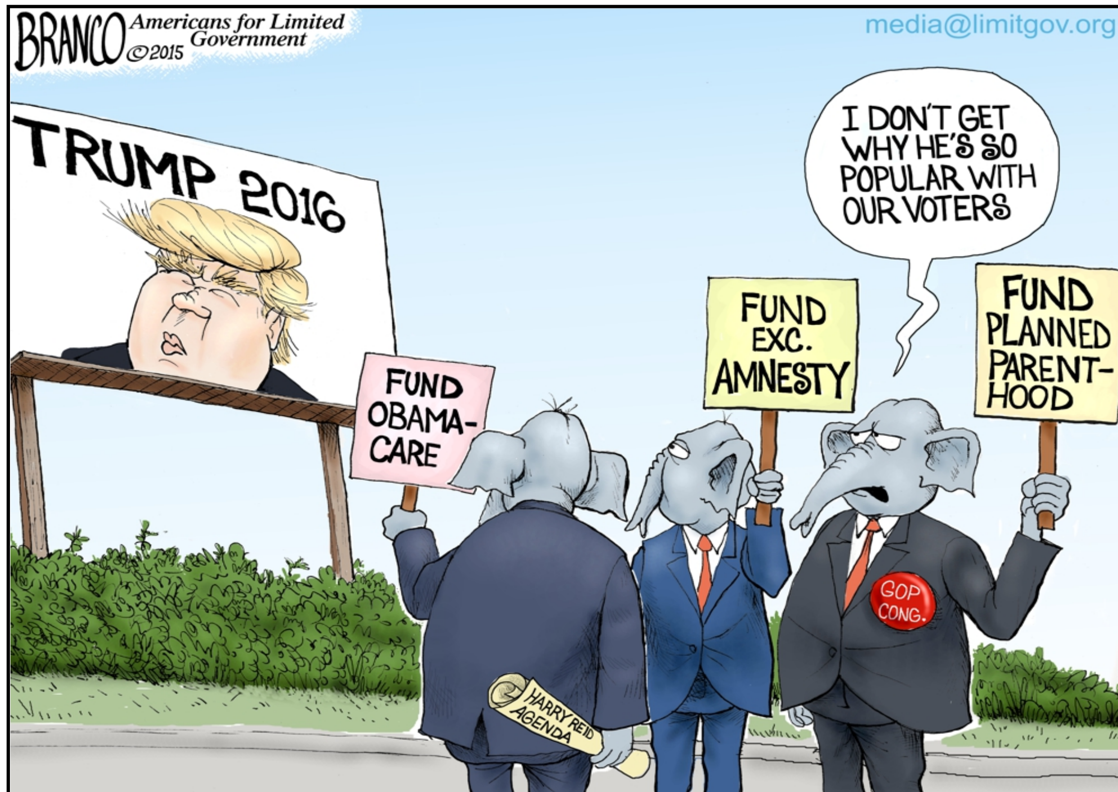
May 18, 2016

Gold: Intelligentsia – You're Fired!



Former Obama Chief of Staff, Rahm Emanuel, once said, "never let a serious crisis go to waste". During the 2008 panic collapse, the US government bailed out big business, took over General Motors, fattened the big Wall Street banks and even nationalized mega institutions Fannie Mae and Freddie Mac. As a result, government became even bigger with an insatiable appetite for revenues and to no surprise, the economy remains in a funk. Eleven states in the US now have more people on welfare than they do employed. No wonder there is a populist backlash against Wall Street because today, the "too big to fail" institutions became not only bigger but, "too big not to fail". Since 1997, the six biggest banks in the US and Europe increased their assets almost five-fold. Today the banking sector is at the crux of foreign exchange trading, derivatives and overseas lending. And despite rounds and rounds of rate rigging settlements, Wall Street's complex financial alchemy was again used to disguise their liabilities allowing big business to play an outsized role with trillions of complex structures reducing the clarity where risk lies. The upshot is that these products in Frankenstein-like fashion once turned on their creators in 2008 but today poses a bigger risk – haven't we learned anything?

