

Gold & Precious Minerals

Higher for Longer: Producer Margins to Expand as Global Stimulus Sets Up Gold for a Sustained Rally

OUR TAKE: Positive. We have updated our precious metals price forecasts and company estimates to reflect the new market and operating environment brought on by the COVID-19 pandemic. We expect gold prices to remain higher for longer as a result of the unprecedented global stimulus unleashed in response to the crisis. We believe gold producers are well-positioned to capture these higher gold prices in their margins later in the year and into 2021 once COVID-related curtailments are lifted. At this point we think the longer term COVID impacts on operations will be more than offset by FX and fuel price tailwinds.

We think the equities still offer attractive value and will begin to re-rate over the coming months as investors begin to price in the higher expected margins once there is more clarity on the companies' operational outlook. At this early stage of a gold bull market, we think investors are most interested in lower risk names that offer good trading liquidity and leverage to gold; hence our top senior picks remain **GOLD** and **NEM**. We are also upgrading both **K** and **YRI** to Sector Outperform as we think investors will start to reach further downmarket to relatively lower risk and liquid mid-tiers that offer relative value vs seniors.

KEY POINTS

FNV and AEM remain Sector Perform rated. For **FNV**, this quality company will continue to attract investors given its low risk profile and track record of adding shareholder value through accretive acquisitions and increasing dividends. Our rating is based on its higher valuation level versus the operators and headwinds from its energy business. For **AEM**, our rating reflects the short-term operational challenges in the Nunavut platform which have been further compounded by the COVID-19 pandemic. We remain on the sidelines in the short term, until we see improved operational results from both of these assets. That said, for longer term investors looking beyond 2020, AEM offers rare value at current levels.

Increasing our precious metals price forecasts. The massive stimulus packages implemented by governments across the globe have driven real rates to negative levels across the yield curve which we think will support strong gold prices for the next couple of years. We forecast an average gold price of ~\$1,650/oz for 2020, \$1,700/oz for 2021 and 2022, \$1,600/oz for 2023 and \$1,500/oz for 2024 (all forecasts in real terms), reflecting a 6%-19% compared to our prior forecasts. We have increased our silver price forecasts over this time period, although to a lesser degree. Our long-term (2025 onward) price forecast for gold was increased to \$1,400/oz from \$1,300/oz (\$15/oz for silver was unchanged). More details within.

Margin expansion expected; tailwinds to help operating costs. We expect positive tailwinds in the cost structure given the lower fuel price and weaker currencies. At spot FX/oil, we can see benefits of up to ~\$50-\$100/oz in the cost structure (vs company guidance, all else being equal). Over the last 20 years, gold companies have on average captured ~\$60/oz in their cash cost margins for every \$100/oz move in the gold price and we believe the cost tailwinds could help companies exceed that historical rate.

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COVERAGE SUMMARY

	Rating	1-Yr. Target	Return
AEM-N*	SP	US\$60.00	15.5%
AU-N*	SP	US\$27.00	18.7%
AUY-N*	SO	US\$5.00	21.2%
BVN-N*	SU	US\$8.00	12.2%
EGO-N*	SP	US\$11.00	30.8%
FNV-N*	SP	US\$134.00	10.0%
GFI-N*	SP	US\$8.00	20.8%
GOLD-N*	SO	US\$30.00	23.7%
IAG-N*	SP	US\$4.00	29.4%
KGC-N*	SO	US\$7.50	25.4%
NEM-N*	SO	US\$70.00	22.0%
RGLD-Q*	SP	US\$123.00	18.4%

*Companies with pertinent revisions

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Valuations and Top Recommendations

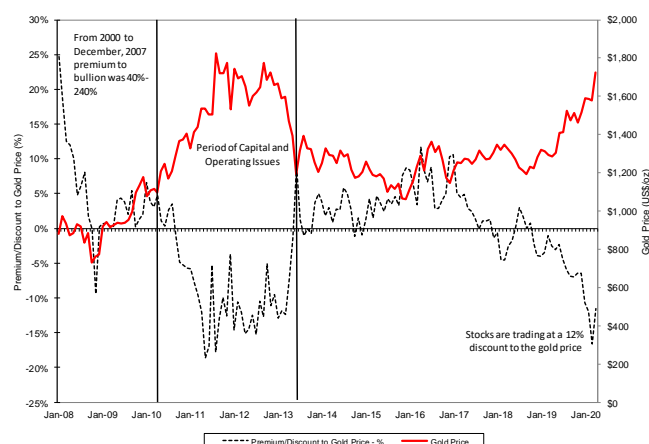
Operators still trading at a discount to bullion; we expect stocks to trade at a premium. The gold equities are cheap versus bullion and are currently trading at a 12% discount to the gold price (hit 17% discount on March 31st, 2020). See Exhibit 1-2. This discount, we believe, will be eliminated and gold equities will trade at a premium to bullion once 1) there is a more certain outlook on countries with jurisdictional lockdowns and the mines return to “normal” operations; and 2) companies show margin expansion as tailwinds in cost structures (low fuel price and weakening local currencies versus budgets/guidance) will more than offset additional ongoing costs related to COVID-19. This will likely be seen once we get back into a more “normal” operating environment (i.e. later in 2020 and into 2021). Historically, gold companies have usually captured ~\$60/oz for every \$100/oz move in the gold price in their cash cost margins (20-year average). At spot oil prices and FX rates, we estimate that unit costs could benefit by up to ~\$50-\$100/oz vs the assumptions used in company guidance.

Exhibit 1: Group Premium/Discount to Gold¹

As of close on:		15-Apr		
Company	Implied Gold Price	\$1,717 Premium / Discount	Historical Premium (2013 - present)	
			Low	High
ABX	\$1,874	9%	-9%	24%
AEM	\$1,731	1%	-7%	40%
AU	\$1,458	-15%	-19%	8%
ELD	\$1,143	-33%	-38%	3%
GFI	\$1,343	-22%	-24%	6%
IMG	\$1,259	-27%	-28%	8%
K	\$1,456	-15%	-21%	10%
NEM	\$1,821	6%	-5%	24%
YRI	\$1,578	-8%	-21%	15%
Average	\$1,518	-12%		

¹Premium/discount to gold is the % difference between i) the gold price required such that 1.0x NAV = current share price and ii) the current spot gold price.
Source: Scotiabank GBM estimates.

Exhibit 2: Group Premium/Discount to Gold Chart



Source: Bloomberg; Scotiabank GBM estimates.

Large cap stocks move first in a gold run; monies then will flow down market once valuations in seniors reach fair value. A month ago, the senior gold companies (i.e. ABX and NEM) were trading at a discount to bullion. In a rising gold price environment, large cap producers with good liquidity and operating/financial diversification benefit in the first move in the gold price. This was the case for ABX and NEM, which over the last month have now moved to trading at a premium. Once these companies become fairly priced, we expect fund flows to move down market to mid-tier producers and ultimately smaller cap stocks and developers. We currently see a differential in valuations between the seniors (trading at premiums to bullion) and the mid-tier (trading at discounts) and believe this will change, with the mid-tier benefiting once the seniors become fairly valued (see Exhibit 1).

Top picks: adding two mid-tiers K and YRI to the recommendation list. Our top picks remain **ABX** and **NEM** in the senior space as we believe there is still upside in their share price as investors seek lower risk gold exposure. We do expect monies to move downstream to mid-cap producers once senior companies become fairly priced and thus are upgrading two mid-tier producers; **K** and **YRI** to **Sector Outperform** from **Sector Perform**; mainly on their leverage to gold price, diversified asset bases and attractive valuation relative to the seniors.

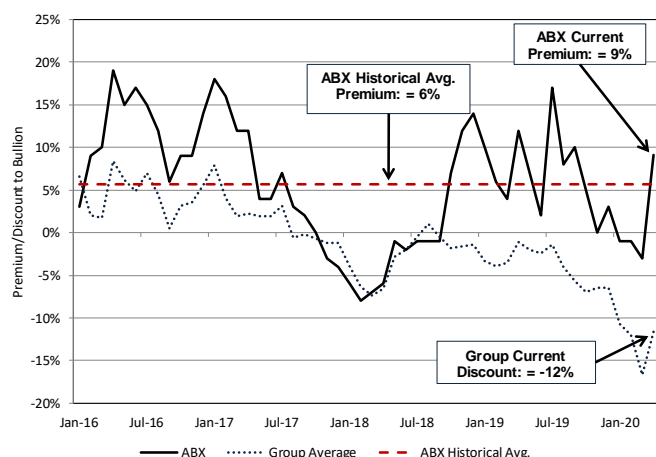
FNV and AEM remain Sector Perform. We continue to rate **FNV** and **AEM** as Sector Perform. For **FNV**, this quality company will continue to attract investors given its low risk profile and track record of adding shareholder value through accretive acquisitions (this current environment offers opportunity for precious metals streams on base metal assets) and increasing dividends (from its growing FCF). Our Sector Perform rating is based on its higher valuation versus historical levels and compared to the operators. **AEM** on the other hand, our Sector Perform rating reflects the short-term operational challenges in the Nunavut platform (Meliadine and Amaruq) which have been further compounded with the COVID-19 pandemic; it will likely take more time to get both operations back up to full capacity. We remain on the sidelines in the short term, until we see improved operational results from both of these assets (our best guess is for later in 2020). For longer term investors looking beyond 2020, AEM offers excellent value.

