

Equities

16 April 2012 | 68 pages

Metals & Mining

Sticking to Our Guns

- **Our core themes to play out** — The UK metals and mining sector has fallen by 15% and underperformed the FTSE 100 index by ~12% since it peaked in early February. We are starting to see value in the sector but don't want to fall into a value trap - we prefer those companies that are the low cost producers and deploying capital efficiently. Our core theme remains intact, we are looking for companies that are [Sweating for Success](#) against the [Super Cycle Sunset....](#)
- **Commodity price revisions** — We expect the industrial commodity prices, as a basket, to be range-bound over the short and medium term. Our global commodities team has made minor changes to their base, precious and bulk forecasts over the next two years. Overall we prefer base and precious over bulks due to a transition away from early-stage commodities in China.
- **Earnings changes** — Our commodity revisions have resulted in our 2013E earnings falling on average by 5%, with the purer play companies experiencing larger changes.
- **Target price changes** — No change to recommendations. Target price changes follow earnings revisions in the following table.
- **Key picks** — Our alpha trades remain BHP Billiton, Rio Tinto and ENRC, while we see Norsk Hydro, Antofagasta and African Barrick Gold as potential laggards.

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Ticker	Rating		Target Price		Current Year Earnings Estimates		Next Year Earnings Estimates	
	Old	New	Old	New	Old	New	Old	New
AAL.L	2	2	£30.00	£25.00	US\$4.66	US\$4.21	US\$5.47	US\$4.92
ABGL.L	3	3	£4.19	£3.11	US\$0.67	US\$0.67	US\$0.70	US\$0.65
ANTO.L	3	3	£10.00	£10.50	US\$148.9	US\$173.8	US\$181.7	US\$169.0
AQP.L	2	2	£1.65	£1.51	US\$4.3	US\$3.8	US\$15.2	US\$13.6
BLT.L	1	1	£23.00	£23.00	US\$357.8	US\$357.8	US\$379.3	US\$379.3
CEY.L	1	1	£0.99	£0.87	US\$21.0	US\$20.7	US\$31.6	US\$27.5
ENRC.L	1	1	£8.00	£7.60	US\$1.12	US\$1.09	US\$1.47	US\$1.41
FQM.L	2	2	£13.60	£13.70	US\$0.71	US\$0.89	US\$1.49	US\$1.43
FRES.L	2	2	£18.74	£17.16	US\$1.41	US\$1.32	US\$1.57	US\$1.46
FXPO.L	1	1	£4.35	£4.25	US\$0.71	US\$0.68	US\$0.70	US\$0.70
HOCM.L	2	2	£4.90	£4.94	US\$0.37	US\$0.37	US\$0.41	US\$0.39
KAZ.L	1	1	£13.00	£14.00	US\$2.55	US\$2.87	US\$3.26	US\$3.22
LMI.L	2	2	£11.12	£11.00	US\$73.8	US\$71.9	US\$129.3	US\$119.8
NHY.OL	3	3	NKr30.00	NKr27.00	NKr1.99	NKr2.15	NKr2.87	NKr2.33
NORDNq.L	2	2	US\$7.24	US\$6.27	US\$0.77	US\$0.78	US\$0.88	US\$0.88
NWRR.L	2	2	£5.00	£4.80	€0.26	€0.26	€0.35	€0.38
NYR.BR	1	1	€9.00	€9.00	€0.70	€0.92	€1.61	€1.63
POG.L	1	1	£7.62	£6.24	US\$1.49	US\$1.48	US\$2.50	US\$2.19
RIO.L	1	1	£49.00	£49.00	US\$800.4	US\$800.4	US\$904.2	US\$904.2
RRS.L	2	2	£65.27	£60.27	US\$6.43	US\$6.35	US\$9.53	US\$8.70
TALV.L	2	2	£3.00	£2.50	€0.03	€0.07	€0.24	€0.33