Americans finally joined the stealth currency war as the strong dollar fundamentals came to an end. The greenback slipped to 15 month lows on the unwinding of carry trades by foreign holders ending a two year rally. Nonetheless a currency war is a zero sum game, going back to the beggar-thy-neighbour policies of the Thirties. Seven years after the financial crisis, the Fed's monetary expansion pumped more than $7 trillion into the financial system in an effort to stimulate lending and revive economic activity. However, instead of a pickup in growth, this cheap money created bubbles in the bond, stock and currency markets while the US national debt jumped to $19 trillion or 100 percent of GDP. Since so much money produced so few results, the Fed's ultra-low bond policy forced investors to chase higher multiple stocks which became more expensive than ever. We believe the damaging ramifications and declining credibility of our central bankers' policies will have a devastating impact on the global economy, raising investor risk.

Negative Rates Brought Negative Returns

It is an upside down world. Negative interest rates delivered an outcome exactly the opposite of what they were intended to produce. Investors greeted negative rates by dumping equities. In imposing negative rates, over half of the Eurozone sovereign debt trades with negative yields. Noteworthy is that Germany and the Netherlands balked at Mr. Draghi's latest folly, exposing divisions between the savers and the spenders. We believe negative rates are the last arrow in the central banks' quiver of highly unorthodox methods, after quantitative easing (the printing of money to buy bonds) failed to revive a sluggish world economy.

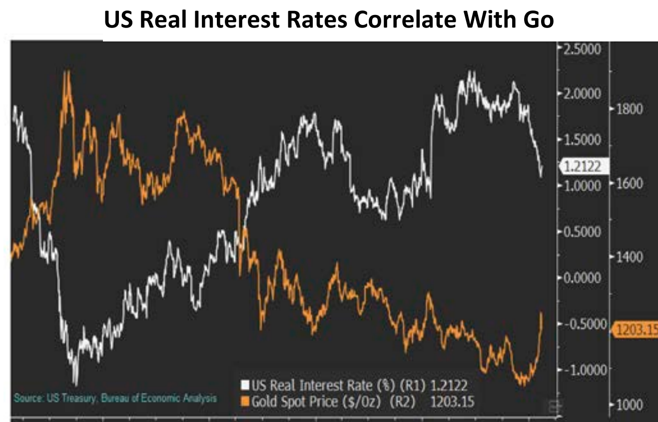
Also running out of options, the Bank of Japan imposed a subzero policy in an attempt to cheapen its currency to lift exports. Instead the yen gained over 10 percent, offsetting any benefits from negative interest rates. Despite experimenting with rates at zero and now negative, Europe is mired in sub two percent growth, Japan is negative and the US economy only grew at a paltry 0.05 percent in the first quarter. Left unsaid is that negative rates squeezes those who borrow, with some, perversely paid to borrow, resulting in even more indebtedness. Investors are not stupid, within this environment, they will hoard cash to preserve capital. After all, why pay to stash one's cash? A safe or mattress may provide security but not surprisingly, gold had its best quarter in 30 years.

How Low Can they Go?

Cheap money has not solved our problems, underlining the limits of central banks' monetary policy. In none of the economies experiencing negative rates has been there been growth. Negative rates brought negative returns. Every asset class has been scrutinized with past metrics or spreads dismantled. In each country their government intermediaries, the big banks' profits and business models weakened. Lending ironically also stopped. Reluctant to charge their depositors, major bank margins were squeezed and the old banking model was scrapped.

Financial markets also felt the repercussions of subzero rates. What ballasts the US monetary system is debt. In creating credit, the Fed purchased government securities with freshly minted dollars, bidding up bond prices allowing the Fed to push interest rates down such that it amassed a whopping $4.5 trillion of debt versus a pre-crisis average of $825 billion. All this involve risk. According to Bloomberg, the Bank of Japan has become the world's largest hedge fund, purchasing about 90 percent of the Nikkei 225 through ETF purchases. And not surprisingly, Fed

Chair Yellen’s attempt to raise rates for the first time in over a decade, faltered as she too succumbed to the addiction of cheap money, postponing rate increases, kicking the so called rate increase down the road.



