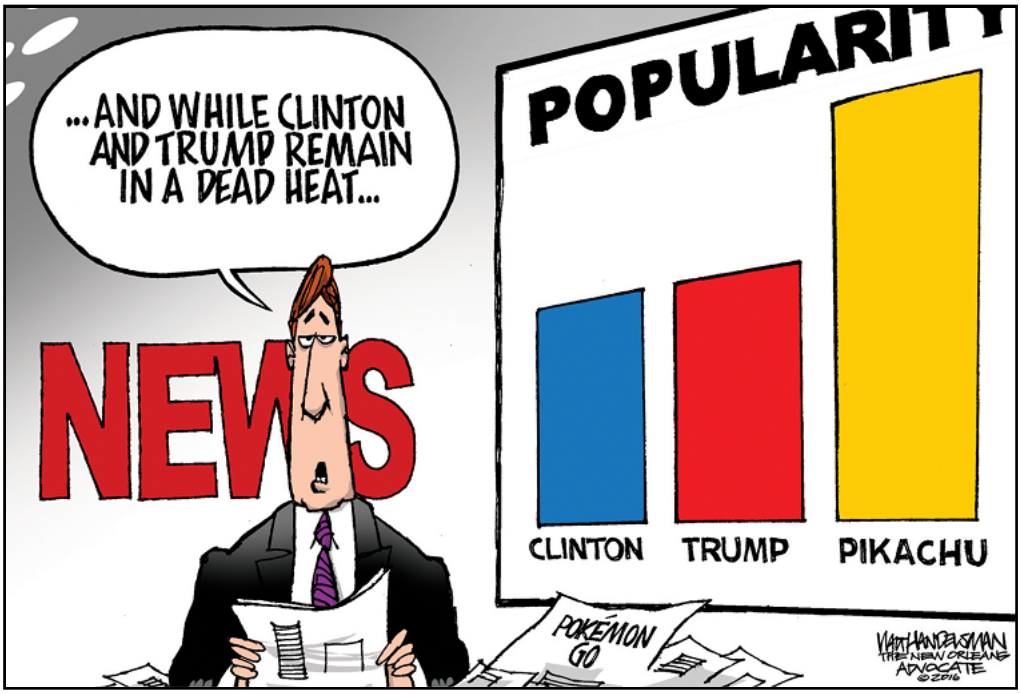
Maison Placements Canada

July 20, 2016

Gold: Plan B



It is not only in the political world where we are witnessing traditional mores being broken. Ride-sharing Uber for example has challenged guidelines, city mandarins and monopolizing taxi cab companies around the world capitalizing on passengers fed up with poor service, and arcane regulations. To allow Uber to operate, city bureaucrats were compelled to introduce new regulations, opening up competition, that broke down long standing monopolies. Change is a good thing.

In the political world, voter frustration, disillusionment and anger has led to a flirtation or call for more radical political solutions. In recent years the public has lost faith in politicians and central bankers because of their failed promises and solutions. This lack of faith had its origins in the 2008 financial crisis which benefited so few at the expense of so many. Brexit was a recent example of the toxic combination of populists' frustration, political missteps and a repudiation of intervention that "nanny state" governments like the EU have pushed for decades. No wonder the loss of relevance by mainstream politicians, politicized central bankers, regulators and the intelligentsia that has given way to a post-factual climate of lies, xenophobia and irrationality at the expense of facts and reason, empowering a new breed of politicians.

Their criticism is often self-serving as well as the rationalization, that the "silent majority" has finally found its voice, After all, after years of listening to "snake oil" politicians, flip-flopping economists and cheerleading media types, no wonder the loss of public esteem fed up with the

20 second sound bites, hopeful or sunny platitudes, academic central bankers and mainstream institutions. Despite accepting the harsh medicine of austerity only a few have prospered like the "too big to fail" banks which have become bigger or Wall Street enjoying the best times ever while $7 trillion dollars later, economic growth remains anemic, 47 million Americans are on food stamps and prosperity remains elusive. Consequently while priorities and politics seem to differ widely, the longer there is this disparity, the less credible markets are likely to greet subsequent remedies and the deeper the sense of disenfranchisement and the loss of faith in promises of "change". Investors beware, better to come up with a Plan B.