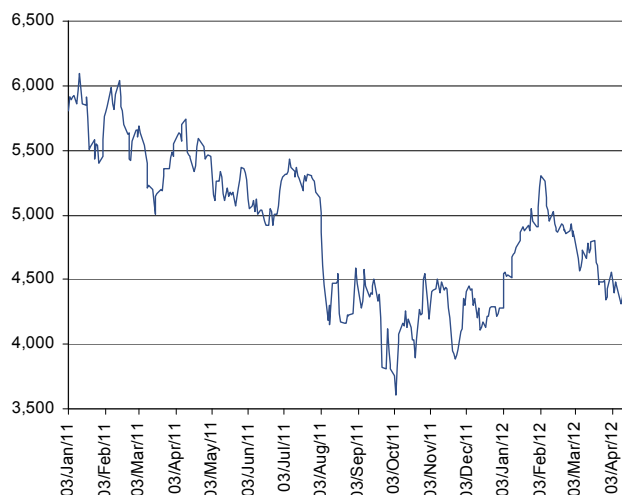
See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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Underperforming Sector

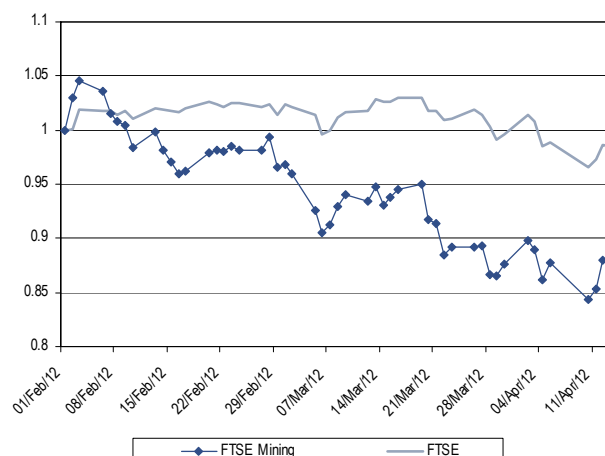
The UK metals and mining sector has fallen by 15% since it peaked in early February, more importantly it has underperformed the FTSE by around 12% over the same period. The sector is now trading at a c20% PE relative discount to the market and, given the low Relative Strength Index (RSI), we see scope for a near-term bounce. Nevertheless we believe the sector continues to face significant headwinds from falling margins, falling return on invested capital and increased capital spend for the course of the year. Instead of chasing beta we continue to target alpha trades with our key conviction alpha trades of BHP Billiton, Rio Tinto and ENRC, whereas we see Norsk Hydro, Antofagasta and African Barrick Gold as potential laggards.

Figure 1. FTSE mining



Source: Citi Investment Research and Analysis

Figure 2. FTSE mining relative to FTSE 100 - indexed

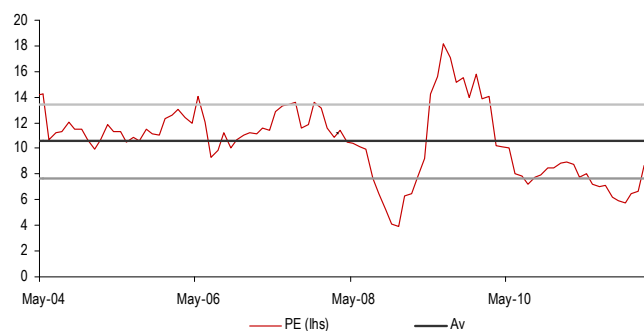


Source: Citi Investment Research and Analysis

Cheap but not cheap enough

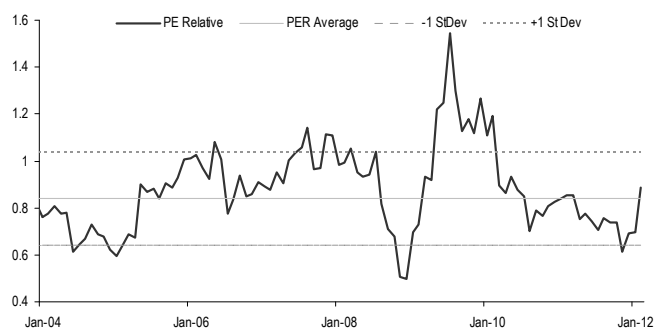
We are quick to point out that the valuations of the mining equities are more appealing following the sell-down. On forward PE multiples the metals and mining companies are looking attractive in absolute terms but selectively relative to the market.

