

Industry Note

Equity Research

April 1, 2020

Gold and Precious Minerals - Large-Cap Golds

Gold Price Nearing Escape Velocity

Negative Real Rates and Central Bank Balance Sheet Expansion....

... Are the Triggers for Gold Above \$2,000/oz

Negative real rates, expanding central bank balance sheets, safe-haven buying, and the potential for higher inflation, given massive government stimulus, are a potent cocktail for higher gold prices over the next 12-24 months — much like what happened after the Global Financial Crisis (GFC), only on a bigger scale. We are raising our gold price deck — we now forecast an average gold price of \$1,650/oz in 2020, \$1,750/oz in 2021, and \$1,550/oz in 2022, and we have increased our long-term price to \$1,450/oz (from \$1,400/oz). If anything, we believe that our forecasts may be conservative. It would not surprise us if the gold price were to substantially exceed \$2,000/oz in the near-to-medium term. We note that gold entered the COVID-19 crisis at close to \$1,700/oz — and that was before global central banks throwing the kitchen sink at the COVID-19 crisis.

Disinflationary shock and a strong U.S. dollar are headwinds to gold's upside. Sharply lower oil prices, combined with the COVID-19 crisis, have generated a deflationary shock and rush to the U.S. dollar. We believe that the Fed's massive QE program, combined with the large-scale government stimulus, make gold one of the most obvious trades for the next stage of the crisis. Real rates should continue on a downward trajectory (Exhibit 4), with global central banks likely willing to let inflation run hot, helping to cement a multi-year gold rally.

Mine shutdowns a near-term headwind. COVID-19 concerns about the impact of the virus at remote mine sites have resulted in a wave of mine closures across the mining industry. We estimate that upwards of 50 gold mines have been temporarily shut down, affecting ~9.2 mmozs of annualized gold production (Exhibit 7). We expect that the impact should be largely confined to Q2/20; we have assumed that the closures will lower production at the affected mines by ~80% in Q2/20. We also note that travel restrictions and refinery closures will likely affect Q2/20 gold sales; we have assumed gold sales for Q2/20 at ~85% of production.

Free cash flow bonanza if cost discipline is maintained. At our higher gold price deck, we expect that the producers will generate significant FCF; in fact, we are projecting Senior Producer FCF yields of 9-17% based on our 2021 estimates (Exhibit 8). Cost discipline will be key for management teams this cycle.

Market Overweight gold sector. We are upgrading our sector recommendation to Market Overweight (from Market Weight). We note that golds were one of the top performing sectors of the equity market from Q4/08 through Q1/09 (Exhibit 6). **We have upgraded Barrick to ACTION LIST BUY (from Hold) and Centerra to BUY (from Hold).** Our Top Picks include Barrick, Newmont, Kirkland Lake, B2Gold, and Equinox.

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Exhibit 1. TD Securities Precious Metals Forecasts

(US\$/oz)	2018A	2019A	2020E	2021E	2022E	LT
Gold	\$1,269	\$1,393	\$1,650 ↑	\$1,750 ↑	\$1,550 ↑	\$1,450 ↑
<i>Previous</i>			\$1,550	\$1,500	\$1,400	\$1,400
Silver	\$15.71	\$16.21	\$16.85 ↓	\$18.00 ↓	\$20.00	\$20.00
<i>Previous</i>			\$20.00	\$20.00	\$20.00	\$20.00

Source: TD Securities Inc. estimates

Exhibit 2. TD Securities Target Prices and Recommendations

	Target Price		Return to Target	Recommendation		Risk Rating	Share Price	
	Old	New		Old	New			
Large caps								
Barrick Gold Corp.	\$22.00	\$28.00	↑	HOLD	AL BUY	↑	HIGH	\$18.32
Newmont Corp.	\$58.00	\$67.00	↑	BUY	BUY		HIGH	\$45.28
Agnico-Eagle Mines Ltd.	\$63.00	\$63.00		BUY	BUY		HIGH	\$39.79
Kinross Gold Corp.	\$7.00	\$8.00	↑	BUY	BUY		HIGH	\$3.98
Kirkland Lake Gold Ltd.	C\$58.00	C\$68.00	↑	BUY	BUY		HIGH	C\$41.45
Mid/small caps								
New Gold Inc.	\$0.95	\$0.65	↓	HOLD	HOLD		HIGH	\$0.51
Yamana Gold Inc.	\$5.50	\$5.50		BUY	BUY		HIGH	\$2.75
Eldorado Gold Corp.	\$10.50	\$8.00	↓	HOLD	HOLD		HIGH	\$6.17
B2Gold Corp.	C\$8.00	C\$8.50	↑	AL BUY	AL BUY		HIGH	C\$4.26
IAMGOLD Corp.	C\$7.00	C\$8.00	↑	BUY	BUY		HIGH	C\$3.20
Centerra Gold Inc.	C\$12.50	C\$14.00	↑	HOLD	BUY	↑	HIGH	C\$8.37
Equinox Gold Corp.	C\$15.00	C\$16.50	↑	BUY	BUY		HIGH	C\$9.40
SEMAFO Inc.	C\$2.85	C\$2.85		TENDER	TENDER		HIGH	C\$2.73
Alamos Gold Inc.	C\$13.00	C\$14.50	↑	BUY	BUY		HIGH	C\$7.07
Alio Gold Corp.	SUSP.	SUSP.		TENDER	TENDER		HIGH	C\$0.70
TMAC Resources Inc.	C\$1.00	C\$0.60	↓	HOLD	HOLD		SPEC.	C\$0.46
Developers								
Rubicon Minerals Corp.	C\$1.70	C\$1.70		Spec. BUY	Spec. BUY		SPEC.	C\$0.67
Orla Mining Ltd.	C\$3.25	C\$3.50	↑	Spec. BUY	Spec. BUY		SPEC.	C\$2.00
Lundin Gold Inc.	C\$16.00	C\$16.00		Spec. BUY	Spec. BUY		SPEC.	C\$7.83
Sabina Gold & Silver Corp.	C\$2.75	C\$2.75		Spec. BUY	Spec. BUY		SPEC.	C\$1.17
Silver companies								
Pan American Silver	\$30.00	\$24.00	↓	BUY	BUY		HIGH	\$14.33
First Majestic Silver	C\$17.50	C\$14.00	↓	BUY	BUY		HIGH	C\$8.72
Endeavour Silver Corp.	C\$3.00	C\$2.50	↓	HOLD	HOLD		HIGH	C\$1.89
MAG Silver Corp.	C\$21.00	C\$18.50	↓	Spec. BUY	Spec. BUY		SPEC.	C\$10.86
Royalty companies								
Wheaton Precious	\$40.00	\$41.00	↑	BUY	BUY		HIGH	\$27.53
Franco-Nevada Corp.	\$120.00	\$125.00	↑	HOLD	HOLD		HIGH	\$99.52
Osisko Gold Royalties	C\$15.00	C\$13.00	↓	HOLD	HOLD		HIGH	C\$10.50
Sandstorm Gold	C\$11.50	C\$11.50		BUY	BUY		HIGH	C\$7.05
Royal Gold Inc.	\$130.00	\$115.00	↓	HOLD	HOLD		HIGH	\$87.71

Source: Capital IQ, TD Securities Inc. estimates

Target Price and Recommendation Changes

We have tweaked our target multiples to reflect our more positive outlook on gold and our preference for the gold producers in this environment relative to the royalty/streaming companies, given that the producers have more leverage to higher gold prices. For the Senior Gold producers, we are generally using a 9.50x EV/2021 EBITDA target multiple (previously a range of 9.0x–12.0x), blended with a 1.85x NAV-5% target multiple (previously 1.70x–2.10x). As we have done in the past, we use lower target multiples for Kinross to reflect its perceived higher political risk profile.

We have lowered our target multiple for Agnico Eagle to be in line with the other Senior Golds (i.e. 9.50x EV/2021 EBITDA and 1.85x NAV-5%). We were previously using multiples at the higher end of the range to reflect the company's better production growth profile and increasing FCF. However, going forward with the company's two development projects in production, we see a flatter production profile over the next several years and with the higher cost profile provided with the recent three-year guidance forecast, we have dialled back our FCF estimates.

We have pulled back our target multiples for the royalty/streaming companies and left our recommendations unchanged. We expect the gold price to move higher in the current macro-economic environment and in our view that favours the senior gold producers, given their higher sensitivity to gold. We do expect that the royalty/streaming companies will benefit from the current environment via the acquisition of by-product precious metal streams from base metal producers who may be experiencing balance-sheet challenges — that being said, we do not see as much balance sheet stress among the base metal miners currently as we did in 2015/2016. Albeit that could change if base metal prices take another leg down if demand declines further than currently forecast.

