **Deal pipeline:** The company is seeing more early-stage deals with base metal companies looking to stream by-product precious metals, with deals generally in the sub-US\$200-250M range (with fewer deals in the US\$300M-US\$1B range). WPM also highlighted it is seeing mostly (~75%) gold deals due to the fact that there are more new copper projects with gold by-product (vs. lead-zinc deposits with silver by-product). The company also highlighted increased competition from private equity as a funding source for miners.

Previous target price (12M, C\$)	39.00
Price (13 Jan 20, C\$)	35.84
52-week price range	31.21 - 19.26
Market cap(C\$ m)	16,028
Enterprise value (C\$ m)	17,003

Research Analyst

Fahad Tariq, CPA, CA

416 352 4593

fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	0.48	0.59	0.86	0.86
Prev. EPS (US\$)	-	-	0.88	-
Revenue (US\$ m)	794.0	877.3	1,014.2	1,073.7
EBITDA (US\$ m)	736.5	400.5	703.7	751.2
P/OCF (x)	18.2	23.5	18.9	18.0
EV/EBITDA (current)	17.8	32.8	18.7	17.5
Net debt (US\$ m)	1,188	751	306	-116
ROIC (%)	7.34	2.46	7.34	7.82
Number of shares (m)	447.21	IC (current, US\$ m)		6,360.15
Net debt (Next Qtr., US\$ m)	750.6	Dividend (current, US\$)		0.36
Net debt/tot eq (Next Qtr., %)	14.3			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance



On 13-Jan-2020 the S&P/TSX Composite closed at 17293.42 Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = C\$25.4

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.16	0.16	0.08	0.08
2019E	0.13	0.10	0.16	0.20
2020E	0.21	0.22	0.22	0.22

Wheaton Precious Metals Corp. (WPM.TO)

Price (13 Jan 2020): **C\$35.84**Target Price: (from 39.00) **42.50**Analyst: **Fahad Tariq**Rating: **Neutral**

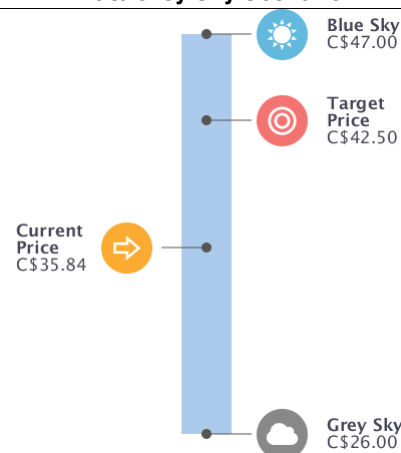
Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	794.0	877.3	1,014.2	1,073.7
EBITDA (US\$ m)	736	401	704	751
Depr. & amort.	(252)	(256)	(267)	(298)
EBIT (US\$)	484	145	437	453
Net interest exp	(41)	(49)	(39)	(46)
PBT (US\$)	443	96	398	407
Income taxes	(16)	2	(14)	(23)
Profit after tax	427	98	384	384
Minorities	-0	-0	-0	-0
Reported net income (US\$)	427	98	384	384
Other NPAT adjustments	213	(164)	0	0
Adjusted net income	215	262	384	384
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	484	145	437	453
Net interest	(41)	(49)	(39)	(46)
Change in working capital	9	(12)	0	0
CAPEX	(1,117)	(2)	(2)	(29)
Free cashflow to the firm	(640)	520	649	654
Acquisitions	-	-	-	-
Divestments	-	-	-	-
Cash flow from investments	(861)	21	(2)	(29)
Changes in Net Cash/Debt	(517)	438	445	422
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	76	263	708	1,630
Total current assets	80	269	713	1,635
Total assets	6,470	6,308	6,487	7,140
Liabilities				
Total current liabilities	29	34	34	34
Total liabilities	1,298	1,057	1,057	1,557
Total liabilities and equity	6,470	6,308	6,487	7,140
Net debt	1,188	751	306	(116)
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	444	446	447	447
CS adj. EPS	0.48	0.59	0.86	0.86
Prev. EPS (US\$)	-	-	0.88	-
Dividend (US\$)	0.34	0.36	0.46	0.52
Free cash flow per share	(1.44)	1.16	1.45	1.46
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	(5.8)	10.5	15.6	5.9
EBIT growth (%)	491.8	(70.1)	202.1	3.7
Net profit growth (%)	(22.8)	22.1	46.5	0.1
EPS growth (%)	(23.0)	21.4	46.2	0.1
EBITDA margin (%)	92.8	45.7	69.4	70.0
EBIT margin (%)	61.0	16.5	43.1	42.2
Pretax margin (%)	55.8	10.9	39.2	37.9
Net margin (%)	27.0	29.8	37.8	35.8
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	16.96	14.85	12.41	11.33
EV/EBITDA (x)	17.8	32.8	18.7	17.5
EV/EBIT (x)	27.8	90.1	28.8	26.9
P/E (x)	56.8	46.8	32.0	32.0
Price to book (x)	2.4	2.3	2.3	2.2
Asset turnover	0.1	0.1	0.2	0.2
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	8.5	1.9	7.2	7.0
ROIC (%)	7.3	2.5	7.3	7.8
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	23.0	14.3	5.6	(2.1)
Interest coverage ratio (X)	11.8	3.0	11.2	9.8
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.16	0.16	0.08	0.08
2019E	0.13	0.10	0.16	0.20
2020E	0.21	0.22	0.22	0.22

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

Wheaton Precious Metals Corp (WPM) is a mining streaming company, which generates its revenue primarily from the sale of silver and gold.

Blue/Grey Sky Scenario



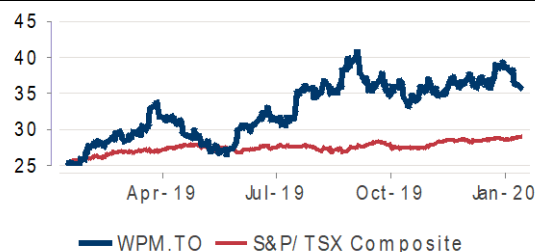
Our Blue Sky Scenario (C\$) (from 45.00) **47.00**

Based on a 10% increase in our commodity price assumptions.

Our Grey Sky Scenario (C\$) (from 25.00) **26.00**

Based on a 10% decrease in our commodity price assumptions.