Keep Calm and Carry On

The aftershock of the surprise Brexit mess continues amid political turmoil and contagion concerns. Longer term, there is no question that the fears are justified but amazingly, no one had a Plan B.

And that leaves Theresa May the herculean task to negotiate the so called exit clause, Article 50 of the Treaty of Lisbon, severing Britain's 43 year membership. Ironically Mrs May, a "remain" supporter will negotiate the divorce agreement, acceptable to the House of Commons of which the majority are also "remain" supporters, but must ratify the divorce to repeal the 1972 European Commitment Act. Not an easy task. On the assumption of a successful agreement, the earliest notification date would be sometime in 2017 and then 2 years later, the exit sometime in 2020.

But wait. What if the new Prime Minister decided to call an early election, with a desire for a new mandate and, another referendum under a modified divorce agreement modeled after a Norwegian or Swiss type agreement with trade agreements, monthly contributions, passport rights etc. The UK is already compliant with many of EU's dictates, including the single market law. The EU would also have to compromise finding middle ground in order to save the EU itself whose existence is threatened. This second referendum would vote on not only a new government but a new form of EU membership. The world order would change and yet again, the peoples' will would be usurped by politicians. Noteworthy is that gold in sterling jumped 15 percent the night of the Brexit vote. Someone had a Plan B.

Change, Real Change

No wonder then, out of this morass, "outsider" politicians such as Donald Trump, Marie Le Pen in France, Beppe Grillo or Corbyn in the UK were able to capitalize on voter disillusionment. Polarization, it seems makes good politics leaving moderates on the sidelines. Politicians are complicit in this politics of polarization, hoping to divide and conquer. Even in the world of heightened social media, there is a great divide among those who are acknowledged or swept right, leaving the other "unlikes" in never never land, swipe left. At best, the consequences are not to continue with the status quo, and for a change, real change.

To be sure, more referendums are in the offing. Italy's Matteo Renzi has called for a constitutional referendum in October, spooking a market that sees its third largest bank, Monte dei Pachi hit new lows as ECB warns of its bad loan exposure. Next year there's the French election in May and German election in September. At worse, Brexit and the EU faces a couple years of economic uncertainty, protracted negotiations, refugee influx and a debate over its own

existence. The dirty little secret is that change is coming and the markets are unprepared. Trump for President – swipe right? Gold is a good thing to have, a Plan B for everything.

The World Faces a Holy Trinity of Conditions

For some time our central banks' alchemy has been knee deep in credit creation, inserting money into the world economies to keep them afloat. In the eight years since the crash, central banks led by the Fed have tried every tool in their repertoire to revive their economies and still, the world economies are not as robust as advertised. We believe their strategy is fundamentally flawed. Today in a race to the bottom, yields have yet to revive economic growth with the monetary experiment resulting in almost $13 trillion worth of sovereign debt carrying negative yields. Most of that debt is in Japan and the Eurozone which keeps growing, particularly after Brexit accelerated a global rush to safer assets.

This credit creation exploded in part to the central banks' mistaken belief that if the lending price or rates were controlled, that would control the volume. Wrong. Money became not only too abundant, but essentially free, subsequently driving investors into an ever rising stock market, further out on the curve and of course to pile on more debt. Consequently, the Bank for International Settlements (the bankers bank) in its latest annual report said the world faces a "holy trinity" of conditions: "productivity growth that is unusually low, global debt levels that are historically high, because debt has been acting as a political and social income substitution for income growth, and from a policy maneuver that is remarkably narrow".

To be sure, low rates have helped lower the cost of borrowing for many governments but imposes a huge penalty on savers. The banking system's intermediaries, traditionally the oil that keeps the central-bank machinery functioning has rebelled against the latest move to negative rates. Those big banks have been hesitant to pass on negative rates to their customers while the banks themselves must keep a ratio of capital with the central bank. Ironically, they have become the main victims of low rates.

A Pension Time Bomb Is Ticking

Both Credit Suisse and Deutsche Bank are hitting all-time lows on banking concerns and derivative exposure. Deutsche Bank, Germany's largest bank will not make a profit this year and was only one of two banks to fail the Fed's stress test. Germany's Commerzbank threatened to keep cash in their vaults due to the logistics of maintaining excess cash with the European Central Bank. A fun fact is that the Federal Reserve Bank of Chicago recently tweeted that a pile of $100 bills stacked a mile high would be worth $1.4 billion, suggesting the need for a mine shaft one mile deep or a super vault one mile high to store this money. Instead, were that money converted into gold, it could easily been taken away on a semi, laden with 25 tonnes of gold bars rather than the need for a super vault.