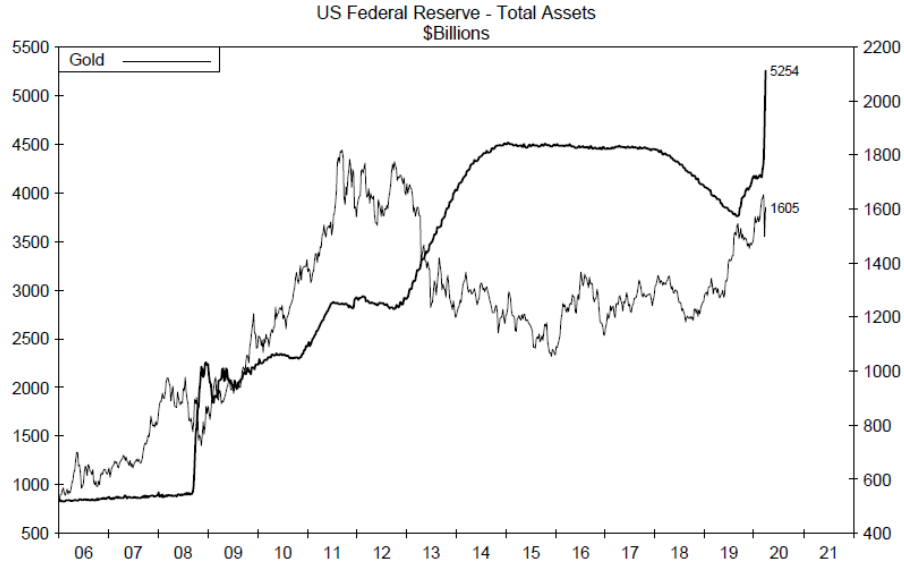
We have raised our Barrick recommendation to ACTION LIST BUY (from Hold) and our target price increases to US\$28.00 (from US\$22.00). Our new ACTION LIST BUY recommendation reflects the company's strong FCF, experienced and disciplined management team, sustainable production profile, and excellent balance sheet. Based on our forecasts, we expect Barrick to generate a total of \$6.1bn in FCF in 2020/2021 and by YE-2021, the company would have negative net debt of ~\$1.0bn. We estimate a 2021 FCF yield of 11.2%. Management has focused on capital returns to shareholders and increasing the dividend will be a priority, in our view. Barrick had a cash position of \$3.3bn at YE-2019 and undrawn available credit facilities of \$3.0bn. The company has no material debt maturities until after 2033. Barrick enters the COVID-19 crisis from a position of strength — although we do not model acquisitions, the crisis could present opportunities for the company to expand its footprint.

We are also upgrading Centerra Gold to BUY (from Hold) and our target price increases to C\$14.00 (from C\$12.50), given its recent price decline and strong outlook for 2020. We expect CG to generate strong FCF this year, with Oksut now up and running and development capital rolling off. We forecast 2020 FCF (after total capex) of ~\$246mm (FCF yield of ~10%). We also expect the company to release an updated LOM plan for Kumtor later this year, which we view as a key potentially positive catalyst. In the year-end resource statements, Kumtor reported an increase of 3.3mm oz in M&I resources, to 6.3mm oz, grading 3.03 g/t. This compares with the latest reported reserve totalling 3.2mm oz grading 2.31 g/t. The new LOM plan should result in the conversion of the bulk of these resource ounces into reserves, which would extend the mine life.

We have lowered our silver price forecasts for 2020 and 2021 to \$16.85/oz and \$18.00/oz respectively (down from \$20/oz previously), and we are maintaining our long-term price forecast of \$20.00/oz starting in 2022. Our lower price forecasts reflect weaker-than-expected prices through Q1/20, along with a reduction in industrial demand related to the COVID-19 pandemic.

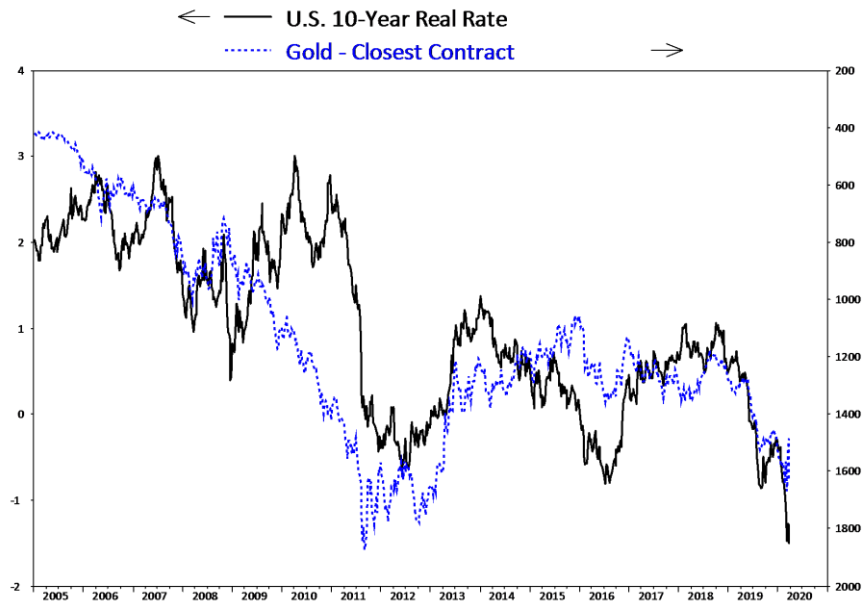
Exhibit 3. US Federal Reserve Balance Sheet and the Gold Price

U.S. Federal Reserve Total Assets US\$ billions (LHS); Gold Price US\$/oz (RHS)



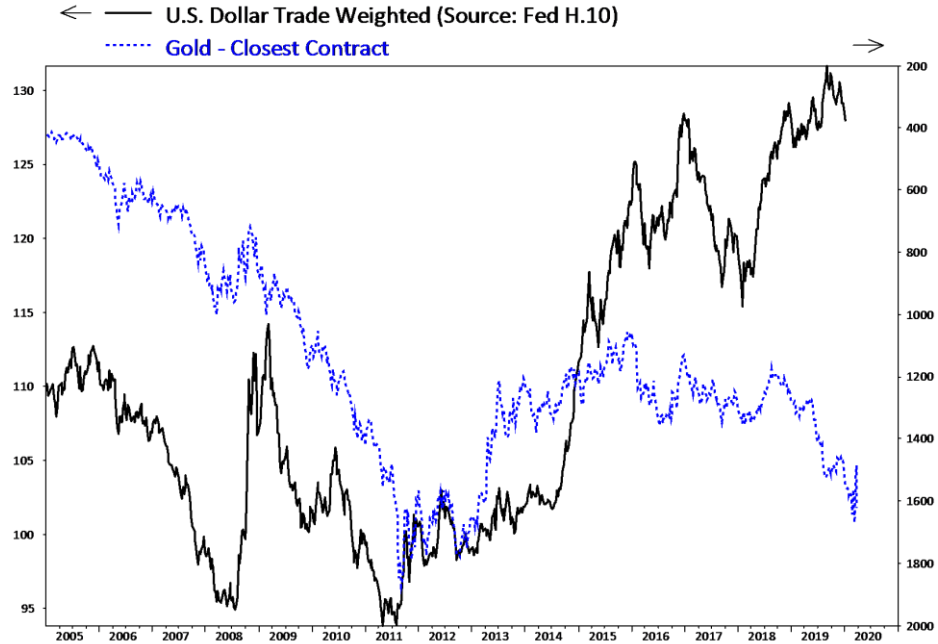
Source: US Federal Reserve, Bloomberg, TD Securities Inc.