Figure 3. Anglo American forward PE



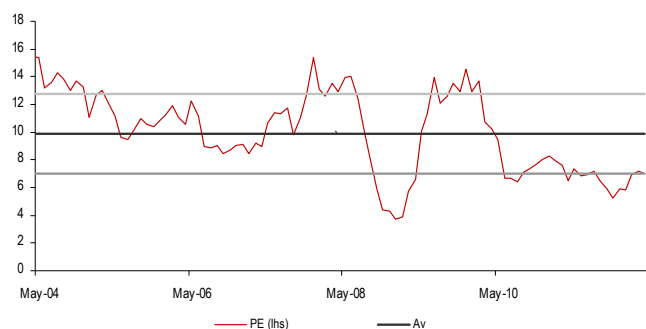
Source: Citi Investment Research and Analysis

Figure 4. Anglo American PE relative to UK market



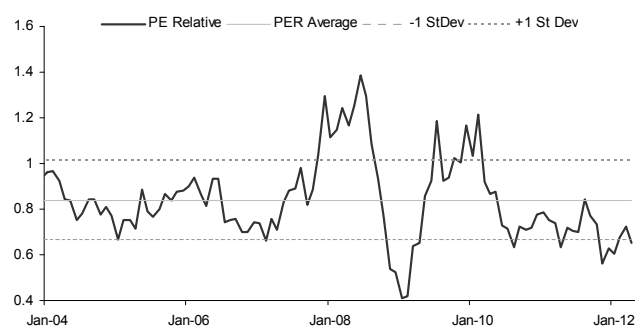
Source: Citi Investment Research and Analysis

Figure 5. Rio Tinto forward PE



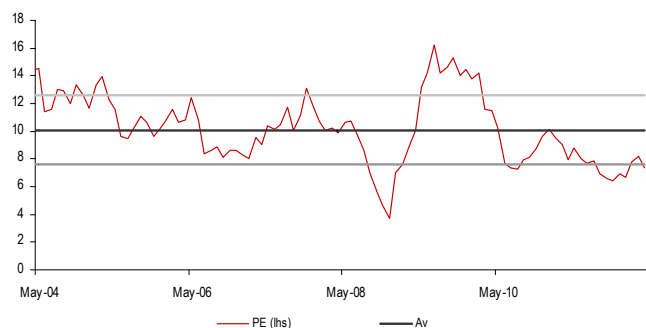
Source: Citi Investment Research and Analysis

Figure 6. Rio Tinto PE relative to UK market



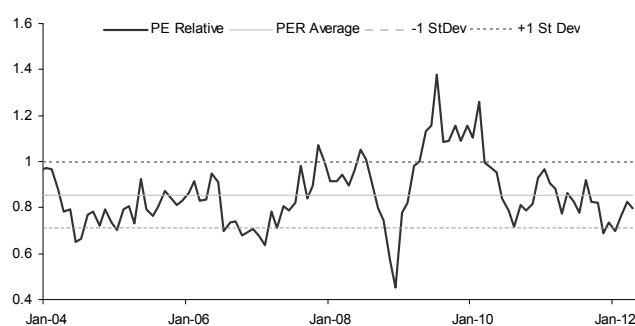
Source: Citi Investment Research and Analysis