Details of our top recommendation for ABX, NEM, K and YRI are highlighted below.

ABX. ABX has now fully integrated both its merger with Randgold and the Nevada Gold Mines joint venture; ABX recently issued long-term guidance reflecting these transformational transactions (~5 Moz of steady annual production at declining AISC from ~\$950/oz in 2020 to \$880/oz by 2024), which reduces the risk of a downside surprise to their operating outlook. Furthermore, its large scale and global footprint should help diversify operational risks related to the COVID-19 pandemic (has not been materially impacted by COVID 19 at this point); furthermore its management team has experience managing around infectious disease outbreaks (e.g. Ebola). It is also not currently constructing any major projects that could be materially impacted by the pandemic. ABX's balance sheet is in a strong position with low debt leverage (~0.5x ND/EBITDA) and strong liquidity (over \$3B of cash on hand and modest near-term debt maturities); we do not expect ABX to have any external financing needs for the foreseeable future.

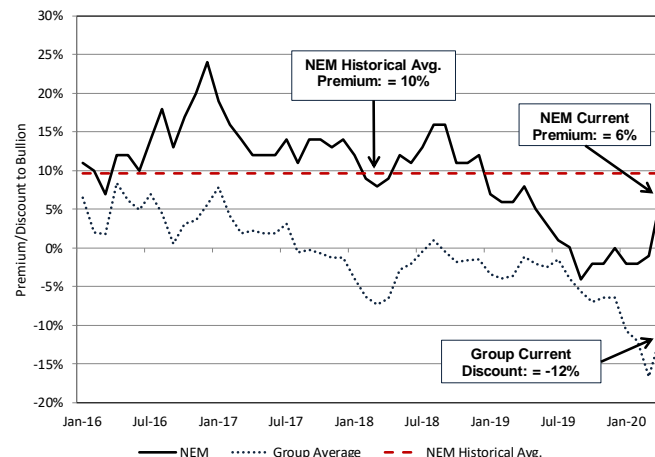
NEM. NEM has integrated its merger with Goldcorp and the Nevada Gold Mines joint venture; and recently issued long-term guidance reflecting these transformational transactions (~6.3 Moz of steady annual production over next five years at declining AISC from ~\$1,025/oz in 2020 to \$850/oz by 2024), which reduces the risk of a downside surprise to their operating outlook. Furthermore, its large scale and global footprint should help diversify operational risks albeit its operations in Canada, Mexico and Argentina have been impacted somewhat by COVID-19 related government measures. It is also not currently constructing any major projects that could be materially impacted by the pandemic; Tanami Phase II involves shaft sinking with most of its key material and labour sourced in Australia. NEM's balance sheet is in a strong position with low debt leverage (~1.2x ND/EBITDA at end of 2019 declining to under 0.6x by end of 2020) and strong liquidity (over \$2.2B of cash on hand and modest near-term debt maturities).

Exhibit 3: ABX Premium/Discount to Gold



Source: Bloomberg; Scotiabank GBM estimates.

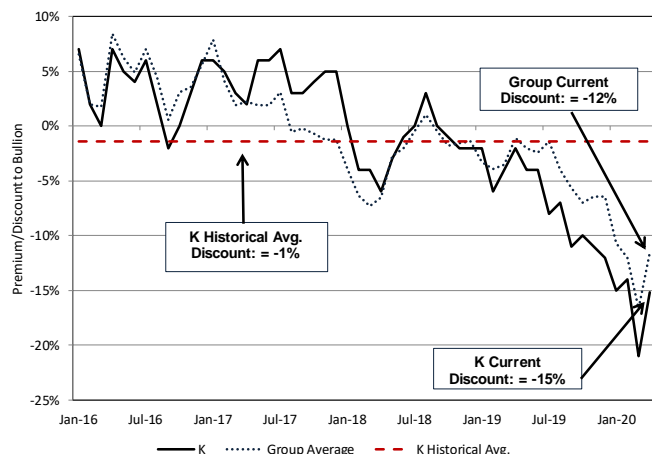
Exhibit 4: NEM Premium/Discount to Gold



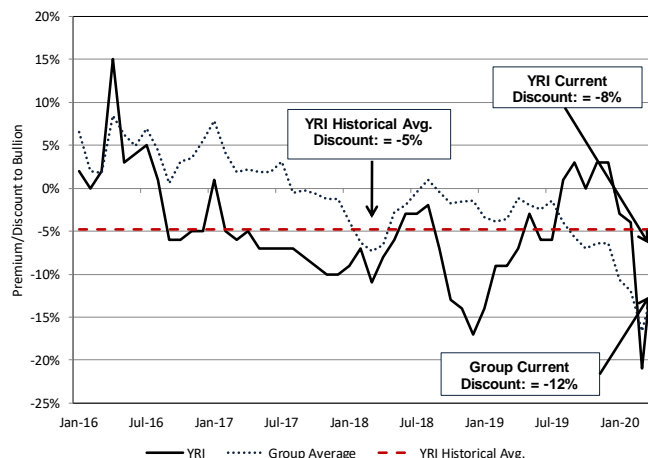
Source: Bloomberg; Scotiabank GBM estimates.

K. Has a diversified portfolio with operations in Russia, West Africa, U.S. and Brazil. From an operational standpoint, K expects to produce ~2.5 Moz over the next five years at AISC of ~\$950/oz. So far, it is one of the very few companies that has not been materially impacted by COVID-19 (no government mandated curtailments). It has one major development project (Tasiast 24k expansion) which involves the expansion of its current processing circuit which is expected to reach full capacity in mid-2023. Its other development/ expansion projects have already been completed (Bald Mountain and Fort Knox) or can be deferred if needed (e.g. La Coipa). At spot prices, we forecast K to show strong and relatively steady FCF over the next several years of around ~\$1.00/sh for 2021-2024E (avg. 17% FCF yield). This combined with its cheap valuation (trading at 15% discount to gold vs seniors at 6%-9% premiums), offers an attractive risk/reward profile in a higher gold price environment.

YRI. YRI is an Americas-focused company with mines operating in Canada (joint-venture with AEM on Canadian Malartic mine in Quebec) and throughout South America (Brazil, Argentina and Chile). We expect YRI to produce about 950k gold equivalent ounces over the next five years at AISC of ~ \$1,000/oz. So far, it has been only slightly impacted by COVID-19 (in Quebec and Argentina); however, both impacted mines have since resumed operations and are currently ramping up production. YRI does not have any significant development projects underway with only the Jacobina mine (Brazil) looking to expand its mill capacity. At spot prices, YRI is expected to generate steady FCF of ~\$0.45/sh in 2021E-2024E spot prices (11% FCF yield), with the focus on deleveraging the balance sheet. We expect YRI to be at close to 1x ND/ EBITDA by year-end. Given its relatively cheap valuation (trading at 8% discount to gold vs seniors at 6%-9% premiums), YRI has an attractive risk/reward profile in a higher gold price environment.

Exhibit 5: K Premium/Discount to Gold


Source: Bloomberg; Scotiabank GBM estimates.

Exhibit 6: YRI Premium/Discount to Gold


Source: Bloomberg; Scotiabank GBM estimates.

Updated Financial and Valuation Estimates

Updating our estimates for commodity prices and COVID-19 impact. We have updated our precious metals commodity prices, including the base metal prices (see Orest Wowkodaw's April 9 comment, *Commodity Fundamentals Implode as COVID-19 Takes Centre Stage; Longer-Term Outlook Appears Intact*), foreign exchange and oil & gas estimates (see Michael Loewen's April 7 comment, *Commodities Quarterly: Simultaneous Demand and Supply Shocks*) and production disruptions from COVID-19. This has resulted in changes to both our financial forecasts and our valuation estimates (see Exhibits 7-9).

Financial estimates impact. The higher commodity prices have impacted our 2021 EPS and CFPS by 82% and 27% respectively. For 2020, the impact is -11% and -4%, respectively, with operations being impacted by COVID-19 related shutdowns in several jurisdictions.

NAV and target price impact. Our NAVs and target prices have both increased by ~20% on average for the group.

Two rating changes; K and YRI upgraded to Sector Outperform. We have made two rating changes; moving **K** and **YRI** to Sector Outperform from Sector Perform, mainly on the high leverage to commodity price and attractive valuations. Our top picks in the group remain **ABX** and **NEM**. No change to other ratings in the group.