Exhibit 4. Gold and US 10-year Real Rate



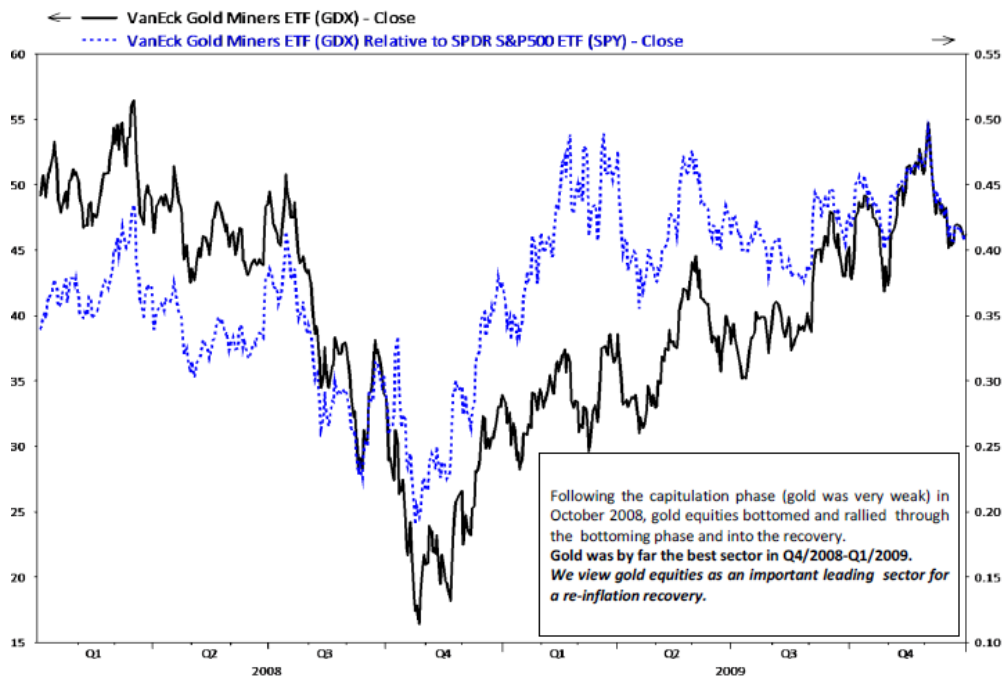
Source: Global Insight, Bloomberg, TD Securities Inc.

Exhibit 5. Gold and the U.S. Dollar



Source: Global Insight, Bloomberg, TD Securities Inc.

Exhibit 6. Gold Equities Relative to S&P 500 Q4/08–Q1/09



Source: Global Insight, Bloomberg, TD Securities Inc.

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Exhibit 7. Gold Mines Suspensions Tracker

Company	Operation	Country	Status	Announced Duration	Au Production (koz)		Ag Production (koz)	
					2020 guidance*	Q2/20E*	2020 guidance*	Q2/20E*
Agnico Eagle	LaRonde	Canada	Care and Maintenance	March 25 - April 13	305	76		
Agnico Eagle	Lapa	Canada	Care and Maintenance	March 25 - April 13	44	11		
Agnico Eagle	Goldex	Canada	Care and Maintenance	March 25 - April 13	135	34		
Agnico Eagle	Meliadine	Canada	Care and Maintenance	March 25 - April 13	353	85		
Agnico Eagle	Meadowbank	Canada	Care and Maintenance	March 25 - April 13	248	60		
Agnico Eagle/Yamana	Malartic	Canada	Care and Maintenance	March 25 - April 13	660	166		
Alamos Gold	Island Gold	Canada	Closure	March 24 - April 7	138	34		
AngloGold Ashanti**	Cerro Vanguardia	Argentina	Care and Maintenance	March 20 - March 31	225	56		
AngloGold Ashanti**	Mponeng	South Africa	Care and Maintenance	March 26 - April 16	243	61		
AngloGold Ashanti**	MWS	South Africa	Care and Maintenance	March 26 - April 16	176	44		
B2Gold	Masbate	Philippines	Reduced Operations	March 22 -	205	49		
Centerra Gold	Öksüt	Turkey	Reduced Operations	March 31 - April 14	90	14		
Dynacor Gold Mines	Veta Dorada	Peru	Care and Maintenance	March 18 - April 2				
Eldorado Gold	Lamaque	Canada	Closure	March 25 - April 13	130	33		
Equinox Gold	RDM	Brazil	Mining Suspended	March 27 - April 15	58	18		
Goldfields	South Deep	South Africa	Care and Maintenance	March 27 - April 18	280	16		
Harmony Gold	SA operations	South Africa	Care and Maintenance	March 27 - April 18	1,197			
Hecla Mining Company	Casa Berardi	Canada	Care and Maintenance	March 24 - April 13	138	34		
Hochschild Mining	Inmaculada	Peru	Care and Maintenance	March 18 - March 31	181	45	6,100	1,525
Hochschild Mining	Pallancata	Peru	Care and Maintenance	March 18 - March 31	19	5	5,500	1,375
Hochschild Mining	San Jose	Argentina	Care and Maintenance	March 20 - March 31	93	23	6,500	1,625
IAMGOLD	Westwood	Canada	Closure	March 25 - April 13	100	24		
Kirkland Lake Gold	Detour Lake	Canada	Reduced Operations	March 23 - April 30	530	145		
Lundin Gold	Fruta Del Norte	Ecuador	Care and Maintenance	Indefinite	217	52		
McEwen	Black Fox	Canada	Suspended Activities	March 26 - April 9	36			
McEwen	Gold Bar	USA	Adjusted Operations	March 26 - April 9	31			
Minas Buenaventura	Orcopampa	Peru	Care and Maintenance	March 17 - April 1	25	6		
Minas Buenaventura	Tambomayo	Peru	Care and Maintenance	March 17 - April 1	95	24	2,750	688
Minas Buenaventura	La Zanja	Peru	Care and Maintenance	March 17 - April 1	25	6		
Minas Buenaventura	Tantahuatay	Peru	Care and Maintenance	March 17 - April 1	140	35		
Minas Buenaventura	Uchucchacua	Peru	Care and Maintenance	March 17 - April 1			11,750	2,938
Minas Buenaventura	Julcani	Peru	Care and Maintenance	March 17 - April 1			2,700	675
Minas Buenaventura	El Brocal	Peru	Care and Maintenance	March 17 - April 1			4,250	1,063
Monument Mining	Selinsing	Malaysia	Care and Maintenance	March 18 - March 31				
New Gold	Rainy River	Canada	Closure	March 20 - April 3	250	63		
Newmont Corporation	Musselwhite	Canada	Care and Maintenance	March 23 -	140	20		
Newmont Corporation	Eleonore	Canada	Care and Maintenance	March 23 -	355	66		
Newmont Corporation	Cerro Negro	Argentina	Care and Maintenance	March 23 -	405	95		
Newmont Corporation	Yanacocha	Peru	Care and Maintenance	March 23 -	215	70		
OceanaGold	Macraes	New Zealand	Adjusted Operations	March 26 - April 23	173			
OceanaGold	Waihi	New Zealand	Care and Maintenance	March 26 - April 23	68			
Pan American Silver	Shahuindo	Peru	Care and Maintenance	March 17 - April 1	167	41		
Pan American Silver	La Arena	Peru	Care and Maintenance	March 17 - April 1	130	33		
Pan American Silver	Huaron	Peru	Care and Maintenance	March 17 - April 1			3,850	960
Pan American Silver	Morococho	Peru	Care and Maintenance	March 17 - April 1			2,700	670
Pan American Silver	Manantial Espejo	Argentina	Care and Maintenance	March 23 - March 30			4,150	990
Pan American Silver	San Vicente	Bolivia	Care and Maintenance	March 23 - March 30			3,550	890
Sabina Gold & Silver	Back River	Canada	Suspended Activities	Indefinite				
SSR Mining	Puna	Argentina	Care and Maintenance	March 20 - March 31			6,500	1,625
Sibanye-Stillwater	SA operations	South Africa	Care and Maintenance	March 27 - April 16	960	240		
TMAC Resources***	Hope Bay	Canada	Reduced Operations	March 30 - May 25	126	29		
Yamana Gold	Cerro Moro	Argentina	Reduced Operations	March 20 - March 31	117	29		
					9,223	1,843	60,300	15,023

* TD estimate or proration of management's guidance for non-covered companies. Q2/20E production figures are based on previous TD estimates for normal operations throughout Q2/20.

