

Global Gold & Precious Metals

North American senior gold producer
primer - 3rd edition

Primer

3rd edition North American senior gold producer primer

This is the third edition of our primer on the North American senior gold producer sector. We define a senior gold producer as one with annual production in excess of 1.75 million ounces. Amongst the North American domiciled gold producers, Agnico Eagle Mines (AEM), Barrick Gold (GOLD), Newmont Corporation (NEM) and Kinross Gold (KGC) qualify as seniors. Since our inaugural primer published on April 11, 2018, there have been seismic shifts in the North American senior gold producer sector with the completion of two mega mergers, a partnership creating the world's largest gold producer (Nevada Gold Mines) and a plethora of non-core asset sales to focus on Tier 1 and 2 assets.

The North American senior gold producers in context

The four North American senior gold producers as a group are dominant globally in terms of market capitalization, gold production, gold reserves and free cash flow (Section 1). As of April 21st 2020, the total market capitalization of the North American senior gold producers was \$113 billion, 49% of the total market value of the BofA global gold producer coverage universe (\$229 billion). Conversely, the North American senior producers accounted for 38% of total 2019 gold output and 35% of aggregate year end 2019 gold reserves of the BofA global gold producer universe.

The evolution of the global gold sector: 2000-20

In Section 2 we examine the evolution of the global gold producer sector (comprised of the global senior and mid-tier gold producers) for the 2000-20 period, broken down into four major eras of merger and acquisition (M&A) activity (page 8). Having covered the gold sector for 32 years, we have had a "front row" seat to how the global gold producer sector has evolved. Table 1 on page 9 sets out the global gold producer sector in 2000. Over 60% of the gold producers in Table 1 no longer exist due to the rapacious appetite of acquirers to replenish production and reserve bases. Table 2 on page 9 sets out the reconfigured global gold producer sector as of April 21st 2020.

Company overviews and historical valuation charts

In Sections 3-6, we have included three page overviews for each North American senior gold producer. In Section 7, we set out historical valuation charts. As per Chart 14 on page 22, the North American precious metals sector has traded between 1-3x asset value over the 1993-April 2020 period. Over the past eight years, the North American senior gold producers have traded largely within a 1-2x NAV range. Valuation multiples for the North American senior gold producers have been trending upward since H2'19 due to the rising gold price. The senior producer multiples however remain below the buoyant valuation levels (of 2-3x) seen in the mid-2000s.

22 April 2020

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Refer to important disclosures on page 26 to 27.

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Section 1: Overview

This is the third edition of our primer on the North American senior gold producer sector (which we have been analyzing since early 1988). This report includes a section on the evolution of the global gold sector from 2000, although the roots of the North American senior gold producer sector extend much further back (NEM and AEM are 99 & 63 years old). A number of senior gold producers no longer exist having been absorbed into other companies through mergers and acquisitions (M&A). Below are corporate histories of the four North American senior gold producers: Agnico Eagle Mines, Barrick Gold, Kinross Gold, and Newmont Corporation.

Agnico Eagle Mines. Under the leadership of founder and former CEO Paul Penna, Agnico Mines Limited was formed on October 25, 1957. In 1972, Agnico Eagle Mines was created through the amalgamation of Agnico Mines Limited and Eagle Gold Mines. Agnico Eagle is a Canadian gold mining company with mines located in Canada, Mexico and Finland, with exploration and development activities in Canada, Europe, USA and Latin America. Agnico Eagle has declared a cash dividend every year since 1983. Agnico Eagle's mines and development projects are located in what the company believes to be politically stable countries that are supportive of the mining industry.

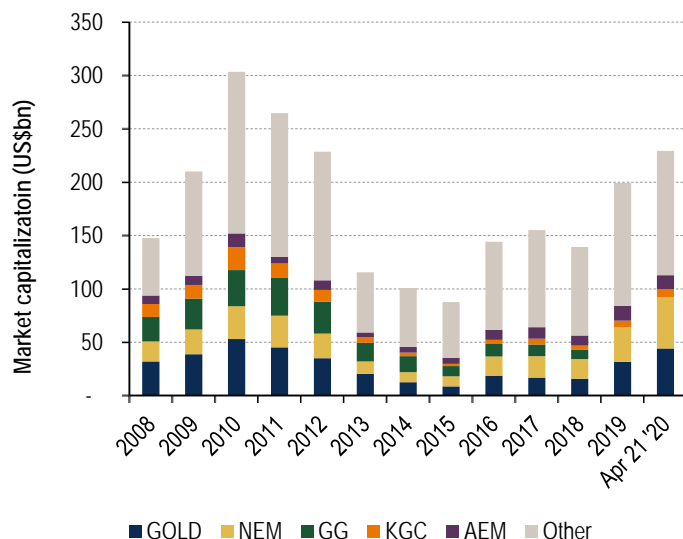
Barrick Gold Corporation commenced trading on May 2nd, 1983, listing on the Toronto Stock Exchange. The late Peter Munk founded Barrick in 1983 and built it into the world's largest gold mining company (measured by annual production) in less than twenty-five years. He did so by leading a small team of partners who trusted one another implicitly and who together balanced boldness and prudence in the pursuit of fierce entrepreneurial ambitions. Under Mr. Munk's leadership, Barrick made several acquisitions in North America in the mid-1980s, including the Goldstrike mine in Nevada in 1986 (for \$62 million). The company name was changed to American Barrick Resources in 1986 and then to the current Barrick Gold in 1995. On Sept. 24th 2018, Barrick and Randgold Resources merged.

Kinross Gold Corporation was founded in 1993 following the merger of three companies: Plexus Resources Corporation, CMP Resources and 1021105 Ontario Corp. In 1998, Kinross merged with Amax Gold, giving it ownership of the Fort Knox mine. Then, in 2002, Kinross merged with TVX Gold and Echo Bay Mines, gaining an interest in Paracatu, a core mine for Kinross today. Kinross solidified its position as a senior gold producer through the 2010 merger with Red Back Mining (Tasiast and Chirano) and then the 2016 acquisition of the Bald Mountain and Round Mountain (50% interest) mines.

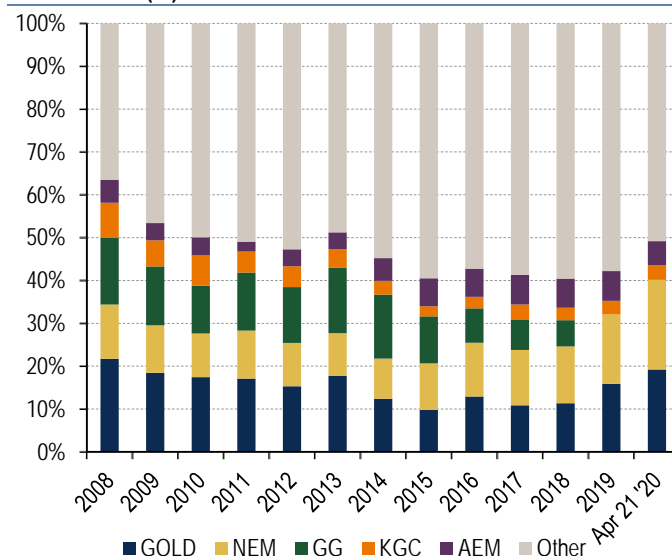
Newmont Corporation was founded by William Boyce Thompson as a diversified holding company in 1921. Newmont became a mining company in 1929 and was operating 12 gold mines in North America by 1939. Through the introduction of new technologies, Newmont began to process refractory ores (and then heap leach ores) in the Carlin trend from early 1960's onward. Over the subsequent years, Newmont continued to build its asset base through success at exploration and various acquisitions. On January 14th 2019, Newmont Mining and Goldcorp announced a \$10 billion merger which became effective on April 18th 2019.

Industry fundamentals – dominant market cap size

On pages 3-7, we have set out a number of historical charts comparing the four North American senior gold producers with other global gold producers under coverage by BofA. The total market capitalization of the four North American senior gold producers was \$113 billion as of April 21st 2020, equal to 49% of the aggregate value of the BofA global gold producer coverage universe (\$229 billion). This compares to the peak year-end 2010 market capitalization of \$140 billion for the North American senior gold producers, accounting then for 47% of the market capitalization of the BofA coverage universe. Charts 1 (absolute basis) and 2 (relative basis) on page 3 set out the total market capitalization for the BofA global gold producer coverage universe at year ends 2008-2019 and then as of April 21st 2020.

Chart 1: BofA global gold producer sector total market capitalization – Absolute basis (US\$bn)

Note: 1) as of April 21st 2020; 2) Other consists of the balance of the BofA global gold producer coverage universe.
Source: Bloomberg

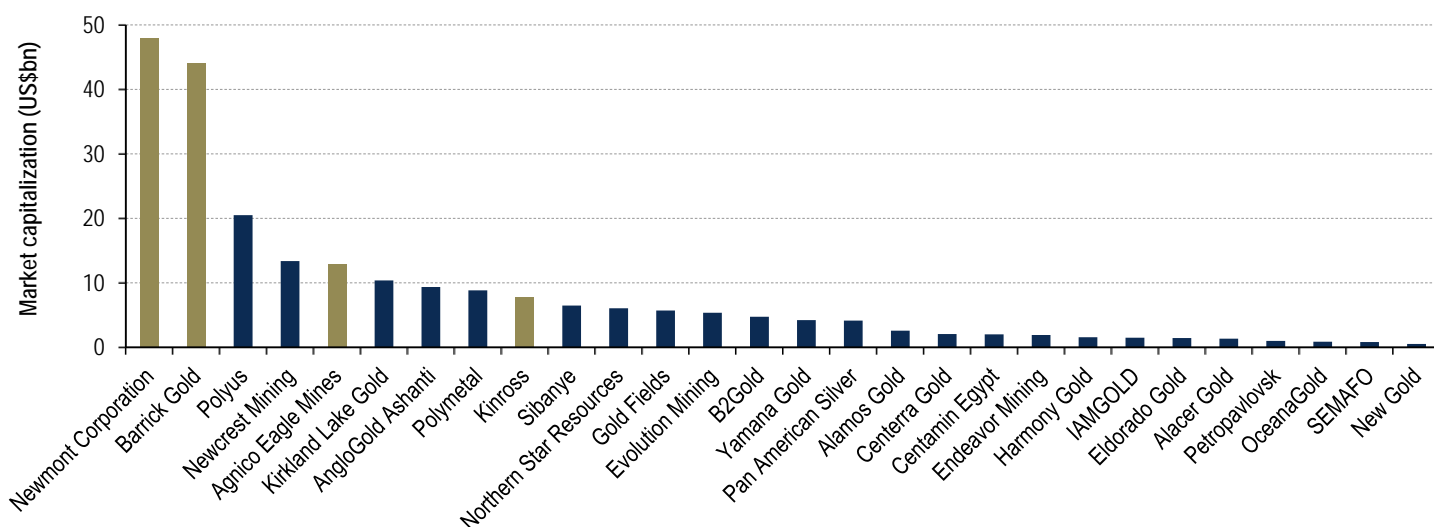
Chart 2: BofA global gold producer sector total market capitalization – Relative basis (%)

Note: 1) as of April 20 2020; 2) Other consists of the balance of the BofA global gold producer coverage universe.
Source: Bloomberg

We have excluded the aggregate market capitalization of \$48bn for the four senior royalty & streaming companies (FNV, WPM, RGLD and OR). Including these four companies, the total market capitalization of the BofA global gold company coverage universe would rise to \$277bn. And the North American senior gold producers share would decline from 49% to 41%.

Market capitalization of global gold producers

Chart 3 shows market capitalization of the BofA global gold producer coverage universe as of April 21st 2020. The four North American senior gold producers (NEM – 1st, GOLD – 2nd, AEM – 5th, and KGC – 9th) dominate the league standings for market capitalization. We have excluded the precious metal streaming & royalty companies from this chart.

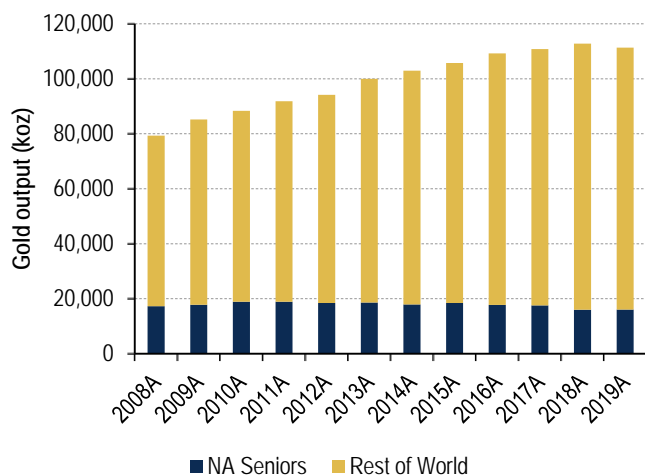
Chart 3: Global gold producer coverage universe market capitalization – April 21st 2020

Source: Bloomberg

Global gold output – a fragmented market

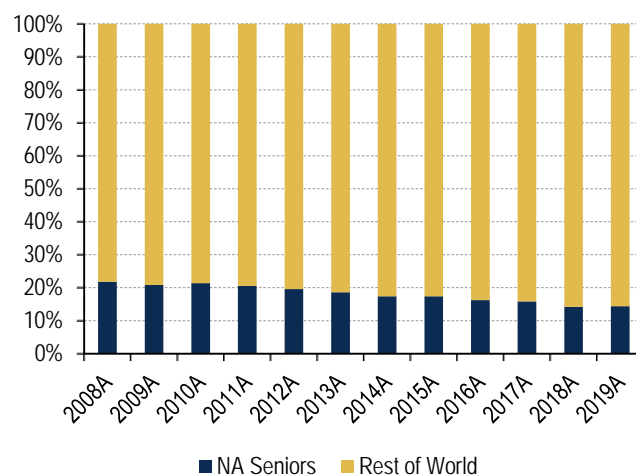
Chart 4 and 5 set out global gold output on an absolute and relative basis for the 2008-19 period. The global gold sector is a highly fragmented with hundreds of gold mines (gold is also produced as a by-product) around the world. Since 2008, the North American senior producers' (includes GG for the 2009-early 2019 period) share of annual global gold output has steadily declined. We estimate that the four senior producers accounted for 14.4% of global gold output in 2019, down from 21.8% in 2008.

Chart 4: Global annual gold output, absolute basis (koz)



Source: BofA Global Research, WGC

Chart 5: Global annual gold output, relative basis (%)

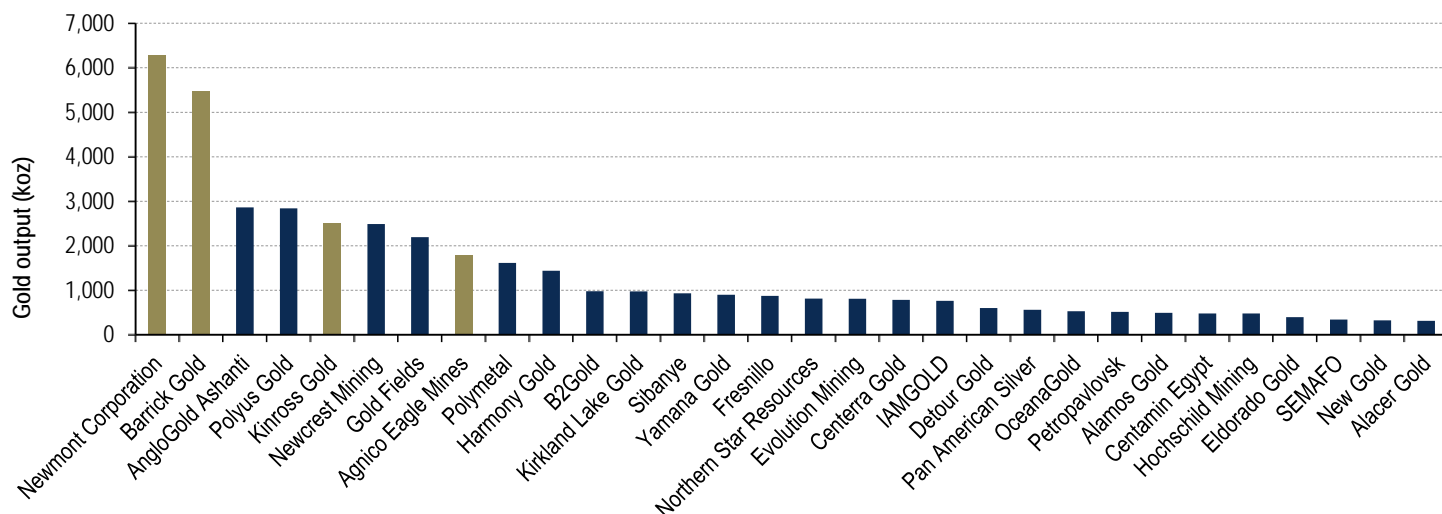


Source: BofA Global Research, WGC

2019 gold output – NEM & GOLD lead the way

Chart 6 sets out gold output of the BofA global gold producer coverage universe for 2019. Total gold output of this group was 41.9 Moz in 2019, of which the North American senior gold producers yielded 16.0Moz of gold (or 38%). The North American seniors accounted for four of the top eight gold producing companies in 2019.