Exhibit 7: Rating, Target and NAVPS Changes

Company	Principal Ticker	Price as at 15-Apr-20	New Rating	Old Rating	New Target	Old Target	New Multiple	Old Multiple	New NAVPS	Old NAVPS
Senior Golds										
Barrick Gold	ABX	\$24.47	SO	SO	\$30.00	\$20.00	1.75x	1.35x	\$17.15	\$14.75
Kinross Gold	K	\$5.98	SO	SP	\$7.50	\$5.25	1.10x	1.00x	\$6.80	\$5.40
Newmont Mining	NEM	\$58.22	SO	SO	\$70.00	\$50.00	1.70x	1.45x	\$40.70	\$33.90
Intermediate Golds										
Agnico Eagle	AEM	\$51.65	SP	SP	\$60.00	\$55.00	1.50x	1.70x	\$40.05	\$32.25
Eldorado Gold	ELD	\$8.41	SP	SP	\$11.00	\$9.50	0.50x	0.50x	\$23.20	\$18.85
IAMGOLD	IMG	\$3.09	SP	SP	\$4.00	\$3.75	0.60x	0.80x	\$6.90	\$4.80
Yamana Gold	YRI	\$4.16	SO	SP	\$5.00	\$4.25	1.25x	1.25x	\$4.00	\$3.30
International Golds										
AngloGold Ashanti	AU	\$22.83	SP	SP	\$27.00	\$22.50	1.05x	1.15x	\$25.50	\$19.55
Buenaventura	BVN	\$7.21	SU	SU	\$8.00	\$12.00	0.65x	0.95x	\$12.20	\$12.50
Gold Fields Limited	GFI	\$6.75	SP	SP	\$8.00	\$7.00	0.85x	0.95x	\$9.60	\$7.20
Royalties										
Franco-Nevada	FNV	\$122.73	SP	SP	\$134.00	\$100.00	3.00x	2.45x	\$44.30	\$41.00
Royal Gold	RGLD	\$104.81	SP	SP	\$123.00	\$112.00	2.25x	2.25x	\$54.85	\$50.00

Source: Bloomberg; Scotiabank GBM estimates.

Exhibit 8: EPS Estimates

		New Estimates			Previous Estimates								
		EPS			EPS			EPS Change (\$)			EPS Change (%)		
Company	Ticker	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Senior Golds													
Barrick Gold	ABX	\$0.81	\$1.03	\$1.14	\$0.77	\$0.68	\$0.68	\$0.04	\$0.35	\$0.46	6%	52%	67%
Kinross Gold	K	\$0.57	\$0.73	\$0.78	\$0.48	\$0.41	\$0.41	\$0.09	\$0.32	\$0.37	19%	77%	90%
Newmont Mining	NEM	\$1.76	\$2.74	\$2.85	\$1.80	\$1.68	\$1.47	(\$0.04)	\$1.06	\$1.38	-2%	63%	94%
Intermediate Golds													
Agnico Eagle	AEM	\$1.12	\$2.65	\$2.85	\$1.21	\$1.39	\$1.30	(\$0.09)	\$1.26	\$1.54	-8%	91%	118%
Eldorado Gold	ELD	\$0.69	\$0.55	\$0.63	\$0.64	\$0.20	\$0.21	\$0.05	\$0.34	\$0.43	8%	170%	206%
IAMGOLD	IMG	\$0.28	\$0.39	\$0.40	\$0.19	\$0.14	\$0.08	\$0.09	\$0.25	\$0.32	48%	186%	373%
Yamana Gold	YRI	\$0.16	\$0.25	\$0.29	\$0.16	\$0.10	\$0.12	\$0.00	\$0.16	\$0.17	0%	159%	143%
International Golds													
AngloGold Ashanti	AU	\$1.93	\$2.66	\$2.71	\$1.47	\$1.48	\$1.35	\$0.46	\$1.18	\$1.36	31%	80%	100%
Buenaventura	BVN	(\$0.50)	\$0.73	\$0.89	\$0.43	\$0.72	\$0.69	(\$0.93)	\$0.02	\$0.20	-217%	2%	29%
Gold Fields Limited	GFI	\$0.62	\$1.08	\$1.10	\$0.65	\$0.62	\$0.60	(\$0.03)	\$0.47	\$0.51	-5%	76%	85%
Royalties													
Franco-Nevada	FNV	\$2.17	\$2.67	\$2.98	\$2.51	\$2.52	\$2.49	(\$0.34)	\$0.15	\$0.49	-13%	6%	20%
Royal Gold	RGLD	\$2.38	\$2.88	\$3.53	\$2.46	\$2.41	\$2.59	(\$0.08)	\$0.47	\$0.94	-3%	20%	36%

Source: Scotiabank GBM estimates.

Exhibit 9: CFPS Estimates

		New Estimates			Previous Estimates								
		CFPS			CFPS								
Company	Ticker	2020E	2021E	2022E	2020E	2021E	2022E	CFPS Change (\$)			CFPS Change (%)		
								2020E	2021E	2022E	2020E	2021E	2022E
Senior Golds													
Barrick Gold	ABX	\$2.80	\$2.90	\$2.97	\$2.64	\$2.31	\$2.24	\$0.16	\$0.59	\$0.73	6%	25%	32%
Kinross Gold	K	\$1.21	\$1.56	\$1.60	\$1.12	\$1.13	\$1.10	\$0.09	\$0.42	\$0.49	8%	38%	44%
Newmont Mining	NEM	\$4.46	\$5.65	\$5.61	\$4.59	\$4.41	\$4.01	(\$0.13)	\$1.24	\$1.60	-3%	28%	40%
Intermediate Golds													
Agnico Eagle	AEM	\$4.13	\$6.89	\$7.03	\$4.45	\$4.71	\$4.72	(\$0.32)	\$2.18	\$2.32	-7%	46%	49%
Eldorado Gold	ELD	\$1.88	\$1.65	\$1.70	\$1.86	\$1.20	\$1.22	\$0.01	\$0.44	\$0.48	1%	37%	39%
IAMGOLD	IMG	\$0.92	\$1.08	\$1.12	\$0.80	\$0.75	\$0.70	\$0.11	\$0.33	\$0.42	14%	43%	60%
Yamana Gold	YRI	\$0.61	\$0.76	\$0.78	\$0.63	\$0.58	\$0.56	(\$0.02)	\$0.18	\$0.22	-3%	30%	40%
International Golds													
AngloGold Ashanti	AU	\$3.81	\$4.67	\$4.58	\$3.32	\$3.43	\$3.20	\$0.49	\$1.24	\$1.38	15%	36%	43%
Buenaventura	BVN	\$0.35	\$1.02	\$1.37	\$1.00	\$1.04	\$1.24	(\$0.65)	(\$0.02)	\$0.13	-65%	-2%	10%
Gold Fields Limited	GFI	\$1.44	\$2.00	\$2.03	\$1.50	\$1.52	\$1.50	(\$0.06)	\$0.48	\$0.53	-4%	32%	35%
Royalties													
Franco-Nevada	FNV	\$3.72	\$4.27	\$4.67	\$4.18	\$4.16	\$4.15	(\$0.46)	\$0.11	\$0.52	-11%	3%	13%
Royal Gold	RGLD	\$5.31	\$6.25	\$7.39	\$5.60	\$5.92	\$6.58	(\$0.29)	\$0.34	\$0.81	-5%	6%	12%

Source: Scotiabank GBM estimates.

Impact of Mine Closures/Curtailments on 2020 Operating Estimates

Mine suspension/production curtailments including reduced operating capacity have occurred globally since mid-March 2020 when the COVID-19 pandemic began (impacts being felt within China prior to March). We have tracked the impact of COVID-19 on mining in our **COVID-19 tracker** released earlier this month (and last updated effective April 13) in addition to the impact on both operating and financial impacts on our coverage list of companies. In addition to incorporating the revised commodity prices, we have also made assumptions on the overall duration of various jurisdiction lockdowns and the timing of mines coming back on stream. The most important to highlight are:

1. We have assumed that countries who have already announced the removal of lockdown measures like Argentina, states in Brazil and Quebec (Canada) will allow mines to operate. Countries/jurisdictions that have continued to extend lockdown dates every two weeks (i.e. South Africa, Peru etc.), we have assumed that these jurisdictions will continue to be down for period of time similar to the lockdown duration in China (~2-2.5 months) and have assumed that operations are allowed to resume in June.
2. We have also assumed that mining operations will ramp-up to full capacity within 1-3 weeks once lockdown is lifted.

On a company by company basis, we have outlined our forecasts for production curtailment timing and the impact on 2020 production (Exhibit 10).