** AngloGold Ashanti does not publish operational level guidance, 2020 is based on 2019 actuals

***TMAC has not provided 2020 guidance. 2020 production figure shown is TD estimate.

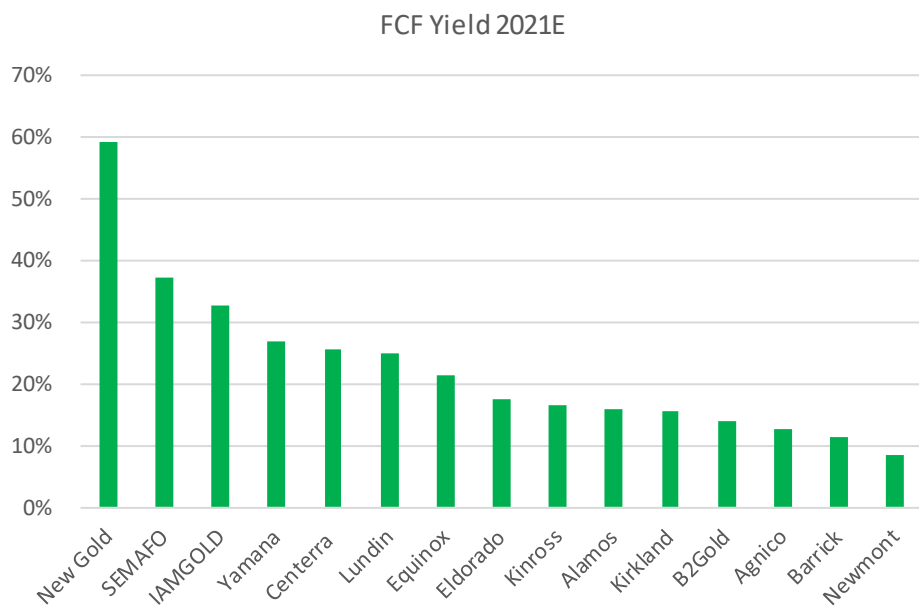
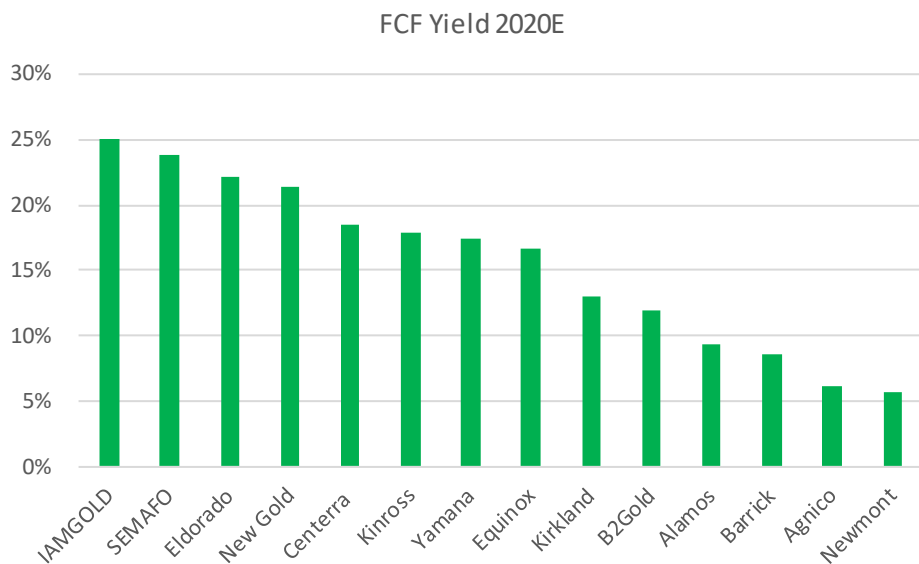
Source: Company reports, TD Securities Inc. estimates

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Exhibit 8. Gold producers — 2020E & 2021E FCF (After Sustaining Capex) Yield



Source: TD Securities Inc. estimates

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Exhibit 9. TD Securities Target Multiples

	Current Target	Current Valuation				Previous Target	Previous Valuation			
		2021E EBITDA		5%NAV			2021E EBITDA		5%NAV	
		Weight	Multiple	Weight	Multiple		Weight	Multiple	Weight	Multiple
Large caps										
Barrick Gold Corp.	\$28.00	40%	9.50	60%	1.85	\$22.00	40%	9.00	60%	1.70
Newmont Corp.	\$67.00	40%	9.50	60%	1.85	\$58.00	40%	9.00	60%	2.00
Agnico-Eagle Mines Ltd.	\$63.00	40%	9.50	60%	1.85	\$63.00	40%	12.00	60%	2.10
Kinross Gold Corp.	\$8.00	40%	5.50	60%	1.20	\$7.00	40%	6.00	60%	1.20
Kirkland Lake Gold Ltd.	C\$68.00	40%	9.50	60%	1.85	C\$58.00	40%	10.00	60%	1.80
Mid/small caps										
New Gold Inc.	\$0.65	40%	3.50	60%	0.85	\$0.95	40%	5.00	60%	1.00
Yamana Gold Inc.	\$5.50	40%	7.00	60%	1.40	\$5.50	40%	8.00	60%	1.40
Eldorado Gold Corp.	\$8.00	40%	4.50	60%	1.00	\$10.50	40%	7.00	60%	1.20
B2Gold Corp.	C\$8.50	40%	8.00	60%	1.80	C\$8.00	40%	9.00	60%	1.80
IAMGOLD Corp.	C\$8.00	40%	5.00	60%	1.10	C\$7.00	40%	6.00	60%	1.20
Centerra Gold Inc	C\$14.00	40%	4.50	60%	1.00	C\$12.50	40%	5.00	60%	1.00
Equinox Gold Corp.	C\$16.50	40%	5.50	60%	1.20	C\$15.00			100%	1.20
SEMAFO Inc. ¹	C\$2.85			See footnote 1		C\$2.85	40%	6.00	60%	1.30
Alamos Gold Inc.	C\$14.50	40%	7.00	60%	1.70	C\$13.00	40%	9.00	60%	1.70
Alio Gold Corp. ²	SUSP.			See footnote 2		SUSP.		See footnote 2		
TMAC Resources Inc. ³	C\$0.60			100%	0.50	C\$1.00			100%	0.50
Developers										
Rubicon Minerals Corp.	C\$1.70			100%	0.80	C\$1.70			100%	0.80
Orla Mining Ltd.	C\$3.50			100%	1.00	C\$3.25			100%	1.00
Lundin Gold Inc.	C\$16.00			100%	1.40	C\$16.00			100%	1.50
Sabina Gold & Silver Corp.	C\$2.75			100%	0.90	C\$2.75			100%	0.90
Silver companies										
Pan American Silver	\$24.00	40%	15.00	60%	1.50	\$30.00	40%	15.00	60%	1.50
First Majestic Silver	C\$14.00	40%	20.00	60%	2.50	C\$17.50	40%	25.00	60%	3.00
Endeavour Silver Corp.	C\$2.50			100%	2.00	C\$3.00			100%	2.50
MAG Silver Corp.	C\$18.50			100%	1.50	C\$21.00			100%	1.70
Royalty companies										
Wheaton Precious	\$41.00	100%	22.00			\$40.00	100%	23.00		
Franco-Nevada Corp. ⁴	\$125.00	100%	25.00			\$120.00	100%	26.00		
Osisko Gold Royalties	C\$13.00	70%	14.00	30%	1.75	C\$15.00	70%	17.50	30%	2.00
Sandstorm Gold	C\$11.50	60%	21.00	40%	2.00	C\$11.50	60%	22.00	40%	2.10
Royal Gold Inc.	\$115.00	100%	19.00			\$130.00	100%	21.00		

¹ Based on Endeavour's closing share price, applied by the stated exchange ratio of 0.1422 share of EDV for each share of SMF held.

² We have suspended our target price for ALO as we do not see a bump or competing bid materializing in this environment and view this as a reasonable outcome for Alio shareholders, particularly given the risks in being a single mine producer at a time when mines are at risk of temporary closures.

³ Based on 0.5x NAV multiple on the mining assets, plus corporate adjustments.

⁴ Includes pro forma incremental EBITDA of \$80mm, assuming the deployment of \$500mm into one or more streaming transactions over the next 12–24 months.

Source: TD Securities Inc. estimates

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Exhibit 10. TD Securities NAV and EBITDA Revisions