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As a consequence, governments’ propensity to overspend had them confiscate private wealth through direct taxation, and when that failed, inflation and the debasement of money became the policy du jour. Various combinations of revenue enhancements, austerity and monetary policies were unsuccessfully tried to close the budgetary gaps. As a result, the politics of western economies involved scapegoating business using overregulation and overtaxation to disguise governments’ ineptitude. Inevitably, the central banks’ experimental moves encountered the laws of diminishing returns.

Governments everywhere remain reluctant to reduce spending or deal with their debt relying instead on their central banks to close the gaps through deficit finanicngs. Moreover, politicians everywhere are too weak to solve our economic problems or unwilling to change, preferring the “sunny ways” or the “audacity of hope” type rhetoric instead of the hard truths of realpolitik. The longer our politicians dither, and leave our central banks’ unconventional alchemy to deal with our problems, the greater the damage.

Too Big Not To Fail

Wall Street, one of the beneficiaries of negative interest rates was an easy target for the nonstop populist attacks. And no wonder. Seven years after the biggest financial crisis, Wall Street has gotten bigger, our unelected central banks are in charge and we have a bigger debt problem than before. The disclosure of the Panama Papers showed that business, not only reaped but they were able to sow by setting up offshore companies and for some, reduce their tax bite.

Indeed, in a challenge to the status quo, the popularity of Bernie Sanders and Donald Trump is such that they have captured the mainstream desire for jobs, change, less government interference and the promise to get something done. Wall Street’s greed was secondary. The Fed just allowed politicians to postpone the inevitable, mortgaging America’s future.

The problem is that governments didn’t plug the holes despite the introduction of post crisis financial reform bills like the Volcker Rule and the Dodd Frank Act that introduced, layers and layers of complex regulations and refashioned the global financial markets allowing big business to become even bigger. As an example, the so called “Lender of Last” bill shifted the onus of the next bailouts to depositors and investors reducing the risk exposure of the government, not Main Street. Despite rules to separate the investment banking or trading activities from their traditional commercial arms, in this upside down world, Goldman Sachs has been allowed to become a savings bank, taking deposits from Main Street. Instead of scapegoating Wall Street, more

necessary are structural reforms on government policy and fiscal spending rather than through artificial means. And in this election year, rather than the endless ideological promises to end financial profligacy and reduce debt, concrete plans to make debt reduction a priority is needed. Unfortunately neither presumptive nominees, Clinton nor Trump are fiscal hawks with Clinton a "spender" and Trump, "a serial debtor".

To be sure, America is no longer the superpower it once was after rescuing Wall Street, fighting numerous wars and directing the Fed to revive the economy. As the largest debtor in the world, the United States even lost its financial independence when Saudi pressure threatened to dump $117 billion of US Treasuries, if Congress was to pass the Sept 11 Bipartisan Bill paving the way for an Obama veto. Global central banks sold $225 billion last year and so far $123 billion this year. We therefore need both presumptive nominees to promise to legislate the needed reforms and not give lip service to protect the status quo and vested interests.

Intelligentsia, You're Fired

Investors will have to grapple with a game changing November presidential election. The idea of reality TV mogul Trump winning the presidency sounds fairly ridiculous. Then again, so did the prospect of winning the Republican nomination. Certainly, Mr. Trump's candidacy has broken the two party system. The upcoming election will be an extreme study in contrasts. Mrs. Clinton's strongest suit of government and foreign policy experience is Mr. Trump's weakest. Yet Mr. Trump's message of change and honesty is Mrs. Clinton's weakest. At the very least, politics has changed forever and that is a good thing. The roots of political dysfunction go back to the politicization of every decision, broken promises and of course American political campaigns became ruinously expensive and heavily dependent upon the largesse of Wall Street, super PAC groups, and special interest groups.