Negative interest rates also adversely affects the profitability and position of insurers, pension funds, planners and pensioners such that there is an estimated $35 trillion of pension liabilities which now yield negative returns, making it difficult for them to meet their future liabilities. To be sure, those liabilities will only grow larger, particularly when many are already underfunded. Politicians beware. The entire pension system is dependent upon earning a return to pay for future obligations. In essence, our central banks' policy of compressing yields and printing money are mortgaging future pension holders' savings. This raid cannot last. A pension time bomb is in the making.

Markets Are More Concerned About The Return Of Money

Yet Brexit is not our only worry. Added to the stock of money is debt which is a form of money unless repaid. However if not repaid, debt must be restructured and the obligations added to the money stock. Today we have too much debt and too much money. For some time, we have warned that the central banks' multiple rounds of quantitative easing (QE) and negative interest rate policy would founder and, in a spate of diminishing returns, require more stimulus having less effect so that more intervention would be needed. Money or purchasing power has simply lost value and not even a one percent bond yield will coax overextended debtors to consume or invest.

In fact, eight years after the collapse of Lehman Brothers, no bank has started to unwind QE. The result? Japan is in its second decade of stimulus. The US economy remains in a funk with record low participation labour rates (100 million Americans), a weak retail sector (Target, Footlocker, The Gap), and an acute lack of investment.

It is our view that the debt mountain has prevented monetary policy and zero interest rates from achieving much. To date, we have had ten years of economic booms and busts and each time, debt ratchets up, requiring more bailouts. Another reason is that in response to the 2008 financial collapse, America raised taxes, ratcheted up government spending, imposed layers of regulation like ObamaCare and an ill-advised Dodd-Frank which stifled growth. The system has become more fragile every day. The common denominator here is that debt and risk keeps growing. We believe there is a limit to this money printing exercise. Historically public debt limits were a way of checking unlimited printing power. Greece was a good example when that unlimited printing power met a wall. Although, America's debt to GDP is over 100 percent of GDP, it is much larger if we include entitlements. America, we believe, is in trouble. Yellen's backpedaling on rate increases is another step towards fiscal irresponsibility and hyperinflation. Markets have simply been lulled into a false sense of security on debt.

Central bankers tell us that in this new world order of negative rates there is a riskless return to both borrowers and savers. Less discussed is the extent to which the risk-free return should be determined by the market. In the past bond yields were determined by investor expectations for short term rates with a risk premium, averaging two percentage points. Central banks historically set that return but today have focused on the stock market instead of rate levels resulting in an overvalued stock market and yet, risk remains. Has risk has been priced out of the market? No, we believe the next default will change that. Risk simply has been mispriced. Markets are more concerned about the return of money, rather than the return.

The System Needs A Plan B

In the last fifty years, the collapse of Bretton Woods and its replacement by a fiat currency system based on the US dollar provided policymakers and central bankers latitude in setting policy. Debt lies at the heart of the financial system with America becoming the largest debtor in the world, relying upon the willingness of others to finance its consumption. Money is about trust. Today that debt load is teetering at levels at a time when Puerto Rico, Argentina and even some America's cities have defaulted. Investment rating agency, Fitch has downgraded 14 sovereign borrowers so far this year, including the UK.

Indeed, there was a revolution in the UK. While the Conservatives remained in power, what was overthrown was the concept that the status quo would remain the same. Gold is a barometer of

investor anxiety, a hedge against uncertainty and a currency alternative. Rather than depend upon opinion polls, betting sites or media pundits to foretell the unanticipated, economic or financial event, gold historically and today serves as the ultimate protector of wealth. In November, the Americans will elect another president which will be good for gold, but bad for the dollar.

This fall, we believe the system will be tested by American politics this November, Brexit, Italian bank fears. Needed is a Fed exit, but the Fed is reluctant to normalize its experimental monetary policy or even sell assets it purchased in the wake of the financial crisis. The economic consequences are clear. Central banks addicted to cheap money are at the limits of what they can achieve, particularly without the fiscal policy support from their respective governments. Investors and savers are looking for alternative stores of value.