	NAV (\$/sh)		EBITDA (\$mm)			
			2020E		2021E	
	Old	New	Old	New	Old	New
Large caps						
Barrick Gold Corp.	\$12.45 ↑	\$13.79	\$4,637 ↑	\$4,820	\$4,405 ↑	\$5,407
Newmont Corp.	\$29.50 ↑	\$33.28	\$4,606 ↑	\$4,813	\$4,720 ↑	\$5,975
Agnico-Eagle Mines Ltd.	\$24.24 ↑	\$27.31	\$1,300 ↓	\$1,133	\$1,482 ↑	\$1,984
Kinross Gold Corp.	\$5.38 ↑	\$6.35	\$1,643 ↑	\$1,865	\$1,610 ↑	\$2,184
Kirkland Lake Gold Ltd.	C\$30.24 ↑	C\$33.74	\$1,479 ↑	\$1,570	\$1,379 ↑	\$1,755
Mid/small caps						
New Gold Inc.	\$0.60 ↓	\$0.58	\$298 ↓	\$277	\$323 ↑	\$382
Yamana Gold Inc.	\$2.81 ↑	\$3.03	\$809 ↓	\$756	\$859 ↑	\$1,049
Eldorado Gold Corp.	\$7.40 ↑	\$7.73	\$426 ↑	\$444	\$314 ↑	\$377
B2Gold Corp.	C\$3.81 ↑	C\$4.15	\$937 ↑	\$1,020	\$830 ↑	\$1,048
IAMGOLD Corp.	C\$5.51 ↑	C\$6.38	\$420 ↑	\$473	\$423 ↑	\$593
Centerra Gold Inc	C\$9.72 ↑	C\$11.13	\$717 ↑	\$749	\$655 ↑	\$812
Equinox Gold Corp.	C\$12.50 ↑	C\$13.79	\$329 ↑	\$353	\$388 ↑	\$548
SEMAFO Inc.	C\$3.80 ↑	C\$4.39	\$237 ↑	\$269	\$296 ↑	\$387
Alamos Gold Inc.	C\$8.69 ↑	C\$9.58	\$300 ↑	\$320	\$358 ↑	\$488
Alio Gold Corp.	C\$2.51 ↑	C\$3.18	\$22 ↑	\$29	\$20 ↑	\$34
TMAC Resources Inc.	C\$3.26 ↓	C\$2.69	C\$104 ↑	C\$107	C\$130 ↑	C\$157
Developers						
Rubicon Minerals Corp.	C\$2.12 ↑	C\$2.13	n/m	n/m	n/m	n/m
Orla Mining Ltd.	C\$3.33 ↑	C\$3.43	n/m	n/m	n/m	n/m
Lundin Gold Inc.	C\$9.92 ↑	C\$10.67	\$136 ↓	\$105	\$298 ↑	\$377
Sabina Gold & Silver Corp.	C\$3.04 ↑	C\$3.07	n/m	n/m	n/m	n/m
Silver companies						
Pan American Silver	\$10.73 ↓	\$9.82	\$589 ↓	\$433	\$742 ↓	\$553
First Majestic Silver	C\$2.21 ↑	C\$2.28	\$125 ↓	\$94	\$193 ↓	\$187
Endeavour Silver	C\$1.34	C\$1.34	\$25 ↓	\$19	\$22 ↑	\$23
MAG Silver Corp.	C\$12.93 ↓	C\$12.84	n/m	n/m	n/m	n/m
Royalty companies						
Wheaton Precious	\$16.80 ↑	\$17.28	\$738 ↓	\$704	\$787 ↑	\$837
Franco-Nevada Corp.	\$39.14 ↑	\$40.35	\$798 ↑	\$815	\$771 ↑	\$853
Osisko Gold Royalties	C\$8.55 ↑	C\$8.96	C\$130 ↓	C\$115	C\$140 ↑	C\$158
Sandstorm Gold	C\$6.09 ↑	C\$6.27	\$67	\$67	\$69 ↑	\$76
Royal Gold Inc.	\$48.19 ↓	\$46.36	\$386 ↓	\$367	\$413 ↑	\$440

Source: TD Securities Inc. estimates

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Exhibit 11. TD Securities EPS and CFPS Revisions

	EPS (\$/sh)				CFPS (\$/sh)			
	2020E		2021E		2020E		2021E	
	Old	New	Old	New	Old	New	Old	New
Large caps								
Barrick Gold Corp.	\$0.69	↑ \$0.73	\$0.72	↑ \$1.03	\$2.43	↑ \$2.55	\$2.39	↑ \$2.92
Newmont Corp.	\$1.86	↑ \$2.14	\$1.98	↑ \$3.07	\$4.51	↓ \$4.45	\$4.74	↑ \$5.57
Agnico-Eagle Mines Ltd.	\$0.39	↑ \$1.06	\$1.91	↑ \$3.04	\$4.44	↓ \$3.72	\$5.05	↑ \$6.37
Kinross Gold Corp.	\$0.35	↑ \$0.45	\$0.32	↑ \$0.59	\$1.06	↑ \$1.17	\$1.03	↑ \$1.31
Kirkland Lake Gold Ltd.	\$2.67	↑ \$2.92	\$2.35	↑ \$3.24	\$5.02	↑ \$5.34	\$4.68	↑ \$6.00
Mid/small caps								
New Gold Inc.	(\$0.11)	↓ (\$0.14)	\$0.01	↑ \$0.06	\$0.42	↓ \$0.39	\$0.48	↑ \$0.54
Yamana Gold Inc.	\$0.18	↓ \$0.17	\$0.23	↑ \$0.36	\$0.75	↓ \$0.70	\$0.79	↑ \$0.95
Eldorado Gold Corp.	\$0.77	↑ \$0.89	\$0.39	↑ \$0.69	\$2.11	↑ \$2.16	\$1.66	↑ \$1.91
B2Gold Corp.	\$0.40	↑ \$0.45	\$0.33	↑ \$0.46	\$0.66	↑ \$0.71	\$0.60	↑ \$0.74
IAMGOLD Corp.	\$0.14	↑ \$0.22	\$0.10	↑ \$0.32	\$0.77	↑ \$0.84	\$0.79	↑ \$1.03
Centerra Gold Inc.	\$0.93	↑ \$1.01	\$0.73	↑ \$1.18	\$1.99	↑ \$2.06	\$1.78	↑ \$2.23
Equinox Gold Corp.	\$0.80	↑ \$0.92	\$0.53	↑ \$0.95	\$1.43	↑ \$1.50	\$1.39	↑ \$1.88
SEMAFO Inc.	\$0.20	↑ \$0.27	\$0.28	↑ \$0.47	\$0.61	↑ \$0.69	\$0.77	↑ \$0.97
Alamos Gold Inc.	\$0.27	↑ \$0.32	\$0.31	↑ \$0.54	\$0.66	↑ \$0.69	\$0.79	↑ \$1.03
Alio Gold Corp.	\$0.06	↑ \$0.12	\$0.05	↑ \$0.16	\$0.18	↑ \$0.25	\$0.17	↑ \$0.30
TMAC Resources Inc.	C\$0.16	↑ C\$0.21	C\$0.27	↑ C\$0.48	C\$0.69	C\$0.69	C\$0.93	↑ C\$1.09
Developers								
Rubicon Minerals Corp.	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Orla Mining Ltd.	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Lundin Gold Inc.	\$0.35	↓ \$0.27	\$0.91	↑ \$1.26	\$0.57	↓ \$0.43	\$1.23	↑ \$1.57
Sabina Gold & Silver Corp.	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Silver companies								
Pan American Silver	\$0.98	↓ \$0.60	\$1.27	↓ \$0.80	\$2.33	↓ \$1.74	\$2.59	↓ \$1.95
First Majestic Silver	\$0.10	↓ (\$0.02)	\$0.28	↓ \$0.25	\$0.61	↓ \$0.51	\$0.77	↓ \$0.76
Endeavour Silver	\$0.03	↓ (\$0.01)	\$0.02	↑ \$0.03	\$0.17	↓ \$0.14	\$0.16	↑ \$0.17
MAG Silver Corp.	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Royalty companies								
Wheaton Precious	\$0.98	↓ \$0.97	\$1.10	↑ \$1.28	\$1.58	↓ \$1.50	\$1.72	↑ \$1.83
Franco-Nevada Corp.	\$2.31	↑ \$2.39	\$2.11	↑ \$2.50	\$3.86	↑ \$3.94	\$3.78	↑ \$4.18
Osisko Gold Royalties	C\$0.31	↓ C\$0.28	C\$0.30	↑ C\$0.43	C\$0.83	↓ C\$0.73	C\$0.90	↑ C\$1.02
Sandstorm Gold	\$0.12	↑ \$0.14	\$0.12	↑ \$0.16	\$0.35	\$0.35	\$0.36	↑ \$0.39
Royal Gold Inc.	\$2.67	↓ \$2.40	\$2.90	↑ \$2.99	\$5.15	↓ \$4.90	\$5.74	↑ \$6.10