Though viewed with derision, there is a chance for innovation, notwithstanding the resistance from America's political intelligentsia such as the established parties, the mainstream media and the fund-raising machines. We believe Mr. Trump may help reform a broken electoral system by exposing the fault lines within the system. He has built up a tremendous following among the disillusioned voters with establishment politicians. There is no question Mr. Trump's views are hair-raising and undoubtedly divisive. However these days, voters are too complacent, disenfranchised and disinterested, partly because there they see little difference in a politician's promises which is often broken, once elected. Noteworthy amid the derision is that Mr. Trump so far has spent about $40 million in his quest for the presidency. His frugal campaign no doubt is a record and largely because most of it was his own money. Is it possible that once elected, his stewardship of the government's finances could be equally parsimonious? That would be innovation and change worth pursuing. Just saying!

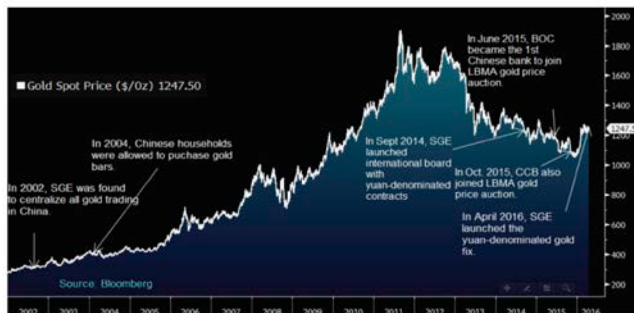
The Middle Kingdom Dictates the Gold Price

Of interest is that both presidential candidates are hostile towards China, in particular for alleged currency manipulation. Over the past seven years, there has been a consistent flow of gold from the West to the East. China is the world's largest producer of gold at 460 tonnes and the largest consumer at 1,200 tonnes. However, Chinese mines are short-lived and the deficit grows larger every year. Chinese state-owned producers are also encouraged to acquire gold assets to close the deficit gap. State-owned China National Gold recently acquired Eldorado Gold's Jinfeng

Mine for $300 million and Eldorado sold its other Chinese mines to Yintai Resources for $600 million (US).

Consequently, China has become a dominant force in the physical gold market. The Chinese central bank also holds 1,808 tonnes of gold reserves up from 600 tonnes in 2009 becoming the fifth largest holder of gold in the world, ahead of Switzerland and Japan. Shanghai has become the hub for gold trade. The Shanghai Gold Exchange (SGE) the official exchange of Chinese gold, recently introduced its own benchmark "fix" denominated in renminbi for gold bullion. In the first couple of weeks of trading on the SGE, the Chinese fix closely tracked the London Gold Fix. The London Metal Exchange is owned by the HKEX. The world's largest bank, ICBC is a participant in both fixes. The Shanghai Gold Exchange itself has some 55 vaults. With ICBC purchasing Barclay Bank's 2,000 tonne vault in London, the bank extends its influence from sales to storage.

China Seeks to Set Global Gold Prices



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In the last five years, Comex warehouse inventories have been cut in half as the pool of physical gold dries up in the West. We believe China's gold involvement is part of a major change in the global financial architecture in response to the manipulation and gaming of Western markets as well as China's desire to diversify from the dollar because China has too many dollars. We believe the world's largest trader also wants to make the renminbi a global reserve currency, backed by gold and not by fiat means which can be manipulated. Who is gaming who?

Gold's New Bull Market

The reports of gold's death were premature, very premature. Goldman Sachs even changed their $1,050 per ounce forecast, closing short positions. Half of the Street hates gold, one quarter is indifferent and one quarter likes gold. Everyone however recognizes that all is not right in the world. An old broker adage is that bull markets, "climb walls of worry". Gold's phenomenal rally this year broke three decade old records boosted by worries over the spread of negative interest rates, more cheap money, and a tumbling greenback. What damages trust in the US, damages the whole world. Investors are left wondering whom and what they could trust. Some sovereign wealth funds are stocking up on gold. Gold is an alternative for them. At the very least, Mr. Obama was good for the gold business.

