Maison Placements Canada

August 24, 2016

Gold: Divided We Stand

In the ultimate reality show, America's political scene has become a reality drama and to no surprise, reality TV star Donald Trump has capitalized on the public frustration, however his solution, is to build a wall. Ironically, Mr. Trump is viewed as the candidate representing change and Hillary Clinton does not. Despite behind in the polls, Mr. Trump may still win. Although if he can't build a "coalition of the willing" within his own party, how is he going to unify a divided America? Brexit illustrated that anger and the fickleness for change can alter the status quo, no matter the economic cost. Life here seems to be mimicking art. Indeed while it was outlandish six months ago to expect Mr. Trump to win the nomination of his party, here he is in a fight to become president of the greatest country in the world. And along the way there have been accusations that Mr. Trump and his buddy Russian President Vladimir Putin are intertwined as in a John le Carré novel. We just don't know who's a bad guy or who's a good guy.

Meantime, the internal turmoil in Trump's campaign and the almost takeover of the Democratic Party by Bernie Sanders has left a foul aftertaste in both camps. When both Trump and Sanders complained that the system was "rigged", everyone thought the accusations were ridiculous.

However, after the embarrassing release of the Democratic party's 22,000 emails by an unknown whistleblower, the system was indeed rigged in Clinton's favour. Wikileak's Assange even posted a reward for information on the 27 year old Democratic staffer who was recently shot and may well have been the whistleblower. John le Carré couldn't come up with a better plot. Question, does it have a happy ending?

The Least Ugly Duckling

Unfortunately this US election is being fought with the least ugly duckling, the likely winner. Polls show neither candidate is popular. Hillary Clinton is making much of her experience and trust when that trustworthiness is being tested by a track record of ethical problems, ranging from Whitewater, Travelgate, to her own private email server and of course the usage of the Clinton foundation as a funding mechanism. Hillary is actually running against Hillary. Only Bernie Sanders emerged as the honest broker but so fed up with the process, he has gone back to the Senate to sit as an independent and, not as a Democrat.

And what about Mr. Trump's bombastic promises and outrageous threats? Do we actually take seriously what a politician says during an election? Truth has been debased. Besides, no politician, it seems keeps their promises anymore. We do expect however they stop lying once elected. Sadly history shows that hasn't happened, whether it's over email servers, blurred redlines, $400 million "leverage" for hostage payments, Ryan Lochte's sojourn or even the whereabouts of weapons of mass destruction. But politicians are far from alone. The US Bureau of Labor Statistics fabricates employment numbers, yet revises those numbers repeatedly. The widely followed Consumer Price Index excludes food and energy because they are too volatile, but instead is a deliberate attempt to mislead the public. Truth is obdurate. No wonder the cynicism.

There is no question that there will be a difference should Trump manage to get into power. Battered by the financial crisis and the slow recovery that followed, the US economy is slipping. America is not the financial superpower it once was and the dollar which has been the reserve currency for almost 100 years, is undermined by a debt load topping $20 trillion. No matter who wins, get ready for more government spending. Four times bankrupt, Trump plans infrastructure spending and tax cuts as a way to boost the economy and although contentious, trade and his stand on immigration has blurred his message. Mrs. Clinton's view on the other hand seems to be the candidate for continuity, insufficient to lift the United States out of its debt trap.

Divided We Stand

Part of the problem is that President Obama's legacy has left either Mr. Trump or Mrs. Clinton, the herculean challenge to clean-up a failing economy, a fractured Middle East, escalating terrorism and a runaway debt load. Not so easy. While Clinton is promising a better climate, she is also saddled with the realization that it's a continuation of Obama's policy who spent much of his Cleveland speech laying out his legacy, referring to himself 119 times, which must be some sort of endorsement record but short of the 144 times in his inaugural speech. And despite winning the Nobel Peace Prize in his first term, Obama's legacy is that of the "war" president with a dubious record of fighting wars on several fronts, more than all the other presidents before him. Indeed, Hillary Clinton as Secretary of State supported the Iraq invasion and foreign policy initiatives which have been associated with a series of US international policy disasters.