To be sure in the last twenty years, we have seen steady debt accumulation, and a shift of risk to debtors, at the expense of savers. Taxpayer bail-outs have given way to depositor bail-ins. A new monetary order must emerge. What damages trust in the US damages the whole worlds. The world's major economies have experienced rapid money growth of 10 percent plus per annum in recent years. Although the Fed is the largest holder of gold, supplies are limited. If gold is a finite currency, its value against not just the dollar, but pounds and the euro too, must rise. Stores of values are needed and in the end, everyone must deal with the consequences of the past. Central banks are part of the problem, not the solution. Gold is everyone's Plan B.

Middle Kingdom's Moves

China has emerged as a competitor to Western hegemony. Yet its ascendance is criticized as inadequate. China introduced state sponsored infrastructure spending to revive its economy and their thriving private sector can borrow at normalized rates of returns to reflect risk and investment – what a concept. Similarly, the accusation that China's overinvestment is going to cause a flood of commodities is misguided. China is investing and needs to build up infrastructure, in contrast to the West where consumption at the expense of investment is financed by debt.

One of the problems is that policymakers and the western media accuse China of having a rigged economy. On the contrary, it is the western world that is more rigged, where the bankers having been found manipulating everything from currencies to interest rates (libor) to the London gold fix.

China's growing global clout is matched by its moves in the currency and gold markets. China has become a big buyer of gold boosting its reserves, 11 out of the past 12 months. Gold has a key role in the international accounting system, used as currency at the Bank for International Settlements (BIS) and International Monetary Fund (IMF). Today, China's reserves are stuffed with too many fiat currencies and not enough gold. Consequently China has accumulated more than 1,820 tonnes of gold tripling its reserves since 2008 and is now the fifth largest holder in the world. China is also the world's largest producer at 490 tonnes annually and the largest consumer of gold. China's first gold ETF was only created three years ago and today there are four. While, the US holds the top spot at 8,133 tonnes of gold, it is our belief that will eventually be surpassed by China.

China's desire to diversify its almost $3 trillion of foreign exchange reserves is behind the selling of dollars and Treasuries to support its currency after floating last year. We believe the world's second largest economy's step-by-step move to internationalize the renminbi is another effort to

make that currency a reserve currency ending the dollar hegemony. China has a long tradition of hoarding gold. It is our belief that eventually, the renminbi will be backed by gold, unlike the US which abandoned the gold standard in 1971 and now uses a fiat currency.

Shanghai Benchmark

China also wants more influence over the pricing of gold. Since 1919, the benchmark gold fix was denominated in dollars exclusively in London, the heart of bullion trading. Now there is an alternative as China has taken steps to exert more control over a strategic metal, through the introduction of a Shanghai Fix or benchmark for gold denominated in renminbis on the Shanghai Gold Exchange involving China's top banks. As in London, in twice a day auctions, gold demand and supply orders are "matched", however in renminbi. The Shanghai Gold Exchange (SGE) is a key platform in China's sales and purchases. The disclosure that the London dealers rigged the London gold fix is behind the move by China.

Of interest is that since the establishment of the Shanghai gold fix in April, we calculated that 60 percent of the time, the Chinese have traded gold at higher prices than London reflecting stronger demand. In addition, ICBC the world's largest bank and member of both London and the Shanghai Exchange has purchased Deutsche Bank's 2,000 ton vault, one of the biggest in the world to store gold. The Shanghai Exchange's annual gold contracts are now larger than Comex as gold switches from the West to the East. In its first month of trading over 100 tonnes of gold was physically settled on the SGE in contrast to the paltry 0.04 percent of contracts delivered on Comex. To be sure, this time the gold fix, won't be as easy to "fix".

China Will Need to Buy Gold Mines

China's Achilles heel is that its gold mines will run out of reserves by 2020 so the mantle as the world's largest producer will not last too much longer. China will need to invest. Many of its producers have short lived reserves and are struggling to replace those reserves. For this cohort of firms, deeper seated reserves could be exploited by western exploration techniques and production know-how. However, China is overly protective of its producers. And often, Chinese management lack the entrepreneurial thinking since the state owned players tend to be risk averse. In the end, the most important thing is that China will need to change its outlook.