We believe the plethora of both economic and geopolitical uncertainties such as the Middle East quagmire, European dysfunction, Greek default (again), unicorn implosions, Brexit and now a presidential election has contributed to global market volatility. To many (including the mainstream media), gold is just a commodity. It is much more. Gold is a barometer of investor anxiety. Gold maintains its store of value, a value that cannot be weakened by the whims of either central bankers or politicians. While most investors do not fear inflation, they remain surprisingly complacent. Our view is that the resumption in gold's bull market is a prelude to a run-up in core inflation. While the hard asset market has done well, of concern is that the bond and stock markets remain priced to perfection. Ironically if central banks get what they wish for

and inflation picks up because of a lower greenback or higher commodities, that risk is not priced in the market. In an environment of negative rates and falling currencies, there is a shortage of safe havens. Gold is a beneficiary and its super rally in the first part of the year, will be pale if those inflation embers flare up.

The world has been losing confidence in the currencies issued by central banks, and lately the US dollar. Investors are also aghast at the deterioration of the quality of our political leaders. Investors, like voters everywhere feel disconnected that both our central bankers and politicians just don't get it. One can detect the decline in confidence in every part of the world. Others like China and Russia already have more dollars than they possibly want. However, US policy has treated them more as enemies than allies or even as equals. As such it is not such a surprise that both countries are hoarding gold to offset American hegemony. We believe they also suspect that the American people will elect an inflationary president and a dysfunctional Congress this November since neither Clinton nor Trump stands for sound money. Mr. Trump, that serial debtor has filed for Chapter 11 bankruptcy, four times. That will be good for gold, but bad for the dollar.

We continue to expect gold at $2,200 per ounce gold.

Recommendations

Finally most gold miners are mining gold at a profit with all in costs (AISC) about 20 percent lower to $1,000 per ounce. Prospects for the industry are bright. Gold shares have more than doubled in the first quarter and the TSX gold weighting was increased to seven percent from four percent. Yet most institutional accounts are underweighted, waiting for the proverbial pullback. Although gold is technically overbought, rather than a pullback we expect a consolidation of the recent move. We believe that we have entered the second leg of gold bull's bull market that began in April 2001 and will continue to rally reaching $2,200 per ounce. We like highly liquid **Barrick** and **Agnico Eagle** among the seniors, prefer **B2Gold** and **Eldorado** among the intermediaries and **McEwen Mining** among the juniors

Agnico Eagle Ltd

With eight mines in Canada, Finland and Mexico, Agnico reported a good quarter with strong contributions from open pit Canadian Malartic, Goldex and Kittila. Flagship LaRonde in Quebec which has produced 5 million ounces thus far, increased throughput resulting in improved production. However, higher costs were realized at northerly Meadowbank in Nunavut, offset in part by lower costs from Pinos Altos in Mexico. The company reported that they will produce closer to 1.6 million ounces under $910 per ounce AISC. The company also reported positive exploration results from Amaruq which gives them a better understanding of WhiteTail to be processed likely at nearby Meadowbank, extending Agnico's largest producer's mine life. Of interest is that Agnico has doubled its exploration budget which includes the Canadian Malartic joint venture's nearby deposits as part of the three kilometre mineralized system. Agnico's management is known for its execution, delivery of projects on time and under budget. Agnico-Eagle has in situ reserves of 19 million ounces, a solid balance sheet and is among the few senior producers with a rising production profile. Although the shares have been one of the best performing stocks, we continue to like the shares here.

Barrick Gold Corp.
Barrick, the world's largest gold producer, reported strong results better than Street expectations. Barrick produced almost 1.3 million ounces which resulted in a 24 percent reduction of byproduct AISC to less than $700 an ounce. The almost 400 square mile Cortez district in Nevada continues to be a positive surprise. The Cortez deep underground feasibility expansion was completed, expanding the one million ounce open pit producer. Most important, the company's "back to basic strategy" helped generate positive free cash flow. Barrick is focusing on organic growth from its almost 92 million of in-situ reserves, the longest reserve life in the world. As an example, organic growth will come from Goldrush located six kilometers from Cortez Hill, Lagunas Norte in Argentina and Turquoise Ridge.