Exhibit 10: COVID-19 Production Curtailment Assumptions

Company	Jurisdiction	Production Curtailment Timing ¹				2020E Prod'n Impact (koz) ⁵	Comments
		Start Date	Stated End Date ²	Est. End Date ³	Est. Duration ⁴		
ABX	Argentina	20-Mar	03-Apr	03-Apr	A 2 weeks	20	Mining considered an essential business as of April 3. Minimal impact expected on Veladero particularly (as a heap leach operation).
	Quebec	24-Mar	15-Apr	15-Apr	A 3 weeks	90	Mining added to essential businesses list as of April 15 and all operations to restart then.
AEM	Nunavut	24-Mar	n.a.	30-Jun	E 14 weeks	135	Operations were most significantly curtailed in response to Quebec shutdown. AEM has not guided to when re-start will occur. We have assumed that production begins to ramp-up at the end of June (with processing of stockpiles at Meliadine occurring throughout Q2).
	Mexico	01-Apr	30-Apr	31-May	E 9 weeks	50	Lockdown currently imposed to end of April; we have assumed this is extended an additional month
	Total					275	
AU ⁶	Argentina	21-Mar	03-Apr	03-Apr	A 2 weeks	10	AU stated that they will process stockpiles at Cerro Vanguardia with relatively minimal overall production impact.
	Brazil	26-Mar	04-Apr	04-Apr	A 1 weeks	1	Serra Grande briefly suspended as the State of Goiás extended its lockdown to include mining for a brief period (March 26-April 4). The mine re-started on April 5.
	South Africa	26-Mar	30-Apr	31-May	E 9 weeks	20	5-week country-wide lockdown announced until the end of April; we have assumed it is extended for another month. AU received an exemption for its surface operations to resume limited production on April 6 (Mponeng remains suspended). Harmony Gold has agreed to acquire these assets (mid-year close).
	Total					31	
BVN ⁷	Peru	16-Mar	26-Apr	31-May	E 11 weeks	135	All operations suspended during lockdown, with exception of some gold recovery at heap leach operations. We've assumed the lockdown is extended until the end of May. We've also assumed that average 2H/20 grades are ~5% higher than previously planned as management indicated they intend to high grade production to partly make up for lost production from 1H curtailments.
ELD	Quebec	23-Mar	15-Apr	15-Apr	A 3 weeks	15	Mining added to essential businesses list of April 15. Lamaque restarted on that date.
	Mexico	01-Apr	30-Apr	31-May	E 9 weeks	7	Lockdown currently imposed to end of April; we have assumed this is extended an additional month.
	Ontario	Various	Various	Various	Various	3	While mining was deemed essential in Ontario, certain remote mines voluntarily curtailed operations.
FNV ⁷	Panama	06-Apr	Unknown	06-May	E 4 weeks	25	Cobre Panama was ordered by government officials to suspend labour activities on April 6 with no end date specified. We have assumed the mine is down for one month.
	Peru	13-Apr	27-Apr	27-Apr	E 2 weeks	2	While mining was not deemed essential in Peru, Antamina received an exemption and was allowed to continue to operate (albeit with a reduced workforce). However, on April 13 TECK announced that operations will be suspended for about two weeks during the shift change.
	South Africa	26-Mar	06-Apr	06-Apr	A 2 weeks	2	South African government ordered a nation-wide lockdown starting March 26 (including gold mining) but Mine Waste Solutions received an exemption to start operating on April 6 (albeit with significantly reduced headcount).
	Total					39	
GFI	Peru	Mid April	26-Apr	31-May	E 6 weeks	10	Operations at Cerro Corona continued during lockdown, however we assume that operations will be temporarily suspended for two weeks on shift change.
	South Africa	26-Mar	30-Apr	31-May	E 9 weeks	45	5-week country-wide lockdown announced until the end of April; we have assumed it is extended for another month (applied to South Deep).
	Total					55	
IMG	Quebec	25-Mar	15-Apr	15-Apr	A 3 weeks	5	IMG expects ~1 week ramp-up at Westwood
K ⁷	None	n.a.	n.a.	n.a.	n.a.	0	No operations significantly curtailed
NEM	Argentina	20-Mar	03-Apr	30-Apr	E 6 weeks	70	Although mining now considered essential, NEM has not announced that it has restarted production at Cerro Negro (logistical challenges remain in country, particularly around movement of people). We have assumed start-up at the end of April with an extended ramp-up period.
	Mexico	01-Apr	30-Apr	31-May	E 9 weeks	160	Lockdown currently imposed to end of April; we have assumed this is extended an additional month before start-up at Penasquito. Some high grade gold production planned for 2H/20 pushed into 2021.
	Ontario	23-Mar	n.a.	31-May	E 10 weeks	70	Muskegwhite placed on C&M to protect remote local communities near mine-site. Production re-start assumed delayed until 2H.
	Quebec	24-Mar	15-Apr	22-Apr	E 4 weeks	45	Mining added to essential businesses list of April 15. Assumed a further week of downtime while discussions with local (remote) communities around Eleonore continue.
	Peru	16-Mar	26-Apr	31-May	E 11 weeks	25	Assumed lockdown extended to end of May. Heap leach stacking activities suspended at Yanacocha during lockdown by heap leach recoveries continue.
	Total					370	
RGLD ⁷	B.C.	20-Mar	03-Apr	30-Apr	E 6 weeks	3	Operations at Mt. Milligan voluntarily reduced (though still close to full capacity for now).
	Mexico	01-Apr	30-Apr	31-May	E 9 weeks	3	Assumed lockdown at Penasquito extended to end of May.
	Ontario	20-Mar	03-Apr	03-Apr	A 2 weeks	2	Rainy River voluntary suspended for 2 weeks (now re-opened)
	NFLD	16-Mar	13-Apr	31-May	E 11 weeks	2	Voisey's Bay voluntarily suspended for 4 weeks (we've assumed it is suspended until the end of May)
	Quebec	25-Mar	15-Apr	15-Apr	A 3 weeks	1	Canadian Malartic re-opened April 15.
	Total					11	
YRI ⁷	Argentina	20-Mar	03-Apr	03-Apr	A 2 weeks	25	Cerro Moro reduced activities (particularly underground) during lockdown period before mining deemed essential as of April 3.
	Quebec	25-Mar	15-Apr	15-Apr	A 3 weeks	35	Canadian Malartic re-opened April 15.
	Total					60	
Grand Total						1,016	

¹Production curtailments include any reduction in production announced by the company as a result of COVID-19 response measures.

²Stated end date is when curtailments are currently scheduled to end (whether voluntary or government-mandated curtailments)

This could range from minor disruptions to full suspension of operations / care and maintenance.

³Dates are marked with an "A" (actual) when the operator has indicated when the operation will re-start.

⁴Does not include ramp-up time after the curtailment has ended.

⁵Impact on 2020 gold production estimates specifically relating to COVID-related curtailments (includes estimated reduced production during ramp-up period). Figures are rounded.

⁶South Africa operations are excluded from our AU production estimates given pending sale of the assets to Harmony.

Source: Scotiabank GBM estimates.

Once, the mines are ramped up to full capacity, we have made the following assumptions for the rest of 2020 and beyond:

1. The operations are back to operating at pre-COVID-19 "normal" levels. It is difficult at this time to predict what the impact of social distancing and other operating measures that have been implemented for health and safety for the workforce will be on the productivity of the workforce/operation but at this point our sense is that the impact will not be too material.
2. Mining companies may experience additional costs related to the movement of the labour force (more bus or charter flights to comply with the current spatial distancing requirements), additional IT and potentially health related expenses (for testing, medical supplies etc.). These costs are difficult to quantify and we have not explicitly incorporated these into our estimates, particularly as we think these will be largely offset by FX/fuel tailwinds.
3. Given we have assumed nearly one quarter of production disruptions in operations with lockdowns, we have not adjusted exploration, G&A and capital spending in our assumptions at this time (exploration and/or capital budgets may not all be spent this year). We have delayed some capital spending into 2021 for projects that have been put on hold due to lockdowns. We could see further spending reductions and deferrals if the lockdowns are extended further.

Our forecasts for 2020 for our coverage list with the adjustments are show in Exhibit 11 below. It is important to highlight that many companies have withdrawn 2020 guidance and will likely introduce new guidance when there is more clarity and certainty in the various jurisdictions in which they operate or when lockdown measures have been lifted.