Americans no longer feel confident that government can solve their problems with schisms along family, religious, income and especially trust in institutions. Simply the remedies offered were bogus. The rise of special interest groups has reduced the collective mindset to pandering to the tyranny of the minority. Instead of solutions, there is blame. If there's unemployment that must be because of the "one percenters". Or, if home buying is a problem, it must be because of Wall Street's greed. By pandering to the special interest groups or lobbyists, government thinks they have solved the problem. Wrong. The tendency to cater to the minority misses the point. The emergence and dissatisfaction of so many citizens is because they no longer believe they have a voice, and thus the electoral surprises of a Trump, or Brexit. The mainstream is frustrated with being fractionalized and no longer feels comfortable with the rhetoric of hope and change. They just want to be heard. This lack of trust in government, the economy and currencies has driven people to look for alternatives. The sad part of America's election is that there must be a winner.

Mortgaging Tomorrow's Future

Another problem is that for most of the century, central bankers were custodians of the value of currency but altered this role when they became handmaidens of the government after the financial crisis. The central banks' orthodoxy created money in the form of quantitative easing (QE) and subsequently ultra-low interest rates (the lowest in 3,000 years) to fill the vacuum left by governments' reluctance to use fiscal policy. When the smoke and mirrors clear: central banks have printed money in the form of deficit financing, funded by short-term borrowings. Significantly, neither US candidate has addressed this problem, nor the need for structural reform or bold fiscal policies or the need for Capital Hill's cooperation. Instead, we have the name calling, media baiting and a war of words. The politics of division.

Meantime, to close yet another $500 billon plus budgetary gap this year, the Fed will issue $1 trillion in new debt. Both Clinton or Trump must deal with a federal debt that climbed from 39 percent in 2008 to over 100 percent of GDP today which excludes the 100 odd trillion dollars of unfunded liabilities like Social Security, Medicare and federal pensions. Americans long ago dropped spending and deficits as major concerns. Yet the deficits won't vanish and the next president who tells us that the country can keep spending without a day of reckoning will signal the end of an era and imminent danger to the United States and the world.

And now because QE and negative rates have failed, there is talk of "helicopter spending". Helicopter money is the ultimate monetary stimulus where the government prints money and drops cash from the skies on the theory that more money in circulation will chase fewer goods, which would revive prices and of course inflation. Helicopter spending is currently in Venezuela, Argentina, Nigeria and recently in Russia but before that, Weimar Germany in the early 1920s.

The subtle difference, with quantitative easing is that the Fed prints money, purchases bonds with that money hoping to inject liquidity into the system yet the bonds remain on the Fed's balance sheet. In other words, while rates shriveled, the Fed's balance sheet exploded. Yet after buying up this government debt, the Fed also purchased other asset-like mortgage backed paper as well as ETFs. Japan's central bank today has become the largest player in the Japan market. The Swiss National Bank has purchased US equities. Central banks have become glorified hedge funds. Consequently the Fed's balance sheet is the largest ever and the most leveraged, yet no one is talking how the Fed will exit or dispose trillions of these bonds. By borrowing from the future, governments are subsidizing today's consumption, leaving tomorrow's generation with the bill.

Spend More, Save Less

Another problem is that almost half of all Western debt is in negative territory. Credit has become free. However, negative interest rates, bring negative returns. Negative rates have so far propped up real estate and stock markets because the cost of carry is near zero. Corporate America also used much of this largesse to buyback shares instead of financing growth. But negative rates also hurt savers and pensioners and by slashing rates to record lows, the strain on the financial system has escalated, particularly affecting some $35 trillion of savings and pensions.

And rather than spark growth, negative rates seem to reflect fear, encouraging investors and corporations to adopt a more defensive investment stance, building up cash and savings. Negative rates was last seen in the Depression and a prelude of bad things to come. Further, the traditional spread between dividends and bonds has been altered in this topsy-turvy world of central bank alchemy. Dividends in the nifty fifties were higher than bonds reflecting risk. However in the seventies, inflation hit double digit levels and subsequently bond yields reflected the inflation risk and were higher than dividends. Today these spreads have been tossed aside.

In flooding the world with dollars, the rest of the world has pursued monetary ease to keep their currencies from rising, resulting in a competitive devaluation race to the bottom. In 1971, President Nixon took the United States off the gold standard to end a currency war. Today, ironically the return to a gold standard is needed to end this current stealth currency war. The US has been living beyond its means for over half a century. Our politicians and the current two candidates are all glibly questioning globalization and urging financial protectionism. Protectionism in the guise of economic patriotism is still as Samuel Johnson famously opined in 1775 on patriotism, “the last refuge of a scoundrel”. Gold which has already gone up 27 percent will be a good thing to have. This bizarre world could be another John le Carré plotline.