Figure 7. BHP Billiton forward PE



Source: Citi Investment Research and Analysis

Figure 8. BHP Billiton PE relative to UK market

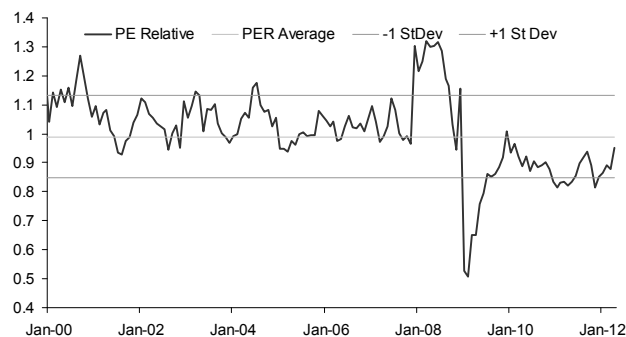


Source: Citi Investment Research and Analysis

Relative multiples

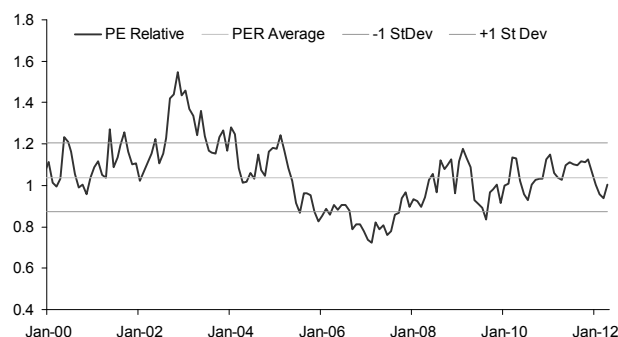
On a relative basis Rio Tinto and BHPB offer greater near-term value than Anglo American, in our view.

Figure 9. Rio Tinto forward PE v BHPB forward PE



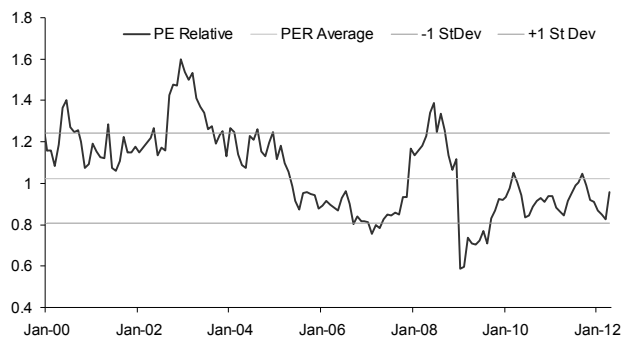
Source: Citi Investment Research and Analysis

Figure 10. BHPB forward PE v Anglo forward PE



Source: Citi Investment Research and Analysis

Figure 11. Rio Tinto forward PE v Anglo forward PE



Source: Citi Investment Research and Analysis

Commodity price revisions

- **Industrial commodity prices, as a basket, are forecast by Citi to be range-bound over the short and medium term** — Within the basket there are likely to be vastly different outcomes (or alpha) for each commodity. In the short term, individual commodities are likely to be driven by supply shocks and cost push rather than a significant demand shock. While in the medium term, we expect to see the transition to later cycle commodities, which should benefit the base metals and precious over bulk commodities.
- **The demand outlook for the industrial commodities** — has softened but has not imploded. Critically Citi's house view is for China to engineer a soft landing. Against this backdrop, industrial commodity prices are unlikely to test their 2011 highs, which were seen in Q1 2011. The factors that drove the price rises to their highs — namely restocking, large stimulus packaging and incentive schemes — have largely abated.
- **Consumers, in particular in China, appear to be more price-sensitive than we have seen previously** — Demand destruction is largely still at the margin, but the c450% rise in industrial commodity prices over the six years appears to be impacting the timing of consumers' physical purchases.
- **The major changes to Citi commodity price forecasts** — have occurred in the 2013 and 2014 timeframe, with generally mild downgrades of between -1 to -5% on average. The culmination of changes has resulted in a preference for base and precious metals over the bulk commodities.
- **Within the commodities, Citi's conviction calls** — are in palladium, nickel, and gold on the bullish side and copper and silver on the bearish side.

Figure 12. Commodity Price Revisions – Industrial Commodities

		2012	2013	2014
Aluminium	Old	2,275	2,525	2,600
	New	2,279	2,388	2,453
		0.20%	-5.40%	-5.70%
Copper	Old	7,825	8,528	8,200
	New	8,491	8,375	7,950
		8.50%	-1.80%	-3.00%
Nickel	Old	19,500	22,819	24,650
	New	19,430	22,819	24,650
		-0.40%	0.00%	0.00%
Zinc	Old	2,050	2,295	2,525
	New	2,121	2,301	2,525
		3.40%	0.30%	0.00%
Lead	Old	2,150	2,400	2,600
	New	2,161	2,275	2,475
		0.50%	-5.20%	-4.80%
Tin	Old	22,125	25,700	28,250
	New	22,997	25,625	25,125
		3.90%	-0.30%	-11.10%
Gold	Old	1,709	1,912	1,610
	New	1,718	1,835	1,725
		0.50%	-4.00%	7.20%
Silver	Old	30		
	New	31		
		2%		