Exhibit 11: Revised Operating Forecasts

Company	2020E Prior Est. (Pre-COVID adj.)			2020E Current Est. (Post-COVID adj.)			% Change		
	Prod'n (koz)	TCC (US\$/oz)	AISC (US\$/oz)	Prod'n (koz)	TCC (US\$/oz)	AISC (US\$/oz)	Prod'n	TCC	AISC
Operators									
Barrick	5,045	\$672	\$942	5,026	\$680	\$952	0%	1%	1%
Newmont	6,435	\$736	\$995	6,068	\$750	\$1,026	-6%	2%	3%
Agnico Eagle	1,878	\$754	\$1,009	1,607	\$759	\$1,056	-14%	1%	5%
Kinross ¹	2,416	\$718	\$968	2,347	\$739	\$996	-3%	3%	3%
Eldorado	532	\$622	\$945	518	\$649	\$980	-2%	4%	4%
IAMGOLD	740	\$879	\$1,131	734	\$890	\$1,139	-1%	1%	1%
Yamana ¹	994	\$664	\$1,009	932	\$677	\$1,044	-6%	2%	4%
AngloGold Ashanti	2,810	\$785	\$1,069	2,799	\$779	\$1,064	0%	-1%	0%
Buenaventura ¹	1,336	\$934	\$1,140	955	\$1,142	\$1,382	-29%	22%	21%
Gold Fields ¹	2,269	\$700	\$929	2,170	\$671	\$911	-4%	-4%	-2%
Total/Avg.	24,454	\$734	\$997	23,156	\$746	\$1,021	-5%	2%	2%
Royalties									
Franco-Nevada ¹	579	n.a.	n.a.	535	n.a.	n.a.	-8%	n.a.	n.a.
Royal Gold ¹	347	n.a.	n.a.	322	n.a.	n.a.	-7%	n.a.	n.a.
Total	926	n.a.	n.a.	857	n.a.	n.a.	-7%	n.a.	n.a.

¹Production displayed as GEOs.

Source: Bloomberg, Scotiabank GBM estimates.

Adjusting our N-T and L-T Gold Price Forecasts to Reflect Heightened Uncertainty Amid a Global Pandemic

Global pandemic impacts macro-economic conditions, particular focus on stimulus, real rates, U.S. dollar and inflation outlook. We have updated our gold price forecasts incorporating updated interest rate forecasts (including real rates), U.S. dollar and oil price as well as the massive amount of global stimulus being injected into the economy. In this environment we expect to see negative real rates for a longer period of time followed by rising inflation once the stimulus flows into the economy. This has resulted in a more positive outlook for the gold price.

From an economic standpoint, our focus remains on real rates (including inflation outlook) and the U.S. dollar outlook over the next two years. Important factors to highlight include:

1. Significant and unprecedented global stimulus as a result of the COVID-19 pandemic is expected to result in **lower real rates (negative for many countries)** across the yield curve for a longer period of time. Scotiabank Economics is forecasting negative U.S. 3M and 10-year real (treasury) rates in 2020 and 2021. See Exhibit 12.
2. We expect **higher inflation** rates going forward (and a higher oil price) given the amount of stimulus being injected into the financial system. Scotiabank Economics is forecasting total CPI to decline from the current rate of 1.3% to below 1% in the latter part of 2020; increasing towards 3% mark by end of 2021.
3. For the **U.S. dollar**, Scotiabank Economics is forecasting the U.S. dollar index to decline to ~95 from the current ~99 by the end of 2021 (see Exhibit 12).

Exhibit 12: Economic Input Forecasts (Annual Averages)

Factor	Current	2020E	2021E
US 3m Nominal Rates	0.14%	0.08%	0.11%
US Inflation ¹	1.30%	1.08%	2.38%
US 3m Real Rates	(1.16%)	(1.00%)	(2.26%)
US 10y Nominal Rates	0.75%	1.00%	1.41%
US Inflation ¹	1.30%	1.08%	2.38%
US 10y Real Rates	(0.54%)	(0.08%)	(0.96%)
USD (DXY)	98.9	100.8	96.8
Oil (WTI) (US\$/bbl)	\$20.11	\$30.00	\$40.00

¹CPI YoY change. For current 10Y, breakeven inflation rate implied by TIPS used
Source: Bloomberg; Scotiabank Economics; Scotiabank GBM estimates.

With respect to the overall commodity market, a few key elements which will also impact the supply/demand side include:

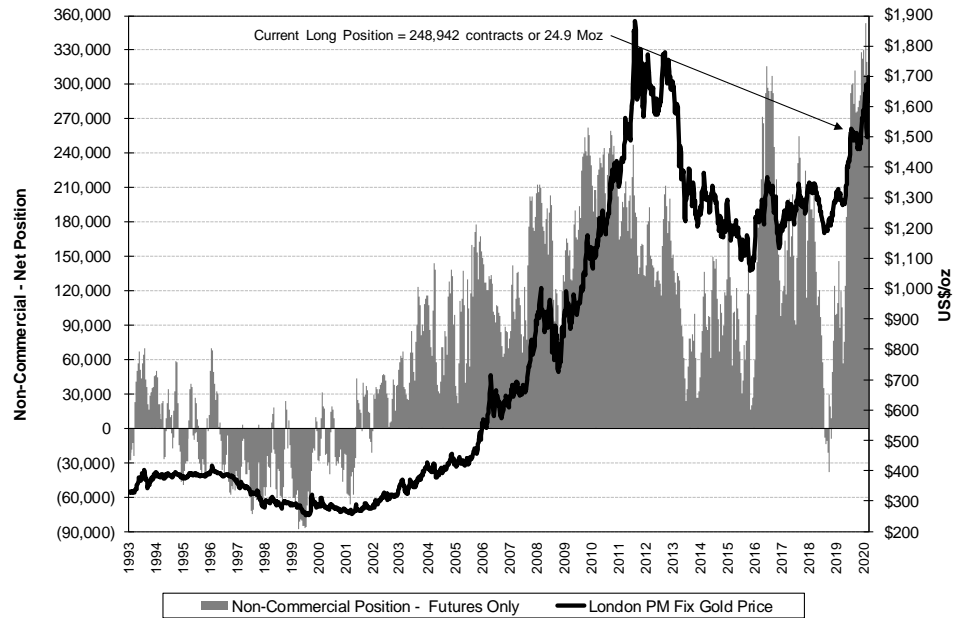
4. We expect **mine supply** to decline short-term given the temporary mine closures/curtailment of production. Production is expected to come back on line once global lockdowns are lifted. We also expect some projects which had been shelved in the lower gold price environment will once again be reviewed and possibly approved in a higher gold price environment. This could add to global production in several years as most projects require permitting (could take several years depending on location) and take about two years (on average) to build.
5. **Scrap or recycled gold** supply is expected to increase in a higher gold price environment.

6. **Jewellery demand** will be temporarily impacted by COVID-19 lockdown measures (China and India makes up over 50% of jewellery demand) but there could be some pent-up demand (although likely several months away) once the lockdowns are lifted (China is just starting to re-open). It is likely that some demand is lost. Higher gold prices in local currencies in key gold consuming countries (including China/India) will also likely have a negative impact on jewellery demand. However, the discount being experienced on the Shanghai Gold Exchange (SGE, current at record levels of ~\$60/oz), given the lockdown measures in place, will likely revert back to a premium once measures are relaxed and business reverts back to some new form of normal, which could positively impact prices. See Exhibit 13.

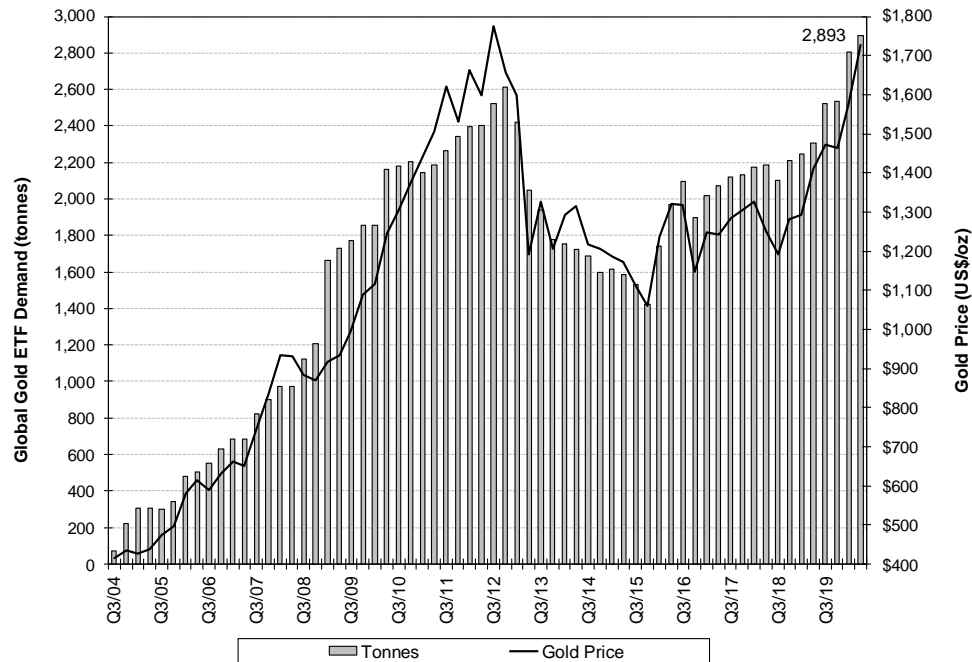
Exhibit 13: SGE Gold Premiums Versus Spot Gold Price


Source: Bloomberg, Scotiabank GBM.