Meantime, North American reserves can last well into the next two decades. We expect Chinese producers to expand overseas, buying up reserves in the ground which are valued at historically low levels. Currently some 13 percent of the world's reserves are in the ground and valued at a fraction of their replacement or even exploration value. We believe, China's search for gold assets has only just begun, as it secures future supplies. So far China's acquisitions have been domestic, reflected recently by Eldorado Gold's selling its Chinese mines for $900 million to local players. We expect China's acquisition of oversea producers will pick up with an emphasis of using their capital to develop the big the in-situ, capital extensive projects. China has a Plan B.

Recommendations

Gold is a beneficiary of negative rates and was one of this year's best performers as investors sought refuge from turbulent markets and Brexit fears. China also was a big buyer while gold held by ETF funds jumped 40 percent to over 2,000 tonnes. Noteworthy was that the gold mining sector outpaced gold bullion. We believe the gold stocks provide superior leverage to the gold price. Over the years miners have plucked the low hanging fruit, developing the most easily accessible deposits but today there is more risk as miners go further and deeper searching for

deposits. Mine grade has been cut in half over the last three years and miners have fought back by high grading at the expense of future margins. Cost cutting has taken place with a focus on margin improvement, grade control and balance sheet reparation. High cost production was shuttered and the majority of producers did not replace reserves last year. Balance sheets improved with the writing down of billions in assets. No longer it seems will the industry grow, for growth sakes. Miners have finally learned how to make a profit on every ounce they produce.

Not surprisingly then the large senior gold producers have gained almost 200% since yearend. The developers in particular have lifted and a flood of equity issues have replenished their treasuries, making them the next round of producers. TMAC and Osisko filled their treasuries while Richmont Mines raised $31 million to expand the Island Gold Mine. Notwithstanding the performance of the gold miners, we believe they remain cheap, particularly since their reserves in the ground are valued at a market cap per ounce of less than $300 an ounce. It is still cheaper to buy ounces on Bay Street than explore. Goldcorp has bought Kaminak's Coffee project at less than $200 per ounce. There are rumours that China National Gold, the largest gold company in China will purchase with a consortium, Glencore's 360,000 ounce Vasilkovskoye Mine in Kazakhstan, for $2 billion financed by the state backed $40 billion Silk Road Fund. Silk Road is an ambitious plan to link Europe with China along an ancient network of trade routes spanning some 60 countries.

We continue to expect a $1,400 gold price near term and a $1,600 price over the intermediate-term with an ultimate target at $2,200 an ounce.

Barrick Gold Corp.

Barrick shares have outperformed its peers as the market has rewarded John Thornton's turnaround of Barrick, which slashed debt, cut costs, focused on optimizing core assets and today has one of the lowest AISC in the industry. Possible non-core divestures include the 64 percent stake in Acacia, 50 percent of Zaldivar and the other half of Kalgoorie. And rather than focus on diversified M&A deals, the focus remains on gold. Thornton's well-articulated strategy is finally understood by the market and its management has bought into his partnership structure. Barrick is a world class producer with a renewed focus on strong profitable growth and increasing shareholder value. The miner has an enviable array of tier 1 assets and the largest in-situ resource in the world. Having reduced its debt and regained balance sheet flexibility, it is unlikely that we will see another megadeal. Rather, we expect a continuation of the partnership or joint venture approach which minimizes risk and provides opportunities to establish new strategic partnerships (even outside mining). We continue to like Barrick here.

B2 Gold Corp.

B2 Gold produced 135,000 ounces in the quarter reflecting strong results from from Masbate (up 30 percent), Limon, and Otjikoto despite a pit failure. Construction is underway at Fekola in Mali which is on schedule, on budget and will commence production in late 2017. Fully funded Fekola is an open pit mine that will produce 350,000 ounces at a cash cost of $418 per ounce. Once completed, B2Gold will have grown its production from 2015 to 2018 by more than 60 percent, in contrast to projected declines at Eldorado, Kinross and Goldcorp over the same period. B2Gold is also developing Kiaka which is one of the largest undeveloped resources in West Africa. With a strong pipeline, a proven track record and rising growth profile, we recommend the shares here.