Share price performance



On 13-Jan-2020 the S&P/TSX Composite closed at 17293.42
Daily Jan14, 2019 - Jan13, 2020, 01/14/19 = C\$25.4

Yamana Gold

2020 Outlook

Precious Metals

AUJ

Target price (12M, US\$)

4.75

Outperform^[M]

- Outperform rating, US\$4.75 TP:** Our target price is based on a 50/50 weighting of our NAV/sh of US\$3.76 using a 1.3x multiple and our FY20 CFO (adj.) of US\$0.39 using an 11x multiple. Following the sale of Chapada to Lundin, Yamana is positioned to further improve leverage and focus attention on its remaining five mines. We expect capital allocation will be a key investor focus in 2020 and see strong FCF generation (~US\$350M in 2020/21).
- Operational catalysts:** (i) Jacobina – Phase 1 expansion to 6.5ktpd and 180koz production. Yamana is currently looking at Phase 2 expansion to 7.5-8.5ktpd and 200-225koz production, with a PFS expected in Q1/20. (ii) Malartic – reserve growth with the potential to increase the mine life. Yamana's JV partner Agnico has indicated underground discoveries at East Malartic, Odyssey, and East Gouldie. (iii) Cerro Moro, El Penon, and Minera Florida – continued exploration. Longer-term, AUJ is looking to increase production by 150kGEO from 1.02Moz in 2020/21.
- Agua Rica feasibility study expected in 2020:** The company is looking to use the existing infrastructure at Alumbreira for its Agua Rica gold-copper mine. The PFS for Agua Rica indicated a 28-year mine life, 533Mlbs of copper equivalent production at cash costs and AISC of US\$1.29/lb and US\$1.52/lb for the first 10 years, and NPV of US\$1.9B.
- Higher dividend:** With improving FCF, we are not surprised that Yamana announced another dividend increase on Dec. 16. The dividend is now US\$0.05/sh annually effective for Q1/20. Yamana has increased the dividend 125% since Q3/19. The company also announced it will begin reporting dividend per GEO (current dividend is US\$50/GEO) and has determined a cash reserve fund that can be used for dividends if required for at least three years.
- Balance sheet looks better post-Chapada:** We model leverage (ND/EBITDA) dropping to 0.7x in 2020.

Price (13 Jan 20, US\$)	3.59
52-week price range	3.95 - 1.80
Market cap (US\$ m)	3,412.06
Enterprise value (US\$ m)	4,247
[M] = Stock Considered Volatile (see Disclosure Appendix)	

Research Analyst

Fahad Tariq, CPA, CA

416 352 4593

fahad.tariq@credit-suisse.com

Financial and valuation metrics

Year	12/18A	12/19E	12/20E	12/21E
EPS (CS adj.) (US\$)	0.12	0.13	0.26	0.25
Prev. EPS (US\$)	-	0.15	0.31	0.26
Revenue (US\$ m)	1,798.5	1,611.8	1,577.1	1,572.7
EBITDA (US\$ m)	701.0	682.6	725.5	737.2
P/OCF (x)	6.9	8.6	6.4	6.0
EV/EBITDA (current)	6.1	6.3	5.9	5.8
Net debt (US\$ m)	1,658	835	515	180
ROIC (%)	8.25	2.95	4.85	5.09
Number of shares (m)	950.44	IC (current, US\$ m)	5,682.30	
Net debt (Next Qtr., US\$ m)	835.1	Dividend (current, US\$)	0.16	
Net debt/tot eq (Next Qtr., %)	19.7			

Source: Company data, Refinitiv, Credit Suisse estimates

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13 Daily Jan15, 2019 - Jan13, 2020, 01/15/19 = US\$2.41

Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.01	0.06	0.02	0.03
2019E	0.02	0.02	0.05	0.04
2020E	0.06	0.07	0.07	0.06

Yamana Gold (AUY.N)

Price (13 Jan 2020): **US\$3.59**Target Price: **4.75**Analyst: **Fahad Tariq**Rating: **Outperform [V]**

Income Statement	12/18A	12/19E	12/20E	12/21E
Revenue (US\$ m)	1,798.5	1,611.8	1,577.1	1,572.7
EBITDA (US\$ m)	701	683	726	737
Depr. & amort.	(438)	(465)	(344)	(369)
EBIT (US\$)	263	218	381	369
Net interest exp	(137)	(135)	(50)	(50)
PBT (US\$)	(177)	325	331	319
Income taxes	(121)	(83)	(101)	(87)
Profit after tax	(298)	242	231	232
Minorities	-0	-0	-0	-0
Reported net income (US\$)	(285)	242	242	235
Other NPAT adjustments	(398)	115	(3)	(3)
Adjusted net income	113	127	245	238
Cash Flow	12/18A	12/19E	12/20E	12/21E
EBIT	263	218	381	369
Net interest	(137)	(135)	(50)	(50)
Change in working capital	(162)	(88)	1	(1)
Cash from operations	324	395	534	565
CAPEX	(447)	(306)	(192)	(202)
Capex - Expansionary	(202)	(84)	(23)	(43)
Capex - Maintenance	(245)	(221)	(168)	(159)
Free cashflow to the firm	(190)	23	343	364
Acquisitions	0	0	0	0
Divestments	-	-	-	-
Cash flow from investments	(330)	451	(167)	(177)
Other	(9)	(55)	0	0
Cashflow from financing activities	(54)	(790)	(48)	(48)
Changes in Net Cash/Debt	(59)	823	320	335
Balance Sheet (US\$)	12/18A	12/19E	12/20E	12/21E
Assets				
Cash & cash equivalents	99	156	476	811
Total current assets	429	440	763	1,094
Total assets	8,013	7,130	7,275	7,414
Liabilities				
Total current liabilities	496	411	415	410
Total liabilities	3,989	2,900	2,880	2,853
Total liabilities and equity	8,013	7,130	7,275	7,414
Net debt	1,658	835	515	180
Per share	12/18A	12/19E	12/20E	12/21E
No. of shares (wtd avg)	949	950	950	950
CS adj. EPS	0.12	0.13	0.26	0.25
Prev. EPS (US\$)	-	0.15	0.31	0.26
Dividend (US\$)	0.02	0.03	0.05	0.05
Free cash flow per share	(0.41)	(0.06)	0.34	0.34
Earnings	12/18A	12/19E	12/20E	12/21E
Sales growth (%)	(0.3)	(10.4)	(2.2)	(0.3)
EBIT growth (%)	36.2	(17.2)	75.1	(3.3)
Net profit growth (%)	38.8	12.0	93.6	(2.9)
EPS growth (%)	38.7	11.9	93.6	(2.9)
EBITDA margin (%)	39.0	42.3	46.0	46.9
EBIT margin (%)	14.6	13.5	24.2	23.4
Pretax margin (%)	(9.8)	20.1	21.0	20.3
Net margin (%)	6.3	7.9	15.6	15.1
Valuation	12/18A	12/19E	12/20E	12/21E
EV/Sales (x)	2.82	2.64	2.49	2.28
EV/EBITDA (x)	6.1	6.3	5.9	5.8
EV/EBIT (x)	19.3	19.5	10.3	9.7
P/E (x)	30.1	26.9	13.9	14.3
Price to book (x)	0.9	0.8	0.8	0.8
Asset turnover	0.2	0.2	0.2	0.2
Returns	12/18A	12/19E	12/20E	12/21E
ROE stated-return on (%)	(6.9)	5.9	5.7	5.3
ROIC (%)	8.3	3.0	4.9	5.1
Gearing	12/18A	12/19E	12/20E	12/21E
Net debt/equity (%)	41.2	19.7	11.7	3.9
Interest coverage ratio (X)	1.9	1.6	7.7	7.4
Quarterly EPS	Q1	Q2	Q3	Q4
2018A	0.01	0.06	0.02	0.03
2019E	0.02	0.02	0.05	0.04
2020E	0.06	0.07	0.07	0.06

Source: Company data, Refinitiv, Credit Suisse estimates

Company Background

Yamana Gold Inc. is a gold producer with gold production, gold development stage properties, exploration properties, and land positions in Brazil, Argentina, Chile, Mexico and Colombia.