7. **Investment demand** through ETF holdings, coins and the Comex is expected to remain at high levels or grow higher (demand for portfolio insurance). See Exhibits 14 and 15 on following page.
8. **Central bank purchases are expected to be lower y/y given Russia's announcement to stop its gold purchase program. Could sales be next?** Central banks have bought, on average, about 400-625 tonnes of gold per annum over the last few years, with Russia being one of the key buyers, purchasing ~160 tonnes in 2019 (Russia has been adding to its reserves over the last 14 years). Russia recently announced that it will halt all of its official gold buying effective April 1. Other recent significant official buying has been noted in India, Kazakhstan, China, Poland and Turkey (buying in 2019, but had significant selling in the prior years). Given the uncertainty in world economies gold could be monetized and used to fund the economic programs/rising debt levels as a result of the large stimulus packages being announced. The possibility of central bank selling is a key risk to our bullish gold price outlook. See Exhibit 16.

Exhibit 14: Historical Comex Speculative Futures Positions – Futures Only (1993-Present)


Source: Bloomberg.

Exhibit 15: Gold ETFs and Gold Price


Source: Bloomberg.

Exhibit 16: Central Bank Holdings and Percentage of Total Foreign Reserves

	Tonnes	% of Reserves
United States	8,133	78%
Germany	3,366	74%
IMF	2,814	n.a.
Italy	2,452	70%
France	2,436	64%
Russian Federation	2,290	21%
China, P.R.: Mainland	1,948	3%
Switzerland	1,040	6%
Japan	765	3%
India	635	7%
Netherlands	612	71%
ECB	505	31%
Turkey	454	23%
Taiwan Province of China	422	4%
Kazakhstan	388	68%
Portugal	383	78%
Uzbekistan	331	56%
Saudi Arabia	323	3%
United Kingdom	310	10%
Lebanon	287	28%
Spain	282	20%
Austria	280	55%
Poland	229	9%
Belgium	227	40%

The data above is generally two months in arrears, so most holdings are as of February 2020. The percentage share of total foreign reserves was calculated by the World Gold Council using a February month end gold price of ~\$1,610/oz.
Source: World Gold Council; International Financial Statistics, April 2020.

Gold price forecast: We expect the gold price to remain “higher for longer”. We forecast an average gold price of ~\$1,650/oz for 2020, \$1,700/oz for 2021 and 2022, \$1,600/oz for 2023 and \$1,500/oz for 2024 (all forecasts in real terms), reflecting a 6%-19% increase compared to our prior forecasts (see Exhibit 17). We expect the gold price to remain “higher for longer” versus our previous expectations. Gold prices rallied for approximately three years after stimulus measures were rolled out in response to the most recent U.S. recession (c. 2008); our base case estimate is that the current gold bull market will be of similar duration.

Our long term price assumption of \$1,400/oz is an increase over our previous forecast of \$1,300/oz. The main reason is our assumption for higher inflation levels, and the pressures expected in the cost structure, particularly in higher input costs with respect to labour (~45% of the cost structure), fuel & power (~15%) and consumables (~25%). Our long-term gold price forecast is based on our long-term breakeven gold price forecast. Our \$1,400/oz long-term forecast represents a ~20% decline from our forecasted peak annual average gold price in 2021-2022, generally in line with the 25% decline in average annual gold prices observed from the previous peak in 2012 to the subsequent baseline average of ~\$1,250/oz for the five-year period from 2014-2018.

Silver price forecast adjusted higher. We are raising our silver price forecasts to reflect higher gold price estimates. We are also calling for the silver-to-gold ratio to average slightly lower (better) than its current level of 112. By the second half of this year we estimate a silver-to-gold ratio of 100, further improving to 90 in 2022. Then as our gold price forecast begins to decline we see a weakening of the ratio to a long-term level of 93. It is worth noting that while we use a less bullish ratio than previously, the improving trend predicts silver will outperform gold as the silver-to-gold ratio declines.

Exhibit 17: Gold Price Estimates

	Current	2020E	2021E	2022E	2023E	2024E	LT
Commodities							
Gold (US\$/oz) - New	\$1,720	\$1,650	\$1,700	\$1,700	\$1,600	\$1,500	\$1,400
Gold (US\$/oz) - Old		\$1,550	\$1,475	\$1,425	\$1,375	\$1,325	\$1,300
%Δ - New vs Old		6%	15%	19%	16%	13%	8%
%Δ - New vs Current		(4%)	(1%)	(1%)	(7%)	(13%)	(19%)
Silver (US\$/oz) - New	\$15.45	\$16.50	\$18.00	\$19.00	\$17.25	\$16.00	\$15.00
Silver (US\$/oz) - Old		\$18.75	\$17.75	\$16.75	\$16.25	\$15.50	\$15.00
%Δ - New vs Old		(12%)	1%	13%	6%	3%	0%
%Δ - New vs Current		7%	17%	23%	12%	4%	(3%)

Source: Bloomberg, Scotiabank GBM estimates.

Pertinent Data and Revisions

	Price	Rating	1-Yr. Target	1-Yr. Return
AEM-N	US\$52.65	SP	US\$60.00	15.5%
AU-N	US\$22.83	SP	US\$27.00	18.7%
AUY-N	US\$4.16	SO	US\$5.00	21.2%
BVN-N	US\$7.21	SU	US\$8.00	12.2%
EGO-N*	US\$8.41	SP	US\$11.00	30.8%
FNV-N	US\$122.73	SP	US\$134.00	10.0%
GFI-N	US\$6.75	SP	US\$8.00	20.8%
GOLD-N	US\$24.47	SO	US\$30.00	23.7%
IAG-N	US\$3.09	SP	US\$4.00	29.4%
KGC-N	US\$5.98	SO	US\$7.50	25.4%
NEM-N	US\$58.22	SO	US\$70.00	22.0%
RGLD-Q	US\$104.81	SP	US\$123.00	18.4%

*Speculative risk ranking.

Agnico Eagle Mines Limited (AEM-N;US\$52.65)

Key Risks: Commodity prices; technical and operational risk; foreign exchange risk

	New	Old
1-Yr. Target	US\$60.00	US\$55.00
Key Data	Adj EPS20E: \$1.12	Adj EPS20E: \$1.21
	Adj EPS21E: \$2.65	Adj EPS21E: \$1.39
	Adj EPS22E: \$2.85	Adj EPS22E: \$1.30
	NAVPS: \$40.05	NAVPS: \$32.25
Valuation	1.50x NAV	1.70x NAV

AngloGold Ashanti Limited (AU-N;US\$22.83)

	New	Old
1-Yr. Target	US\$27.00	US\$22.50
Key Data	Adj EPS20E: \$1.93	Adj EPS20E: \$1.47
	Adj EPS21E: \$2.66	Adj EPS21E: \$1.48
	Adj EPS22E: \$2.71	Adj EPS22E: \$1.35
	NAVPS: \$25.50	NAVPS: \$19.55
Valuation	1.05x NAV	1.15x NAV

Barrick Gold Corporation (GOLD-N;US\$24.47)

Key Risks: Commodity prices; technical and operational risk; geopolitical risk

	New	Old
1-Yr. Target	US\$30.00	US\$20.00
Key Data	Adj EPS20E: \$0.81	Adj EPS20E: \$0.77
	Adj EPS21E: \$1.03	Adj EPS21E: \$0.68
	Adj EPS22E: \$1.14	Adj EPS22E: \$0.68
	NAVPS: \$17.15	NAVPS: \$14.75
Valuation	1.75x NAV	1.35x NAV

Buenaventura (BVN-N;US\$7.21)

	New	Old
1-Yr. Target	US\$8.00	US\$12.00
Key Data	Adj EPS20E: \$-0.50	Adj EPS20E: \$0.43
	Adj EPS21E: \$0.73	Adj EPS21E: \$0.72
	Adj EPS22E: \$0.89	Adj EPS22E: \$0.69
	NAVPS: \$12.20	NAVPS: \$12.50
Valuation	0.65x NAV	0.95x NAV

Eldorado Gold Corporation (EGO-N;US\$8.41)

	New	Old
1-Yr. Target	US\$11.00	US\$9.50
Key Data	Adj EPS20E: \$0.69	Adj EPS20E: \$0.64
	Adj EPS21E: \$0.55	Adj EPS21E: \$0.20
	Adj EPS22E: \$0.63	Adj EPS22E: \$0.21
	NAVPS: \$23.20	NAVPS: \$18.85

Franco-Nevada Corporation (FNV-N;US\$122.73)