Since 2015 Barrick has reduced almost $4 billion of debt. In repairing its balance sheet, it can now focus on the development of its enviable long life core group of mines. During the quarter, Barrick closed its deal to sell Bald Mountain and Round Mountain to Kinross at attractive prices. Barrick has a cash balance of $2.3 billion and less than $200 million of debt maturing before 2018, with $5 billion maturing after 2032. Barrick still wants to reduce debt further. Possible assets to be sold include Pascua Lama, and 64 percent owned Acacia. Under John Thornton, Barrick has flattened management, established a three person growth group, and repaired its balance sheet. Barrick shares have increased 170 percent since the lows. Barrick is back and looking to the future, we believe Barrick will pursue additional joint ventures, optimize its high quality assets and focus on bringing Barrick into the twenty first century. We continue to like Barrick here.

Centerra Gold Inc.
Centerra reported positive results in part due to a reversal of an inventory adjustment. The Boroo mine in Mongolia has closed so Centerra's output will come from Kumtor in Kyrgyzstan at almost 530,000 ounces annually. Production was lower in the quarter due to lower grades, delays and recoveries. Centerra entered into a five year $150 million revolver with EBRD and signed a $150 million project financing loan facility for Oksut in Turkey. Centerra has a great balance sheet with liquidity of $500 million. However, the company remains locked in a dispute with the Kyrgyz government and that overhang plus harassment has kept a lid on the stock. Nonetheless, we believe that a rapprochement with the government is inevitable. Down here, the shares remain cheap.

Detour Gold Corp.
Intermediate gold producer, Detour reported positive cash flow and a new life of mine (LOM) production plan with Detour West (Block A) which extended the life of the open pit mine in northern Ontario. Detour is one of the largest Canadian gold producers with less than 20 percent of its property explored. Of interest is that recent exploration at Detour West resulted in better grades. The company has optimized improvements at the mill averaging 54 kptd which is close to nameplate. Detour also extended its electricity contract to December 2024 under favourable terms at 4 cents a kw allowing a reduction in costs. Detour produced 505,000 ounces last year and will increase production to 570,000 ounces at AISC about $930 per ounce. Detour paid down $124 million of debt but will have to refinance about $300 million of convertibles next year. The key for Detour however is to process more material and improve grade to make money. Detour has some 16.4 million ounces of in situ reserves, a rising production profile, conservative management and we like the shares here.

Goldcorp Inc.
Goldcorp reported surprisingly improved results producing 784,000 ounces at AISC of $836 per ounce. Production was lower due to a lower grade cycle at Red Lake and Penasquito with AISC of $1,000 per ounce. Cash flow was negative for another quarter. Eleonore in northern Quebec continued a slow ramp up with results weaker than expected suggesting a continuous dilution problem. Goldcorp's flagship polymetallic Penasquito in Mexico had a scheduled shutdown as well as a lower grade cycle resulting in a 30 percent reduction in output. Results will again be adversely affected this year and in fact, the Penasquito pyrite leach plant expansion might be shelved because of costs.

Goldcorp's main drawback is growth, particularly since Ontario-based Cochenour and Borden Gold were to help extend Porcupine and Red Lake mine lives as well as boost production. Both projects were downgraded from development suggesting their reserves remain elusive. So much money, so few ounces. Goldcorp's other problem is that its pipeline is somewhat bare. To replenish that pipeline, Goldcorp spent $400 million to buy Kaminak's Coffee project in the Yukon. Coffee is a high grade three million ounce project with a feasibility study but there is a need to spend $300 million excluding hundreds of millions for a road and infrastructure. We believe newly minted CEO, David Garofalo will have his hands full since more shoes are expected to drop as he optimizes existing assets, shed underperforming, higher cost operations and replenish Goldcorp's pipeline. We prefer Barrick here