Blue/Grey Sky Scenario



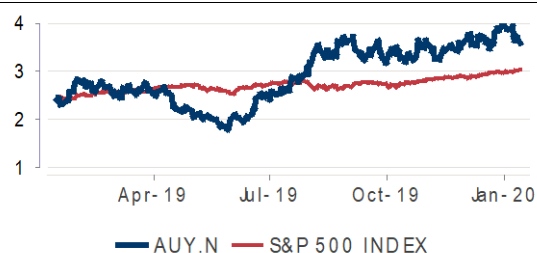
Our Blue Sky Scenario (US\$) **6.00**

Blue sky valuation is based on a 10% higher gold price outlook vs. our base case.

Our Grey Sky Scenario (US\$) **2.00**

Grey sky valuation is based on a 10% lower gold price outlook vs. our base case.

Share price performance



On 13-Jan-2020 the S&P 500 INDEX closed at 3288.13
Daily Jan15, 2019 - Jan13, 2020, 01/15/19 = US\$2.41

Companies Mentioned (Price as of 13-Jan-2020)

Agnico Eagle Mines Limited (AEM.N, \$58.13, OUTPERFORM, TP \$74.0)
Alamos Gold (AGI.N, \$5.44, NEUTRAL[V], TP \$7.5)
Barrick Gold Corp (GOLD.N, \$17.45, OUTPERFORM, TP \$22.0)
Centamin (CEY.L, 127.2p)
Centerra Gold (CG.TO, C\$9.58, NEUTRAL, TP C\$12.0)
Continental Gold (CNL.TO, C\$5.44)
Detour Gold Corporation (DGC.TO, C\$24.91)
Eldorado Gold (EGO.N, \$7.21, UNDERPERFORM[V], TP \$7.5)
Endeavour Mining (EDV.TO, C\$23.66, OUTPERFORM, TP C\$32.0)
Franco Nevada Corporation (FNV.N, \$101.36, NEUTRAL, TP \$105.0)
IAMGold (IAG.N, \$3.29, NEUTRAL[V], TP \$4.0)
KIRKLAND LAKE GOLD Inc (KL.N, \$43.7, NEUTRAL, TP \$45.0)
New Gold (NGD.A, \$0.94, NEUTRAL[V], TP \$1.0)
Newmont Goldcorp Corp. (NEM.N, \$42.45, OUTPERFORM, TP \$50.0)
Teranga Gold (TGZ.TO, C\$7.0)
Wheaton Precious Metals Corp. (WPM.TO, C\$35.84, NEUTRAL, TP C\$42.5)
Yamana Gold (AUY.N, \$3.59, OUTPERFORM[V], TP \$4.75)

Disclosure Appendix

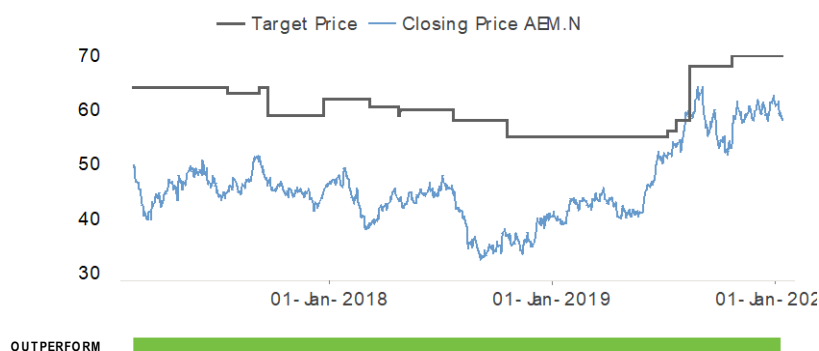
Analyst Certification

I, Fahad Tariq, CPA, CA, certify that (1) the views expressed in this report accurately reflect my personal views about all of the subject companies and securities and (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

3-Year Price and Rating History for Agnico Eagle Mines Limited (AEM.N)

AEM.N	Closing Price	Target Price	Rating
Date	(US\$)	(US\$)	
13-Feb-17	49.75	64.00	O
18-Jul-17	45.01	63.00	
08-Sep-17	51.20	64.00	
22-Sep-17	46.74	59.00	
22-Dec-17	45.32	62.00	
07-Mar-18	38.38	60.50	
23-Apr-18	43.57	59.00	
26-Apr-18	43.67	60.00	
23-Jul-18	44.30	58.00	
10-Sep-18	33.03	58.00	*
18-Oct-18	37.02	55.00	*
09-Jul-19	51.66	56.00	
24-Jul-19	53.65	58.00	
15-Aug-19	59.20	68.00	
22-Oct-19	53.02	70.00	

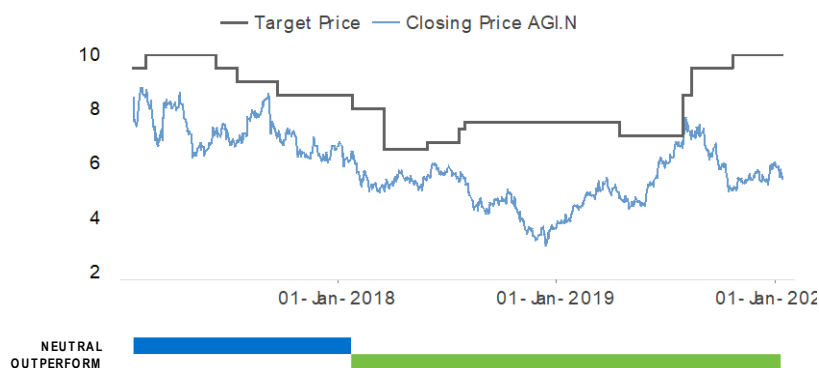
* Asterisk signifies initiation or assumption of coverage.