The Horses Have Already Left the Barn

There are side effects though. Some believe that the market must be expecting deflation. Investors historically expected a two percent real rate of return but today with a 50 basis point negative yield on bonds, it implies that the market expects a deflation rate of 2.5 percent. There is a mismatch. Deflation of this magnitude would be disastrous for the economy and profits. And what would happen if rather than deflation, instead we had inflation, then the results would be equally as disastrous. We believe that ultimately there will be an inflationary outcome, particularly since some $7 trillion has been injected into the system.

Both candidates want to reintroduce the Glass Steagall act of 1933 that separated commercial banking from investment banking. Ironically this act was repealed by Mrs. Clinton's husband in 1999 and is considered one of the main reasons behind the collapse in 2008. Unfortunately history shows that it was not the Glass-Steagall act which was the problem, but it was the Fed’s intervention that fueled the housing boom, creating billions of liquidity which resulted in overleverage and, the collapse. Stuffed with bad mortgage bets, Fannie Mae and Freddy Mac, two government owned institutions required bailouts and are much larger today and able to make more bad debt decisions. Lost on everyone, was that the traditional banking sector did not require these big bailouts. It was those big mortgage providers, AIG and brokers Merrill Lynch, Lehman Brothers and Bear Stearns which created and distributed the risky securitization products. In the aftermath, government introduced reform bills like the Dodd-Frank Act to

prevent commercial banks from trading in risky activities yet today both Citigroup and Deutsche Bank are bigger derivative players, placing again , the system at risk. Déjà vu.

Lies, Lies and More Lies

So what can be done? It is essential to curb our spending ways. Central banks have become the grandees for governments, accommodating their deficit funding with short term borrowings and radical monetary experiments, creating an artificially priced financial market. They must return to become custodians of our currency. Today that means repairing balance sheets by deleveraging including their own and encourage, not stifle growth.

Second, kickstart capitalism. Low productivity over a longer period than any time since the war is unfortunately a fundamental fact of life. Layers and layers of regulation have crippled the financial industry – there is a bull market, in lawyers. The financial market is also undermined by too much debt because governments eliminated moral hazard. Bring back risk and reward.

Third, focus on merging the "haves" developed world economies with the goals of the "have nots" emerging economies. Taxation issues, currencies and open trade links are a way to develop cooperation, not walls.

Above all, to encourage growth and increase productivity capacity, restore confidence in money by linking money to gold to create faith in currencies as it was until Nixon stopped converting dollars to gold in 1971. The gold price rose from $35 an ounce to more than $800 in the next decade. Fiat currencies had their day for much of this century and as a result we suffered a never-ending series of world economic calamities. A gold standard would prevent central bank fiddling. The last time we were on a gold standard, it lasted 500 years.

After a year of political and economic turmoil gold's recent move shows investors are nervous. Quantitative easing, Brexit, zero interest rates are short term influences. They are an important message. The world has been losing confidence in the currencies issued by central banks. We are in uncharted territory. The United States has a serious problem as the world's largest debtor and its finances are in shambles. Debt keeps piling up on more debt. Investors remain oblivious to the outcome. To be sure, the cure will be painful.

The supply and demand of the US dollar keeps growing. However, the dollar is undermined by America's towering debt load and the Fed's policy of printing dollars leaves the dollar only one way to go. We thus believe gold's move will be the most important global movement of the decade. The unintended consequence of the central bankers' unorthodox experimental monetary policies, will have a precarious drift towards global instability. Whilst stock markets post daily record highs, professional investors are becoming more defensive. Meantime the geo-political climate grows murkier and most leaders are up for elections, starting in November. France and Germany's turn is next year. In October, Italy has an important referendum. Of concern is the overwhelming impression of the impotence of government.

As such, we believe gold is expected to continue to rise as long as the budget is in deficit, rates remain negative and Americans' political scene remains dysfunctional. While gold is up 27 percent so far, it's bull run has only just begun. Gold rose nearly 3,000 percent from 1971 to 1980 but is only up some 430 percent from its low in 2001. We thus believe gold will reach $2,200 per once within 18 months.