Iamgold Corp.
Iamgold reported yet another off quarter despite producing about 191,000 ounces from four mines at AISC of $1,084 per ounce. Main assets Essakane and Rosebel's costs were lower however free cash flow was negative as Iamgold loses money on just about every ounce it produces. Although Essakane in Burkina Faso performed well, producing 88,000 ounce at AISC of $1,116 per ounce, lower grades in the quarter and a need for waste stripping hurt costs. At Westwood in northern Quebec, rehab work is continuing but there's still a need to spend about $50 million in development work with production not expected until 2019 at the earliest. Iamgold has a declining production profile, mediocre pipeline and thus cash preservation as well as harvesting existing mines remain priorities. We do not see much here. Sell.

McEwen Mining Inc.
Junior producer, McEwen Mining produced almost 38,000 ounces in the first quarter with earnings of almost $20 million. Importantly McEwen reported positive free cash flow in the quarter with AISC at $903 per ounce. The Flagship El Gallo mine in Mexico cash cost was $432 and AISC was $532 pe ounce due in part to a contribution from copper. At the San Jose mine in Argentina, all in cost was about $938 per ounce allowing a $2.6 million dividend contribution to results. McEwen's guidance was increased to 100,000 ounces at 3.3 million ounces of silver or 144,000 gold equivalent ounces at AISC of $935 per geo. Rob McEwen owns 25 percent of McEwen and the Company has a stellar balance sheet with no debt and liquidity of $46 million. We like McEwen here for El Gallo, pristine balance sheet, a wide US following and McEwen's penchant for growth.

New Gold Inc.
New Gold has four operating mines in mining friendly jurisdictions like British Columbia, Mexico and Australia. New Gold reported a strong quarter producing almost 91,000 ounces which was in line with guidance. The New Afton Mine in BC reported higher recoveries and mill throughput. New Gold also produced 25.4 million pounds of copper in the quarter, above expectations. Nonetheless, New Gold reported flat results. Grade was key. Looking ahead, Cerro San Pedro in its final year of mining, is to be replaced by Rainy River next year. At its AGM, New Gold reported that Rainy River development was on track and more than 30 percent completed. Financing for Rainy River has now been completed and the threat of equity dilution has been removed. New Gold also hedged 270,000 ounces in 2016. Given New Gold's geographic profile, and with Rainy River production less than a year away, we like the shares here.

Primero Mining Corp.
Junior producer Primero 's two mines in Mexico and Ontario reported losses due to higher costs at 100 percent owned San Dimas in Mexico which produced 20,000 ounces at 2,500 tonnes per day. Overall, cash flow was negative in the quarter with Primero only producing about 36,000 ounces at a whopping AISC of $1,555 ounce. With net debt at about $95 million, the Company repaid $48 million. Black Fox development continues but it seems that the Black Fox underground development is very slow. Reserves and development work remains a problem as overall grade declined. Finally the dispute with Mexican tax authorities over San Dimas is still unresolved which is an overhang. Primero has total liquidity of $71 million against $75 million of convertible debentures due in 2020. Importantly, silver produced at San Dimas is subject to a silver purchase agreement with Silver Wheaton, so margins are tight. We would switch into McEwen Mines here.

Yamana Gold Inc.
Yamana reported positive cash flow in the quarter on earnings of $0.03 per share producing 308,000 ounces in the quarter at AISC of $804 per ounce. Lower output from El Penon and Chapada was offset by contributions from Canadian Malartic production and Jacobina. Nonetheless Yamana is still stuck with high cost Brio Gold which was to be spun off but rejected by the Street. Yamana's balance sheet is laden with some $1.7 billion of debt grew again with the recent acquisition of RGM in Brazil for $47 million which will be lumped in with Brio's assets. On a positive note, Daniel Racine was elevated to COO which will result in some improvement of the operations of Yamana's array of assets. Given, Yamana's debt laden balance sheet (finance expense alone was $47.6 million versus $11.2 million) and flat production profile, the shares are a sell candidate.