Chart 6: 2019 gold output – the North American senior gold producers comprised three of the top five spots

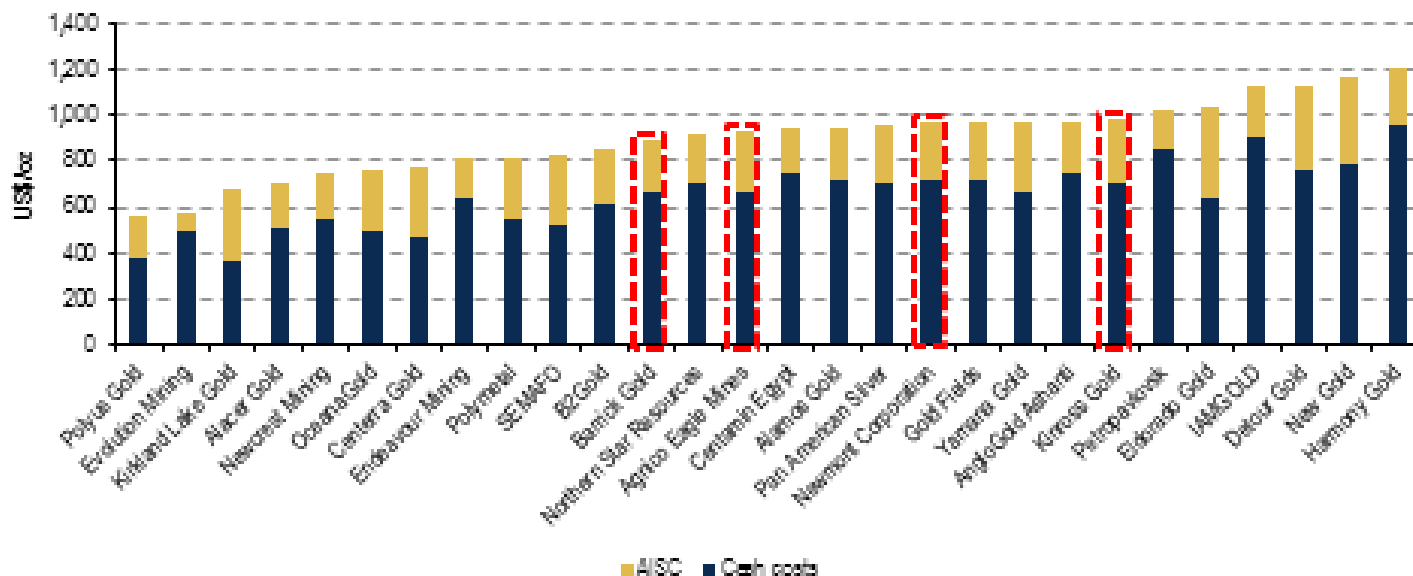


Source: BofA Global Research, company reports

2019 global gold producer cost profiles

Chart 7 sets out the cash costs and all-in sustaining costs (AISC) for the BofA global gold producer coverage universe in 2019. Interestingly the four North American senior gold producers (in dotted line red) are situated in the middle of the industry cost structure with GOLD being the lowest cost of the group.

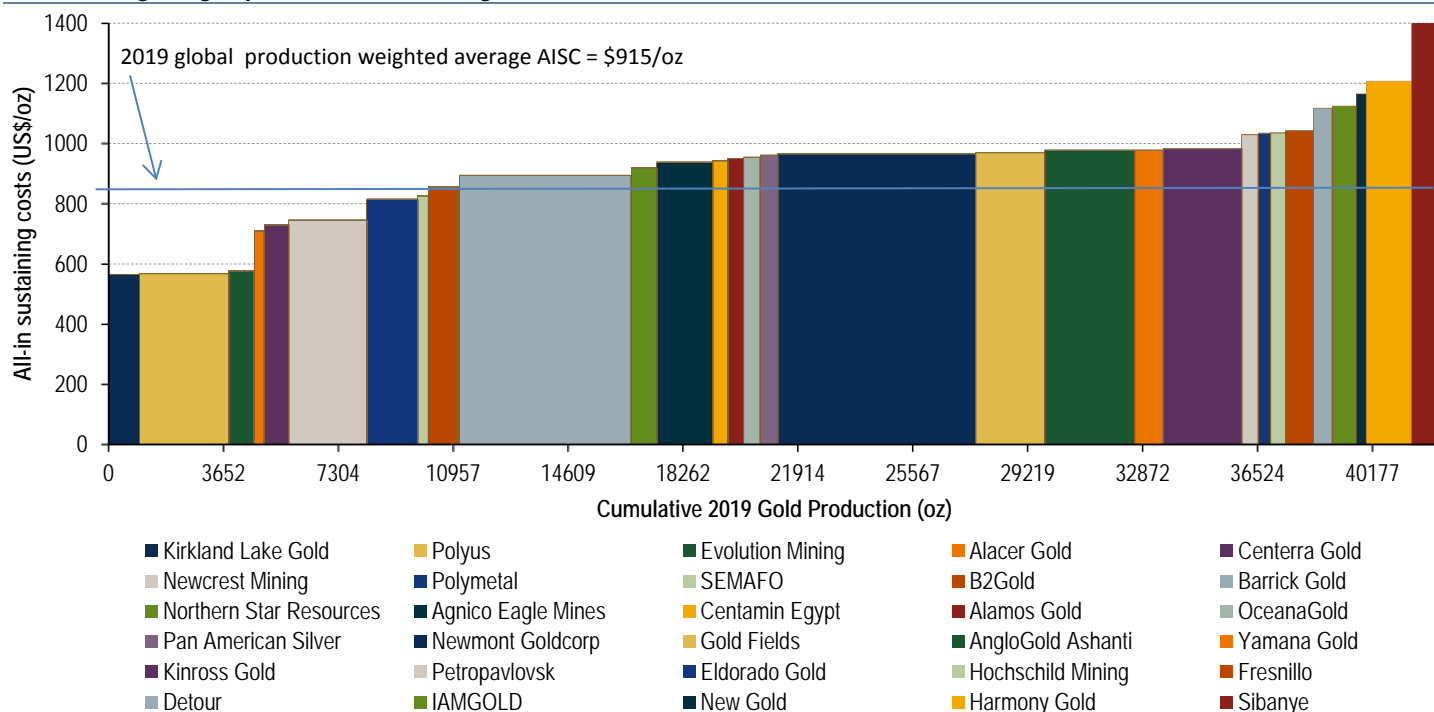
Chart 7: 2019 global gold producer cash costs and all-in sustaining costs profile



Source: BofA Global Research, company reports

Chart 8 sets out the 2019 AISC curve for the BofA global gold producer coverage universe. This group comprised around 40% of global gold output in 2019.

Chart 8: 2019 global gold producers all in sustaining cost curve

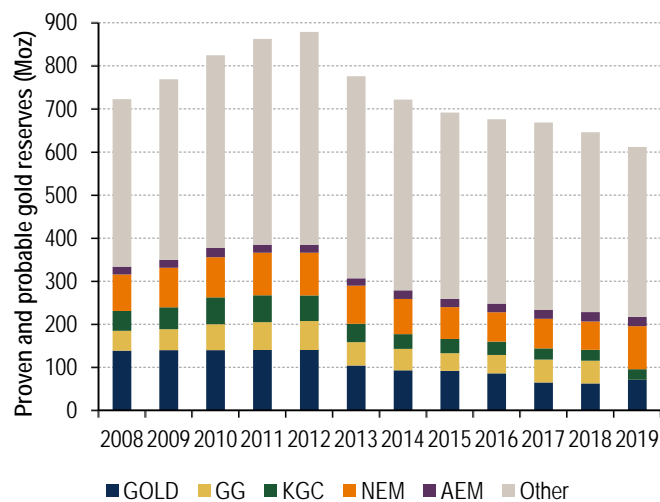


Source: BofA Global Research

Global gold reserves – declining industry trend

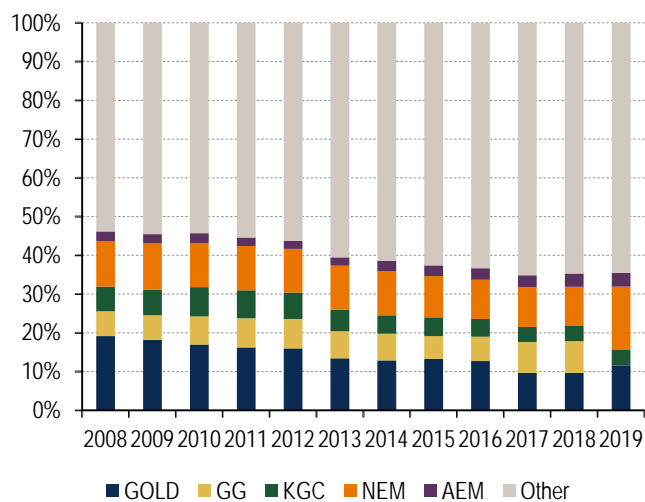
Chart 9 (absolute) and Chart 10 (relative) display year-end gold reserves for the BofA global gold producer coverage universe for the 2008-19 period.

Chart 9: Year-end gold reserves for global gold producers (Moz)



Note: 1) Other consists of the balance of the BofA global gold producer coverage universe
Source: BofA Global Research, company reports

Chart 10: Year-end gold reserves for global gold producers (%)



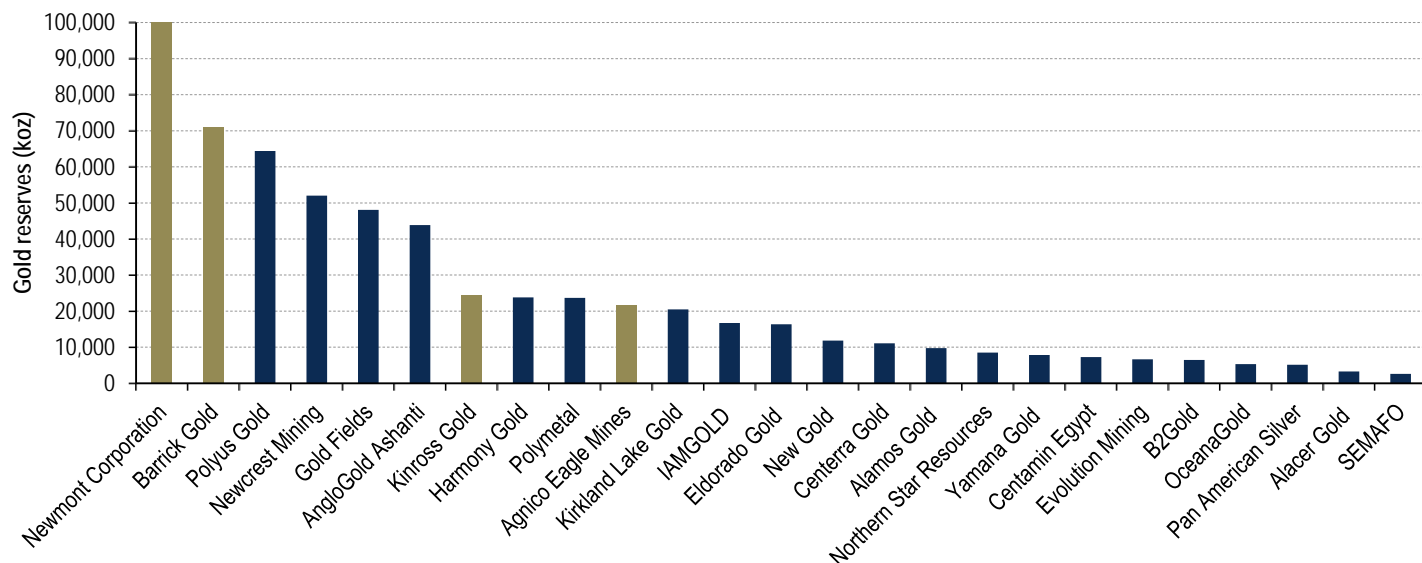
Note: 1) Other consists of the balance of the BofA global gold producer coverage universe
Source: BofA Global Research, company reports

At year-end 2019, total gold reserves for the global gold producers amounted to 612 Moz. The North American senior gold producers held aggregate gold reserves of 213 Moz, accounting for 35% of year-end 2019 total gold coverage sector reserves.

Global gold producer reserve positions

Chart 11 sets out the year end 2019 gold reserve positions of the BofA global gold producer coverage universe. The North American senior gold producers were first (NEM at 100 Moz), second (GOLD at 71 Moz), seventh (KGC at 24 Moz) and ninth (AEM at 22 Moz) in terms of total gold reserves versus the global producer peers.

Chart 11: 2019 gold producer reserves

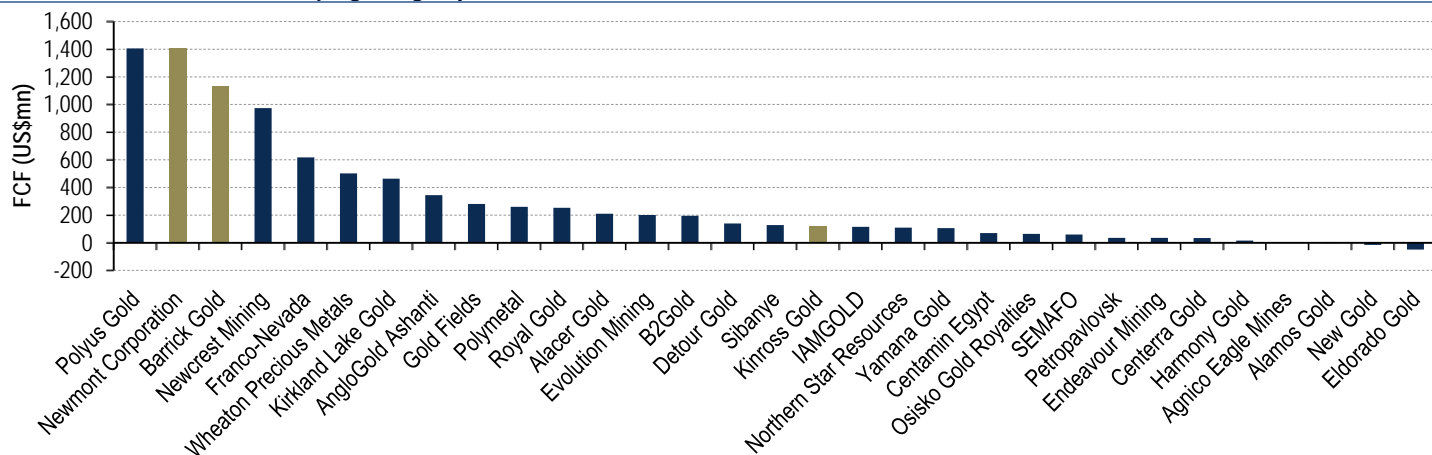


Source: BofA Global Research, company reports

2019 global gold producer free cash flow

Chart 12 sets out the free cash flow (FCF) profiles for the BofA global gold producer coverage universe and the four senior streaming & royalty companies (FNV, WPM, RGLD and OR) in 2019. FCF is calculated by deducting all capital spending and interest expense from operating cash flow. Amongst the North American senior producers, NEM reported the largest free cash flow in 2019, closely followed by GOLD.

Chart 12: 2019 free cash flow for major global gold producers

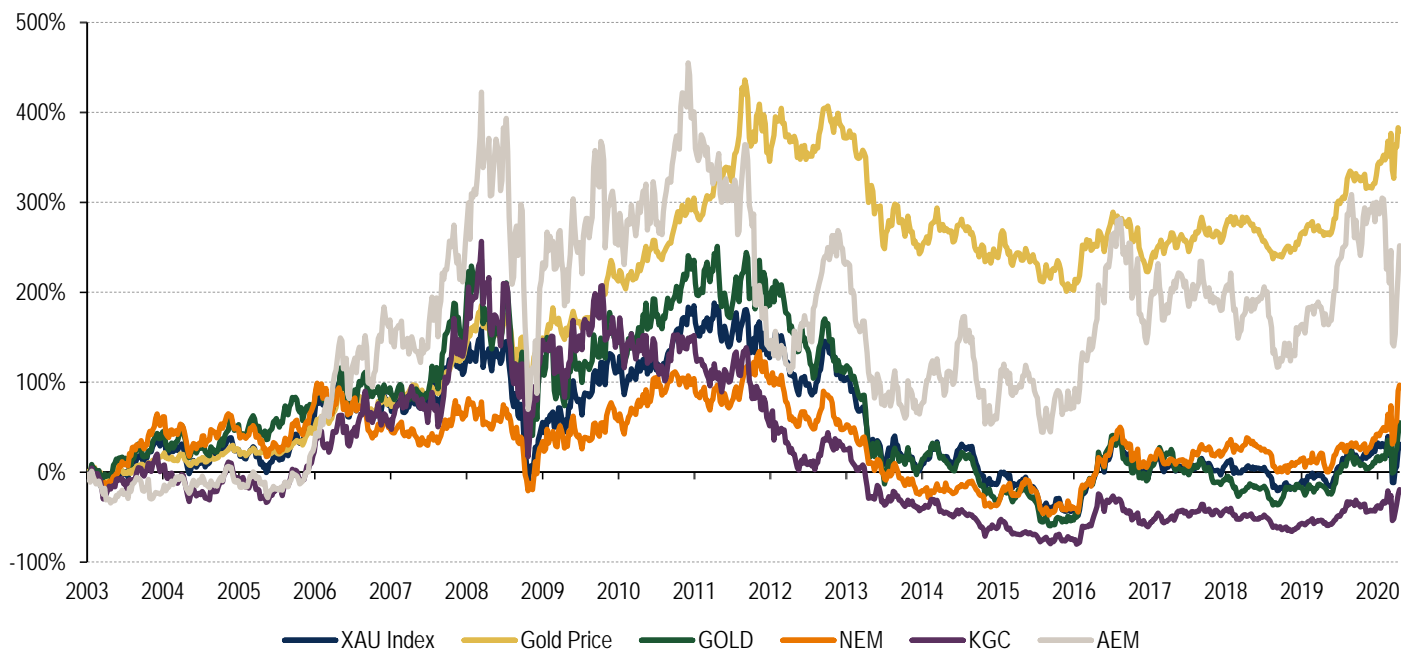


Source: BofA Global Research, company reports

Relative performance vs. Gold and XAU Index

Chart 13 shows the relative share price performance of four North American senior gold producers versus the performance of gold and the XAU Gold (equity) Index since the beginning of 2003.

Chart 13: Four senior gold producers (GOLD, NEM, KGC, AEM) relative performance vs. Gold and XAU Index



Source: Bloomberg

Section 2: Gold sector evolution

Having covered the gold sector for 32 years, we have had a “front row” seat to how the global gold producers (defined as the senior and mid-tier gold producers) have evolved. This has included trends in merger and acquisition (M&A) activity conducted by the global gold producers. Set out below is our view on the evolution of the global gold producer sector since 2000, broken down by four major M&A eras. Table 1 on page 9 sets out the global gold producer sector in 2000. Twenty years onward to April 2020, the global gold sector has been reconfigured, as per Table 2 on page 9. Over 60% of the gold producers in Table 1 no longer exist due to the rapacious appetite of acquirers to replenish production and reserve bases. [Link](#) to Feb. 11th 2020 report.

2000-10 – M&A frenzy reshapes gold sector

Over the 2000-2007 period, the global gold producer group dominated M&A activity, acting as the acquirers for nearly 80% of all gold company transactions. This led to a radical reconfiguration of the global gold sector, as 50% of the global gold producers in our universe were absorbed by peers over the 2000-10 period. Key drivers included strong balance sheets and high valuation levels for the acquirers, a plethora of high quality targets and bullish views on bullion.