Centerra Gold Inc.
Centerra is acquiring Thompson Creek Metals for $1.1 billion in a transaction that will reduce its exposure to Central Asia. Thompson Creek was a problem moly producer whose production was shut down because of low prices. Thompson Creek operates the Mount Milligan copper/gold mine which is a high cost, low grade deposit in British Columbia. We believe the acquisition is expensive and only Thompson Creek's bondholders benefit since Centerra will assume almost $900 million of debt, a heavy price to lessen Centerra's exposure to Kyrgyzstan. Moreover, Centerra faces ongoing negotiations with the Kyrgz Republic whose government is pushing for a bigger stake in the Kumtor Mine. We prefer B2Gold here.

Detour Gold Corp.
Detour Gold had an analyst tour to show its progress at Detour Mine. The plant averaged 64 ktpd for more than a month, up from design capacity of 55 kptd due to the clearing of the 410 bottleneck. Detour's guidance at 540,000 to 560,000 ounces is on track and the Ontario based miner has become one of Canada's major producers. Detour Gold has only twenty percent of its property explored and the recent lower Detour West results will allow the expansion of Detour Lake's 16.4 million ounces in reserves (23 years). To be sure, Detour's teething issues have been resolved. Detour has $200 million of cash on hand allowing flexibility to refinance their convertible notes next year. We like the shares for its long reserve life.

Eldorado Gold Corp.
Eldorado has been a laggard due to its permitting problems in Greece. Eldorado is a low cost producer operating three core mines which should produce 400,000 ounces this year at AISC of $842 per ounce. Eldorado recently received the official go-ahead permit approving the building at Skouries in Greece which should be commissioned in early 2017. Nonetheless, we expect a slow resolution of the Greek problems and with the resumption of development in Greece. Eldorado can provide needed jobs and capital, something that Greece needs. Eldorado recently exited China by selling its Chinese gold mines for $900 million to local companies leaving management to concentrate on the development of the Greek mines and return to its core assets, Efemcukuru and Kisladag mines in Turkey which make up about 60 percent of NAV. Eldorado has a solid balance sheet with pro forma cash of $1.1 billion allowing it to finance Skouries in Greece, Olympias and Certej in Romania. We like the shares down here.

Goldcorp Inc.
Goldcorp acquired Kaminak's Coffee gold project in the Yukon which is a high-grade open pit heap leach project with a resource of three million ounces plus. However, Kaminak is in the middle of nowhere and infrastructure costs will be high. Nonetheless, the acquisition of Kaminak fills a gap and but is insufficient to make up for slower development from Eleonore in Québec, Cerro Negro and Penasquito in Mexico, the flagship which is in a low-grade cycle. Goldcorp is in need of a rationalization of assets and the company's still has to sort out its Ontario plan having acquired Borden and Cochenour for $2 billion with nothing to show. Newly minted CEO, David Garofalo still has to reduce overheads, flatten management ranks and refocus operations. Like Agnico-Eagle, McEwen Mining and Barrick, Goldcorp has invested in a portfolio of juniors hoping acorns will grow into trees. In the interim, we prefer Barrick here.

Kinross Gold Corp.
Kinross has expanded reserves at Bald Mountain and Round Mountain which was recently acquired from Barrick. While Kinross paid top dollar the deal makes tactical sense because it

replaces declining production. Kinross should produce about 2.7 million ounces this year but faces production declines due to chronic problems at Tasiast in Mauritania where they halted mining and processing due to a work stoppage. Kinross had unveiled a phase 2 expansion plan but the government is hoping to renegotiate Kinross' agreement, so those plans are be on hold. Kinross has eight mines in the Americas, West Africa and the recent acquisition reduces its unhealthy exposure to Russia, which represents about a third of its assets. We prefer Agnico Eagle here.

McEwen Mining

Debt-free McEwen Mining has put in a sterling performance partly due to the turnaround of the Argentine political climate and strengthened mining operations. McEwen Mining plans to build the Gold Bar Mine in Nevada adding to flagship El Gallo in Mexico and San Jose in Argentina. Rob McEwen who is now a dollar a year man has made a point that executives don't need to have a grand salary or a Gulf stream for success. McEwen owns 25 percent of McEwen Mining and at a dollar a year is grossly underpaid. McEwen will produce 144,000 ounces for the next couple years, ramping up to 170,000 ounces in 2018. We continue to like the shares here.