3-Year Price and Rating History for Alamos Gold (AGI.N)

AGI.N	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
13-Jan-17	8.21	9.50	N
15-Feb-17	8.63	10.00	
12-Jun-17	7.20	9.50	
17-Jul-17	6.82	9.00	
22-Sep-17	6.96	8.50	
25-Jan-18	6.16	8.00	O
20-Mar-18	4.97	6.50	
30-May-18	5.47	6.75	
23-Jul-18	5.32	7.25	
01-Aug-18	5.44	7.50	
16-Apr-19	4.72	7.00	*
31-Jul-19	6.55	8.50	
15-Aug-19	7.18	9.50	
22-Oct-19	5.01	10.00	

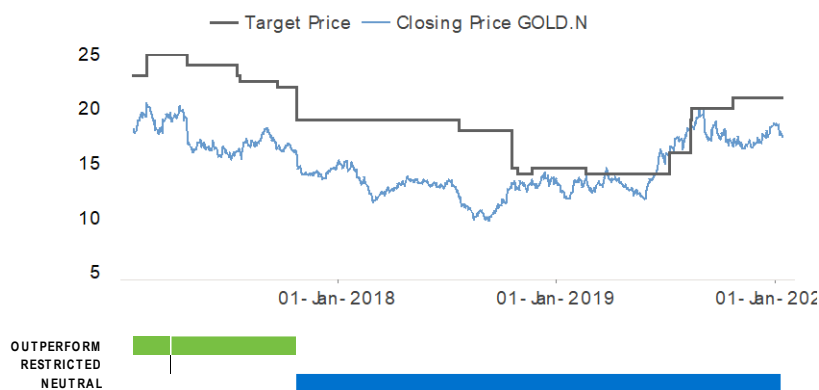
* Asterisk signifies initiation or assumption of coverage.



3-Year Price and Rating History for Barrick Gold Corp (GOLD.N)

GOLD.N	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
25-Jan-17	18.06	23.00	O
16-Feb-17	20.50	25.00	
28-Mar-17	19.08		R
30-Mar-17	19.19	25.00	O
24-Apr-17	19.04	24.00	
17-Jul-17	16.08	23.00	
21-Jul-17	16.19	22.50	
22-Sep-17	16.36	22.00	
25-Oct-17	15.75	19.00	N
23-Jul-18	11.81	18.00	
10-Sep-18	9.76	18.00	*
18-Oct-18	13.16	14.50	
29-Oct-18	12.68	14.00	
21-Nov-18	13.46	14.50	
20-Feb-19	13.76	14.00	
09-Jul-19	16.05	16.00	
13-Aug-19	18.11	19.00	
15-Aug-19	18.39	20.00	
22-Oct-19	16.60	21.00	

* Asterisk signifies initiation or assumption of coverage.

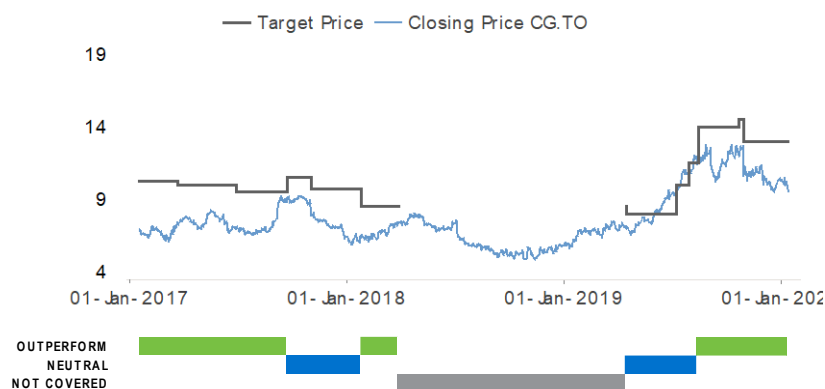


3-Year Price and Rating History for Centerra Gold (CG.TO)

CG.TO	Closing Price	Target Price	
Date	(C\$)	(C\$)	Rating
13-Jan-17	6.94	10.25	O
23-Mar-17	7.28	10.00	
29-Jun-17	7.04	9.50	
22-Sep-17	9.10	10.50	N
02-Nov-17	7.90	9.75	
25-Jan-18	6.42	8.50	O
29-Mar-18	7.39		NC
16-Apr-19	7.02	8.00	N *
09-Jul-19	9.43	10.00	
30-Jul-19	11.11	11.50	
15-Aug-19	11.90	14.00	O
22-Oct-19	12.10	14.50	
30-Oct-19	10.62	13.00	

* Asterisk signifies initiation or assumption of coverage.

Effective July 3, 2016, NC denotes termination of coverage.

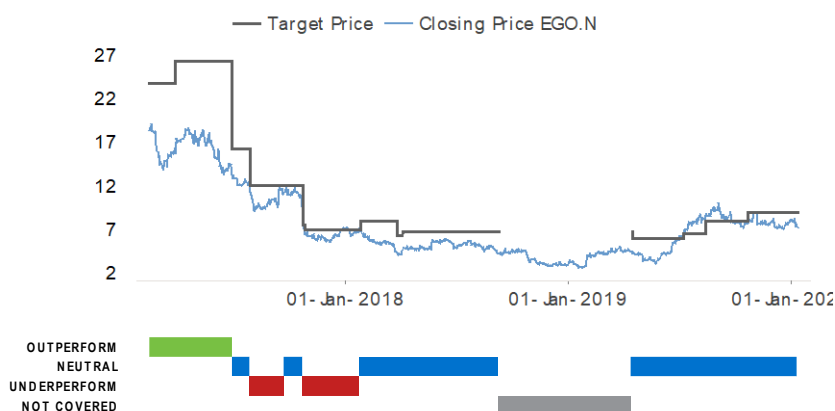


3-Year Price and Rating History for Eldorado Gold (EGO.N)

EGO.N	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
13-Jan-17	17.00	23.75	O
28-Mar-17	15.80	26.25	
29-Jun-17	12.90	16.25	N
28-Jul-17	11.30	12.00	U
22-Sep-17	11.30	12.00	N
23-Oct-17	7.75	7.50	U
26-Oct-17	6.55	7.00	
25-Jan-18	6.85	8.00	N
26-Mar-18	4.34	6.25	
04-Apr-18	4.65	6.75	
10-Sep-18	4.25		NC
16-Apr-19	4.27	6.00	N *
09-Jul-19	6.55	6.50	
15-Aug-19	8.77	8.00	
22-Oct-19	7.69	9.00	

* Asterisk signifies initiation or assumption of coverage.

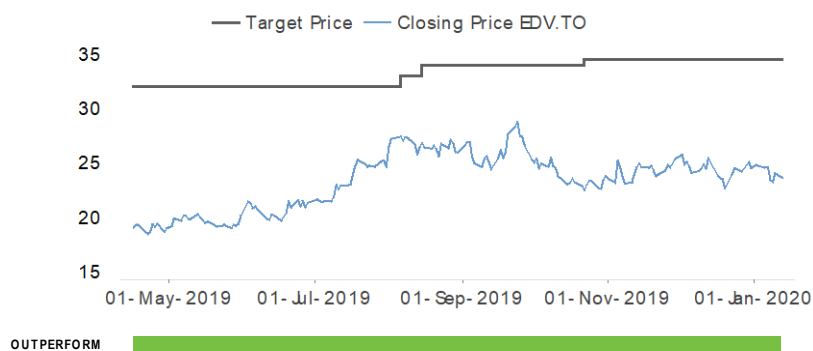
Effective July 3, 2016, NC denotes termination of coverage.