2011-18 (Aug) – The rise of the mid-tier producers

Fast forward to the 2011 – August 2018 period, a time marked by a lack of merger activity amongst the senior gold producers. Instead the senior gold producers focused on bolt-on transactions (of both mining operations and late-stage development projects), strategic acquisitions that consolidated assets near existing operations, dispositions of non-core assets to improve balance sheets, and investments in exploration companies and partnerships. Consequently, the constituents of the global senior gold producer universe remained essentially unchanged from 2011 until August 2018. Profiting from well-timed asset purchases (largely from senior producer sellers), a number of new producers evolved to mid-tier status including Acacia Mining, Detour Gold, Evolution Mining, Kirkland Lake Gold, Northern Star Resources and OceanaGold.

2018 (Sept.)-H1'19 – A rebirth in senior producer M&A

Over the Sept. 2018-H1'19 period, the global senior producer sector was electrified by two mega-mergers, on Sept. 24th 2018 the \$6.1 billion merger of GOLD and Randgold and on Jan. 14th 2019, the \$10 billion merger of NEM and GG. These were the first mergers of senior gold producers in eight years. Adding in a partnership element, on July 1st 2019, GOLD and NEM announced the formal creation of Nevada Gold Mines LLC (NGM), which is 61.5% owned and operated by GOLD and 38.5% owned by NEM. Nevada Gold Mines is the world's largest gold mining complex holding the combined Nevada gold assets (excluding certain exploration projects) of GOLD and NEM.

H2'19-2020 – Non-core sales build up the mid tiers

The senior producer mergers were followed by a flurry of non-core asset sales led by NEM and GOLD (plus several other companies) from Sept. 2019 onward. An unintended consequence of these sales was to create larger more liquid (and what we have termed “senior”) mid-tier gold producers coming to the attention of global gold investors. Recent “graduates” to “senior” mid-tier producer status (1.0-1.75mn oz annual gold output) include Kirkland Lake Gold (Detour Gold), Northern Star (50% of KCGM) and Evolution Mining (Red Lake). In our view mid-tier gold producers not involved in M&A risk being “left behind” by their rapidly growing peers. We believe this should lead to further consolidation in the global gold sector in 2020.

2000: The way they were

Table 1 sets out the global senior (>700koz annual output) and mid-tier (200-700koz) gold producers at March 31 2000. Over 60% of these producers would not live to see the year 2020. Companies in blue have been since acquired.

Table 1: Operating statistics of senior and mid-tier gold producers on March 31 2000¹ (companies acquired between 2000-2019 in blue)

| March 31st, 2000 | BofA Symbol | Market | Share Price (US\$) | Shares O/S (mn) | Market Cap (US\$mn) | Gold Production (koz) 1998 | Gold Production (koz) 1999 | Total Gold Reserves (mn ozs) | Cash Cost (US\$/oz) 1998 | Cash Cost (US\$/oz) 1999 |
|--|-------------|--------|--------------------|-----------------|---------------------|----------------------------|----------------------------|------------------------------|--------------------------|--------------------------|
| Seniors (>700,000 oz/year) ⁽¹⁾ | | | | | | | | | | |
| AngloGold | - | NYSE | 24.93 | 107 | 2,667 | 6,602 | 6,918 | 106.5 | 225 | 212 |
| Ashanti Goldfields ⁽⁴⁾ | - | NYSE | 2.63 | 112 | 294 | 1,493 | 1,524 | NA | NA | NA |
| Barrick Gold | ABX | NYSE | 15.69 | 396 | 6,212 | 3,205 | 3,660 | 81.2 | 180 | 134 |
| Battle Mountain Gold ⁽²⁾ | BMG | NYSE | 1.94 | 230 | 445 | 889 | 770 | 9.9 | 160 | 164 |
| Gold Fields | GFIOF | NYSE | 4.41 | 246 | 1,085 | 2,750 | 3,130 | 110.0 | 270 | 207 |
| Harmony Gold | HGMCF | NYSE | 6.13 | 95 | 583 | 767 | 1,286 | 24.7 | 308 | 240 |
| Homestake Mining ⁽³⁾ | HM | NYSE | 6.00 | 260 | 1,562 | 2,258 | 2,390 | 18.8 | 209 | 192 |
| Kinross Gold | KGC | NYSE | 4.69 | 299 | 1,401 | 874 | 1,012 | 6.6 | 214 | 196 |
| Newcrest Mining ⁽¹⁴⁾ | NCMGF | ASX | 4.79 | 263 | 828 | 450 | 711 | 7.2 | 407 | 344 |
| Newmont Mining | NEM | NYSE | 22.44 | 167 | 3,747 | 3,950 | 4,043 | 83.6 | 183 | 173 |
| Normandy Mining ^(4, 14) | NMDMF | ASX | 1.01 | 1,702 | 1,143 | 1,434 | 1,671 | 16.2 | 321 | 329 |
| Placer Dome ⁽⁷⁾ | PDG | NYSE | 8.13 | 327 | 2,657 | 3,111 | 3,149 | 65.9 | 157 | 163 |
| Mid-Caps (<700,000 oz/year) ⁽¹⁾ | | | | | | | | | | |
| Agnico Eagle Mines | AEM | NYSE | 5.56 | 54 | 302 | 150 | 90 | 3.0 | 212 | 277 |
| Cambior ⁽⁹⁾ | CBJ | AMEX | 0.81 | 71 | 57 | 638 | 630 | 5.4 | 233 | 215 |
| Echo Bay Mines ⁽⁵⁾ | ECO | AMEX | 1.31 | 141 | 185 | 536 | 500 | 5.3 | 221 | 226 |
| Glamis Gold ⁽⁸⁾ | GLG | NYSE | 1.88 | 70 | 131 | 106 | 176 | 3.7 | 215 | 219 |
| Goldcorp ⁽¹³⁾ | GG | NYSE | 3.00 | 78 | 234 | 110 | 107 | 4.5 | 209 | 204 |
| Lihir Gold ^(11, 14) | LIHRF | ASX | 1.02 | 975 | 655 | 521 | 625 | 11.2 | 224 | 217 |
| Meridian Gold ⁽¹⁰⁾ | MDG | NYSE | 5.75 | 74 | 426 | 215 | 242 | 5.7 | 204 | 163 |
| Randgold Resources ^(12, 15) | RGORF | LSE | 123.90 | 33 | 6,628 | NA | NA | 7.0 | NA | NA |
| TVX Gold ⁽⁶⁾ | TVX | NYSE | 3.75 | 180 | 674 | 499 | 521 | 10.4 | 185 | 170 |

Note: 1) KGC acquired mid-tier producer Amax Gold on Feb. 10/98; 2) NEM acquired BMG on June 21/00; 3) ABX purchased HM for \$2.3bn on June 21/01; 4) NEM acquired NMDMF (and earlier FN) for +A\$3bn in November 2001; 5) KGC acquired TVX and ECO for \$1.3bn on June 13/02; 6) AngloGold acquired Ashanti for \$1.4bn May 16/03; 7) ABX purchases PDG for \$10.2bn on Oct. 31/05; 8) GG acquires GLG for \$8.6bn on Aug 31/06; 9) IAMGOLD buys Cambior on Sept. 14/06; 10) Yamana Gold buys MDG for \$3.5bn on Sept. 24/07; 11) NCMGF buys Lihir Gold for \$8.5bn on May 4/10; 12) ABX buys RGORF for \$6.1bn on Sept. 24/18; 13) NEM acquires GG for \$10bn on Jan. 14/19; 14) Share price in AUD. 15) Share price in GBP. Not in the table but on Dec. 9/04 GG acquired Wheaton River Mining for \$2.4bn. Sources: BofA Global Research, Bloomberg, company reports

2020: A reconfigured global gold producer sector

Table 2 sets out the global senior (in excess of 1.75mn ozs of annual output) and mid-tier (between 750,000-1.75mn ozs) gold producers as of April 21st 2020.

Table 2: Operating statistics of senior and mid-tier gold producers (April 21st 2020)

| April 21, 2020 | BofA Symbol | Market | Share Price | Shares O/S (mn) | Market Cap (US\$mn) | Gold Production (koz) 2018 | Gold Production (koz) 2019 | Total Gold Reserves (mn ozs) | CAS (US\$/oz) 2019 | AISC (US\$/oz) 2019 |
|---|-------------|--------|-------------|-----------------|---------------------|----------------------------|----------------------------|------------------------------|--------------------|---------------------|
| Seniors (> 1,750,000 koz/year) | | | | | | | | | | |
| Agnico Eagle Mines | AEM | NYSE | 53.80 | 240 | 12,901 | 1,627 | 1,782 | 21.6 | 673 | 938 |
| AngloGold Ashanti | AULGF | NYSE | 22.81 | 418 | 9,543 | 3,400 | 2,862 | 43.9 | 746 | 978 |
| Barrick Gold | GOLD | NYSE | 24.82 | 1,778 | 44,130 | 4,527 | 5,465 | 68.8 | 671 | 894 |
| Gold Fields | GFIOF | NYSE | 6.54 | 883 | 5,777 | 2,036 | 2,195 | 48.1 | NA | 970 |
| Kinross Gold | KGC | NYSE | 6.20 | 1,254 | 7,773 | 2,450 | 2,505 | 24.3 | 706 | 983 |
| Newcrest Mining ⁽⁵⁾ | NCMGF | ASX | 27.66 | 765 | 13,297 | 2,346 | 2,488 | 52.0 | 549 | 745 |
| Newmont Corporation | NEM | NYSE | 59.27 | 807 | 47,831 | 5,101 | 6,291 | 95.7 | 721 | 966 |
| Polyus ⁽⁸⁾ | XPLZF | MICEX | 11,795 | 133 | 20,301 | 2,440 | 2,841 | 64.4 | 374 | 568 |
| Mid-Caps (750,000 - 1,750,000 oz/year) | | | | | | | | | | |
| B2Gold | BTG | NYSE | 4.57 | 1,026 | 4,689 | 954 | 980 | 6.5 | 610 | 856 |
| Centerra Gold ⁽⁶⁾ | YCG | TSE | 9.96 | 292 | 2,047 | 730 | 783 | 11.1 | 466 | 768 |
| Evolution Mining ^(1, 5) | CAHPF | ASX | 4.99 | 1,704 | 5,341 | 801 | 811 | 6.7 | 499 | 577 |
| Harmony Gold ⁽⁷⁾ | HGMCF | JSE | 54.45 | 539 | 1,546 | 1,228 | 1,438 | 23.8 | 965 | 1,207 |
| IAMGOLD | IAG | NYSE | 3.13 | 468 | 1,464 | 880 | 762 | 16.7 | 908 | 1,124 |
| Kirkland Lake Gold ⁽²⁾ | KL | NYSE | 36.67 | 284 | 10,404 | 1,550 | 1,600 | 20.5 | 284 | 564 |
| Northern Star Resources ^(3, 5) | NESRF | ASX | 12.99 | 740 | 6,037 | 573 | 813 | 8.5 | 708 | 920 |
| Polymetal International ⁽⁴⁾ | XPMYF | LSE | 15.29 | 469 | 8,816 | 1,562 | 1,614 | 23.7 | NA | 815 |
| Yamana Gold | AUY | NYSE | 4.36 | 952 | 4,149 | 1,033 | 900 | 7.9 | 667 | 978 |

Notes: 1) Evolution purchased the Cowal mine from GOLD for \$0.55bn on May 24th 2015 and the Red Lake mine from NEM for \$0.375bn on Nov. 24/19; 2) KL acquired Detour Gold for \$3.7bn on Nov. 25/19 (previously KL acquired Newmarket Gold (Fosterville) for \$0.76bn on Sept. 29/16); 3) Northern Star purchased NEM's 50% interest in KCGM for \$800mn on Dec. 16/19 (on May 12/14 Northern Star purchased the Jundee mine from NEM for \$82.5mn and in Sept. 2018 acquired the Pogo gold mine from Sumitomo for \$260mn); 4) Share price in GBP; 5) Share price in AUD; 6) Share price in CAD; 7) Share price in ZAR. 8) Share price in RUB. Source: BofA Global Research, Bloomberg, company reports

Section 3: Agnico Eagle Mines

Company description

Agnico Eagle Mines (AEM) is an established Canadian-based international gold producer with mining operations in northwestern Quebec, northern Mexico, northern Finland and Nunavut and exploration activities in Canada, Europe, Latin America and the United States. AEM's operating history includes over three decades of continuous gold production, primarily from underground operations. AEM's strategy is to deliver high quality growth while maintaining high performance standards in health, safety, environmental matters and social acceptability; build a strong pipeline of projects to drive future production; and employ the best people and motivate them to reach their potential. Over the past twelve years, AEM has transformed itself from a regionally focused, single mine producer to a multi-mine international gold producer.

Corporate strategy

AEM's ability to consistently execute its business strategy has provided a solid foundation for growth. The company's goals are to: 1) Deliver high quality growth while meeting market expectations and maintaining high performance standards in health, safety, environment and community development; 2) Build a strong pipeline of projects to drive future production; and 3) Employ the best people and motivate them to reach their potential. These three pillars, performance, pipeline and people, form the basis of AEM's success and competitive advantage. By delivering on them, AEM strives to continue to build its production base and generate increased value for shareholders, while making meaningful contributions to its employees and communities.

Historical financial results

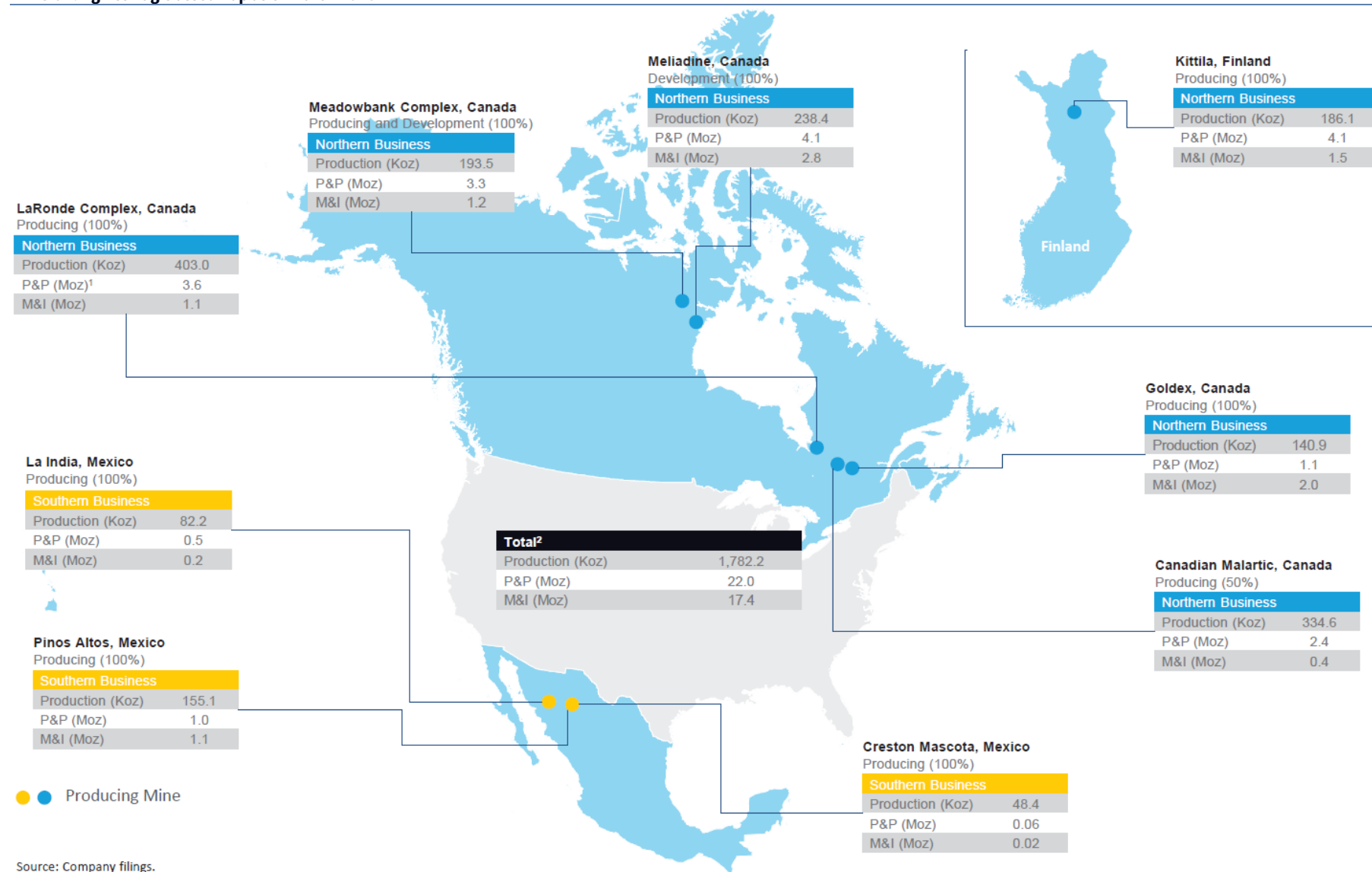
Table 3 sets out a summary of AEM's historical financial results for 2008-19.