Newmont Mining Corp.

Newmont has reached a deal to sell Batu Hijau in Indonesia for $1.3 billion to an Indonesian/Chinese group. The price is attractive given the fact that the development price tag of Elang alone would have cost billions and Newmont faced export permit delays with Indonesian government. The sale is also attractive from a balance sheet point of view since Newmont will retire almost $600 million of debt with this deal. Newmont is the world's second largest gold company with operations in seven countries and was penalized for its operations in Indonesia. However, looking ahead Newmont has little on the horizon and except for Phoenix, the miner is "harvesting" its assets. We prefer Barrick here.

Yamana Gold Inc.

Yamana results were in line with expectations and the shares have done well since a rising tide lifts all boats. Yamana has gold operations in five countries with a strong base in South America but it's been plagued with a healthy debt load of $1.7 billion which is why Yamana trades at a discount to its peers. Canadian Malartic (50% owned) continues to perform well. However, its high cost spinoff Brio Gold has not yet been spun off, hurting overall performance. Yamana produced 308,000 ounces in the first quarter while coproduction cost helped lower AISC. We expect the gold rally will allow Yamana an opportunity to reduce debt and spinoff Brio. Until then, we prefer Eldorado or B2Gold here which have better balance sheets and growth profiles.

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MAISON PLACEMENTS CANADA INC.

20/07/2016

	Symbol	Price 19-Jul	52 Week Range High	52 Week Range Low	Shares (Mil)	Production oz (000) 2014	Production oz (000) 2015	Production oz (000) 2016E	$/oz All in Cost	Per Share Earnings 2014	Per Share Earnings 2015	Per Share Earnings 2016E	PE Multiple 2015	PE Multiple 2016E	Market Cap $Mil	Market Cap/oz	Stock Rank
Agnico Eagle	AEM	72.58	73.97	69.56	215.3	1400	1671	1600	900	0.43	0.11	0.35	276.82	87.00	6,556	3,923	4
Barrick Gold	ABX	28.09	30.45	7.88	1,100.4	6200	6100	5300	831	0.65	0.30	0.60	93.63	46.82	30,910	5,067	5
B2 Gold Corp	BTO	3.75	4.00	0.85	924.5	384	493	540	900	0.08	0.15	0.26	25.00	14.42	3,467	7,032	5
Centamin PLC	CEE	2.70	2.87	1.04	1,152.4	377	440	470	950	0.08	0.07	0.11	38.57	24.55	3,111	7,072	3
Centerra Gold	CG	7.36	8.67	5.51	236.4	620	536	500	910	0.30	0.35	0.30	21.03	24.53	1,740	3,246	2
Eldorado Gold	ELD	6.08	6.72	2.66	720.7	789	789	550	950	0.19	0.04	0.05	152.00	121.60	4,382	5,554	5
Detour Gold	DGC	32.22	35.93	10.61	168.8	460	506	565	915	(0.35)	(0.15)	0.40	(214.80)	80.55	5,439	10,748	4
Goldcorp	G	24.83	26.56	13.54	813.5	2800	3500	3000	950	0.61	(0.10)	0.30	(248.30)	82.77	20,199	5,771	2
Iamgold Corp	IMG	6.21	6.495	1.50	391.3	844	806	780	1200	0.08	(0.40)	(0.10)	(15.53)	(62.10)	2,430	3,015	1
Kinross Gold	K	6.96	7.56	1.79	1,144.0	2600	2500	2700	950	0.17	(0.08)	0.10	(87.00)	69.60	7,962	3,185	2
McEwen Mining	MUX	5.69	6.45	0.84	298.0	140	154	120	900	0.12	(0.06)	0.10	(94.83)	56.90	1,696	11,011	5
New Gold	NGD	6.01	6.57	2.52	317.8	380	436	375	875	0.09	(0.02)	0.05	(300.50)	120.20	1,910	4,381	3
Newmont Mining (US$)	NEM	41.39	41.68	15.39	449.8	5200	5000	5000	900	1.10	0.98	1.50	42.23	27.59	18,617	3,723	3
Yamana	YRI	7.62	7.83	1.89	937.7	1300	1275	1300	850	0.14	(0.08)	0.01	(95.25)	762.00	7,145	5,604	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	$1,350

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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

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