Recommendation

Gold is back in demand amid increasing concerns over the health of the global economy and the inability of the central banks to engineer much of a recovery. Higher gold prices are helping mines outperform gold providing about four times more leverage to the gold price. Gold shares have jumped almost 200 percent, while bullion has increased 27 percent since year-end. Gold miners have slashed costs, deferred projects and rebuilt balance sheets which expanded margins and at long last, free cash flow enabled them to reduce debt built up during the boom times. Gold miners are finally making money. The new reality has helped Barrick which led the industry in reducing costs, focusing on profitability. Barrick also slashed its debt load, focusing on developing the world's largest in situ gold reserves of 90+ million ounces. Newmont paid down debt. We believe the major asset of the gold miners is their in-situ gold reserves. North American gold miners have more than 15 years of reserve life which is in sharp contrast to the world's largest producer, China whose gold mines will run out of reserves in a few years. The dilemma for the mining industry is that the lack of exploration spending has caused a dearth of mine projects to replace declining reserves. Last year all but two mines saw a reduction in reserves. For spending to increase, in our opinion we will need a $1,600 gold price. Gold miners are undervalued.

We thus believe we are at the beginning of the second leg of gold's bull market. The current rally sparked by negative interest rates will likely see $1,400 per ounce near-term and $1,600 per ounce the next interim target.

Agnico-Eagle Mines Limited

Agnico had a good quarter producing over 400,000 ounces at a cash cost of $592 per ounce. The 50 percent owned Canadian Malartic produced 146,000 ounces in the first half. Guidance was increased to 1.6 million ounces and costs lowered. Agnico also took advantage of better prices and repaid $210 million under the company's credit facility. In addition the Meliadine water license permit was granted giving the go-ahead to construction which will extend life at Meadowbank in Nunavut. Flagship LaRonde mine in northwestern Québec processed over 6,241 TPD in the second quarter and exploration at adjacent Bousquet continues. Agnico also released information on the Amaruq project located approximately 50 km northwest of the Meadowbank mine. Exploration drilling has expanded the Whale Tail ore shoot with construction of an access road completed. Agnico has grown both through acquisitions and organically, operating eight operating mines in Canada, Finland and Mexico. Agnico increased its dividend by 26 percent to $0.10 a year. We like the shares here.

Barrick Gold Corp.

Barrick, the world's largest gold miner reported an excellent quarter focusing on debt reduction. Barrick produced 1.3 million ounces in the quarter with increasing output from Veladero. Importantly full year all in costs guidance continued to decline for the second quarter in a row. Barrick continues to rationalize its asset base, expecting to sell the 50 percent owned stake in the Kalgoorlie open pit joint venture with Newmont in Australia which could further reduce its debt and help achieve its $2 billion debt reduction target this year. Also on the block is 64 percent owned Acacia Gold in Africa which could net almost $2 billion. Barrick has 16 operating mines left with 60 percent of its production from five mines. The company has become the go-to mine among institutions. We continue to recommend the shares here, particularly since the growth pipeline includes Cortez, Turquoise Ridge and Goldrush, all in Nevada. Buy.

B2Gold Corp.
B2Gold has one of the highest growth profiles among the gold miners as it brings Fekola in Mali into production to be completed by late 2017. B2Gold will have increased its production by 70 percent between now and the beginning of 2018 due to production from Fekola and core mines Otjikoto, Libertad and Masbate. Costs were helped by efficiencies and local currency weakness. Importantly, the company has sufficient liquidity to complete construction at Fekola, having paid down debt this quarter. In addition, management has arranged the financing of Fekola so there's no dilution down the road. We like the shares here.

Centerra Gold Inc.
Centerra will produce 515,000 ounces up from a year earlier and AISC guidance was lowered to $800 an ounce. Low cost flagship Kumtor mine in Kyrgz Republic generated free cash flow but the company is still embroiled with negotiations with the government. As such, Centerra has traded at a discount to its peers. Centerra recently bid for Thompson Creek Metals which diversifies Centerra's geographic risk, but the acquisition was expensive as Centerra will assume almost $900 million in debt and will have difficulty making money from the Mount Milligan copper mine in British Columbia. Centerra recently received EBRD help in funding the Oksut Project in Turkey. Oskut is an open pit deposit containing some 1.4 million ounces which could be financed internally. Nonetheless, we prefer B2Gold here.

Detour Gold Corporation
Intermediate gold producer, Detour Gold located in northern Ontario reported gold production of almost 140,000 ounces at an all in cost of $1,030 per ounce. In addition, the company reduced debt by repurchasing $142 million of convertible notes. Earnings from mine operations was $34 million. Noteworthy was the plant averaged a record 58,000 tpd in the second quarter and with the successful installation of the 410 conveyor system which split into two conveyors, throughput rates averaged nearly 65,000 tpd in May and June. The key for Detour is to boost output since the long-life deposit is a low-grade deposit. Detour has eliminated much of the bottleneck problem and is now focusing on exploration of its huge exploration lands in particular Block A (higher grade and strip). Detour has over $54 million in cash but needs to refinance about $200 million convertible notes due in November 2017. Detour will produce 555,000 ounces this year and has a whopping 16.4 million ounce in-situ reserve. The expansion of West Detour for $80 million could add ounces for nine years beginning in 2019. We like the shares here.