Table 3: Agnico Eagle historical financial results and key valuation/financial statement metrics (2008-19)

| Key commodity prices (spot) | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Gold (US\$/oz) | \$872 | \$973 | \$1,226 | \$1,571 | \$1,669 | \$1,413 | \$1,266 | \$1,161 | \$1,249 | \$1,259 | \$1,269 | \$1,392 |
| Silver (US\$/oz) | \$15.00 | \$14.69 | \$20.22 | \$35.30 | \$31.16 | \$23.89 | \$19.09 | \$15.72 | \$17.11 | \$17.08 | \$15.71 | \$16.20 |
| Copper (US\$/lb) | \$2.34 | \$2.34 | \$3.42 | \$4.00 | \$3.61 | \$3.33 | \$3.11 | \$2.50 | \$2.21 | \$2.80 | \$2.96 | \$2.72 |
| Total net gold output | | | | | | | | | | | | |
| Net gold production (koz) | 277 | 493 | 987 | 985 | 1,044 | 1,099 | 1,429 | 1,671 | 1,663 | 1,713 | 1,627 | 1,782 |
| Gold cash costs (US\$/oz) | 172 | 347 | 451 | 580 | 640 | 672 | 637 | 567 | 573 | 558 | 637 | 673 |
| All-in sustaining costs (US\$/oz) | NA | 1,168 | 968 | 1,159 | 1,117 | 952 | 954 | 810 | 824 | 804 | 877 | 938 |
| Income Statement (US\$ millions) | | | | | | | | | | | | |
| Revenue | 369 | 614 | 1,422 | 1,822 | 1,918 | 1,638 | 1,897 | 1,985 | 2,138 | 2,243 | 2,191 | 2,495 |
| Adjusted EBITDA | 112 | 288 | 621 | 758 | 832 | 614 | 717 | 783 | 857 | 928 | 768 | 1,021 |
| Adjusted EBITDA margin | 30% | 47% | 44% | 42% | 43% | 37% | 38% | 39% | 40% | 41% | 35% | 41% |
| Adjusted Net Income | 52 | 107 | 292 | 334 | 372 | 188 | 144 | 93 | 110 | 234 | 72 | 229 |
| Basic adjusted EPS attributable to equity shareholders | 0.33 | 0.68 | 1.74 | 1.97 | 2.17 | 1.09 | 0.74 | 0.43 | 0.49 | 1.02 | 0.31 | 0.97 |
| Dividends per common share | 0.18 | 0.18 | 0.18 | 0.64 | 0.80 | 0.88 | 0.32 | 0.32 | 0.36 | 0.41 | 0.44 | 0.55 |
| Cash Flow (US\$ millions) | | | | | | | | | | | | |
| CF from operations (incl. NWC) | 121 | 118 | 488 | 667 | 696 | 481 | 668 | 616 | 779 | 768 | 606 | 882 |
| Cash flow per share (US\$/sh) | 0.84 | 0.76 | 3.00 | 3.94 | 4.06 | 2.78 | 3.42 | 2.85 | 3.50 | 3.33 | 2.60 | 3.72 |
| CF from investing | (918) | 588 | (523) | (760) | (376) | (687) | (852) | -375 | (553) | (1,000) | (1,204) | (874) |
| CF from financing | 558 | (557) | (26) | 179 | (203) | 49 | 229 | (281) | 190 | 329 | 274 | 11 |
| Free Cash Flow (FCF) | (788) | (539) | (24) | 181 | 250 | (139) | 193 | 166 | 263 | (107) | (483) | (1) |
| Balance Sheet (US\$ millions) | | | | | | | | | | | | |
| Cash and cash equivalents | 68 | 164 | 102 | 186 | 307 | 141 | 182 | 132 | 548 | 644 | 308 | 328 |
| Total debt | 200 | 715 | 650 | 920 | 830 | 987 | 1,375 | 1,133 | 1,203 | 1,372 | 1,721 | 1,724 |
| Net cash (debt) | (132) | (551) | (548) | (734) | (523) | (846) | (1,192) | (1,001) | (654) | (728) | (1,413) | (1,396) |
| Shareholders' Equity | 2,518 | 2,752 | 3,665 | 3,215 | 3,410 | 2,717 | 4,068 | 4,141 | 4,492 | 4,947 | 4,550 | 5,112 |
| Valuation/Ratios - pricing at end of period | | | | | | | | | | | | |
| P/E | 155.5 | 79.4 | 44.1 | 18.4 | 24.2 | 24.2 | 33.6 | 61.1 | 85.7 | 45.3 | 130.3 | 63.5 |
| P/CF | 61.3 | 71.3 | 25.5 | 9.2 | 12.9 | 9.5 | 7.3 | 9.2 | 12.0 | 13.9 | 15.6 | 16.6 |
| EV/EBITDA | 71.7 | 30.9 | 21.5 | 8.9 | 11.5 | 8.7 | 9.2 | 8.6 | 11.7 | 12.1 | 14.2 | 15.9 |
| Dividend yield | 0.4% | 0.3% | 0.2% | 1.8% | 1.5% | 3.3% | 1.3% | 1.2% | 0.9% | 0.9% | 1.1% | 0.9% |
| Net debt / EBITDA | 1.2 | 1.9 | 0.9 | 1.0 | 0.6 | 1.4 | 1.7 | 1.3 | 0.8 | 0.8 | 1.8 | 1.4 |

Source: BofA Global Research, company reports, Bloomberg

Exhibit 1: Agnico Eagle asset map as of March 2020



Source: Company filings.

Note: Production is for fiscal year 2019; Mineral Reserves and Mineral Resources as of December 31, 2019.

Source: March 2020 corporate presentation

Agnico Eagle operating and financial data (2014-2019)

Exhibit 2 shows AEM's operating, financial and valuation profile for 2014-2019.

Exhibit 2: Agnico Eagle operating and financial summary

| Agnico Eagle Mines [AEM] Operating and Financial Summary | | | | | | |
|--|-----------|-----------|-----------|---------------------------|-----------|-----------|
| Share Price | | US\$53.80 | | Market Cap (US\$MM) | | 12,901 |
| Shares Outstanding | | 240 | | Enterprise Value (US\$MM) | | 14,730 |
| OPERATING STATISTICS | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A |
| Gold Production (ozs) | | | | | | |
| Lapa + LZ5 | 92,622 | 90,967 | 73,930 | 48,613 | 52,646 | 59,835 |
| La Ronde | 204,652 | 267,921 | 305,788 | 349,385 | 343,686 | 343,154 |
| Goldex | 100,433 | 115,426 | 120,704 | 118,497 | 121,167 | 140,884 |
| Canadian Malartic | 143,008 | 285,809 | 292,514 | 316,731 | 348,600 | 334,596 |
| La India | 75,093 | 104,362 | 115,162 | 101,150 | 101,357 | 82,190 |
| Kittila | 141,742 | 177,374 | 202,508 | 196,938 | 188,979 | 186,101 |
| Meadowbank/Amaruq/Amaruq | 452,877 | 381,804 | 312,214 | 352,526 | 248,997 | 193,489 |
| Creston Mascota | 47,842 | 54,703 | 47,296 | 48,384 | 40,180 | 48,130 |
| Meliadine | 0 | 0 | 0 | 0 | 0 | 238,394 |
| Pinos Altos | 171,019 | 192,974 | 192,772 | 180,859 | 181,057 | 155,124 |
| Total Production (oz) | 1,429,288 | 1,671,340 | 1,662,888 | 1,713,083 | 1,626,669 | 1,782,147 |
| Total Silver Production (oz) | 3,564,000 | 4,258,000 | 4,759,000 | 5,016,000 | 4,524,000 | 4,310,000 |
| Cash Costs (US\$/oz) | | | | | | |
| Lapa + LZ5 | 667 | 590 | 732 | 755 | 826 | 722 |
| La Ronde | 668 | 590 | 501 | 406 | 445 | 464 |
| Goldex | 638 | 538 | 532 | 610 | 646 | 584 |
| Canadian Malartic | 701 | 612 | 606 | 576 | 586 | 606 |
| La India | 487 | 436 | 395 | 580 | 685 | 823 |
| Kittila | 845 | 699 | 699 | 753 | 853 | 736 |
| Meadowbank/Amaruq | 599 | 613 | 715 | 614 | 814 | 1,152 |
| Creston Mascota | 578 | 430 | 516 | 575 | 841 | 554 |
| Meliadine | 0 | 0 | 0 | 0 | 0 | 748 |
| Pinos Altos | 533 | 387 | 356 | 416 | 548 | 639 |
| Cash Costs (US\$/oz) | 637 | 567 | 573 | 558 | 637 | 673 |
| Cash Costs - Co Product Basis (US \$/oz) | 721 | 626 | 643 | 637 | 710 | 745 |
| AISC (US\$/oz) | 954 | 810 | 824 | 804 | 877 | 938 |
| COMMODITY PRICES | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A |
| Key Commodities | | | | | | |
| Gold (US\$/oz) | 1,266 | 1,161 | 1,249 | 1,259 | 1,269 | 1,392 |
| Silver (US\$/oz) | 19.09 | 15.72 | 17.11 | 17.08 | 15.71 | 16.20 |
| Copper (US\$/lb) | 3.11 | 2.50 | 2.21 | 2.80 | 2.96 | 2.72 |
| Zinc (US\$/lb) | 0.98 | 0.88 | 0.95 | 1.31 | 1.33 | 1.09 |
| Lead (US\$/lb) | 0.95 | 0.81 | 0.85 | 1.05 | 1.02 | 0.89 |
| Key Currencies | | | | | | |
| CAD:USD | 0.90 | 0.76 | 0.76 | 0.78 | 0.77 | 0.75 |
| EUR:USD | 1.30 | 1.10 | 1.11 | 1.15 | 1.18 | 1.10 |
| MXN:USD | 0.08 | 0.06 | 0.05 | 0.05 | 0.05 | 0.05 |
| FINANCIAL METRICS | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A |
| Income Statement | | | | | | |
| Revenue (US\$MM) | 1,896.8 | 1,985.4 | 2,138.2 | 2,242.6 | 2,191.2 | 2,494.9 |
| EBIT (US\$MM) | 283.9 | 174.2 | 243.4 | 419.5 | 214.4 | 475.4 |
| EBITDA (US\$MM) | 717.5 | 782.8 | 856.6 | 928.3 | 768.3 | 1,021.4 |
| Net Earnings (US\$MM) | 180.4 | 90.7 | 116.2 | 232.9 | 73.1 | 231.3 |
| EPS - adjusted (US\$/sh) | \$0.93 | \$0.42 | \$0.52 | \$1.01 | \$0.31 | \$0.97 |
| Cash Flow Statement | | | | | | |
| Operating Cash Flow (US\$MM) | 628.6 | 660.0 | 714.1 | 839.3 | 645.6 | 812.8 |
| CFPS (US\$/sh) | \$3.22 | \$3.05 | \$3.20 | \$3.63 | \$2.76 | \$3.40 |
| Capital Spending (US\$MM) | (475.4) | (449.8) | (516.1) | (874.2) | (1,089.1) | (882.7) |
| Investing Activities (US\$MM) | (851.6) | (374.5) | (553.5) | (1,000.0) | (1,204.4) | (873.9) |
| Financing Activities (US\$MM) | 221.7 | (295.1) | 190.8 | 325.4 | 267.5 | 12.2 |
| Free Cash Flow (US\$MM) | 192.9 | 166.4 | 262.5 | -106.5 | -483.5 | -1.0 |
| Free Cash Flow (US\$/sh) | \$0.99 | \$0.77 | \$1.17 | -\$0.46 | -\$2.07 | \$0.00 |
| Balance Sheet | | | | | | |
| Cash (US\$MM's) | 177.5 | 124.1 | 540.0 | 633.0 | 301.8 | 321.9 |
| Working Capital (US\$MM) | 579.3 | 517.9 | 806.6 | 1,127.8 | 711.2 | 418.0 |
| Total Assets (US\$MM) | 6,840.5 | 6,683.2 | 7,107.9 | 7,865.6 | 7,853.8 | 8,789.8 |
| Total Debt (US\$MM) | 1,396.8 | 1,142.2 | 1,202.7 | 1,371.9 | 1,721.3 | 1,724.1 |
| Shareholders Equity (US\$MM) | 4,068.5 | 4,141.0 | 4,492.5 | 4,947.0 | 4,551.0 | 5,111.5 |
| Net Cash or (Debt) (US\$MM) | (1,159.5) | (1,002.3) | (653.9) | (727.6) | (1,413.4) | (1,396.2) |
| VALUATION METRICS | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A |
| P/E | 26.9 | 62.7 | 80.8 | 45.8 | 129.3 | 63.7 |
| P/CF | 7.7 | 8.6 | 13.1 | 12.7 | 14.6 | 18.1 |
| EV/EBITDA | 9.1 | 8.6 | 11.8 | 12.3 | 14.2 | 15.9 |
| Net Asset Value | \$14.90 | \$12.25 | \$21.90 | \$22.00 | \$21.00 | \$27.00 |
| P/NAV | 1.67 | 2.15 | 1.92 | 2.10 | 1.92 | 2.28 |
| EV/Reserves (\$/oz) | \$329 | \$353 | \$508 | \$558 | \$494 | \$751 |
| HISTORICAL AVERAGE P/NAV PEER COMPARISON | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A |
| Senior Average | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Agnico Eagle | 1.67 | 2.15 | 1.92 | 2.10 | 1.92 | 2.28 |
| 2019 REVENUE BY METAL | | | | | | |
| | 2019A | 2018A | 2017A | 2016A | 2015A | 2014A |
| Gold | 96% | 96% | 96% | 96% | 96% | 96% |
| Silver | 3% | 3% | 3% | 3% | 3% | 3% |
| Base metals | 1% | 1% | 1% | 1% | 1% | 1% |
| RESERVES AND RESOURCES DATA | | | | | | |
| Category | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A |
| Proven and Probable Reserves | | | | | | |
| Tonnes (Millions) | 258.7 | 250.6 | 268.4 | 256.7 | 254.0 | 236.9 |
| Ore grade (g/t) | 2.40 | 2.37 | 2.31 | 2.49 | 2.70 | 2.83 |
| Net gold ounces ('000's) | 19,976 | 19,075 | 19,943 | 20,554 | 22,039 | 21,585 |
| Average recovery rate (%) | 80.9 | 84.6 | 88.4 | 86.7 | 91.2 | 92.2 |
| Measured & Indicated Resources | | | | | | |
| Net gold ounces ('000's) | 15,013 | 15,089 | 16,378 | 15,954 | 17,390 | 18,055 |
| Inferred Resources | | | | | | |
| Net gold ounces ('000's) | 13,487 | 16,546 | 15,850 | 15,170 | 18,122 | 21,480 |
| Reserve Life (years) | 10.2 | 11.0 | 11.0 | 10.0 | 11.0 | 9.6 |

Source: BofA Global Research

Section 4: Barrick Gold

Company description

Barrick Gold Corporation (GOLD) entered the gold mining business in 1983 and is a leading international gold company. GOLD has interests in operating mines or projects in Canada, the United States, Argentina, Chile, Côte d'Ivoire, the Dominican Republic, the DRC, Mali, Papua New Guinea, Peru, Saudi Arabia, Tanzania and Zambia. GOLD's principal products and sources of earnings are gold and copper. During its first ten years, GOLD focused on acquiring and developing properties in North America, notably the Company's Goldstrike property on the Carlin Trend in Nevada. This was contributed to Nevada Gold Mines on July 1st 2019 as part of a joint venture transaction with Newmont Corporation. Since 1994, GOLD has strategically expanded beyond its North American base, including through its merger with Randgold on January 1, 2019.

Corporate strategy

GOLD's vision is to be the world's most valued gold mining business by finding, developing and owning the best assets. GOLD's strategy aims to achieve this through continuously improving asset quality, pursuing operational excellence and maintaining a focus on sustainable profitability. GOLD aims to grow its portfolio through investments in tier one assets, tier two assets and strategic assets, with an emphasis on organic growth. GOLD is focusing its efforts on identifying, investing in and developing assets that meet its investment criteria, which are: (i) tier one assets with a reserve potential greater than 5 million ounces of gold expected to generate an internal rate of return (IRR) of at least 15% and (ii) tier two assets with a reserve potential of greater than 3 million ounces of gold expected to generate an IRR of at least 20%.

Historical financial results

Table 4 sets out a summary of GOLD's historical financial results for 2008-19.

Table 4: Barrick Gold historical financial results and key valuation/financial statement metrics (2008-19)

| Key commodity prices (spot) | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------|---------|---------|----------|----------|----------|----------|---------|---------|---------|---------|---------|
| Gold (US\$/oz) | \$872 | \$973 | \$1,226 | \$1,571 | \$1,669 | \$1,413 | \$1,266 | \$1,161 | \$1,249 | \$1,259 | \$1,269 | \$1,392 |
| Silver (US\$/oz) | \$15.00 | \$14.69 | \$20.22 | \$35.30 | \$31.16 | \$23.89 | \$19.09 | \$15.72 | \$17.11 | \$17.08 | \$15.71 | \$16.20 |
| Copper (US\$/lb) | \$2.34 | \$2.34 | \$3.42 | \$4.00 | \$3.61 | \$3.33 | \$3.11 | \$2.50 | \$2.21 | \$2.80 | \$2.96 | \$2.72 |
| Total net gold output | | | | | | | | | | | | |
| Net gold production (kozs) | 7,657 | 7,397 | 7,765 | 7,676 | 7,421 | 7,166 | 6,249 | 6,117 | 5,517 | 5,324 | 4,527 | 5,465 |
| Gold cash costs (US\$/oz) | 443 | 464 | 409 | 463 | 563 | 566 | 598 | 596 | 546 | 545 | 588 | 671 |
| All-in sustaining costs (US\$/oz) | NA | NA | NA | 821 | 1,014 | 915 | 864 | 831 | 730 | 750 | 806 | 894 |
| Income Statement (US\$ millions) | | | | | | | | | | | | |
| Revenue | 7,613 | 8,136 | 11,001 | 14,236 | 14,394 | 12,527 | 10,239 | 9,029 | 8,558 | 8,374 | 7,243 | 9,717 |
| Adjusted EBITDA | 2,347 | 3,370 | 6,521 | 8,611 | 7,652 | 5,026 | 3,811 | 3,334 | 4,021 | 4,017 | 3,080 | 4,833 |
| Adjusted EBITDA margin | 31% | 41% | 59% | 60% | 53% | 40% | 37% | 37% | 47% | 48% | 43% | 50% |
| Basic adjusted EPS attributable to equity shareholders | 1.90 | 2.00 | 3.56 | 4.67 | 3.95 | 2.51 | 0.68 | 0.30 | 0.70 | 0.76 | 0.35 | 0.51 |
| Dividends per common share | 0.40 | 0.40 | 0.44 | 0.51 | 0.75 | 0.50 | 0.20 | 0.14 | 0.08 | 0.12 | 0.16 | 0.17 |
| Cash Flow (US\$ millions) | | | | | | | | | | | | |
| CF from operations (incl. NWC) | 2,254 | 2,824 | 4,585 | 5,315 | 5,983 | 4,239 | 2,296 | 2,794 | 2,640 | 2,065 | 1,765 | 2,833 |
| Cash flow per share (US\$/sh) | 2.58 | 3.13 | 4.65 | 5.32 | 5.98 | 4.15 | 1.97 | 2.40 | 2.27 | 1.77 | 1.51 | 1.59 |
| CF from investing | (3,920) | (2,415) | (4,630) | (12,827) | (7,065) | (5,237) | (1,950) | 250 | (412) | (337) | (1,494) | 50 |
| CF from financing | 893 | 5,829 | 1,434 | 6,291 | 423 | 1,342 | (60) | (3,275) | (2,297) | (1,886) | (925) | (1,139) |
| Free Cash Flow (FCF) | 478 | 541 | 1,870 | 1,082 | (1,073) | (1,142) | (136) | 1,081 | 1,514 | 675 | 365 | 1,132 |
| Balance Sheet (US\$ millions) | | | | | | | | | | | | |
| Cash and cash equivalents | 1,437 | 2,564 | 3,968 | 2,745 | 2,097 | 2,404 | 2,699 | 2,455 | 2,389 | 2,234 | 1,571 | 3,314 |
| Total debt | 4,556 | 6,335 | 6,638 | 13,369 | 13,943 | 13,080 | 13,081 | 9,968 | 7,931 | 6,423 | 5,738 | 5,536 |
| Net cash (debt) | (3,119) | (3,771) | (2,670) | (10,624) | (11,846) | (10,676) | (10,382) | (7,513) | (5,542) | (4,189) | (4,167) | (2,222) |
| Shareholders' Equity | 15,277 | 15,063 | 19,472 | 23,363 | 21,972 | 13,533 | 10,247 | 7,178 | 7,935 | 9,286 | 7,593 | 21,432 |
| Valuation/Ratios - pricing at end of period | | | | | | | | | | | | |
| P/E | 19.4 | 19.7 | 14.9 | 9.7 | 8.9 | 7.0 | 15.8 | 24.6 | 22.8 | 19.0 | 38.7 | 36.5 |
| P/CF | 14.2 | 12.6 | 11.4 | 8.5 | 5.9 | 4.3 | 5.5 | 3.1 | 7.1 | 8.2 | 9.0 | 11.7 |
| EV/EBITDA | 15.1 | 12.8 | 8.8 | 6.7 | 6.5 | 6.7 | 6.7 | 5.5 | 6.7 | 5.8 | 7.1 | 9.0 |
| Dividend yield | 1.1% | 1.0% | 0.8% | 1.1% | 2.1% | 2.8% | 1.9% | 1.9% | 0.5% | 0.8% | 1.2% | 0.9% |
| Net debt / EBITDA | 1.3 | 1.1 | 0.4 | 1.2 | 1.5 | 2.1 | 2.7 | 2.3 | 1.4 | 1.0 | 1.4 | 0.5 |