Source: TD Securities Inc. estimates

Exhibit 12. Justification of and Key Risks to Target Prices

Company Name and Ticker	Target Price	Rec.	Risk Rating	Justification of Target Price	Key Risks to Target Price
Barrick Gold Corp. (US\$) GOLD-N,ABX-T	\$28.00	AL BUY	HIGH	Our target price is based on a 1.85x multiple to our NAV estimate (weighted 60%) and a 9.5x EV/2021E EBITDA multiple to our EBITDA estimate (weighted 40%).	The main risks facing Barrick include forecast, financial, technical, and political risks. Among other things, these include risks related to gold, copper and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; permitting; environment; indigenous people; labour strikes/disputes; and staffing and key personnel retention.
Newmont Corp. (US\$) NEM-N, NGT-T	\$67.00	BUY	HIGH	Our target price is based on a 1.85x multiple to our NAV estimate (weighted 60%) and a 9.5x EV/2021E EBITDA multiple to our EBITDA estimate (weighted 40%).	The main risks facing Newmont include forecast, financial, technical, and political risks. Among other things, these include risks related to gold, copper, and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; permitting; environment; indigenous people; labour strikes/disputes; and staffing and key personnel retention.
Kinross Gold Corp. (US\$) KGC-N, K-T	\$8.00	BUY	HIGH	Our target price is based on an EV/2021E EBITDA multiple of 5.5x (40% weighting) and a 1.2x multiple to our NAV-5% (60% weighting).	The main risks facing the company include forecast, financial, technical, and political risks. Among other things, these include risks related to the met coal, copper, and zinc prices; input costs and fuel prices; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; and environmental risks. Kinross' political risk profile is generally higher than that of its peers due to the location of its Kupol mine and Chulbatkan project in Russia and its Tasiast mine in Mauritania.
Agnico-Eagle Mines Ltd. (US\$) AEM-N,T	\$63.00	BUY	HIGH	Our target price is based on a 1.85x multiple to our NAV estimate (weighted 60%) and a 9.5x EV/2021E EBITDA multiple to our EBITDA estimate (weighted 40%).	The main risks facing Agnico-Eagle include forecast, financial, technical, and political risks. These include risks related to gold, zinc, copper, and silver prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates (primarily the Canadian dollar, the euro, and Mexican peso); resources and reserves; operating parameters; permitting; environment; indigenous people; labour strikes/disputes; and staffing and key personnel retention.
Yamana Gold Inc. (US\$) AUY-N, YRI-T	\$5.50	BUY	HIGH	Our target price is based on a 1.4x multiple to our NAV5% (weighted 60%) and an 7.0x multiple to our EBITDA estimate for 2021 (weighted 40%).	The main risks facing the company include forecast, financial, technical, and political risks. These include risks related to gold, silver, copper, and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; financing/access to capital if it pursues its full development pipeline; resources and reserves; operating parameters; permitting; environment; indigenous people; and staffing and key personnel retention. Yamana has faced local opposition to the development of its Agua Rica project in Argentina.
Eldorado Gold Corp. (US\$) ELD-T; EGO-N	\$8.00	HOLD	HIGH	Our target price is based on a 1.0x multiple to our NAV5% (weighted 60%) and a 4.5x multiple to our EBITDA estimate for 2021 (weighted 40%).	The main risks facing Eldorado include forecast, financial, technical, and political risks. These include risks related to gold, iron ore, and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; financing/access to capital if it pursues its full development pipeline; resources and reserves; operating parameters; permitting; environment; indigenous people; and staffing and key personnel retention. Operating issues at Kisladag are company-specific risks. This asset represents 42% of our NAVPS.
New Gold Inc. (US\$) NGD-T,A	\$0.65	HOLD	HIGH	We arrive at our target price by using a 0.85x NAV multiple (weighted 60%) and a 3.5x multiple to our 2021 EBITDA estimate (weighted 40%).	The main risks facing the company include forecast, financial, technical, and political risks. These include risks related to gold, silver, copper, and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; permitting; environment; indigenous people; and staffing and key personnel retention.
Centerra Gold Inc. (C\$) CG-T	\$14.00	BUY	HIGH	We arrive at our target price by using a 1.0x NAV multiple (weighted 60%) and a 4.5x multiple to our 2021 EBITDA estimate (weighted 40%).	The main risks facing Centerra include forecast, financial, technical, and political risks. Among other things, these include risks related to gold and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; permitting; environment; indigenous people; work stoppages/labour strikes; and staffing and key personnel retention. Centerra faces above-average political risk relative to its peers, with operations based in Kyrgyzstan.
Kirkland Lake Gold Ltd. (C\$) KL-T,N	\$68.00	BUY	HIGH	Our target price is based on a 1.85x multiple to our 5% NAV (weighted 60%) and a 9.5x multiple to our 2021E EBITDA estimate (weighted 40%).	Our target price is subject to political, technical, forecast, financial, commodity, country/currency, development and technical, operating, and M&A risks. These risks include, but are not limited to, risks related to gold and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; permitting; environmental concerns; indigenous peoples' issues; and staffing and retention of key personnel.
IAMGOLD Corp. (C\$) IMG-T,IAG-N	\$8.00	BUY	HIGH	Our target price is based on a 1.1x multiple to our 5% NAV (weighted 60%) and a 5.0x multiple to our 2021E EBITDA estimate (weighted 40%).	The main risks facing the company include forecast, financial, technical, and political risks. These include risks related to gold and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; permitting and environment; indigenous people; and staffing and key personnel retention.

Source: TD Securities Inc.

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Exhibit 13. Justification of and Key Risks to Target Prices (cont'd)

Company Name and Ticker	Target Price	Rec.	Risk Rating	Justification of Target Price	Key Risks to Target Price
SEMAFO Inc. (C\$) SMF-T	\$2.85	TENDER	HIGH	Our target price is based on Endeavour's closing share price, applied by the stated exchange ratio of 0.1422 share of EDV for each share of SMF held.	The main risks facing the company include forecast, financial, technical, and political risks. These include risks related to gold and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; permitting; environment; indigenous people; and staffing and key personnel retention. SEMAFO's Mana and Boungou mines are located in Burkina Faso, which has experienced political instability and violence in the recent past, including attacks which have temporarily suspended the company's Boungou operations. The company is working towards methods to reduce the risk and heighten safety and security around the operations. Failure to complete the proposed merger could result in near term share price weakness.
Alamos Gold Inc. (C\$) AGI-T,N	\$14.50	BUY	HIGH	Our target price is based on a 1.7x multiple to our 5% NAV (weighted 60%) and a 7.0x multiple to our 2021E EBITDA estimate (weighted 40%).	The main risks facing the company include forecast, financial, technical, and political risks. These also include risks related to gold and fuel prices; the governing fiscal and legislative regimes, particularly in Turkey; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; permitting; environment; indigenous people; and staffing and key personnel retention.
B2Gold Corp. (C\$) BTO-T,BTG-A	\$8.50	AL BUY	HIGH	Our target price is based on a 1.8x multiple to our 5% NAV (weighted 60%) and an 8.0x multiple to our 2021E EBITDA estimate (weighted 40%).	Our target price is subject to political, technical, forecast, and financial risks. These risks include, but are not limited to, risks related to gold and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; resources; operating parameters; permitting; environmental concerns; indigenous people; and staffing and retention of key personnel. We would view the political risk associated with Mali and the Philippines as above-average.
Alio Gold Corp. (C\$) ALO-T, ALO-N	SUSP.	TENDER	HIGH	We have suspended our target price for ALO as we do not see a bump or competing bid materializing in this environment and view this as a reasonable outcome for Alio shareholders, particularly given the risks in being a single mine producer at a time when mines are at risk of temporary closures.	Our recommendation is subject to political, technical, forecast, and financial risks. These include, but are not limited to, risks related to gold and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; resources; operating parameters; permitting; environmental concerns; indigenous people; and staffing and retention of key personnel. The company also faces financing risk, with development projects in the pipeline and insufficient resources to develop them. There are also elevated political and social risks in Mexico's Guerrero region, which have affected other mining operations in the area. Failure to complete the proposed merger could result in near term share price weakness.
First Majestic Silver Corp. (C\$) FR-T, AG-N	\$14.00	BUY	HIGH	Our blended target price is derived from a 60% weighting on 2.5x our corporate NAV5%, and a 40% weighting on 20x our 2021E EBITDA estimate. Our NAV5% is based on a long-term silver price of \$20.00/oz. Our valuation approach is in line with the multiples we assign to other silver producers in our precious metals coverage universe.	Key risks to our target price include silver, gold, lead, zinc, and energy price risk; foreign exchange risk; financial risk, including risks to the cost and availability of financing; forecast risk, including capital and operating cost risks, risks related to deposit size, grade, and mineability, and risks to production levels; technical risk, including risks associated with the use of multiple mining techniques and their individual feasibility and risks to the process flowsheet that we envision; infrastructure risk, including the availability of power and its reliability; transportation risk; political risk, including changes to the legal and fiscal regimes; permitting risk; community social relations risk; security risk, including the potential for violence and access disruptions; labour relations risk; illegal mining risk; ongoing tax dispute; environmental risk; title risk; litigation risk; surface rights risk; and staffing and key personnel retention risks.
Pan American Silver Corp. (US\$) PAAS-N,T	\$24.00	BUY	HIGH	Our blended target price is derived from a 60% weighting on 1.5x our corporate NAV5%, calculated using our long-term silver price of \$20.00/oz, and a 40% weighting on 15x our 2021E EBITDA. Our valuation approach is in line with the multiples we assign to other mid-tier silver producers in our coverage universe.	The key risks to our target price include silver, gold, lead, zinc, and energy price risk; foreign exchange risk; financial risk; forecast risk, such as capital and operating cost risks, risks related to deposit size, grade, and mineability, and risks to production levels; technical risks, including risks associated with the use of multiple mining techniques and their individual feasibility and risks to the process flowsheet that we envision; infrastructure risk, such as the availability of power and its reliability; transportation risk; political risk, including the potential for resource nationalization and changes to the legal and fiscal regimes; permitting risk; community social relations risk; security risk; labour relations risk; illegal mining risk; environmental risk; title risk; litigation risk; surface rights risk; and key personnel retention risk.
Endeavour Silver Corp. (C\$) EDR-T, EXK-N	\$2.50	HOLD	HIGH	Our target price is derived from a 100% weighting on 2.0x our corporate NAV5%. Our NAV5% is based on a long-term silver price of \$20.00/oz. Our valuation approach is in line with the multiples we assign to other silver producers in our precious metals coverage universe.	Key risks to target price include: Silver and gold price risk; foreign exchange risk; financial risk, including risks to the cost and availability of financing; forecast risk, including capital and operating cost risks, risks related to deposit size, grade, and mineability; technical risk, including risks associated with the use of multiple mining techniques and risks to the process flowsheet that we envision; political risk, including the potential for resource nationalization and changes to legal and fiscal regimes; permitting risk; community social relations risk; security risk, including the potential for access disruptions; risks related to the cost and availability of equipment and consumables; environmental risk; and key personnel retention risk.