3-Year Price and Rating History for Endeavour Mining (EDV.TO)

EDV.TO	Closing Price	Target Price	
Date	(C\$)	(C\$)	Rating
16-Apr-19	19.10	32.00	O *
06-Aug-19	27.43	33.00	
15-Aug-19	26.87	34.00	
22-Oct-19	22.50	34.50	

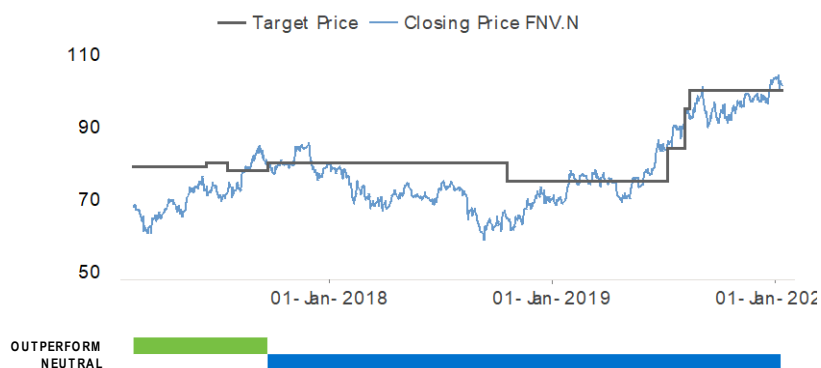
* Asterisk signifies initiation or assumption of coverage.



3-Year Price and Rating History for Franco Nevada Corporation (FNV.N)

FNV.N	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
13-Jan-17	63.54	79.00	O
12-Jun-17	72.62	80.00	
17-Jul-17	71.72	78.00	
22-Sep-17	79.32	80.00	N
10-Sep-18	60.13	80.00	*
18-Oct-18	64.84	75.00	*
09-Jul-19	85.21	84.00	
07-Aug-19	92.27	95.00	
15-Aug-19	92.27	100.00	

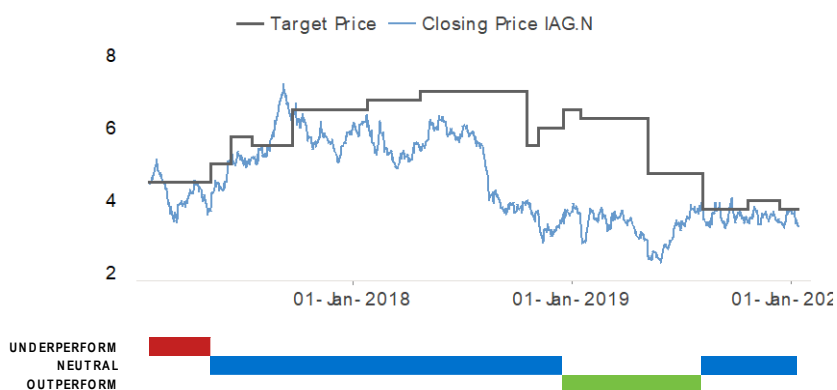
* Asterisk signifies initiation or assumption of coverage.



3-Year Price and Rating History for IAMGold (IAG.N)

IAG.N	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
13-Jan-17	4.44	4.25	U
27-Jan-17	4.47	4.50	
09-May-17	3.72	5.00	N
12-Jun-17	5.20	5.75	
17-Jul-17	5.18	5.50	
22-Sep-17	6.31	6.50	
25-Jan-18	6.03	6.75	
23-Apr-18	5.40	7.00	
10-Sep-18	3.67	7.00	*
18-Oct-18	3.96	5.50	*
07-Nov-18	3.33	6.00	
18-Dec-18	3.67	6.50	O
16-Jan-19	3.21	6.25	
07-May-19	2.53	4.75	
07-Aug-19	4.02	3.75	N
22-Oct-19	3.40	4.00	
13-Dec-19	3.41	3.75	

* Asterisk signifies initiation or assumption of coverage.



3-Year Price and Rating History for KIRKLAND LAKE GOLD Inc (KL.N)

KL.N	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
07-Oct-19	46.20	47.00	N *

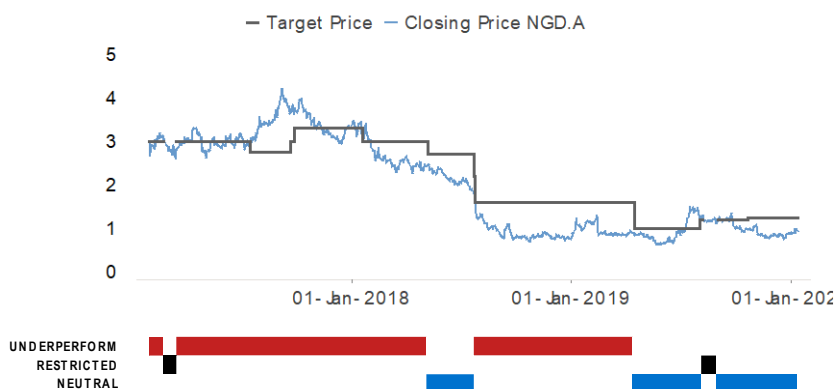
* Asterisk signifies initiation or assumption of coverage.



3-Year Price and Rating History for New Gold (NGD.A)

NGD.A	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
13-Jan-17	4.07	4.50	N
30-Jan-17	2.94	3.00	U
22-Feb-17	3.04		R
16-Mar-17	2.83	3.00	U
17-Jul-17	3.06	2.75	
22-Sep-17	3.69	3.00	
28-Sep-17	3.75	3.30	
19-Jan-18	3.11	3.00	
07-May-18	2.44	2.70	N
23-Jul-18	1.81	2.20	
25-Jul-18	1.81	1.60	U
16-Apr-19	0.85	1.00	N *
02-Aug-19	1.24	1.20	
08-Aug-19	1.30		R
02-Sep-19	1.12	1.20	N
22-Oct-19	0.99	1.25	

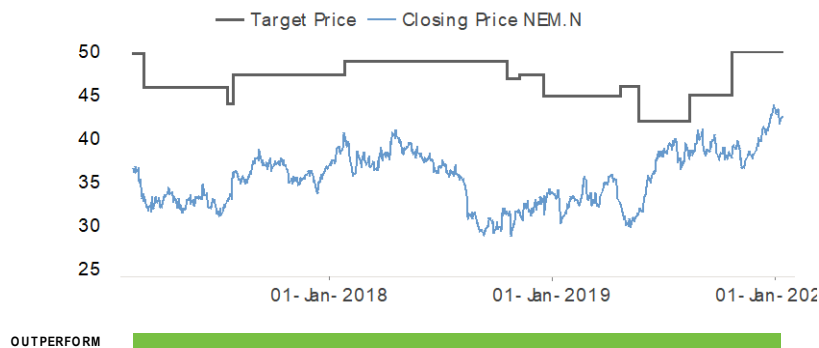
* Asterisk signifies initiation or assumption of coverage.