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MAISON PLACEMENTS CANADA INC. 18/05/2016

	Symbol	Price 17-May	52 Week Range High	52 Week Range Low	Shares (Mil)	Production oz (000) 2014	2015	2016E	$/oz All in Cost	Per Share Earnings 2014	2015	2016E	PE Multiple 2015	2016E	Market Cap $Mil	Market Cap/oz	Stock Rank
Agnico Eagle	AEM	62.34	62.43	27.63	215.3	1400	1671	1600	900	0.43	0.11	0.35	231.36	72.71	5,479	3,279	4
Barrick Gold	ABX	24.99	25.45	7.88	1,100.4	6200	6100	5300	831	0.65	0.30	0.75	83.30	33.32	27,499	4,508	5
B2 Gold Corp	BTO	2.89	2.93	0.85	924.5	384	493	540	890	0.08	0.15	0.10	19.27	28.90	2,672	5,419	5
Centamin PLC	CEE	2.20	2.30	1.04	1,152.4	377	440	470	950	0.08	0.07	0.10	31.43	22.00	2,535	5,762	3
Centerra Gold	CG	7.86	8.67	5.51	236.4	620	536	510	910	0.30	0.35	0.30	22.46	26.20	1,858	3,467	2
Eldorado Gold	ELD	6.55	6.65	2.66	720.7	789	789	710	950	0.19	0.04	0.05	163.75	131.00	4,721	5,983	5
Detour Gold	DGC	29.13	30.50	10.61	168.8	460	506	570	910	(0.35)	(0.15)	0.35	(194.20)	83.23	4,917	9,718	4
Goldcorp	G	23.84	25.35	13.54	813.5	2800	3500	3000	875	0.61	(0.10)	0.26	(238.40)	91.69	19,394	5,541	2
Iamgold Corp	IMG	5.17	5.23	1.50	391.3	844	806	780	1150	0.08	(0.40)	(0.20)	(12.93)	(25.85)	2,023	2,510	1
Kinross Gold	K	6.85	7.49	1.79	1,144.0	2600	2500	2800	930	0.17	(0.08)	0.05	(85.63)	137.00	7,836	3,135	2
McEwen Mining	MUX	3.53	3.58	0.84	298.0	140	154	144	900	0.12	(0.06)	0.10	(58.83)	35.30	1,052	6,831	5
New Gold	NGD	6.05	6.25	2.52	317.8	380	436	380	875	0.09	(0.02)	0.02	(302.50)	302.50	1,923	4,410	3
Newmont Mining (US$)	NEM	35.55	35.75	15.39	449.8	5200	5000	4700	950	1.10	0.98	1.40	36.28	25.39	15,990	3,198	3
Yamana	YRI	6.56	6.70	1.89	937.7	1300	1275	1300	850	0.14	(0.08)	0.01	(82.00)	656.00	6,151	4,825	1

Rating: 5 – Strong Buy 4 – Buy 3 – Hold 2 – Sell 1 –Strong Sell

Gold Price	
2013	$1,410
2014	$1,200
2015	$1,200
2016E	$1,300

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Analyst Disclosure

Rating:

5 – Strong Buy 4 – Buy 3 – Hold 2 – Sell 1 –Strong Sell

Company Name	Trading Symbol	*Exchange	Disclosure code	Rating
Barrick Gold Corp	ABX	T	1	5
Eldorado	ELD	T	1	5
Centamin	CEE	T	1	3

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Disclosures

Rating Structure: Number Rating: Our number rating system is a range from 1 to 5. (1=Strong Sell; 2=Sell; 3=Hold; 4=Buy; 5=Strong Buy) With 5 considered among the best performers among its peers and "1" is the worst performing stock lagging its peer group. A "3" would be market perform in line with the TSX market. UR is "under review" and is given to companies dealing with either a new issue or is waiting to clear. NR =we do not have an opinion.

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