Source: TD Securities Inc.

Exhibit 14. Justification of and Key Risks to Target Prices (cont'd)

Company Name and Ticker	Target Price	Rec.	Risk Rating	Justification of Target Price	Key Risks to Target Price
Franco-Nevada Corp. (US\$) FNV-T.N	\$125.00	HOLD	HIGH	Our target price is based on a 25.0x multiple on our adjusted 2021E EBITDA estimate. Our 2021E EBITDA is adjusted to include pro forma incremental EBITDA of \$80mm, assuming the deployment of \$500mm (~35% of the company's available liquidity) into one or more streaming transactions over the next 12–24 months. Our 25.0x target multiple reflects the company's growing GEO/EBITDA profile, limited exposure to operating and capital costs, and its strong available liquidity.	The main risks facing Franco-Nevada include forecast, financial, technical, and political risks. These include risks related to commodity prices; the governing fiscal and legislative regimes; the timing of key developments; sourcing additional growth opportunities on attractive terms; risks related to royalty contracts with operators; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; permitting; environment; indigenous people; labour strikes/disputes; and staffing and key personnel retention. Franco also faces additional risks associated with its ongoing dispute with the CRA.
Wheaton Precious Metals Corp. (US\$) WPM-N.T	\$41.00	BUY	HIGH	Our target price is based on a 22.0x multiple on our 2021E EBITDA. Our target multiple for Wheaton Precious reflects a discount to the 25.0x multiple we use for Franco Nevada.	The main risks facing Wheaton Precious Metals include forecast, financial, technical, and political risks. These include risks related to commodity prices; the governing fiscal and legislative regimes; the timing of key developments; sourcing additional growth opportunities on attractive terms; risks related to royalty contracts with operators; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; permitting; environment; indigenous people; labour strikes/disputes; and staffing and key personnel retention.
Royal Gold Inc. (US\$) RGLD-Q	\$115.00	HOLD	HIGH	Our target price is based on a 19.0x multiple on our 2021E EBITDA. Our target multiple for Royal Gold reflect a slight discount to the 25.0x multiple we use for Franco Nevada and 22.0x multiple we use for Wheaton Precious.	The main risks facing Royal Gold include forecast, financial, technical, and political risks. These include risks related to commodity prices; the governing fiscal and legislative regimes; the timing of key developments; sourcing additional growth opportunities on attractive terms; risks related to royalty contracts with operators; market conditions; potential loss of premium multiple; capital and operating costs (indirectly); foreign exchange rates; resources and reserves; operating parameters; permitting; environment; indigenous people; labour strikes/disputes; and staffing and key personnel retention.
Sandstorm Gold Ltd. (C\$) SSL-T, SAND-O	\$11.50	BUY	HIGH	Our blended target price is derived from a 40% weighting on 2.0x our corporate NAV and a 60% weighting on 21x our 2021 EBITDA estimate.	The main risks facing Sandstorm Gold include forecast, financial, technical, and political risks. These include risks related to commodity prices; the governing fiscal and legislative regimes; the timing of key developments; sourcing additional growth opportunities on attractive terms; risks related to royalty contracts with operators; market conditions; capital and operating costs; foreign exchange rates; resources and reserves; operating parameters; permitting; environment; indigenous people; labour strikes/disputes; staffing and key personnel retention; access to capital; and risks relating to the Hod Maden project (>25% of gross asset value).
Osisko Gold Royalties Ltd. (C\$) OR-T	\$13.00	HOLD	HIGH	Our blended target price is derived from a 40% weighting on 1.75x our corporate NAV and a 60% weighting on 14x our 2021 EBITDA estimate.	The main risks facing Osisko Gold Royalties include forecast, financial, technical, and political risks. These include risks related to gold and silver prices; the governing fiscal and legislative regimes; the timing of key developments; sourcing additional growth opportunities on attractive terms; price performance of equity investments; risks related to royalty contracts with operators; market conditions; capital and operating costs as they pertain to the economic viability of the mine underlying a royalty; foreign exchange rates; resources and reserves; operating parameters; permitting; environment; indigenous peoples; labour strikes/disputes; and staffing and key personnel retention. Osisko Gold Royalties also faces added risk factors associated with exploration and development due to its ownership of the Cariboo Gold project, which is atypical of royalty and streaming companies.
Orla Mining Ltd. (C\$) OLA-T	\$3.50	Spec. BUY	SPEC.	We have calculated our target price by applying a 1.0x target multiple to our corporate NAV. Our calculation of Orla's NAV is based on a 5% discount rate and a long-term gold price of US\$1,450/oz. We use what we consider to be a reasonable multiple for what we characterize as a junior developer with a portfolio of small-cap gold projects at an advanced stage.	The key risks to our target price include: gold, copper, fuel, power, and water price risks; financial risks, including risks to the cost and availability of financing; foreign exchange rate risks; forecast risks, including capital and operating cost risks, risks related to deposit size, grade, and mineability, and risks to production levels, metallurgical recoveries, and smelter terms; market risks; technical risks, including risks to the process flowsheet that we envision; infrastructure risks, including the availability of power and its reliability; transportation risk; political risks, including resource nationalization risk, and changes to the legal and fiscal regimes; permitting risk; community social relations risks, including indigenous people risk; security risks, including potential for violence and access disruptions; labour relations risk; illegal mining risk; risks related to the cost and availability of equipment and consumables; environmental risk; title risk; litigation risk; surface rights risk; access risk; key personnel retention risk; and company-specific risks, including weather risks, due to the high levels of rainfall in Panama, which present significant challenges to heap leach projects.
TMAC Resources Inc. (C\$) TMR-T	\$0.60	HOLD	SPEC.	We have calculated our target price by applying a 0.5x NAV multiple on the mining assets, plus corporate adjustments.	Our recommendation is subject to political, technical, forecast, and financial risks. These risks include, but are not limited to, risks related to gold and fuel prices; the governing fiscal and legislative regimes; the timing of key developments; market conditions; capital and operating costs; foreign exchange rates; resources; operating parameters; permitting; environmental concerns; indigenous peoples' issues; and both staffing and retention of key personnel. Additionally, TMAC has two significant shareholders who may exert influence, and their large ownership positions also mean that the company has a limited float and trading liquidity. We also highlight TMAC's balance sheet risk and liquidity risk, considering the continued operational challenges and the lack of new funding from TMAC's two main shareholders.
Lundin Gold Inc. (C\$) LUG-T	\$16.00	Spec. BUY	SPEC.	We arrive at our target price by applying a 1.4x target multiple to our corporate NAV. Our NAV is based on a long-term gold price assumption of US\$1,450/oz and a 5% discount rate.	The key risks to our target price include: gold, silver, fuel, and power price risks; financial risks, including risks to the cost and availability of financing; foreign exchange rate risks; forecast risks, including capital and operating cost risks, risks related to deposit size, grade, and mineability, and risks relating to production levels, metallurgical recoveries and smelter terms; market risks; technical risks; infrastructure risks; transportation risk; political risks; permitting risk; community social relations risks; labour relations risk; risks related to the cost and availability of equipment and consumables; environmental risk; title risk; surface rights risk; access risk; key personnel retention risk; and company-specific risks, including unforeseen changes to the country's legal and fiscal regime.

Source: TD Securities Inc.