Eldorado Gold Corp.
Eldorado reported a good quarter producing 124,000 ounces in the quarter from its Turkish mines. Development work at Skouries in Greece has begun following the granting of the permit. The company sold its Chinese gold mines resulting in a $300 million write-down. Eldorado instead has focused on operations in Turkey (Kisladqg and Efemcukuru) and its Greek base. Eldorado has an excellent balance sheet (net cash almost half a billion) and a strong executive team. Eldorado will now focus on development projects in Greece, Romania and Brazil to replace those Chinese ounces. Eldorado will produce 570,000 ounces at AISC of $930 per ounce. The Company will spend $250 million next year with the bulk at Skouries now that development is back on track with a more cooperative ministry. We like the shares down here.

Goldcorp. Inc.

Goldcorp produced a disappointing quarter due to a shutdown at flagship Penasquito in Mexico which resulted in only 36,000 ounces produced at an all in cost of $3,000 per ounce. In addition, development work at Cerro Negro in Argentina resulted in production of 86,000 ounces due to lower mill tonnage. At Eleonore in Quebec, production was 74,000 ounces at an all in cost of $919 per ounce as it focuses on optimizing slope design to lower dilution. David Garofalo has his hands full. There was a cull of management ranks, a renewed focus on profitability, and lowering of costs. Simple on paper at least. At Penasquito, the pyrite leach project was given the go-ahead which will allow the recovery of approximately 40 percent of the gold and 48 percent of the silver from tailings. However while there would be an increase in production, the overall internal return is modest at a huge cost of $400 million.

At Borden, Goldcorp is conducting a prefeasibility study to look for ways to salvage something from the $526 million takeover of Probe. Continuity is a problem here and Borden ore was to be processed at Porcupine. Similarly, at Cochenour, Goldcorp downgraded the project to an exploration category, rather than development as it changes plans and attempts to salvage something from the $1.5 billion acquisition of Gold Eagle. The Bruce Channel deposit was to extend the life of nearby Red Lake. Not that $2 billion was wasted on these acquisitions, but it was that they were to replace needed ounces since both Porcupine and Red Lake are winding down. Unfortunately, Goldcorp's $500 million acquisition of Kaminak's Coffee in the Yukon will not fill that gap. Goldcorp needs to go back to basics. It is thus not surprising that guidance was lowered as this senior gold producer still has to sort out its problems. We prefer Barrick here.

IAMGold Corp.

IAMGold has an excellent balance sheet with liquidity of $700 million of cash yet the company tapped the markets for $230 million to improve an already healthy balance sheet after selling cash cow Niobec for millions. Of investor concern is that they will fritter away the cash again over yet another poor acquisition like $600 million Cote Lake. IAMGold 's outlook is somewhat modest. Rosebel is in the harvest stage. In fact, the company's much advertised plans for Sadiola in Mali, requires approval from operator AngloGold Ashanti as well as the government of Mali. The supply of oxide ore runs out in 2018, so sulphide expansion is somewhat in the future (permits are needed). IAMGold's Essakane mine in Burkina Faso is the only major asset and an important cash producer. Westwood remains in development mode after a problem prone start and seismic issues. And, the economics of Cote Lake does not work here with more drilling needed before a mine plan could be developed. IAMGold is cashed up, however there is nothing much on the horizon. Sell.

Kinross Gold Corp.

Kinross had a good quarter producing 671,000 ounces up from last year due to improvements at Kupol in Russia. All in cost (AISC) was lowered to $988 per ounce and the company generated free cash flow. At 100 percent owned Round Mountain the company was able to add inferred ounces to its balance sheet. Recently acquired Bald Mountain's production increased but at the expense of lower grades. Bald Mountain is a heap leach operation with a series of open pits. Kinross is trying to boost mine life here beyond the 1.1 million ounces reserve. In Russia, Kinross' Kupol and Dvoinoye performed well in the quarter and remains a solid cash generator

contributing over 30 percent of assets. Kinross has eight operating mines and the recent acquisitions lessen its large exposure to Russia. However this is offset by Tasiast in Mauritania which remains problem prone with production lowered due to an 18 day strike. To make matters worse, the company continues in tough negotiations with the government of Mauritania. The suspension of operations due to water curtailment orders at Maricunga in Chile prompted Kinross to put Maricunga and mothballed, La Coipa up for sale - but to whom? Meantime Kinross has cash and cash equivalents of almost $1 billion against debt of $2 billion. We prefer B2Gold here.