3-Year Price and Rating History for Newmont Goldcorp Corp. (NEM.N)

NEM.N	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
13-Jan-17	33.69	49.76	O
02-Mar-17	32.78	45.86	
17-Jul-17	32.91	43.91	
26-Jul-17	36.06	47.32	
25-Jan-18	39.78	48.78	
10-Sep-18	29.02	48.78	*
18-Oct-18	31.58	46.83	
08-Nov-18	31.63	47.32	
18-Dec-18	33.33	44.88	
22-Apr-19	32.55	46.00	
22-May-19	31.32	42.00	
15-Aug-19	38.52	45.00	
22-Oct-19	37.80	50.00	

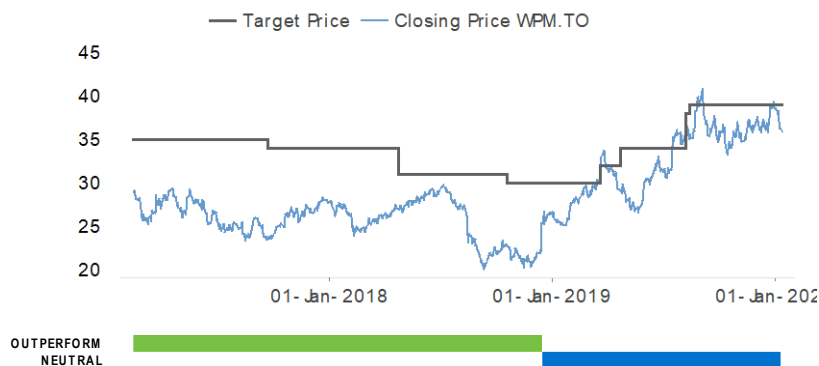
* Asterisk signifies initiation or assumption of coverage.



3-Year Price and Rating History for Wheaton Precious Metals Corp. (WPM.TO)

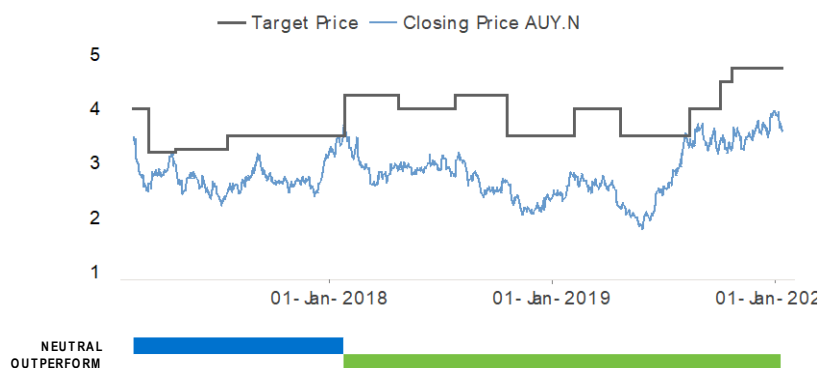
WPM.TO	Closing Price	Target Price	
Date	(C\$)	(C\$)	Rating
13-Feb-17	29.02	35.00	O
12-Apr-17	29.02	35.00	*
22-Sep-17	23.69	34.00	
23-Apr-18	27.01	31.00	
10-Sep-18	20.29		*
18-Oct-18	22.89	30.00	O *
18-Dec-18	26.70	30.00	N
21-Mar-19	32.25	32.00	
22-Apr-19	29.09	34.00	
08-Aug-19	36.67	38.00	
15-Aug-19	35.49	39.00	

* Asterisk signifies initiation or assumption of coverage.



3-Year Price and Rating History for Yamana Gold (AUY.N)

AUY.N	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
13-Jan-17	3.17	4.00	N
10-Mar-17	2.62	3.20	
23-Apr-17	3.01	3.25	
17-Jul-17	2.45	3.50	
25-Jan-18	3.56	4.25	O
23-Apr-18	2.87	4.00	
26-Jul-18	2.76	4.25	
10-Sep-18	2.37	4.25	*
18-Oct-18	2.68	3.50	
06-Feb-19	2.75	4.00	
22-Apr-19	2.18	3.50	
15-Aug-19	3.44	4.00	
04-Oct-19	3.45	4.50	
11-Oct-19	3.27	4.50	*
22-Oct-19	3.26	4.75	



* Asterisk signifies initiation or assumption of coverage.

As of December 10, 2012 Analysts' stock rating are defined as follows:

Outperform (O) : The stock's total return is expected to outperform the relevant benchmark* over the next 12 months.

Neutral (N) : The stock's total return is expected to be in line with the relevant benchmark* over the next 12 months.

Underperform (U) : The stock's total return is expected to underperform the relevant benchmark* over the next 12 months.

*Relevant benchmark by region: As of 10th December 2012, Japanese ratings are based on a stock's total return relative to the analyst's coverage universe which consists of all companies covered by the analyst within the relevant sector, with Outperforms representing the most attractive, Neutrals the less attractive, and Underperforms the least attractive investment opportunities. As of 2nd October 2012, U.S. and Canadian as well as European (excluding Turkey) ratings are based on a stock's total return relative to the analyst's coverage universe which consists of all companies covered by the analyst within the relevant sector, with Outperforms representing the most attractive, Neutrals the less attractive, and Underperforms the least attractive investment opportunities. For Latin America, Turkey and Asia (excluding Japan and Australia), stock ratings are based on a stock's total return relative to the average total return of the relevant country or regional benchmark (India - S&P BSE Sensex Index); prior to 2nd October 2012 U.S. and Canadian ratings were based on (1) a stock's absolute total return potential to its current share price and (2) the relative attractiveness of a stock's total return potential within an analyst's coverage universe. For Australian and New Zealand stocks, the expected total return (ETR) calculation includes 12-month rolling dividend yield. An Outperform rating is assigned where an ETR is greater than or equal to 7.5%; Underperform where an ETR less than or equal to 5%. A Neutral may be assigned where the ETR is between -5% and 15%. The overlapping rating range allows analysts to assign a rating that puts ETR in the context of associated risks. Prior to 18 May 2015, ETR ranges for Outperform and Underperform ratings did not overlap with Neutral thresholds between 15% and 7.5%, which was in operation from 7 July 2011.

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Not Covered (NC) : Credit Suisse Equity Research does not provide ongoing coverage of the company or offer an investment rating or investment view on the equity security of the company or related products.

Volatility Indicator [V] : A stock is defined as volatile if the stock price has moved up or down by 20% or more in a month in at least 8 of the past 24 months or the analyst expects significant volatility going forward.

Analysts' sector weightings are distinct from analysts' stock ratings and are based on the analyst's expectations for the fundamentals and/or valuation of the sector* relative to the group's historic fundamentals and/or valuation:

Overweight : The analyst's expectation for the sector's fundamentals and/or valuation is favorable over the next 12 months.

Market Weight : The analyst's expectation for the sector's fundamentals and/or valuation is neutral over the next 12 months.

Underweight : The analyst's expectation for the sector's fundamentals and/or valuation is cautious over the next 12 months.

*An analyst's coverage sector consists of all companies covered by the analyst within the relevant sector. An analyst may cover multiple sectors.