Source: BofA Global Research, company reports, Bloomberg

Exhibit 3: Barrick Gold asset map as of December 31, 2019

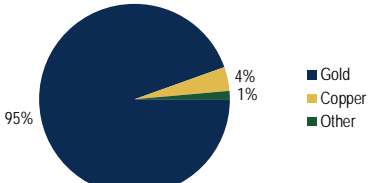


Source: Company 2019 Annual Information Form

Barrick Gold operating and financial data (2014-2019)

Exhibit 4 shows GOLD's operating, financial and valuation profile for 2014-2019.

Exhibit 4: Barrick Gold operating and financial summary

| Barrick Gold [GOLD] Operating and Financial Summary | | | | | | | | | | |
|---|---|-----------|---------------------------|-----------|-----------|-----------|------|------|------|------|
| Share Price | US\$24.82 | | Market Cap (US\$MM) | | 44,130 | | | | | |
| Shares O/S (MM) | 1,778 | | Enterprise Value (US\$MM) | | 57,050 | | | | | |
| OPERATING STATISTICS | | | | | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| Gold Production (ozs) | | | | | | | | | | |
| Nevada Assets / Nevada Gold Mines | 2,368,000 | 2,662,000 | 2,429,000 | 2,523,000 | 2,368,000 | 2,218,000 | | | | |
| Pueblo Viejo (60%) | 665,000 | 572,000 | 700,000 | 650,000 | 581,000 | 590,000 | | | | |
| Hemlo | 206,000 | 219,000 | 235,000 | 196,000 | 171,000 | 213,000 | | | | |
| Other | 86,000 | 68,000 | 34,000 | 41,000 | 32,000 | -- | | | | |
| North America ex-Nevada | 957,000 | 859,000 | 969,000 | 887,000 | 784,000 | 803,000 | | | | |
| Veladero | 722,000 | 602,000 | 544,000 | 432,000 | 278,000 | 274,000 | | | | |
| Lagunas Norte | 582,000 | 560,000 | 435,000 | 387,000 | 245,000 | 107,000 | | | | |
| Other | 17,000 | 54,000 | 92,000 | -- | -- | -- | | | | |
| South America | 1,321,000 | 1,216,000 | 1,071,000 | 819,000 | 523,000 | 381,000 | | | | |
| Kalgoorlie (50%) | 326,000 | 320,000 | 376,000 | 368,000 | 314,000 | 206,000 | | | | |
| Porgera (47.5%) | 493,000 | 436,000 | 234,000 | 235,000 | 204,000 | 284,000 | | | | |
| Other | 314,000 | 156,000 | -- | -- | -- | -- | | | | |
| Australia | 1,133,000 | 912,000 | 610,000 | 603,000 | 518,000 | 490,000 | | | | |
| Loulo-Guonkoto (80%) | -- | -- | -- | -- | -- | 572,000 | | | | |
| Kibali (45%) | -- | -- | -- | -- | -- | 366,000 | | | | |
| Tongon (89%) | -- | -- | -- | -- | -- | 245,000 | | | | |
| Acacia Assets | 470,000 | 468,000 | 530,000 | 491,000 | 334,000 | 361,000 | | | | |
| Other | -- | -- | -- | -- | -- | 29,000 | | | | |
| Africa | 470,000 | 468,000 | 530,000 | 491,000 | 334,000 | 1,573,000 | | | | |
| Total Gold Production | 6,249,000 | 6,117,000 | 5,609,000 | 5,323,000 | 4,527,000 | 5,465,000 | | | | |
| Total Copper Production (000's lb) | 436,000 | 511,000 | 415,000 | 413,000 | 383,000 | 432,000 | | | | |
| Cash Costs (US\$/oz) | | | | | | | | | | |
| Nevada Assets / Nevada Gold Mines | 574 | 535 | 503 | 468 | 562 | 634 | | | | |
| Pueblo Viejo (60%) | 446 | 467 | 395 | 405 | 465 | 471 | | | | |
| Hemlo | 829 | 708 | 679 | 841 | 1,046 | 795 | | | | |
| Veladero | 566 | 552 | 582 | 598 | 629 | 730 | | | | |
| Lagunas Norte | 379 | 329 | 383 | 405 | 448 | 686 | | | | |
| Kalgoorlie (50%) | 817 | 752 | 627 | 642 | 732 | 858 | | | | |
| Porgera (47.5%) | 915 | 791 | 689 | 781 | 796 | 873 | | | | |
| Loulo-Guonkoto (80%) | -- | -- | -- | -- | -- | 634 | | | | |
| Kibali (45%) | -- | -- | -- | -- | -- | 568 | | | | |
| Tongon (89%) | -- | -- | -- | -- | -- | 787 | | | | |
| Acacia Assets | 732 | 772 | 640 | 587 | 680 | 774 | | | | |
| Cash Costs | 598 | 596 | 546 | 545 | 588 | 671 | | | | |
| AISC (US\$/oz) | 864 | 831 | 730 | 750 | 806 | 894 | | | | |
| COMMODITY PRICES | | | | | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| Key Commodities | | | | | | | | | | |
| Gold (US\$/oz) | 1,266 | 1,161 | 1,249 | 1,259 | 1,269 | 1,392 | | | | |
| Silver (US\$/oz) | 19.09 | 15.72 | 17.11 | 17.08 | 15.71 | 16.20 | | | | |
| Copper (US\$/lb) | 3.11 | 2.50 | 2.21 | 2.80 | 2.96 | 2.72 | | | | |
| Key Currencies | | | | | | | | | | |
| CAD:USD | 0.90 | 0.76 | 0.76 | 0.78 | 0.77 | 0.75 | | | | |
| AUD:USD | 0.89 | 0.74 | 0.75 | 0.77 | 0.73 | 0.66 | | | | |
| PEN:USD | 0.34 | 0.29 | 0.30 | 0.31 | 0.30 | 0.30 | | | | |
| USD:CLP | 606 | 709 | 670 | 660 | 642 | 703 | | | | |
| FINANCIAL METRICS | | | | | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| Income Statement | | | | | | | | | | |
| Revenue (US\$MM) | 10,239.0 | 9,029.0 | 8,558.0 | 8,374.0 | 7,243.0 | 9,717.0 | | | | |
| EBIT (US\$MM) | 2,163.0 | 1,421.0 | 2,716.0 | 2,318.0 | 1,285.0 | 2,252.0 | | | | |
| EBITDA (US\$MM) | 3,811.0 | 3,192.0 | 4,290.0 | 3,965.0 | 2,742.0 | 4,284.0 | | | | |
| Net Earnings (US\$MM) | 793.0 | 343.6 | 818.0 | 881.3 | 409.2 | 888.3 | | | | |
| EPS - Adjusted (US\$/sh) | \$0.68 | \$0.29 | \$0.70 | \$0.76 | \$0.35 | \$0.51 | | | | |
| Cash Flow Statement | | | | | | | | | | |
| Operating Cash Flow (US\$MM) | 2,296.3 | 2,794.0 | 2,640.0 | 2,070.6 | 1,765.0 | 2,833.0 | | | | |
| CFPS (US\$/sh) | \$1.97 | \$1.87 | \$2.54 | \$2.40 | \$1.72 | \$1.82 | | | | |
| Capital Spending (US\$MM) | (2,432.0) | (1,713.0) | (1,126.0) | (1,396.0) | (1,400.0) | (1,701.0) | | | | |
| Investing Activities (US\$MM) | (1,950.0) | 250.0 | (412.0) | (462.3) | (1,602.0) | (231.0) | | | | |
| Financing Activities (US\$MM) | (60.0) | (3,275.0) | (2,297.0) | (1,766.6) | (817.0) | (858.0) | | | | |
| Free Cash Flow (US\$MM) | (135.7) | 1,081.0 | 1,514.0 | 674.6 | 365.0 | 1,132.0 | | | | |
| Free Cash Flow (US\$/sh) | (\$0.12) | \$0.93 | \$1.30 | \$0.58 | \$0.31 | \$0.65 | | | | |
| Balance Sheet | | | | | | | | | | |
| Cash (US\$MM's) | 2,699.3 | 2,455.3 | 2,389.0 | 2,234.0 | 1,571.0 | 3,314.0 | | | | |
| Working Capital (US\$MM) | 3,663.0 | 3,012.3 | 3,055.0 | 2,937.0 | 2,310.0 | 4,252.0 | | | | |
| Total Assets (US\$MM) | 33,879.0 | 26,308.0 | 25,264.0 | 25,308.0 | 22,631.0 | 44,392.0 | | | | |
| Total Debt (US\$MM) | 13,081.0 | 9,968.0 | 7,931.0 | 6,423.0 | 5,738.0 | 5,536.0 | | | | |
| Shareholders Equity (US\$MM) | 10,247.0 | 7,178.0 | 7,935.0 | 9,286.0 | 7,593.0 | 21,432.0 | | | | |
| Net Cash or (Debt) (US\$MM) | (10,381.7) | (7,512.7) | (5,542.0) | (4,189.0) | (4,167.0) | (2,222.0) | | | | |
| VALUATION METRICS | | | | | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| P/E | 15.8 | 25.0 | 22.8 | 19.1 | 38.6 | 36.7 | | | | |
| P/CF | 5.5 | 3.9 | 6.3 | 6.0 | 7.9 | 10.2 | | | | |
| EV/EBITDA | 6.7 | 5.8 | 6.2 | 5.8 | 7.9 | 10.2 | | | | |
| Net Asset Value | \$8.00 | \$5.45 | \$9.65 | \$9.60 | \$8.00 | \$11.00 | | | | |
| P/NAV | 1.34 | 1.35 | 1.66 | 1.51 | 1.69 | 1.69 | | | | |
| EV/Reserves (\$/oz) | \$274 | \$200 | \$309 | \$355 | \$349 | \$615 | | | | |
| HISTORICAL AVERAGE P/NAV PEER COMPARISON | | | | | | | | | | |
| | 2002 | 2004 | 2006 | 2008 | 2010 | 2012 | 2014 | 2016 | 2018 | 2020 |
| Senior Average | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| Barrick Gold | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| 2019 REVENUE BY METAL | | | | | | | | | | |
| |  | | | | | | | | | |
| Gold | 95% | | | | | | | | | |
| Copper | 4% | | | | | | | | | |
| Other | 1% | | | | | | | | | |
| RESERVES AND RESOURCES DATA | | | | | | | | | | |
| Category | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| Proven and Probable Reserves | | | | | | | | | | |
| Tonnes (Millions) | 2,113.6 | 2,160.1 | 2,006.9 | 1,294.6 | 1,244.9 | 1,300.0 | | | | |
| Ore grade (g/t) | 1.37 | 1.32 | 1.33 | 1.55 | 1.56 | 1.70 | | | | |
| Net gold ounces (000's) | 93,017 | 91,858 | 85,950 | 64,444 | 62,303 | 71,000 | | | | |
| Measured & Indicated Resources | | | | | | | | | | |
| Net gold ounces (000's) | 94,324 | 79,095 | 75,251 | 88,565 | 88,847 | 96,500 | | | | |
| Inferred Resources | | | | | | | | | | |
| Net gold ounces (000's) | 29,282 | 27,425 | 30,711 | 30,818 | 33,545 | 38,490 | | | | |
| Reserve Life (years) | 9.9 | 11.7 | 11.5 | 12.0 | 11.8 | 11.5 | | | | |

Source: BofA Global Research

Section 5: Kinross Gold

Company description

Kinross Gold Corporation (KGC) was created in May 1993 through the merger of three junior mining companies. It is principally engaged in the mining and processing of gold and by-product silver ore, and the exploration for, and the acquisition of, gold bearing properties in the Americas, Russia, West Africa and worldwide. The principal products of KGC are gold and silver produced in the form of doré that is shipped to refineries for final processing. Kinross also produces and sells a quantity of silver.

Corporate strategy

KGC's strategy is to increase shareholder value through increases in precious metal reserves, net asset value, production, long-term cash flow and earnings per share. KGC's strategy also consists of optimizing the performance, and therefore, the value, of existing operations, investing in quality exploration and development projects and acquiring new potentially accretive properties and projects. Each of KGC's mining operations is a separate business unit. Operations are overseen by a regional Senior Vice-President employed by KGC or the applicable foreign subsidiary, who reports to the Chief Technical Officer. Global exploration strategies, corporate financing, tax, additional technical support services, hedging and acquisition strategies are managed centrally. Execution of site/regional operations and exploration strategies is managed locally.

Historical financial results

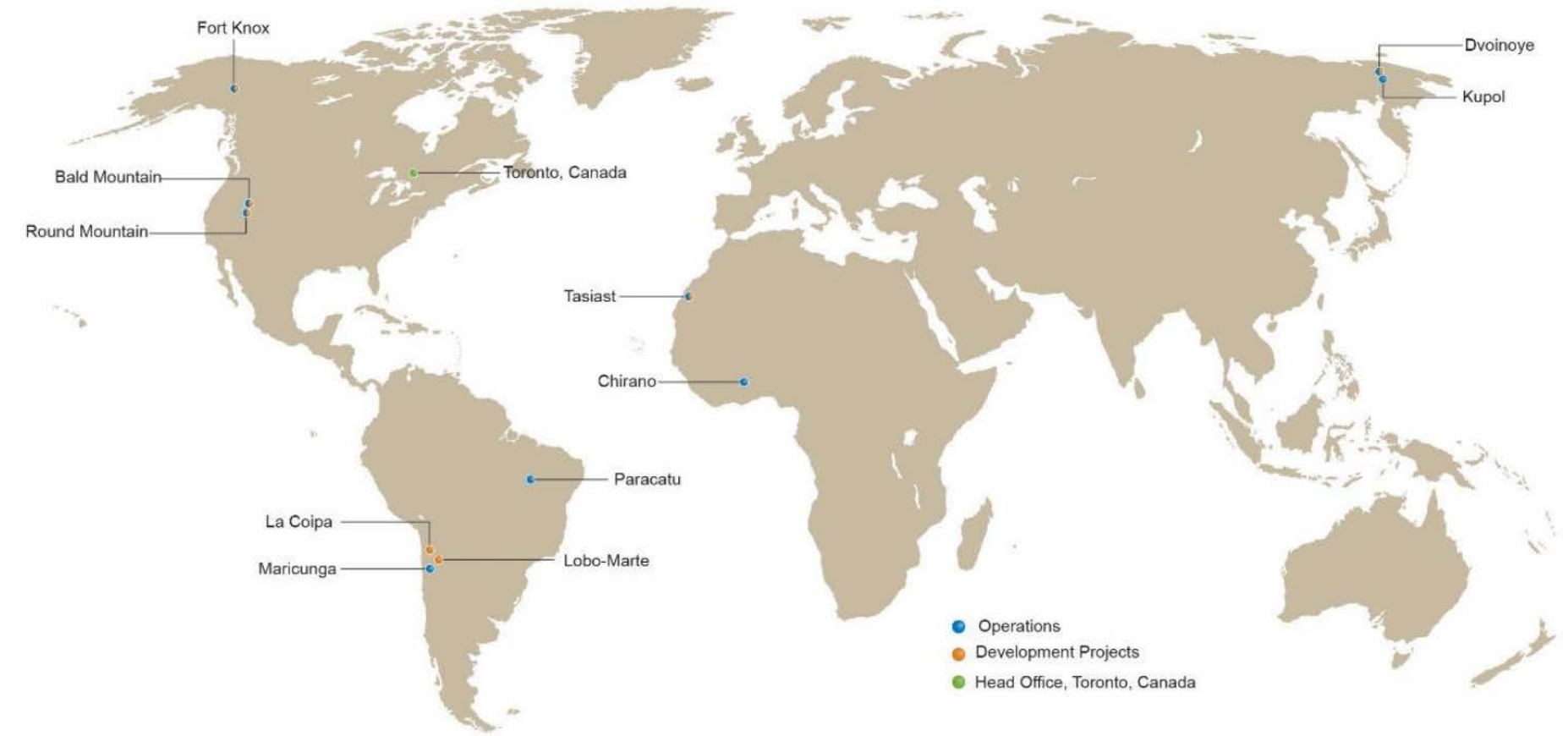
Table 5 sets out a summary of KGC's historical financial results for 2008-19.