Key Risks: Commodity prices; non-operator		
	New	Old
1-Yr. Target	US\$134.00	US\$100.00
Key Data	Adj EPS20E: \$2.17	Adj EPS20E: \$2.51
	Adj EPS21E: \$2.67	Adj EPS21E: \$2.52
	Adj EPS22E: \$2.98	Adj EPS22E: \$2.49
	NAVPS: \$44.30	NAVPS: \$41.00
Valuation	3.00x NAV	2.45x NAV

Gold Fields Limited (GFI-N;US\$6.75)

	New	Old
1-Yr. Target	US\$8.00	US\$7.00
Key Data	Adj EPS20E: \$0.62	Adj EPS20E: \$0.65
	Adj EPS21E: \$1.08	Adj EPS21E: \$0.62
	Adj EPS22E: \$1.10	Adj EPS22E: \$0.60
	NAVPS: \$9.60	NAVPS: \$7.20
Valuation	0.85x NAV	0.95x NAV

IAMGOLD Corporation (IAG-N;US\$3.09)

	New	Old
1-Yr. Target	US\$4.00	US\$3.75
Key Data	Adj EPS20E: \$0.28	Adj EPS20E: \$0.19
	Adj EPS21E: \$0.39	Adj EPS21E: \$0.14
	Adj EPS22E: \$0.40	Adj EPS22E: \$0.08
	NAVPS: \$6.90	NAVPS: \$4.80
Valuation	0.6x NAV	0.8x NAV

Kinross Gold Corporation (KGC-N;US\$5.98)

Key Risks: Commodity prices; technical and operational risk; geopolitical risk		
	New	Old
Rating	SO	SP
1-Yr. Target	US\$7.50	US\$5.25
Key Data	Adj EPS20E: \$0.57	Adj EPS20E: \$0.48
	Adj EPS21E: \$0.73	Adj EPS21E: \$0.41
	Adj EPS22E: \$0.78	Adj EPS22E: \$0.41
	NAVPS: \$6.80	NAVPS: \$5.40
Valuation	1.1x NAV	1.0x NAV

Newmont Corporation (NEM-N;US\$58.22)

Key Risks: Commodity prices; technical and operational risk; geopolitical risk

	New	Old
1-Yr. Target	US\$70.00	US\$50.00
Key Data	Adj EPS20E: \$1.76	Adj EPS20E: \$1.80
	Adj EPS21E: \$2.74	Adj EPS21E: \$1.68
	Adj EPS22E: \$2.85	Adj EPS22E: \$1.47
	NAVPS: \$40.70	NAVPS: \$33.90
Valuation	1.7x NAV	1.45x NAV

Royal Gold Inc. (RGLD-Q;US\$104.81)

	New	Old
1-Yr. Target	US\$123.00	US\$112.00
Key Data	Adj EPS20E: \$2.38	Adj EPS20E: \$2.46
	Adj EPS21E: \$2.88	Adj EPS21E: \$2.41
	Adj EPS22E: \$3.53	Adj EPS22E: \$2.59
	NAVPS: \$54.85	NAVPS: \$50.00

Yamana Gold Inc. (AUY-N;US\$4.16)

Valuation: 1.25x NAV

Key Risks: Commodity prices; technical and operational risk; geopolitical risk

	New	Old
Rating	SO	SP
1-Yr. Target	US\$5.00	US\$4.25
Key Data	Adj EPS21E: \$0.25	Adj EPS21E: \$0.10
	Adj EPS22E: \$0.29	Adj EPS22E: \$0.12
	NAVPS: \$4.00	NAVPS: \$3.30

Appendix A: Important Disclosures

Company	Disclosures (see legend below)*
Agnico Eagle Mines Limited	O3, VS0170, VS0185, VS0326, VS0337, VS0433, VS0484, VS0558, VS0559, VS0624
AngloGold Ashanti Limited	J, U
Barrick Gold Corporation	J, O3, U, VS0005, VS0178, VS0627
Eldorado Gold Corporation	VS0006, VS0466, VS0626
Franco-Nevada Corporation	O3
Gold Fields Limited	G, N1, U
IAMGOLD Corporation	VS0007, VS0444, VS0560
Kinross Gold Corporation	D37, I, J, O1, O3, U, VS0394, VS0497, VS0545
Newmont Corporation	G, J, N1, U, VS0291, VS0332, VS0336, VS0452, VS0492, VS0587, VS0678
Yamana Gold Inc.	VS0186, VS0644

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*Legend

D37	Una M. Power, a Director of the Bank of Nova Scotia, is a member of the Board of Directors of Kinross Gold Corporation.
G	Scotia Capital (USA) Inc. or its affiliates has managed or co-managed a public offering in the past 12 months.
I	Scotia Capital (USA) Inc. or its affiliates has received compensation for investment banking services in the past 12 months.
J	Scotia Capital (USA) Inc. or its affiliates expects to receive or intends to seek compensation for investment banking services in the next 3 months.
N1	Scotia Capital (USA) Inc. had an investment banking services client relationship during the past 12 months.
O1	Scotia Capital Inc. and its affiliates collectively beneficially own in excess of 1% of one or more classes of the issued and outstanding equity securities of this issuer.

- O3** The Bank of Nova Scotia and its affiliates collectively have a net long position in excess of 0.5% of the total issued share capital of the issuer.
- U** Within the last 12 months, Scotia Capital Inc. and/or its affiliates have undertaken an underwriting liability with respect to equity or debt securities of, or have provided advice for a fee with respect to, this issuer.
- VS0005** Research Analyst Tanya Jakusconek visited Pueblo Viejo, an operating mine, on February 28, 2013. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0006** Research Analyst Tanya Jakusconek visited Efemcukuru, Kisladag, Perama Hill, Olympias, Skouries, Piavitsa, and Stratoni, operating mines and projects under development, on October 1-5, 2012. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the sites.
- VS0007** Research Analyst Tanya Jakusconek visited Cote Gold, a development project, on October 22, 2012. The issuer paid for all of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0170** Research Analyst Tanya Jakusconek visited Meliadine, a mine under development, on August 26, 2014. The issuer paid for all of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0178** Research Analyst Tanya Jakusconek visited Goldstrike, Cortez, and Goldrush, producing mines and exploration property, on September 17-18, 2014. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0185** Research Analyst Tanya Jakusconek visited Canadian Malartic, a producing mine, on September 30, 2014. The issuer paid for all of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0186** Research Analyst Tanya Jakusconek visited Canadian Malartic, a producing mine, on September 30, 2014. The issuer paid for all of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0291** Research Analyst Tanya Jakusconek visited Cerro Negro, an operating mine, on February 27, 2015. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0326** Research Analyst Tanya Jakusconek visited Meadowbank and Amaruq, an operating mine and an exploration property, respectively, on August 20, 2015. The issuer paid for all of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0332** Research Analyst Tanya Jakusconek visited Eleonore, an operating mine, on September 9, 2015. The issuer paid for all of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0336** Research Analyst Tanya Jakusconek visited the Cripple Creek & Victor mine, an operating mine, on September 20, 2015. Full payment was received from the issuer for the travel-related expenses incurred by the Research Analyst to visit this site.
- VS0337** Research Analyst Tanya Jakusconek visited El Barqueno, a development project, on September 23-24, 2015. The issuer paid for all of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0394** Research Analyst Tanya Jakusconek visited the Bald Mountain and Round Mountain mines, operating mines in Nevada, on June 29 and 30, 2016, respectively. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0433** Research Analyst Tanya Jakusconek visited Kittila, producing mine sites in Finland, on November 14-15, 2016. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0444** Research Associate Analyst Scott Macdonald visited the Westwood mine, a producing mine, on December 14-15, 2016. The issuer paid for a portion of the travel-related expenses incurred by the Research Associate Analyst to visit the site.
- VS0452** Research Analyst Tanya Jakusconek visited the Merian mine, an operating mine, on March 2, 2017. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0466** Research Analyst Tanya Jakusconek visited Skouries, a development asset, and Olympias, a producing asset, on June 8, 2017. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0484** Research Analyst Tanya Jakusconek visited Goldex, Canadian Malartic, and Meliadine, producing and developing assets on September 6-7, 2017. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0492** Research Analyst Tanya Jakusconek visited Long Canyon and Carlin, both producing mines, on September 21-22, 2017. The issuer did not pay for any of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0497** Research Analyst Tanya Jakusconek visited the Tasiast mine, a producing mine, on October 3, 2017. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.