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Global Ratings Distribution

Rating	Versus universe (%)	Of which banking clients (%)
Outperform/Buy*	48%	(32% banking clients)
Neutral/Hold*	38%	(26% banking clients)
Underperform/Sell*	12%	(22% banking clients)
Restricted	2%	

**For purposes of the NYSE and FINRA ratings distribution disclosure requirements, our stock ratings of Outperform, Neutral, and Underperform most closely correspond to Buy, Hold, and Sell, respectively; however, the meanings are not the same, as our stock ratings are determined on a relative basis. (Please refer to definitions above.) An investor's decision to buy or sell a security should be based on investment objectives, current holdings, and other individual factors.*

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Target Price and Rating

Valuation Methodology and Risks: (12 months) for Agnico Eagle Mines Limited (AEM.N)

Method: Our US\$74.00 TP is based on a 50/50 weighting between our DCF of US\$44.56, using a 1.7x multiple less net debt of US\$3.13, and our FY20 CFO (adj.) of US\$4.38 using a 18x multiple. We rate AEM Outperform due to its strong exploration and project pipeline, growth profile, solid balance sheet, FCF generation, and operations in stable jurisdictions.

Risk: We believe there are several risks to achievement of our US\$74.00 AEM TP and Outperform rating. AEM is subject to operating risk, commodity price risk, FX risk, and inflationary risk. Changes to mining sequence or project scheduling can impact production and cost forecasts. AEM is also exposed to political risk derived from mining and taxation law.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for Alamos Gold (AGI.N)

Method: Our target price of US\$7.50 for Alamos is based on an 50/50 weighting of our US\$7.39 NAV valuation and our CFO (adj.) valuation. We apply a 16.0x multiple to FY20 CFO (adj.) of US\$0.45. Our Canadian gold producer multiples range from 0.6 to 2.8x NAV. Our CFO (adj.) multiple is derived based on AGI's implied mine life and forecasted FCF yield. We rate Alamos Neutral due to the Company's strong growth profile through its Young Davidson and Island Gold operations.

Risk: We see several risks to Alamos's US\$7.50 target price and Neutral rating - financial, operations and capital markets risks. Actual commodity prices compared to our forecasts may impact Alamos's profitability. The company incurs expenditures in Mexican Pesos and Canadian dollars, while its revenues are received in US dollars and as a result the company is subject to foreign exchange risk. The company is subject to operating risk through the fluctuations in ore grade, recoveries and changes in the mining sequence which may impact earnings and the net asset value, in particular recovery rates have been a concern for the company. Alamos is subject to integration risk as it integrates assets acquired through the Richmond merger. Alamos is also exposed to political risk as derived from mining law, taxation and changes in subsidiaries.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for Barrick Gold Corp (GOLD.N)

Method: Our target price of US\$22.00 for GOLD is based on an even weighting of our US\$20.68 NAV valuation and US\$22.51 CFO (adj.) valuation. Our NAV valuation is based on a 1.6x multiple applied to our US\$13.01 asset DCF, with corporate adjustments of US\$0.13/sh deducted at par. Our CFO (adj.) valuation is based on 16.0x our FY20 CFO (adj.) of \$1.41/sh. Our CFO (adj.) is based

on implied mine life and free cash flow generating ability. We rate GOLD Outperform based on FCF generation, stable production profile with potential to lower costs, and management track record.

Risk: We believe there are several risks to GOLD's achievement of our US\$22.00 target price and Outperform rating. GOLD is subject to commodity price and foreign exchange risk as fluctuations in the gold, copper, silver and foreign exchange rates will impact profitability. GOLD is subject to inflationary pressures particularly for fuel, consumables, equipment and labour. Fluctuations in ore grade or recovery rates or changes to the mining sequence would impact production and costs forecasts. GOLD is exposed to development and permitting risk with respect to its development projects. GOLD is also exposed to political risk with regards to the permitting and tax rates applicable to its current mines and development projects.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for Centerra Gold (CG.TO)

Method: Our target price of C\$12.00 for Centerra Gold Inc. is based on an 50/50 weighting of our C\$14.88/sh CFO (adj.) valuation and C\$9.21/sh NAV valuation. Our NAV valuation applies a 0.8x blended multiple to our asset DCF. We add CG's net cash balance of C\$1.13/sh at par. Our cash flow valuation applies a 6x multiple to our US\$2.48/sh CFO (adj.) from FY20/21. Our cash flow multiple is based on CG's mine life and FCF generation. We rate Centerra Neutral based on target return relative to other companies in our coverage and uncertainty around Kumtor costs following a rock slide at one of the waste dumps.

Risk: We believe there are several risks to Centerra's achievement of our C\$12.00 target price and Neutral rating. Centerra is subject to commodity price and foreign exchange risk as fluctuations in the gold price, copper price, Molybdenum price, oil price, CAD/USD, Kyrgyz som/USD and EUR/USD will impact Centerra's profitability. Centerra is subject to potential inflationary pressures related to fuel, consumables, equipment and labour. Fluctuation in ore grade, tonnage, recovery, changes to the mining sequence, glacier advancement rates, variations vs. forecast waste dump movement rates, pit wall stability, process plant availability and among the risks that could impact production and cost forecasts for the Kumtor mine. CG is also exposed to operating risks at its Mt. Milligan mine in Canada. It has development risk at its projects in Turkey and Canada.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for Eldorado Gold (EGO.N)

Method: Our target price of US\$7.50 for EGO is based on an even weight of our US\$6.28 NAV valuation and US\$8.57 CFO (adj) valuation. Our NAV valuation is based on 0.6x our DCF of US\$14.68/sh with net cash/(debt) of US\$(2.53) added/deducted at par. Our CFO (adj.) valuation is based on 8.0x our FY20/21 CFO (adj.) of US\$1.07/sh. Our CFO (adj.) multiple is based on CS estimated mine life and FCF generating ability. We rate EGO Underperform due to valuation, relative target return, and uncertainty regarding the ability to deliver on its Greek projects due to operational and funding challenges.

Risk: There are several risks to Eldorado's achievement of our US\$7.50 target price and Underperform rating. Eldorado is subject to commodity price and foreign exchange risk as fluctuations in the gold price or foreign exchange rates will impact Eldorado's profitability. Eldorado is subject to inflationary pressures particularly for fuel, consumables, equipment and labour. Fluctuations in ore grade and recovery rates or changes to the mining sequence would impact production and cost forecasts. Eldorado is also exposed to development risk and permitting risk as it brings its Greek assets and a potential expansion at Kisladag on stream.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for Endeavour Mining (EDV.TO)

Method: Our target price of C\$32.00 and Outperform rating for Endeavour Mining is based on an even weighting of our C\$27.21 NAV valuation and C\$38.02 CFO (adj.) valuation. Our CFO (adj.) valuation is based on 9.0x our FY20 CFO (adj.) of US\$3.25/sh. Our NAV valuation is based on 0.9x our DCF of C\$25.09. We add/(deduct) net debt and corporate adjustments of C\$(1.65) at par. Our CFO (adj.) multiple is based on estimated mine life and free cash flow generating ability. Our Outperform rating is based on an attractive valuation, FCF generation, and strong operational track record.