New Gold Inc.

New Gold had a stronger quarter producing almost 100,000 ounces, plus 60 percent more copper due to New Afton and Peak. Rainy River is now over 40 percent complete. New Gold has four operating mines located in Australia, Mexico, California and BC but the key is the buildout of Rainy River. The balance sheet is strong with almost half a billion of liquidity, but $400 million is needed to complete construction at Rainy River. Importantly, New Gold does not need additional funds to complete the buildout which will be completed by mid 2017 and is expected to produce 325,000 ounces annually at an AISC $670 per ounce (GEO). The resource remains open at depth and to the west. We like the shares during this build out, and for its growth profile.

Yamana Gold Inc.

Yamana reported disappointing results due to lower output from Chapada which had mechanical problems and higher costs. Lower output and higher costs at El Penon, its Chilean flagship also affected results. There was little on the orphan Brio Gold spinout which needs higher prices. Yamana sold Mercedes for $140 million to Premier Gold which was a non-core asset in Mexico. Daniel Racine will need to improve a vast array of operations. Yamana will spend $53 million at Cerro Moro, a gold/silver development project in Argentina which is in the underground development stage. Engineering is almost complete. Still Yamana's balance sheet remains stretched and since we believe that Yamana is largely in the harvest mode, the shares could be sold here.

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MAISON PLACEMENTS CANADA INC.

24/08/2016

	Symbol	Price 23-Aug	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 $Mil	Market Cap/oz	Stock Rank
Agnico Eagle	AEM	72.19	78.35	28.15	215.3	1400	1671	1600	890	0.43	0.11	0.45	656.27	160.42	15,543	9,301	4
Barrick Gold	ABX	25.93	30.45	7.88	1,100.4	6200	6100	5300	800	0.65	0.30	0.70	86.43	37.04	28,533	4,678	5
B2 Gold Corp	BTO	3.96	4.74	0.85	924.5	384	493	550	900	0.08	0.15	0.25	26.40	15.84	3,661	7,426	5
Centamin PLC	CEE	2.87	3.05	1.04	1,152.4	377	440	520	750	0.08	0.07	0.11	41.00	26.09	3,307	7,517	3
Centerra Gold	CG	6.84	8.67	5.64	236.4	620	536	515	800	0.30	0.35	0.35	19.54	19.54	1,617	3,017	2
Eldorado Gold	ELD	5.07	9.15	6.72	720.7	789	789	570	930	0.19	0.04	0.05	126.75	101.40	3,654	4,631	4
Detour Gold	DGC	31.09	35.93	12.13	168.8	460	506	555	980	(0.35)	(0.15)	0.45	(207.27)	69.09	5,248	10,372	4
Goldcorp	G	22.82	26.56	13.54	813.5	2800	3500	2900	925	0.61	(0.10)	0.30	(228.20)	76.07	18,564	5,304	2
Iamgold Corp	IMG	5.66	7.650	1.66	391.3	844	806	780	1200	0.08	(0.40)	-0.10	(14.15)	(56.60)	2,215	2,748	1
Kinross Gold	K	6.09	7.56	1.79	1,144.0	2600	2500	2700	950	0.17	(0.08)	0.05	(76.13)	121.80	6,967	2,787	2
McEwen Mining	MUX	5.59	6.45	0.94	298.0	140	154	120	900	0.12	(0.06)	0.10	(93.17)	55.90	1,666	10,817	5
New Gold	NGD	6.97	7.87	2.53	317.8	380	436	370	875	0.09	(0.02)	0.05	(348.50)	139.40	2,215	5,080	4
Newmont Mining (US$)	NEM	43.15	46.07	15.39	449.8	5200	5000	5100	900	1.10	0.98	1.60	44.03	26.97	19,409	3,882	3
Yamana	YRI	6.45	7.87	2.53	937.7	1300	1275	1350	850	0.14	(0.08)	0.01	(80.63)	645.00	6,048	4,744	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	ABX	T	1	5
Eldorado	ELD	T	1	5

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