- VS0545** Research Analyst Tanya Jakusconek visited Fort Knox, an operating mine, on July 11, 2018. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0558** Research Analyst Tanya Jakusconek visited Agnico Eagle Mines' Meliadine property, a mine under development in Nunavut, Canada on September 6, 2018. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0559** Research Associate Analyst Scott Macdonald visited Agnico Eagle Mines' Meliadine property, a mine under development in Nunavut, Canada on September 6, 2018. The issuer paid for a portion of the travel-related expenses incurred by the Research Associate Analyst to visit the site.
- VS0560** Research Associate Analyst Scott Macdonald visited IAMGOLD's Côté Gold project, a mine under development in Gogama, Ontario, on September 5, 2018. The issuer paid for a portion of the travel-related expenses incurred by the Research Associate Analyst to visit the site.
- VS0587** Research Analyst Tanya Jakusconek visited Penasquito, a mine in Mexico, on March 1, 2019. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0624** Research Analyst Tanya Jakusconek visited Agnico Eagle Mines' Meliadine and Amaruq properties in Nunavut on August 19-20, 2019. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0626** Research Analyst Tanya Jakusconek visited Eldorado Gold's Lamaque Mine in Val d'Or, Quebec on September 10, 2019. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0627** Research Analyst Tanya Jakusconek visited the Turquoise Ridge/Twin Creeks, Cortez, Carlin/Goldstrike, and Goldrush/Fourmile properties in Nevada on September 18-20, 2019. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0644** Research Analyst Tanya Jakusconek visited Yamana's Jacobina mine in Brazil, on October 1-3, 2019. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.
- VS0678** Research Analyst Tanya Jakusconek visited Penasquito, an operating mine in Mexico, on February 26-27, 2020. The issuer paid for a portion of the travel-related expenses incurred by the Research Analyst to visit the site.

Rating and Price Target History

Agnico Eagle Mines Limited (AEM-N) as of April 15, 2020 (in USD)



*Represents the value(s) that changed.

Ratings Legend: FS=Focus Stock; SO=Sector Outperform; SP=Sector Perform; SU=Sector Underperform; T=Tender; UR=Under Review; CS=Coverage Suspended; DC=Discontinued Coverage

Source: Scotiabank GBM estimates; FactSet.

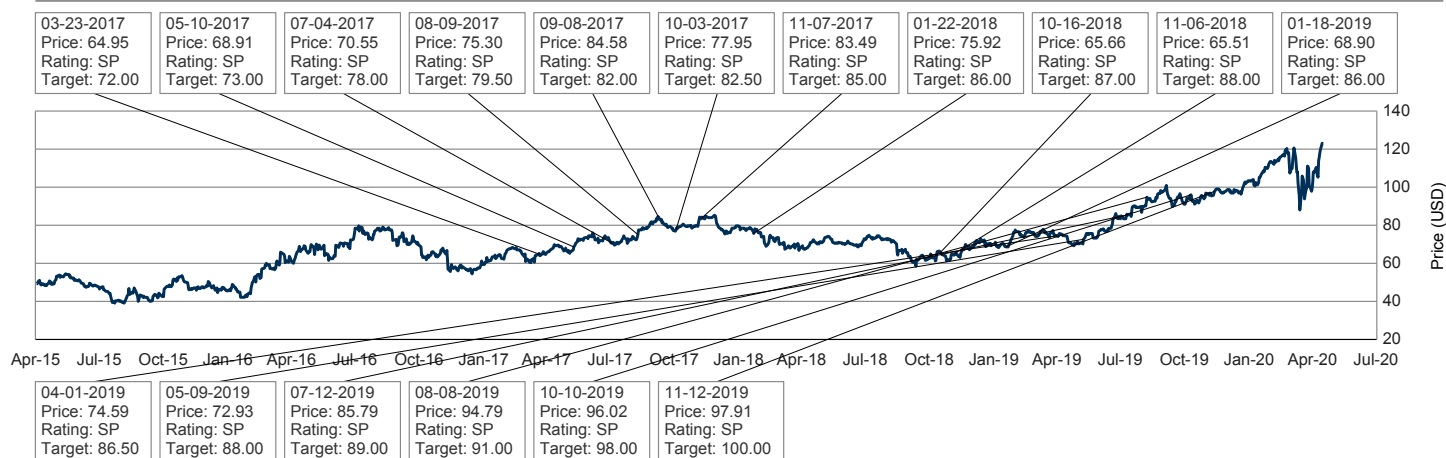
Barrick Gold Corporation (GOLD-N) as of April 15, 2020 (in USD)



*Represents the value(s) that changed.

Ratings Legend: FS=Focus Stock; SO=Sector Outperform; SP=Sector Perform; SU=Sector Underperform; T=Tender; UR=Under Review; CS=Coverage Suspended; DC=Discontinued Coverage

Source: Scotiabank GBM estimates; FactSet.

Franco-Nevada Corporation (FNV-N) as of April 15, 2020 (in USD)


*Represents the value(s) that changed.

Ratings Legend: FS=Focus Stock; SO=Sector Outperform; SP=Sector Perform; SU=Sector Underperform; T=Tender; UR=Under Review; CS=Coverage Suspended; DC=Discontinued Coverage

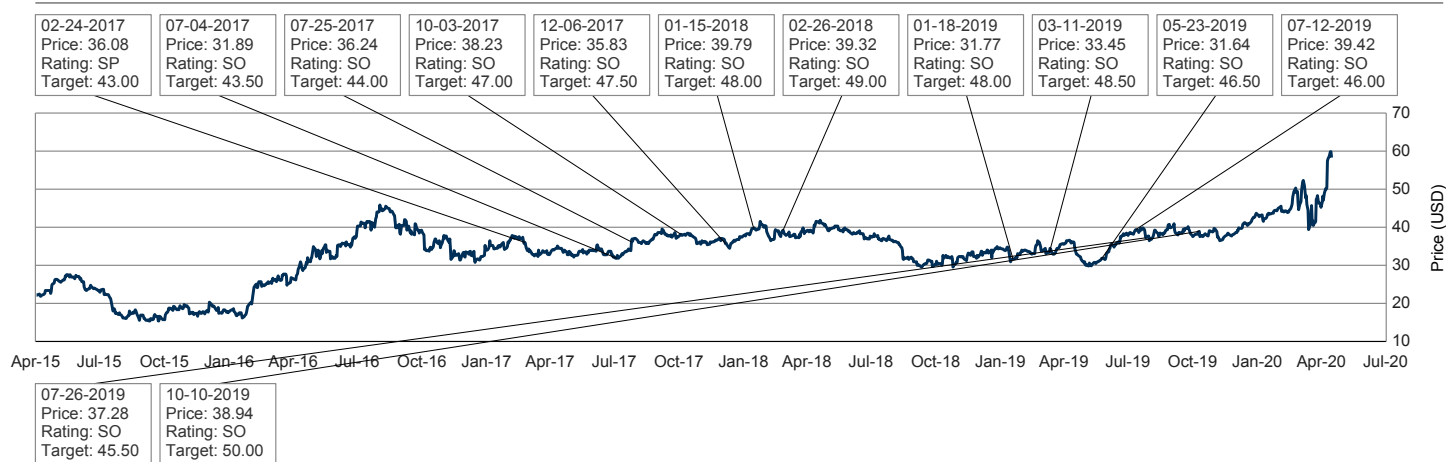
Source: Scotiabank GBM estimates; FactSet.

Kinross Gold Corporation (KGC-N) as of April 15, 2020 (in USD)


*Represents the value(s) that changed.

Ratings Legend: FS=Focus Stock; SO=Sector Outperform; SP=Sector Perform; SU=Sector Underperform; T=Tender; UR=Under Review; CS=Coverage Suspended; DC=Discontinued Coverage

Source: Scotiabank GBM estimates; FactSet.

Newmont Corporation (NEM-N) as of April 15, 2020 (in USD)


*Represents the value(s) that changed.

Ratings Legend: FS=Focus Stock; SO=Sector Outperform; SP=Sector Perform; SU=Sector Underperform; T=Tender; UR=Under Review; CS=Coverage Suspended; DC=Discontinued Coverage

Source: Scotiabank GBM estimates; FactSet.

Yamana Gold Inc. (AUY-N) as of April 15, 2020 (in USD)


*Represents the value(s) that changed.

Ratings Legend: FS=Focus Stock; SO=Sector Outperform; SP=Sector Perform; SU=Sector Underperform; T=Tender; UR=Under Review; CS=Coverage Suspended; DC=Discontinued Coverage

Source: Scotiabank GBM estimates; FactSet.

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Ratings

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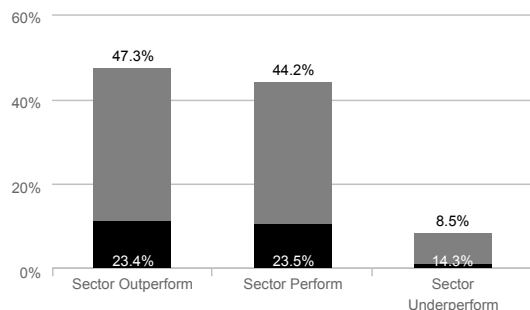
Under Review – The rating has been temporarily placed under review, until sufficient information has been received and assessed by the analyst.

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Distribution by Ratings and Equity and Equity-Related Financings*



* As of March 31, 2020.

Source: Scotiabank GBM.

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