Table 5: Kinross Gold historical financial results and key valuation/financial statement metrics (2008-19)

| Key commodity prices (spot) | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Gold (US\$/oz) | \$872 | \$973 | \$1,226 | \$1,571 | \$1,669 | \$1,413 | \$1,266 | \$1,161 | \$1,249 | \$1,259 | \$1,269 | \$1,392 |
| Silver (US\$/oz) | \$15.00 | \$14.69 | \$20.22 | \$35.30 | \$31.16 | \$23.89 | \$19.09 | \$15.72 | \$17.11 | \$17.08 | \$15.71 | \$16.20 |
| Copper (US\$/lb) | \$2.34 | \$2.34 | \$3.42 | \$4.00 | \$3.61 | \$3.23 | \$3.11 | \$2.50 | \$2.21 | \$2.80 | \$2.96 | \$2.72 |
| Total net gold output | | | | | | | | | | | | |
| Attributable gold equivalent ounces produced | 1,838 | 2,239 | 2,334 | 2,544 | 2,618 | 2,631 | 2,710 | 2,595 | 2,789 | 2,674 | 2,452 | 2,508 |
| Attributable production cost of sales per equivalent ounce sold (US\$/oz) | 407 | 437 | 506 | 592 | 705 | 743 | 720 | 696 | 712 | 669 | 734 | 706 |
| Attributable all-in sustaining cost per equivalent ounce sold (US\$/oz) | NA | NA | NA | NA | 1,122 | 1,082 | 973 | 975 | 984 | 954 | 965 | 983 |
| Income Statement (US\$ millions) | | | | | | | | | | | | |
| Revenue | 1,617 | 2,412 | 3,010 | 3,843 | 4,307 | 3,780 | 3,466 | 3,052 | 3,472 | 3,303 | 3,213 | 3,497 |
| Adjusted EBITDA | 656 | 1,093 | 1,200 | 1,926 | 1,967 | 1,363 | 1,099 | 854 | 1,041 | 1,177 | 973 | 1,361 |
| Adjusted EBITDA margin | 41% | 45% | 40% | 50% | 46% | 36% | 32% | 28% | 30% | 36% | 30% | 39% |
| Basic adjusted EPS attributable to equity shareholders | 0.40 | 0.44 | 0.59 | 0.75 | 0.78 | 0.28 | 0.11 | (0.08) | 0.08 | 0.14 | 0.10 | 0.34 |
| Dividends per common share | 0.04 | 0.09 | 0.10 | 0.11 | 0.16 | 0.08 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Flow (US\$ millions) | | | | | | | | | | | | |
| CF from operations (incl. NWC) | 444 | 786 | 1,002 | 1,417 | 1,310 | 775 | 849 | 832 | 1,099 | 952 | 789 | 1,225 |
| Cash flow per share (US\$/sh) | 0.71 | 1.14 | 1.22 | 1.25 | 1.15 | 0.68 | 0.74 | 0.73 | 0.90 | 0.76 | 0.63 | 0.98 |
| CF from investing | (856) | (752) | 214 | (1,748) | (2,177) | (1,045) | (486) | (632) | (1,270) | (687) | (1,387) | (1,027) |
| CF from financing | 376 | 63 | (353) | 634 | 775 | (616) | (94) | (132) | (48) | (69) | (73) | 25 |
| Free Cash Flow (FCF) | (271) | 304 | 374 | (212) | (548) | (488) | 218 | 222 | 465 | 54 | (255) | 120 |
| Balance Sheet (US\$ millions) | | | | | | | | | | | | |
| Cash and cash equivalents (including restricted cash) | 538 | 657 | 1,469 | 1,828 | 1,691 | 794 | 1,025 | 1,054 | 839 | 1,038 | 362 | 590 |
| Total debt | 951 | 692 | 474 | 1,633 | 2,633 | 2,120 | 2,058 | 1,981 | 1,733 | 1,733 | 1,735 | 1,837 |
| Net cash (debt) | (413) | (36) | 994 | 195 | (942) | (1,326) | (1,033) | (927) | (895) | (695) | (1,373) | (1,247) |
| Shareholders' Equity | 4,777 | 5,560 | 14,531 | 12,390 | 9,850 | 6,014 | 4,843 | 3,889 | 4,146 | 4,584 | 4,507 | 5,319 |
| Valuation/Ratios - pricing at end of period | | | | | | | | | | | | |
| P/E | 46.1 | 41.8 | 32.1 | 15.2 | 12.5 | 15.6 | 25.6 | NM | 38.9 | 30.9 | 32.4 | 13.9 |
| P/CF | 26.1 | 16.2 | 15.6 | 9.1 | 8.5 | 6.5 | 3.8 | 2.5 | 3.5 | 5.7 | 5.1 | 4.8 |
| EV/EBITDA | 19.2 | 11.9 | 17.3 | 6.5 | 6.0 | 4.7 | 4.0 | 3.6 | 4.7 | 5.2 | 5.6 | 5.3 |
| Dividend yield | 0.2% | 0.5% | 0.5% | 1.0% | 1.6% | 1.8% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Net debt / EBITDA | 0.6 | 0.0 | -0.8 | -0.1 | 0.5 | 1.0 | 0.9 | 1.1 | 0.9 | 0.6 | 1.4 | 0.9 |

Source: BofA Global Research, company reports, Bloomberg

Exhibit 5: Kinross Gold asset map as of December 31, 2019



Source: Company 2019 Annual Information Form

Kinross Gold operating and financial data (2014-2019)

Exhibit 6 shows KGC's operating, financial and valuation profile for 2014-2019.

Exhibit 6: Kinross Gold operating and financial summary

| Kinross Gold [KGC] Operating and Financial Summary | | | | | | |
|--|-----------|-----------|-----------|---------------------------|-----------|-----------|
| Share Price | | US\$6.20 | | Market Cap (US\$MM) | | 7,773 |
| Shares Outstanding | | 1,254 | | Enterprise Value (US\$MM) | | 839 |
| OPERATING STATISTICS | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A |
| Gold Equivalent Output (ozs) | | | | | | |
| Fort Knox | 379,453 | 401,553 | 409,844 | 381,115 | 255,569 | 200,263 |
| Round Mountain | 169,839 | 197,818 | 378,264 | 436,932 | 385,601 | 361,664 |
| Bald Mountain | 0 | 0 | 130,144 | 282,715 | 284,646 | 187,961 |
| Paracatu | 521,026 | 477,662 | 483,014 | 359,959 | 521,575 | 619,563 |
| Kettle River | 123,382 | 97,368 | 112,274 | 76,570 | 0 | 0 |
| Maricunga | 247,216 | 212,155 | 175,532 | 91,127 | 60,066 | 38,601 |
| Americas Subtotal | 1,440,916 | 1,386,556 | 1,689,072 | 1,628,418 | 1,507,457 | 1,408,052 |
| Tasiast | 260,485 | 219,045 | 175,176 | 243,240 | 250,965 | 391,097 |
| Chirano | 257,888 | 230,488 | 190,759 | 221,424 | 204,029 | 181,166 |
| Africa Subtotal | 518,373 | 449,533 | 365,935 | 464,664 | 454,994 | 572,263 |
| Kupol - Dvoinoye | 751,101 | 518,611 | 473,674 | 374,106 | 489,947 | 527,343 |
| Russia Subtotal | 751,101 | 518,611 | 473,674 | 374,106 | 489,947 | 527,343 |
| Total Production | 2,710,390 | 2,354,700 | 2,528,681 | 2,467,189 | 2,452,398 | 2,507,659 |
| Cash Costs (US\$/oz) | | | | | | |
| Fort Knox | 712 | 629 | 741 | 628 | 837 | 1,067 |
| Round Mountain | 855 | 750 | 773 | 691 | 728 | 695 |
| Bald Mountain | 0 | 0 | 1,182 | 642 | 547 | 768 |
| Paracatu | 816 | 735 | 717 | 871 | 822 | 666 |
| Kettle River | 678 | 836 | 652 | 477 | 0 | 0 |
| Maricunga | 953 | 1,010 | 827 | 482 | 730 | 720 |
| Americas Subtotal | 805 | 756 | 774 | 687 | 745 | 745 |
| Tasiast | 998 | 1,021 | 1,061 | 754 | 976 | 602 |
| Chirano | 591 | 691 | 921 | 699 | 768 | 940 |
| Africa Subtotal | 796 | 843 | 984 | 726 | 877 | 719 |
| Kupol - Dvoinoye/Chulbatkan | 507 | 474 | 441 | 525 | 582 | 597 |
| Russia Subtotal | 507 | 474 | 441 | 525 | 582 | 597 |
| Cash Costs | 720 | 696 | 712 | 670 | 735 | 706 |
| AISC (US\$/oz) | 973 | 975 | 984 | 954 | 965 | 983 |

| COMMODITY PRICES | | | | | | |
|------------------|-------|-------|-------|-------|-------|-------|
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A |
| Key Commodities | | | | | | |
| Gold (US\$/oz) | 1,266 | 1,161 | 1,249 | 1,259 | 1,269 | 1,392 |
| Silver (US\$/oz) | 19.09 | 15.72 | 17.11 | 17.08 | 15.71 | 16.20 |
| Key Currencies | | | | | | |
| CAD:USD | 0.90 | 0.76 | 0.76 | 0.78 | 0.77 | 0.75 |
| EUR:USD | 0.89 | 0.74 | 0.75 | 0.77 | 0.73 | 0.66 |
| MXN:USD | 0.08 | 0.06 | 0.05 | 0.05 | 0.05 | 0.05 |
| BRL:USD | 0.26 | 0.25 | 0.26 | 0.26 | 0.25 | 0.25 |

| FINANCIAL METRICS | | | | | | |
|-------------------------------|-----------|----------|-----------|---------|-----------|-----------|
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A |
| Income Statement | | | | | | |
| Revenue (US\$MM) | 3,466.3 | 3,052.2 | 3,472.0 | 3,303.0 | 3,212.6 | 3,497.3 |
| EBIT (US\$MM) | 224.2 | (43.9) | 260.2 | 358.0 | 200.5 | 619.3 |
| EBITDA (US\$MM) | 1,098.9 | 853.8 | 1,115.2 | 1,177.4 | 972.9 | 1,350.6 |
| Net Earnings (US\$MM) | 131.1 | (91.4) | 93.3 | 159.8 | 130.3 | 423.2 |
| EPS - adjusted (US\$/sh) | \$0.11 | (\$0.08) | \$0.08 | \$0.12 | \$0.10 | \$0.34 |
| Cash Flow Statement | | | | | | |
| Operating Cash Flow (US\$MM) | 849.3 | 831.6 | 1,099.2 | 951.6 | 788.5 | 1,224.9 |
| CFPS (US\$/sh) | \$0.74 | \$0.57 | \$0.74 | \$0.78 | \$0.66 | \$0.85 |
| Capital Spending (US\$MM) | (631.8) | (669.7) | (707.3) | (897.6) | (1,043.4) | (1,105.2) |
| Investing Activities (US\$MM) | (486.4) | (631.6) | (1,365.6) | (687.2) | (1,387.0) | (1,026.4) |
| Financing Activities (US\$MM) | (94.2) | (131.7) | 47.2 | (69.0) | (72.6) | 25.1 |
| Free Cash Flow (US\$MM) | 217.5 | 161.9 | 391.9 | 54.0 | (254.9) | 49.8 |
| Free Cash Flow (US\$/sh) | \$0.19 | \$0.14 | \$0.31 | \$0.04 | (\$0.20) | \$0.04 |
| Balance Sheet | | | | | | |
| Cash (US\$MM's) | 1,024.8 | 1,043.9 | 827.0 | 1,025.8 | 348.8 | 575.1 |
| Working Capital (US\$MM) | 1,982.7 | 1,590.4 | 1,443.0 | 1,699.1 | 985.5 | 1,209.2 |
| Total Assets (US\$MM) | 8,951.4 | 7,735.4 | 7,979.3 | 8,157.2 | 8,063.6 | 9,076.0 |
| Total Debt (US\$MM) | 2,058.1 | 1,981.4 | 1,733.2 | 1,732.6 | 1,735.0 | 1,837.4 |
| Shareholders Equity (US\$MM) | 4,843.0 | 3,889.3 | 4,145.5 | 4,583.6 | 4,506.7 | 5,318.5 |
| Net Cash or (Debt) (US\$MM) | (1,033.3) | (937.5) | (906.2) | (706.8) | (1,386.2) | (1,262.3) |

| VALUATION METRICS | | | | | | |
|---------------------|--------|--------|--------|--------|--------|--------|
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A |
| P/E | 25.6 | (22.8) | 38.9 | 34.7 | 31.6 | 14.1 |
| P/CF | 3.8 | 3.2 | 4.2 | 5.5 | 4.9 | 5.6 |
| EV/EBITDA | 4.0 | 3.6 | 4.3 | 5.2 | 5.6 | 5.4 |
| Net Asset Value | \$3.00 | \$1.53 | \$2.90 | \$2.90 | \$2.35 | \$3.90 |
| P/NAV | 0.94 | 1.19 | 1.07 | 1.49 | 1.38 | 1.22 |
| EV/Reserves (\$/oz) | \$126 | \$92 | \$156 | \$236 | \$214 | \$299 |

| HISTORICAL AVERAGE P/NAV PEER COMPARISON | | | | | | |
|--|--|--|--|--|--|--|
| | | | | | | |
| —Senior Average —Kinross | | | | | | |

| 2019 REVENUE BY METAL | | | | | | |
|-----------------------|--|--|--|--|--|--|
| | | | | | | |
| ■ Gold ■ Silver | | | | | | |

| GOLD PRODUCTION AND COST PROFILE | | | | | | |
|---|--|--|--|--|--|--|
| | | | | | | |
| Production (000's GEO) Unit costs (US\$/GEO) | | | | | | |
| ■Kupol-Dvoinoye ■Paracatu ■Tasiast ■Round Mountain ■Fort Knox ■Other —TCC (US\$/GEO) —AISC (US\$/GEO) | | | | | | |

| RESERVES AND RESOURCES DATA | | | | | | |
|--------------------------------|---------|---------|---------|---------|---------|---------|
| Category | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A |
| Proven and Probable Reserves | | | | | | |
| Tonnes (Millions) | 1,490.3 | 1,452.6 | 1,364.7 | 1,107.7 | 1,187.8 | 1,143.6 |
| Ore grade (g/t) | 0.72 | 0.70 | 0.71 | 0.73 | 0.67 | 0.66 |
| Net gold ounces (000's) | 34,416 | 33,222 | 30,965 | 25,934 | 25,521 | 24,327 |
| Average recovery rate (%) | 82.7 | 85.9 | 96.3 | 85.1 | 85.0 | 86.1 |
| Measured & Indicated Resources | | | | | | |
| Net gold ounces (000's) | 23,059 | 28,335 | 30,280 | 29,594 | 27,781 | 35,508 |
| Inferred Resources | | | | | | |
| Net gold ounces (000's) | 3,992 | 4,457 | 6,473 | 6,382 | 6,540 | 5,866 |
| Reserve Life (years) | 9.8 | 10.0 | 9.5 | 9.0 | 9.1 | 9.5 |

Source: BofA Global Research

Section 6: Newmont Corporation

Company description

Newmont Corporation (NEM) is the world's leading gold company and a producer of copper, silver, zinc and lead. NEM's world-class portfolio of assets, prospects and talent is anchored in favorable mining jurisdictions in North America, South America, Australia and Africa. NEM is the only gold producer listed in the S&P 500 Index and is widely recognized for its principled environmental, social and governance practices. NEM is an industry leader in value creation, supported by robust safety standards, superior execution and technical proficiency. NEM was founded in 1921 and has been publicly traded since 1925.

Corporate strategy

NEM's strategy is to lead the gold sector in creating value for shareholders through efforts to: 1) Deliver superior operational execution by managing safety risks to reach zero harm, continually improving operational performance, and meeting commitments; 2) Sustain a global portfolio of long life assets by executing profitable expansion and investing in early stage prospects with a goal to grow margins and reserves and resources; 3) Lead the sector in profitability and responsibility by consistently generating superior returns; and 4) Supporting this strategy, NEM sets and meets aggressive improvement targets across its five platforms.

Historical financial results

Table 6 sets out a summary of NEM's historical financial results for 2008-19.