Exhibit 15. Justification of and Key Risks to Target Prices (cont'd)

Company Name and Ticker	Target Price	Rec.	Risk Rating	Justification of Target Price	Key Risks to Target Price
MAG Silver Corp. (CS) MAG-T,N	\$18.50	Spec. BUY	SPEC.	We have calculated our target price by applying a 1.5x target multiple to our corporate NAV. Our calculation of MAG Silver's NAV is based on a 5% discount rate and a long-term silver price of \$20.00/oz.	The key risks to our target price include: silver, gold, zinc, lead, fuel, power, and water price risks; financial risks, including risks to the cost and availability of financing; foreign exchange rate risks; forecast risks, including capital and operating cost risks, risks related to deposit size, grade, and mineability, and risks to production levels, metallurgical recoveries, and smelter terms; market risks; technical risks, including risks associated with underground mining and risks to the process flow sheet that we envision; infrastructure risks, including the availability of power and its reliability; transportation risk; political risks, including resource nationalization risk, and changes to the legal and fiscal regimes; permitting risk; community social relations risks, including indigenous people risk; security risks, including potential for violence and access disruptions; labour relations risk; illegal mining risk; risks related to the cost and availability of equipment and consumables; environmental risk; title risk; litigation risk; surface rights risk; access risk; non-operating risks, including non-controlling interest of a primary asset; and key personnel retention risk.
Equinox Gold Corp. (CS) EQX-T	\$16.50	BUY	HIGH	Our target price is based on a 1.2x multiple to our 5% NAV (weighted 60%) and a 5.5x multiple to our 2021E EBITDA estimate (weighted 40%). Our calculation of Equinox's NAV is based on a long-term gold price of \$1,450/oz.	The key risks to our target price include: gold, fuel, power, and water price risks; financial risks, including risks to the cost and availability of financing; foreign exchange rate risks; forecast risks, including capital and operating cost risks, risks related to deposit size, grade, and mineability, and risks relating to production levels, metallurgical recoveries and smelter terms; market risks; technical risks; permitting risk; labour relations risk; risks related to the cost and availability of equipment and consumables; environmental risk; title risk; litigation risk; surface rights risk; access risk; and company specific risks, including water/weather risks, due to the recent droughts in California and the elevated concern that has arisen with respect to water consumption.
Sabina Gold & Silver Corp. (CS) SGI-V	\$2.75	Spec. BUY	SPEC.	We arrive at our target price by applying a 0.9x target multiple to our corporate NAV. Our key assumptions: a long-term gold price of US\$1,450/oz; a 5% discount rate; and equity dilution of C\$100mm as part of a larger project financing package.	The key risks to our target price include: gold, silver, fuel, and power price risks; financial risks, including risks to the cost and availability of financing; foreign exchange rate risks; forecast risks, including capital and operating cost risks, risks related to deposit size, grade, and mineability, and risks relating to production levels, metallurgical recoveries and smelter terms; market risks; technical risks, including risks to the process flowsheet that we envision; infrastructure risks, including the availability of power and its reliability; transportation risk; political risks, including permitting risk; community social relations risks; labour relations risk; and risk related to indigenous people; risks related to the cost and availability of equipment and consumables; environmental risk; title risk; climate risks; surface rights risk; access risk; and key personnel retention risk.
Rubicon Minerals Corp. (CS) RMX-T	\$1.70	Spec. BUY	SPEC.	We generate our target price by applying a 0.8x multiple to our corporate NAV 5%, calculated using a long-term gold price of US\$1,450/oz. This methodology is in line with what we use for the other gold developers in our coverage universe.	Key risks to target price include: Gold and energy price risks; foreign exchange and currency risks; financial risk, including risks to the cost and availability of financing; forecast risk, including capital and operating cost risks; risks related to deposit size, grade, and mineability, and risks to production levels and resumption of milling operations; technical risk, including risks associated with the use of multiple mining techniques and their individual feasibility, and risks to the process flowsheet we envision; infrastructure risk, including the availability of power and its reliability; political risk, including changes to the legal and fiscal regimes; community social relations risk, including risks related to indigenous people; environmental risk; and key personnel retention risk.

Source: TD Securities Inc.

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TD Securities Equity Research Disclosures

Company	Ticker	Disclosures
Agnico-Eagle Mines Ltd.	AEM-N AEM-T	9
Alamos Gold Inc.	AGI-T AGI-N	9
Alio Gold Inc.	ALO-T ALO-N	n/a
B2Gold Corp.	BTO-T	n/a
Barrick Gold Corp.	GOLD-N ABX-T	9
Centerra Gold Inc.	CG-T	9
Eldorado Gold Corp.	EGO-N ELD-T	9
Endeavour Silver Corp.	EDR-T	9
Equinox Gold Corp.	EQX-T	n/a
First Majestic Silver Corp.	FR-T	9
Franco-Nevada Corp.	FNV-N FNV-T	2, 4, 9
IAMGOLD Corp.	IMG-T IAG-N	9
Kinross Gold Corp.	KGC-N K-T	16
Kirkland Lake Gold Ltd.	KL-T	9
Lundin Gold Inc.	LUG-T	1, 2, 4
MAG Silver Corp.	MAG-T MAG-N	9
New Gold Inc.	NGD-A	1, 2, 4, 9
Newmont Corporation	NEM-N	n/a
Orla Mining Ltd.	OLA-T	9
Osisko Gold Royalties Ltd.	OR-T	1, 2, 4, 9
Pan American Silver Corp.	PAAS-Q PAAS-T	9, 16
Royal Gold Inc.	RGD-Q	n/a
Rubicon Minerals Corp.	RMX-T	1, 2, 4
Sabina Gold & Silver Corp.	SBB-T	n/a
Sandstorm Gold Ltd.	SSL-T SAND-N	n/a
SEMAFO Inc.	SMF-T	9
TMAC Resources Inc.	TMR-T	n/a
Wheaton Precious Metals Corp.	WPM-N WPM-T	2, 4, 9
Yamana Gold Inc.	AUY-N YRI-T	2, 4

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Additional Important Disclosures

We visited two of Agnico Eagle's mining projects in Nunavut - Meliadine and Amaruq - on August 19-20, 2019. The properties, on a combined basis, comprise of 35% of our consolidated mining NAV estimate and 26% of 2020E gold production. The company provided transportation, mine site accommodation, and meals during this site visit.

We visited Alamos Gold's Young-Davidson mine in Kirkland Lake, Ontario on June 11, 2019. We also visited its Island Gold mine in Wawa, Ontario on June 12, 2019. The Young-Davidson mine and Island Gold mine account for 36% and 20% of our total NAV estimate, respectively. The company provided transportation and meals during the site visit, and accommodations at the Young-Davidson mine.



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We visited Barrick Gold's Nevada Gold Mine operations in Nevada, USA on September 18-20, 2019. The operations represent approximately 35% of our NAV estimate. The company provided local transportation and meals.

We visited Eldorado Gold's Lamaque mine in Quebec on September 10, 2019. The mine represents 38% of our Eldorado NAV estimate. The company provided transportation and food for this site visit.

We visited New Gold's Rainy River mine on June 26, 2019. The Rainy River mine accounts for 62% of our company NAV estimate. The company provided transportation and meals during the visit.

We visited Newmont Goldcorp's Penasquito mine near Monterey, Mexico on February 26-27, 2020. The mine represents 17.8% of our mining NAV estimate. The company provided meals, mine site accommodation, and charter flight to and from the mine site.

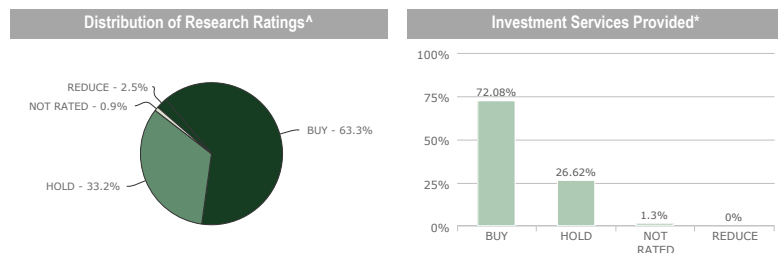
We visited Lundin Mining's Chapada mine on November 9, 2019. The Chapada mine accounts for 13.3% of Sandstorm's royalty assets. Lundin Mining provided local transportation and meals during the visit.

We visited Yamana Gold's Jacobina mine in Bahia, Brazil on October 2, 2019. The mine represents 18% of our NAV estimate. The company provided local transportation and meals.

We visited Equinox Gold's Mesquite and Castle Mountain mines in California on December 5-6, 2019. The Mesquite mine accounts for 20% of our mining NAV estimate, and the Castle Mountain accounts for 48%. The company provided local transportation and some meals during the site visit.

Price Graphs

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Current as of: April 1, 2020

[^] Percentage of subject companies under each rating category: BUY (covering ACTION LIST BUY, BUY and SPECULATIVE BUY ratings), HOLD, and REDUCE (covering TENDER and REDUCE ratings).

^{*} Percentage of subject companies within each of the three categories (BUY, HOLD, and REDUCE) for which TD Securities Inc. has provided investment banking services within the last 12 months.

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