Risk: There are several risks to Endeavour Mining's achievement of our C\$32.00 target price and Outperform rating. EDV is subject to operating risks, commodity price and foreign exchange risk as fluctuations in the gold and foreign exchange rates will impact profitability. EDV is subject to inflationary pressures particularly for fuel, consumables, equipment and labour. Fluctuations in ore grade or recovery rates or changes in the mining sequence would impact production and cost forecasts. EDV is exposed to ongoing geopolitical risk given its operations in higher than average exposure to geopolitically risky areas. There is also M&A risk given the recent attempt to merge with Centamin.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for Franco Nevada Corporation (FNV.N)

Method: Our target price of US\$105.00 is based on a 50/50 weighting of our US\$111.71/sh CFO (adj.) valuation and US\$92.93/sh NAV valuation. Our NAV valuation applies a 2.8x multiple to our asset DCF of US\$31.60/sh. We add corporate adjustments of US\$4.45/sh at par. Our cash flow valuation applies a 29.0x multiple to our FY20 US\$3.85/sh CFO (adj). We rate FNV Neutral on a valuation basis

relative to peers and because it tends to have less torque in a rising gold environment. Positively, FNV offers a relatively low risk business model.

Risk: We believe there are several risks to Franco-Nevada's achievement of our US\$105.00 target price and Neutral rating. Franco Nevada is subject to commodity price and foreign exchange risk as fluctuations in the gold, platinum, palladium, oil, natural gas, copper and nickel price will impact Franco-Nevada's profitability. Franco is subject to some of inflationary pressures particularly for fuel, consumables, equipment and labour, through the net profit interest royalties. Fluctuations in ore grade and recovery rates or changes to the mining sequence would impact production and cost forecasts, as well as shutdowns and failure to meet production targets.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for IAMGold (IAG.N)

Method: Our target price of US\$4.00 & Neutral rating for IAMGOLD are based on an even weighting of our US\$3.73 NAV valuation and US\$4.82 CFO (adj.) valuation. Our CFO (adj.) valuation is based on 8x our FY20/21 CFO (adj.) of US\$0.60/sh. Our NAV valuation is based on 0.40x our DCF of US\$6.36. We add/(deduct) net debt and corporate adjustments of \$1.19 at par.

Risk: There are several risks to IAMGOLD's achievement of our US\$4.00 target price and Neutral rating. IAG is subject to operating risks, commodity price and foreign exchange risk as fluctuations in the gold and foreign exchange rates will impact profitability. IAG is subject to inflationary pressures particularly for fuel, consumables, equipment and labour. Fluctuations in ore grade or recovery rates or changes in the mining sequence would impact production and cost forecasts.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for KIRKLAND LAKE GOLD Inc (KL.N)

Method: Our target price of US\$45.00 and Neutral rating for Kirkland Lake Gold is based on an even weighting of our US\$42.16 NAV valuation and US\$47.27 CFO (adj.) valuation. Our CFO (adj.) valuation is based on 16.0x our FY20/21 CFO (adj.) of US\$2.95/sh. Our NAV valuation is based on 1.40x our DCF of US\$26.24. We add/(deduct) net debt and corporate adjustments of US\$5.42 at par. Our CFO (adj.) multiple is based on estimated mine life and free cash flow generating ability.

Risk: There are several risks to Kirkland Lake's achievement of our US\$45.00 target price and Neutral rating. KL is subject to operating risks, commodity price and foreign exchange risk as fluctuations in the gold and foreign exchange rates will impact profitability. KL is subject to inflationary pressures particularly for fuel, consumables, equipment and labour. Fluctuations in ore grade or recovery rates or changes in the mining sequence would impact production and cost forecasts.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for New Gold (NGD.A)

Method: Our target price of US\$1.00 is based on an even weighting of our CFO (adj.) valuation and NAV valuation. We apply an 11.0x multiple to FY20 CFO (adj.) of US\$0.14. Our NAV valuation is based on 0.9x our DCF of US\$2.07. We add/(deduct) net debt of US\$(1.09) at par. Our CFO (adj.) multiple is based on implied mine life and free cash flow generating ability. We rate NGD Neutral due to elevated execution risk at Rainy River, no/limited FCF over the next few years, and upcoming debt refinancing.

Risk: We believe there are several risks to New Gold's achievement of our US\$1.00 target price and Neutral rating. NGD is subject to operating risks, commodity price risk (gold and copper) and foreign exchange risk. NGD is subject to inflationary pressures, particularly for fuel, consumables, equipment and labour. Fluctuations in ore grade or recovery rates or changes in the mining sequence would impact production and cost forecasts.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for Newmont Goldcorp Corp. (NEM.N)

Method: Our US\$50.00 target price and Outperform rating for NEM are based on an even weighting of our US\$43.91 CFO (adj.) valuation and \$55.39 NAV valuation. We apply a ~13.0x multiple to FY19/20 CFO (adj.) of US\$3.38. Our NAV valuation is based on 1.9x our DCF of US\$29.06, we add net cash of US\$0.09/sh at par.

Risk: Risks to our US\$50.00 target price and Outperform rating for NEM are: 1. Actual gold price falls short of or exceeds our current forecasts, 2. Operating execution risk, 3. Unexpected cost pressures, 4. Political/social risks, and 5. Corporate development/M&A risks as both a potential acquirer or acquiree.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for Wheaton Precious Metals Corp. (WPM.TO)

Method: Our C\$42.50 target price and Neutral rating for Wheaton Precious Metal Corp. are based on a 50/50 weighting of (1) 1.9x our cash-adjusted net asset value per share (NAVPS) and (2) 22.0x FY20 operating cash flow. We rate Wheaton Precious Metals Neutral primarily due to valuation and target price yield. While WPM has resolved the long standing CRA tax dispute, the company continues to have more non-gold exposure and higher leverage vs. some peers.

Risk: Risks to Wheaton Precious Metal Corp.'s C\$42.50 target price and Neutral rating are a decline in the price of gold and silver, operational issues at underlying mines, and/or a change in the prevailing tax structure.

Target Price and Rating

Valuation Methodology and Risks: (12 months) for Yamana Gold (AUY.N)

Method: Our target price of US\$4.75 and Outperform rating for Yamana are based on an even weighting of our US\$4.30 CFO (adj.) valuation and US\$5.10 NAV valuation. We apply an 11.0x multiple to FY20 CFO (adj.) of \$0.40/sh. Our NAV valuation is based on 1.30x our DCF of US\$4.29. We deduct net debt of US\$0.47 at par. Our CFO (adj.) multiple is based on implied mine life and free cash flow generating ability. We rate Yamana Outperform due to its FCF generation and above average leverage to gold price.

Risk: There are several risks to Yamana's achievement of our US\$4.75 target price and Outperform rating. Yamana is subject to commodity price and foreign exchange risk as fluctuations in the gold, copper and foreign exchange rates will impact Yamana's profitability. Yamana is subject to inflationary pressures particularly for fuel, consumables, equipment and labour. Fluctuations in ore grade or recovery rates or changes to the mining sequence would impact production and costs forecasts. Yamana is also exposed to political risk.

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