Table 6: Newmont Corporation historical financial results and key valuation/financial statement metrics (2008-19)

| Key commodity prices (spot) | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Gold (US\$/oz) | \$872 | \$973 | \$1,226 | \$1,571 | \$1,669 | \$1,413 | \$1,266 | \$1,161 | \$1,249 | \$1,259 | \$1,269 | \$1,392 |
| Silver (US\$/oz) | \$15.00 | \$14.69 | \$20.22 | \$35.30 | \$31.16 | \$23.89 | \$19.09 | \$15.72 | \$17.11 | \$17.08 | \$15.71 | \$16.20 |
| Copper (US\$/lb) | \$2.34 | \$2.34 | \$3.42 | \$4.00 | \$3.61 | \$3.23 | \$3.11 | \$2.50 | \$2.21 | \$2.80 | \$2.96 | \$2.72 |
| Total net gold output | | | | | | | | | | | | |
| Net gold production (kozs) | 5,201 | 5,229 | 5,370 | 5,166 | 4,977 | 5,065 | 4,683 | 4,584 | 4,898 | 5,266 | 5,101 | 6,291 |
| Gold cash costs (US\$/oz) | 440 | 440 | 506 | 597 | 684 | 772 | 707 | 663 | 682 | 691 | 708 | 721 |
| All-in sustaining costs (US\$/oz) | NA | 613 | 737 | 969 | 1,177 | 1,113 | 996 | 933 | 912 | 924 | 909 | 966 |
| Income Statement (US\$ millions) | | | | | | | | | | | | |
| Revenue | 6,124 | 7,705 | 9,540 | 10,358 | 9,868 | 8,414 | 7,292 | 7,729 | 6,711 | 7,348 | 7,253 | 9,740 |
| Adjusted EBITDA | 2,190 | 3,863 | 5,163 | 5,093 | 4,340 | 2,324 | 2,125 | 2,732 | 2,365 | 2,653 | 2,584 | 3,734 |
| Adjusted EBITDA margin | 36% | 50% | 54% | 49% | 44% | 28% | 29% | 35% | 35% | 36% | 36% | 38% |
| Basic EPS attributable to equity shareholders | 1.74 | 2.79 | 3.85 | 4.39 | 3.73 | 1.25 | 1.09 | 0.63 | 1.16 | 1.46 | 1.34 | 1.32 |
| Dividends per common share | 0.40 | 0.40 | 0.50 | 1.00 | 1.40 | 1.23 | 0.23 | 0.10 | 0.13 | 0.25 | 0.56 | 0.56 |
| Cash Flow (US\$ millions) | | | | | | | | | | | | |
| CF from operations (incl. NWC) | 1,293 | 2,947 | 3,167 | 3,584 | 2,372 | 1,543 | 1,438 | 2,145 | 2,792 | 2,335 | 1,827 | 2,866 |
| Cash flow per share (US\$/sh) | 2.85 | 6.05 | 6.44 | 7.26 | 4.78 | 3.10 | 2.88 | 4.16 | 5.27 | 4.38 | 3.43 | 3.90 |
| CF from investing | (2,157) | (2,781) | (1,419) | (5,067) | (3,264) | (1,313) | (507) | (2,041) | (80) | (961) | (1,177) | (1,226) |
| CF from financing | 123 | 2,570 | (915) | (854) | 689 | (212) | (65) | 302 | (1,817) | (864) | (455) | (2,777) |
| Free Cash Flow (FCF) | (473) | 1,145 | 1,778 | 804 | (822) | (339) | 341 | 277 | 790 | 1,484 | 805 | 1,413 |
| Balance Sheet (US\$ millions) | | | | | | | | | | | | |
| Cash and cash equivalents | 435 | 3,215 | 4,056 | 1,760 | 1,561 | 1,555 | 2,403 | 2,363 | 2,756 | 3,259 | 3,397 | 3,259 |
| Total debt | 3,237 | 4,809 | 4,441 | 4,313 | 6,298 | 6,740 | 6,646 | 5,863 | 4,615 | 4,065 | 4,044 | 6,138 |
| Net cash (debt) | (2,802) | (1,594) | (385) | (2,553) | (4,737) | (5,185) | (4,243) | (3,500) | (1,859) | (806) | (647) | (2,879) |
| Shareholders' Equity | 7,291 | 10,703 | 13,345 | 12,896 | 13,773 | 9,993 | 10,274 | 11,350 | 10,721 | 10,609 | 10,502 | 21,420 |
| Valuation/Ratios - pricing at end of period | | | | | | | | | | | | |
| P/E | 23.4 | 17.0 | 16.0 | 13.7 | 12.5 | 18.4 | 17.3 | 28.6 | 29.4 | 25.7 | 25.9 | 32.9 |
| P/CF | 14.3 | 7.8 | 9.5 | 8.3 | 9.7 | 7.4 | 6.6 | 4.3 | 6.5 | 8.6 | 10.1 | 11.1 |
| EV/EBITDA | 10.4 | 6.9 | 6.5 | 6.8 | 7.1 | 8.4 | 7.7 | 5.8 | 10.2 | 8.3 | 7.8 | 11.0 |
| Dividend yield | 1.0% | 0.8% | 0.8% | 1.7% | 3.0% | 5.3% | 1.2% | 0.6% | 0.4% | 0.7% | 1.6% | 1.3% |
| Net debt / EBITDA | 1.3 | 0.4 | 0.1 | 0.5 | 1.1 | 2.2 | 2.0 | 1.3 | 0.8 | 0.3 | 0.3 | 0.8 |

Source: BofA Global Research, company reports, Bloomberg

Exhibit 7: Newmont Corporation asset map as of February 2020



Source: Newmont Feb. 2020 investor presentation

NEM operating and financial data (2014-2019)

Exhibit 8 shows NEM's operating, financial and valuation profile for 2014-2019.

Exhibit 8: Newmont Corporation operating and financial summary

| Newmont Corporation [NEM] Operating and Financial Summary | | | | | | | | | | |
|---|-----------|-----------|-----------|---------------------------|-----------|-----------|------|------|------|------|
| Share Price | | US\$59.27 | | Market Cap (US\$MM) | | 47,831 | | | | |
| Shares O/S (MM) | | 807 | | Enterprise Value (US\$MM) | | 53,054 | | | | |
| OPERATING STATISTICS | | | | | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| Gold Production (ozs) | | | | | | | | | | |
| Nevada/Nevada Gold Mines | 1,631,000 | 1,562,000 | 1,628,000 | 1,760,000 | 1,697,000 | 1,475,000 | | | | |
| CC&V | -- | 81,000 | 396,000 | 451,000 | 360,000 | 322,000 | | | | |
| Eleonore | -- | -- | -- | -- | -- | 246,000 | | | | |
| Musselwhite + Borden | -- | -- | -- | -- | -- | 3,000 | | | | |
| Penasquito | -- | -- | -- | -- | -- | 129,000 | | | | |
| Porcupine | -- | -- | -- | -- | -- | 223,000 | | | | |
| Red Lake | -- | -- | -- | -- | -- | 113,000 | | | | |
| Pueblo Viejo (40%) | -- | -- | -- | -- | -- | 287,000 | | | | |
| North America Subtotal | 0 | 81,000 | 396,000 | 451,000 | 360,000 | 1,323,000 | | | | |
| Yanacocha (51.35%) | 498,000 | 471,000 | 336,000 | 275,000 | 271,000 | 270,000 | | | | |
| Cerro Negro | -- | -- | -- | -- | -- | 334,000 | | | | |
| Merian (75%) | -- | -- | 78,000 | 385,000 | 400,000 | 393,000 | | | | |
| South America Subtotal | 498,000 | 471,000 | 414,000 | 660,000 | 671,000 | 997,000 | | | | |
| Boddington | 696,000 | 794,000 | 800,000 | 787,000 | 709,000 | 703,000 | | | | |
| Tanami | 345,000 | 436,000 | 459,000 | 419,000 | 496,000 | 500,000 | | | | |
| Kalgoorlie (50%) | 329,000 | 316,000 | 382,000 | 367,000 | 318,000 | 228,000 | | | | |
| Other | 270,000 | 119,000 | -- | -- | -- | -- | | | | |
| Australia/Asia Subtotal | 1,640,000 | 1,665,000 | 1,641,000 | 1,573,000 | 1,523,000 | 1,431,000 | | | | |
| Ahafo | 442,000 | 332,000 | 349,000 | 349,000 | 436,000 | 643,000 | | | | |
| Akyem | 472,000 | 473,000 | 470,000 | 473,000 | 414,000 | 422,000 | | | | |
| Africa Subtotal | 914,000 | 805,000 | 819,000 | 822,000 | 850,000 | 1,065,000 | | | | |
| Total Gold Production | 4,683,000 | 4,584,000 | 4,898,000 | 5,266,000 | 5,101,000 | 6,291,000 | | | | |
| Total Copper Production (000's lb) | 115,000 | 125,000 | 119,000 | 113,000 | 109,000 | 79,000 | | | | |
| Costs applicable to sales (CAS) (US\$/oz) | | | | | | | | | | |
| Nevada/Nevada Gold Mines | 764 | 769 | 738 | 734 | 765 | 748 | | | | |
| North America Subtotal | -- | 532 | 553 | 622 | 727 | 883 | | | | |
| South America Subtotal | 702 | 607 | 759 | 709 | 660 | 646 | | | | |
| Australia/Asia Subtotal | 789 | 598 | 631 | 672 | 708 | 734 | | | | |
| Africa Subtotal | 470 | 522 | 666 | 655 | 645 | 597 | | | | |
| Costs applicable to sales (US\$/oz) | 707 | 663 | 682 | 692 | 708 | 721 | | | | |
| AISC (US\$/oz) | 996 | 933 | 912 | 890 | 909 | 966 | | | | |
| COMMODITY PRICE FORECASTS | | | | | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| Key Commodities | | | | | | | | | | |
| Gold (US\$/oz) | 1,266 | 1,161 | 1,249 | 1,259 | 1,269 | 1,392 | | | | |
| Silver (US\$/oz) | 19.09 | 15.72 | 17.11 | 17.08 | 15.71 | 16.20 | | | | |
| Copper (US\$/lb) | 3.11 | 2.50 | 2.21 | 2.80 | 2.96 | 2.72 | | | | |
| Zinc (US\$/lb) | 0.98 | 0.88 | 0.95 | 1.31 | 1.33 | 1.09 | | | | |
| Key Currencies | | | | | | | | | | |
| CAD:USD | 0.90 | 0.76 | 0.76 | 0.78 | 0.77 | 0.75 | | | | |
| EUR:USD | 1.30 | 1.10 | 1.11 | 1.15 | 1.18 | 1.10 | | | | |
| AUD:USD | 0.89 | 0.74 | 0.75 | 0.77 | 0.73 | 0.71 | | | | |
| PEN:USD | 0.34 | 0.29 | 0.30 | 0.31 | 0.30 | 0.30 | | | | |
| Income Statement | | | | | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| Revenue (US\$MM) | 7,292.0 | 7,729.0 | 6,711.0 | 7,348.0 | 7,202.2 | 9,740.0 | | | | |
| EBIT (US\$MM) | 896.0 | 1,485.0 | 1,280.0 | 1,293.0 | 1,098.2 | 1,557.0 | | | | |
| EBITDA (US\$MM) | 2,125.0 | 2,724.0 | 2,500.0 | 2,719.0 | 2,476.2 | 3,700.0 | | | | |
| Net Earnings (US\$MM) | 545.0 | 507.0 | 618.6 | 780.4 | 707.2 | 970.0 | | | | |
| EPS - adjusted (US\$/sh) | \$1.09 | \$0.99 | \$1.17 | \$1.47 | \$1.33 | \$1.32 | | | | |
| Cash Flow Statement | | | | | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| Operating Cash Flow (US\$MM) | 1,438.0 | 2,145.0 | 2,786.0 | 2,361.0 | 1,827.2 | 2,866.0 | | | | |
| CFPS (US\$/sh) | \$2.88 | \$4.84 | \$3.95 | \$4.74 | \$4.82 | \$4.36 | | | | |
| Capital Spending (US\$MM) | (1,110.0) | (1,311.0) | (1,133.0) | (866.0) | (1,032.0) | (1,463.0) | | | | |
| Investing Activities (US\$MM) | (507.0) | (2,041.0) | (80.0) | (961.0) | (1,177.0) | (1,226.0) | | | | |
| Financing Activities (US\$MM) | (65.0) | 296.0 | (1,799.0) | (864.0) | (455.0) | (2,777.0) | | | | |
| Free Cash Flow (US\$MM) | 341.0 | 397.0 | 2,143.0 | 1,669.0 | 1,548.2 | 1,712.0 | | | | |
| Free Cash Flow (US\$/sh) | \$0.68 | \$0.77 | \$4.04 | \$3.14 | \$2.90 | \$2.34 | | | | |
| Balance Sheet | | | | | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| Cash (US\$MM's) | 2,403.0 | 2,782.0 | 2,756.0 | 3,259.0 | 3,397.0 | 2,243.0 | | | | |
| Working Capital (US\$MM) | 3,241.0 | 3,567.0 | 2,927.0 | 3,671.0 | 3,490.0 | 3,887.0 | | | | |
| Total Assets (US\$MM) | 24,916.0 | 25,182.0 | 21,031.0 | 20,563.0 | 20,715.0 | 39,974.0 | | | | |
| Total Debt (US\$MM) | 6,646.0 | 6,236.0 | 4,615.0 | 4,065.0 | 4,044.0 | 6,138.0 | | | | |
| Shareholders Equity (US\$MM) | 10,274.0 | 11,350.0 | 10,721.0 | 10,609.0 | 10,502.0 | 21,420.0 | | | | |
| Net Cash or (Debt) (US\$MM) | (4,243.0) | (3,454.0) | (1,859.0) | (806.0) | (647.0) | (3,895.0) | | | | |
| VALUATION METRICS | | | | | | | | | | |
| | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| P/E | 17.3 | 18.2 | 29.2 | 25.6 | 26.1 | 32.8 | | | | |
| P/CF | 6.6 | 3.7 | 8.6 | 7.9 | 7.2 | 10.0 | | | | |
| EV/EBITDA | 7.7 | 5.9 | 8.4 | 8.0 | 8.1 | 11.1 | | | | |
| Net Asset Value | \$9.70 | \$10.50 | \$18.65 | \$20.50 | \$21.50 | \$27.00 | | | | |
| P/NAV | 1.95 | 1.71 | 1.83 | 1.83 | 1.61 | 1.61 | | | | |
| EV/Reserves (\$/oz) | \$201 | \$216 | \$307 | \$317 | \$307 | \$429 | | | | |
| HISTORICAL AVERAGE P/NAV PEER COMPARISON | | | | | | | | | | |
| | 2002 | 2004 | 2006 | 2008 | 2010 | 2012 | 2014 | 2016 | 2018 | 2020 |
| Senior Average | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Newmont | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| 2019 REVENUE BY METAL | | | | | | | | | | |
| | 2019A | 2018A | 2017A | 2016A | 2015A | 2014A | | | | |
| Gold | 93% | 93% | 93% | 93% | 93% | 93% | | | | |
| Silver | 3% | 3% | 3% | 3% | 3% | 3% | | | | |
| Copper | 2% | 2% | 2% | 2% | 2% | 2% | | | | |
| Zinc | 1% | 1% | 1% | 1% | 1% | 1% | | | | |
| Lead | 1% | 1% | 1% | 1% | 1% | 1% | | | | |
| RESERVES AND RESOURCES DATA | | | | | | | | | | |
| Category | 2014A | 2015A | 2016A | 2017A | 2018A | 2019A | | | | |
| Proven and Probable Reserves | | | | | | | | | | |
| Tonnes (Millions) | 2,436.9 | 2,158.0 | 1,771.2 | 1,860.6 | 1,717.1 | 2,978.4 | | | | |
| Ore grade (g/t) | 1.04 | 1.06 | 1.20 | 1.14 | 1.19 | 1.00 | | | | |
| Net gold ounces (000's) | 81,610 | 73,720 | 68,460 | 68,470 | 65,440 | 95,730 | | | | |
| Average recovery rate (%) | 81.0 | 80.0 | 81.0 | 83.0 | 83.0 | 82.0 | | | | |
| Measured & Indicated Resources | | | | | | | | | | |
| Net gold ounces (000's) | 26,730 | 37,780 | 33,620 | 34,270 | 39,390 | 76,740 | | | | |
| Inferred Resources | | | | | | | | | | |
| Net gold ounces (000's) | 15,960 | 15,330 | 14,000 | 13,960 | 15,590 | 31,290 | | | | |
| Reserve Life (years) | 12.0 | 11.8 | 11.0 | 11.1 | 11.1 | 11.6 | | | | |

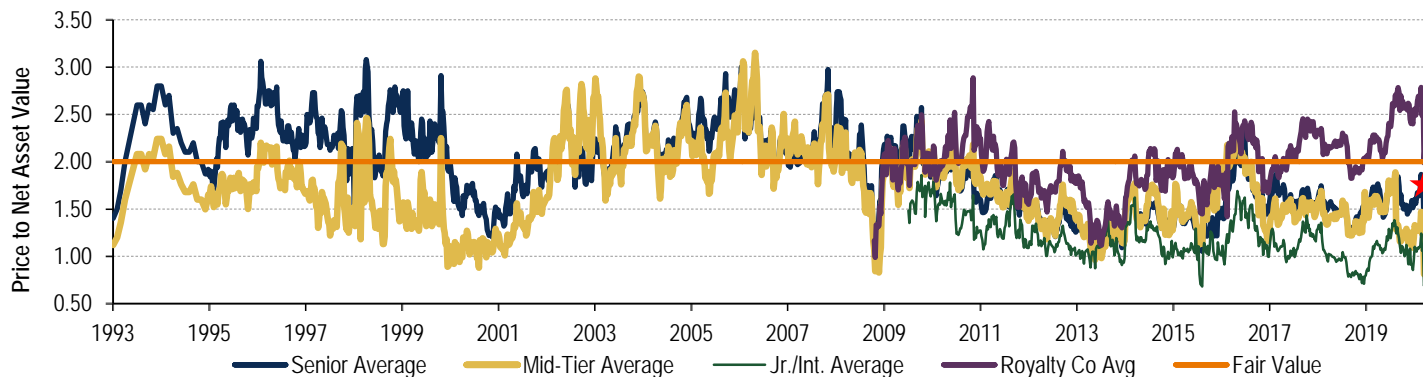
Source: BoFA Global Research

Section 7: Valuation history

Price to net asset value (P/NAV)

Our primary valuation methodology for our precious metals coverage is discounted cash flow (DCF), and in most cases, sum-of-the-parts DCF. In our view, this is the most appropriate way to account for value across the cycle. As per Chart 14, the North American precious metals sector has traded between 1-3x asset value over the 1993-April 2020 period. During the 1993-2002 period, the senior gold producers traded at substantial premiums to the mid-tier producers due in part to the rise of Barrick Gold. Over the 2003-2009 period, the North American mid-tier producer sector traded at a modest premium to the senior producer group. In our view this was a function of better growth opportunities in the mid-tier producer universe.

Chart 14: North American Gold Company Average P/NAV Multiples (1993-April 2020) – Weekly



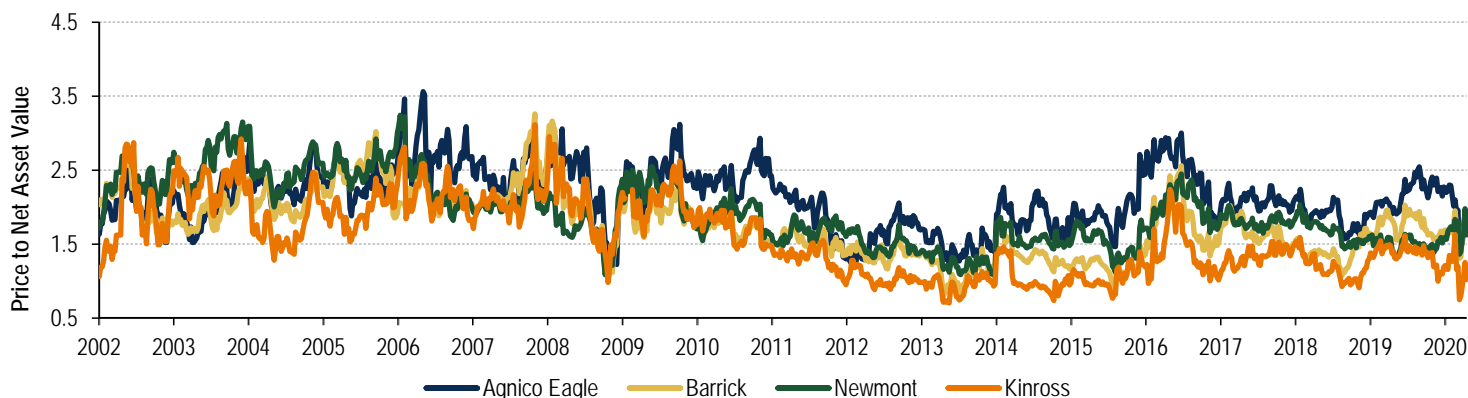
Source: BofA Global Research, Bloomberg

The 2011-19 period was not kind for the valuations of the senior gold producers. Heavy capital spending (exacerbated by sizable cost overruns) required for the 2008-12 mine building phase, inflationary cost pressures and misguided M&A led to debt laden balance sheets. Combined with a plunging gold price from 2012, these led to depressed earnings, shrinking free cash flow (or negative free cash flow) and sagging valuations. Consequently the North American senior gold producers have traded within a 1-2x NAV range over the past 8 years. While valuation multiples for the North American senior gold producers have been trending upward since H2'19 due to the rising gold price, they still remain below the buoyant valuation levels (of 2-3x) seen in the mid-2000s.

Senior gold producers historical P/NAV chart

Chart 15 sets out the 18-year absolute P/NAV multiples for the senior gold producers.

Chart 15: Senior gold producer historical price to net asset value multiples (P/NAV) (2002-April 2020)



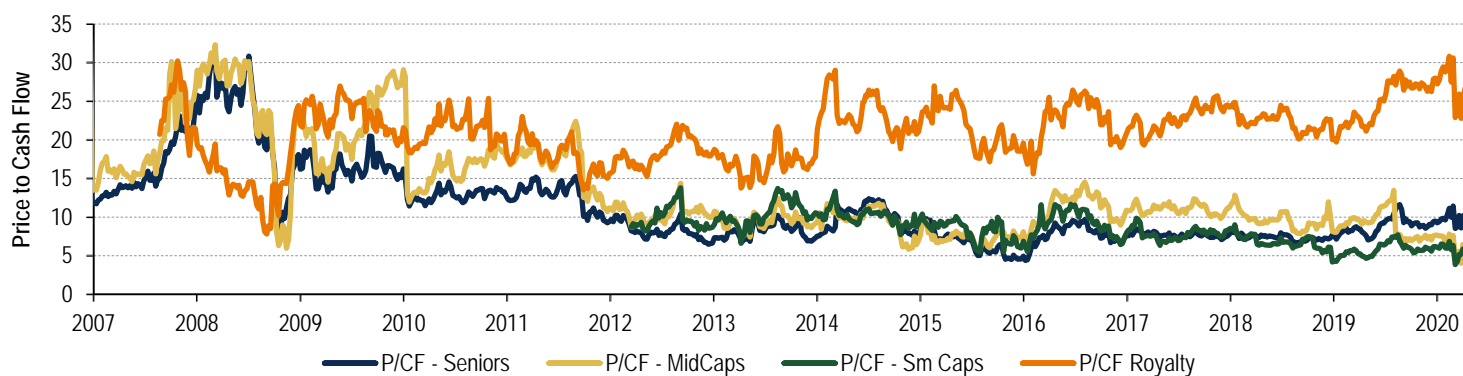
Source: BofA Global Research

During the 2007-10 period, the senior producer P/NAV multiples traded nearly in line to each other. From 2014 onward, AEM moved to a premium P/NAV valuation to its senior producer peers due to meeting its objectives, adding new reserves and resources accretively through low cost acquisitions and exploration success and its low capital cost project pipeline. Post their respective mega mergers (ABX-GOLD on Sept. 24/18 and NEM-GG on Jan. 14/19), GOLD and NEM have closed the P/NAV valuation gap to AEM through aggressive cost reduction programs and non-core asset sales to focus on tier 1 and 2 assets.

Price to cash flow

For many investors, the price-to-cash flow (P/CF) ratio is a preferred alternative to P/NAV given its ability to capture a similar measure, but on a shorter-time horizon and with less estimation bias. Since 2010, the average P/CF ratio for the North American senior gold producers has ranged between 5.0-15.0x, essentially half that of the royalty and streaming companies (15.0x-30.0x) and just below the mid-tier gold producer range (6.0-20.0x).

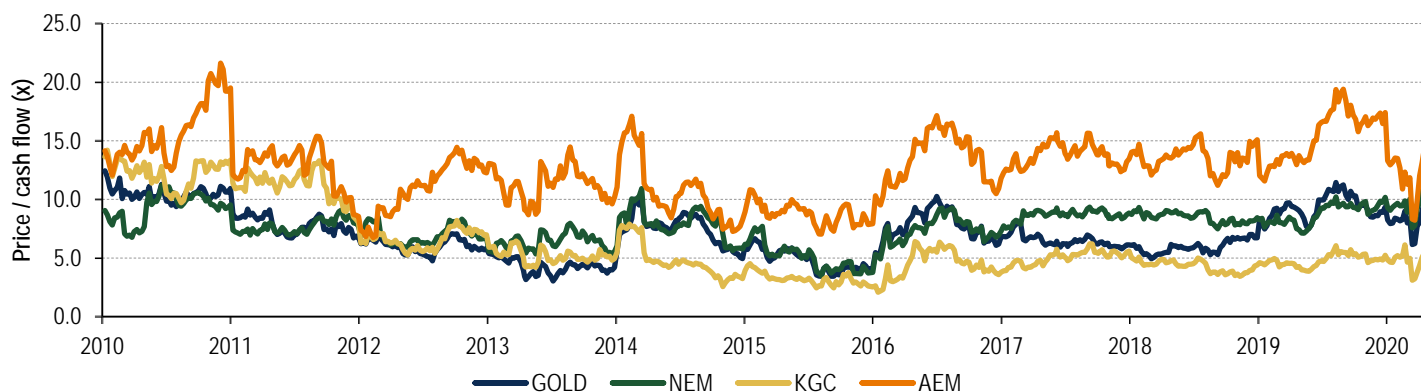
Chart 16: Peer Group Average Historical Price to Current Fiscal Year Estimated Cash Flow (P/CF) (2007-April 2020)



Source: BofA Global Research, Bloomberg

Chart 17 sets out the historical P/CF ratios for the North American senior gold producers since January 2010. Over much of this period, AEM enjoyed the highest P/CF ratio amongst the North American senior gold producers (due to its growth prospects). By April 2020 however, the P/CF ratios of AEM, GOLD and NEM had tightened up.

Chart 17: Historical Price to Current Fiscal Year Estimated Cash Flow (P/CF) (2010-April 2020)

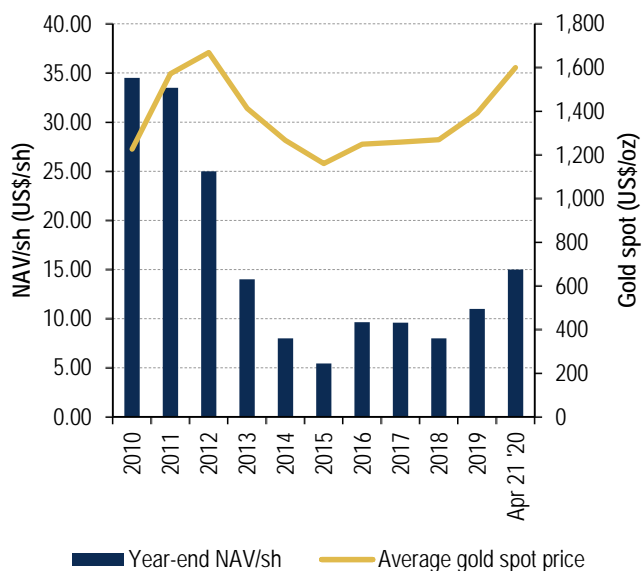


Source: BofA Global Research, Bloomberg

Net asset value (NAV)

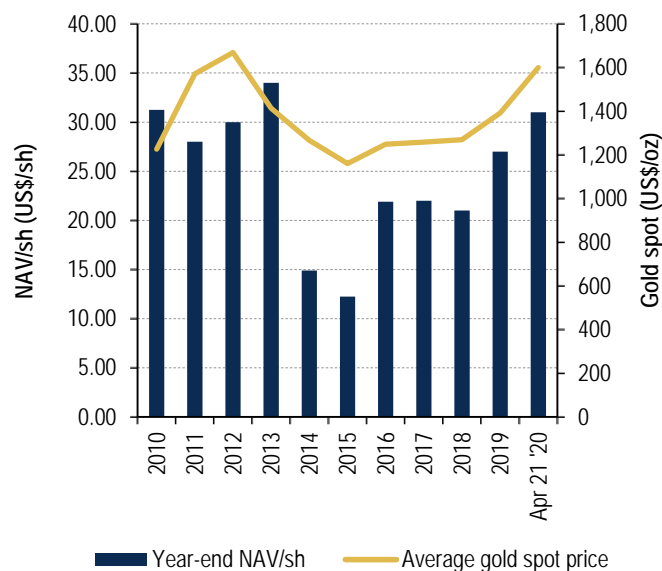
Charts 18-21 set out the NAV per share (estimated by BofA) at year ends 2010-19 and then for April 21st 2020 for the North American senior gold producers. Our long term price has usually closely mirrored the spot gold price which explains in part why NAVs collapsed over the 2012-15 period (due to substantial weakness in the spot gold price during this period). Due to a new generation of development projects, industry success at cost cutting and steadily rising gold prices (compared to 2015), our estimated NAVs have rebounded over the past several years.

Chart 18: GOLD's year-end NAV/sh (2010-Apr 21st 2020)



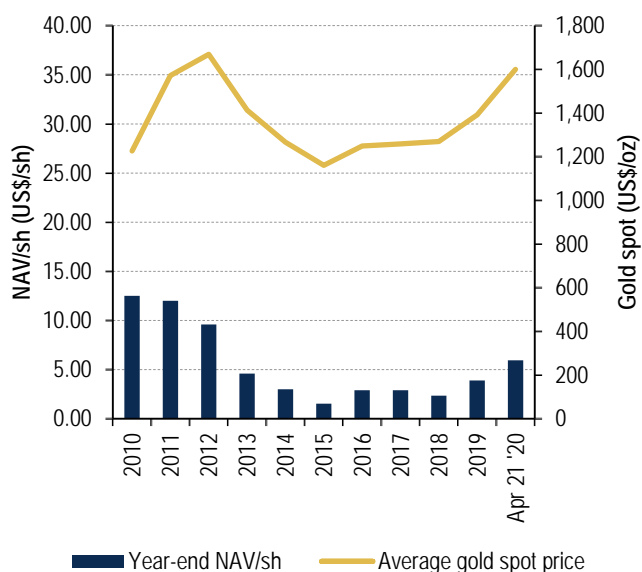
Source: BofA Global Research

Chart 19: AEM's year-end NAV/sh (2010- Apr 21st 2020)



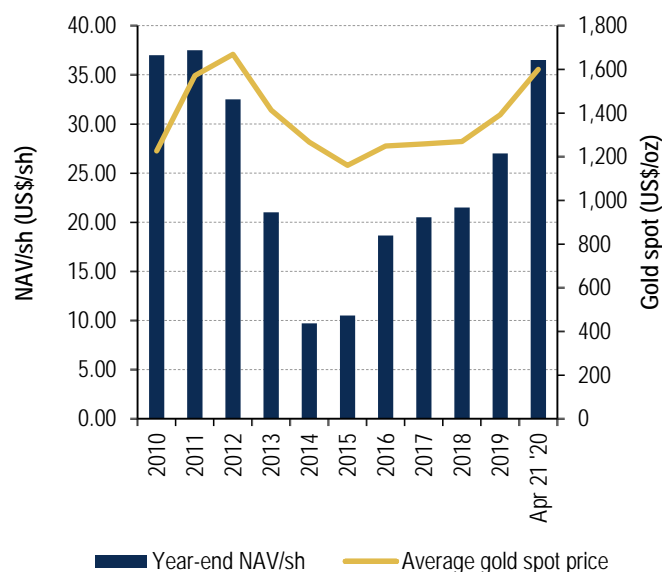
Source: BofA Global Research

Chart 20: KGC's year-end NAV/sh (2010- Apr 21st 2020)



Source: BofA Global Research

Chart 21: NEM's year-end NAV/sh (2010- Apr 21st 2020)

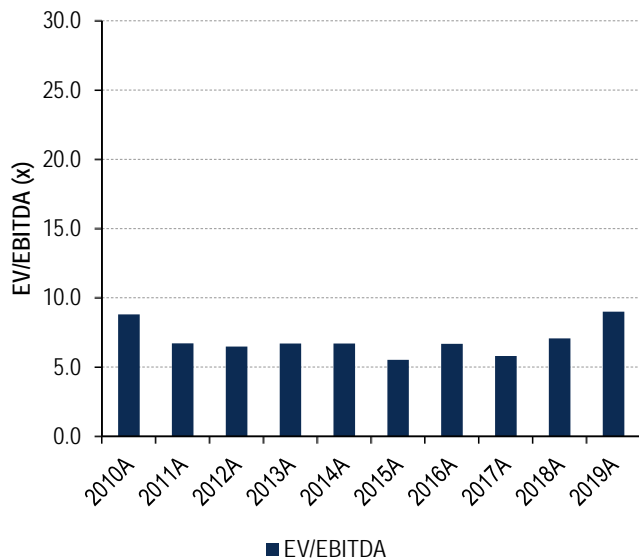


Source: BofA Global Research

Historical EV/EBITDA valuation profiles

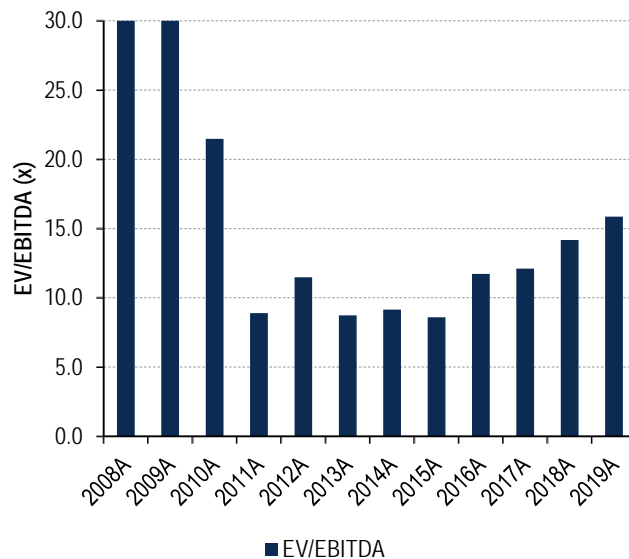
Chart 22-Chart 25 show the EV/EBITDA valuation profiles for the North American senior gold producers for the 2008-2019 period.

Chart 22: Barrick Gold's EV/EBITDA profile (2010-2019)



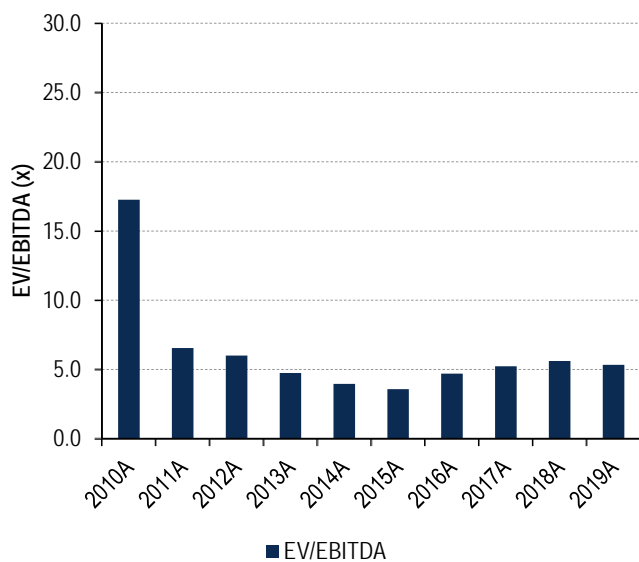
Source: Bloomberg BofA Global Research

Chart 23: Agnico Eagle's EV/EBITDA profile (2010-2019)



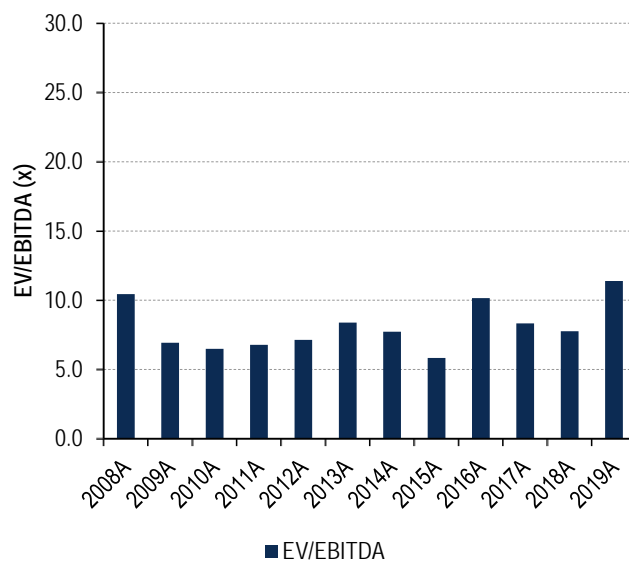
Source: Bloomberg BofA Global Research

Chart 24: Kinross Gold's EV/EBITDA profile (2010-2019)



Source: Bloomberg BofA Global Research

Chart 25: Newmont Corp's EV/EBITDA profile (2010-2019)



Source: Bloomberg BofA Global Research

Disclosures

Important Disclosures

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of a stock's: (i) absolute total return potential and (ii) attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). There are three investment ratings: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

| Investment rating | Total return expectation (within 12-month period of date of initial rating) | Ratings dispersion guidelines for coverage cluster* |
|-------------------|---|---|
| Buy | ≥ 10% | ≤ 70% |
| Neutral | ≥ 0% | ≤ 30% |
| Underperform | N/A | ≥ 20% |

* Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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