Source: Citi Investment Research and Analysis

Figure 13. Commodity Price Revisions – Precious Metals & Bulk

		2012	2013	2014
Platinum	Old	1,609	1,675	1,725
	New	1,682	1,725	1,775
		4.60%	3.00%	2.90%
Palladium	Old	775	925	900
	New	801	925	900
		3.30%	0.00%	0.00%
Rhodium	Old	1,650	1,850	2,500
	New	1,550	1,650	1,800
		-6.10%	-10.80%	-28.00%
Hard coking Coal	Old	256	248	240
	New	233	231	225
		-9.20%	-6.80%	-6.30%
Thermal Coal	Old	120	139	145
	New	119	136	148
		-0.80%	-2.20%	2.10%
Iron Ore	Old	149	135	125
	New	149	138	130
		0.30%	1.90%	4.00%

Source: Citi Investment Research and Analysis

Earnings and Valuation Impact

2012E earnings revisions have generally been upwards, barring gold companies while 2013E has witnessed downward revisions almost across the board. Please refer below for our detailed EPS changes over the next three forecast financial years.

Figure 14. Summary of EPS Changes – Financial Year

				2012F			2013F			2014F	
Company	Currency	RIC	Old	New	% Change	Old	New	% Change	Old	New	% Change
Diversified											
Anglo American PLC	USD	AAL.L	4.66	4.21	-9.7%	5.47	4.92	-10.1%	5.63	5.28	-6.2%
BHP Billiton	USD	BLT.L	3.60	3.58	-0.5%	3.96	3.79	-4.2%	4.22	4.18	-1.0%
ENRC	USD	ENRC.L	1.12	1.09	-2.8%	1.47	1.41	-4.1%	1.40	1.47	5.3%
Rio Tinto PLC	USD	RIO.L	7.98	8.00	0.3%	9.07	9.04	-0.3%	9.65	10.26	6.4%
Base and Bulks											
Ferrexpo PLC	USD	FXPO.L	0.71	0.68	-4.7%	0.70	0.70	0.2%	0.80	0.84	5.6%
New World Resources	EUR	NWRR.L	0.26	0.26	-1.2%	0.35	0.38	6.4%	0.34	0.28	-16.7%
Antofagasta	USD	ANTO.L	1.49	1.74	16.7%	1.82	1.69	-7.0%	1.71	1.59	-6.7%
First Quantum Minerals	USD	FQM.L	0.71	0.89	26.4%	1.49	1.43	-4.0%	3.30	3.21	-2.8%
Kazakhmys	USD	KAZ.L	2.55	2.87	12.7%	3.26	3.22	-1.3%	2.75	2.73	-0.9%
Nyrstar	EUR	NYR.BR	0.70	0.92	31.7%	1.61	1.63	1.5%	1.91	1.94	1.4%
Talvivaara	EUR	TALV.L	0.03	0.07	124.9%	0.24	0.33	37.5%	0.57	0.58	1.5%
Norsk Hydro	NOK	NHY.OL	1.99	2.15	7.8%	2.87	2.33	-18.7%	3.20	2.59	-19.1%
Gold/PGM											
African Barrick Gold	USD	ABGL.L	0.70	0.65	-6.5%	1.14	0.77	-31.8%	0.94	0.91	-3.0%
Aquarius Platinum Plc	USD	AQP.L	-0.04	-0.04	-10.9%	0.15	0.14	-10.7%	0.26	0.23	-9.9%
Centamin Egypt	USD	CEY.L	0.21	0.21	-1.5%	0.32	0.27	-13.1%	0.22	0.20	-8.0%
Fresnillo	USD	FRES.L	1.41	1.32	-6.5%	1.57	1.46	-6.8%	1.33	1.37	3.3%
Hochschild Mining	USD	HOCM.L	0.37	0.37	-1.4%	0.41	0.39	-5.5%	0.68	0.70	2.9%
Lonmin	USD	LMI.L	0.74	0.72	-2.5%	1.29	1.20	-7.4%	1.77	1.46	-17.4%
Nordgold	USD	NORDNq.L	0.77	0.78	1.7%	0.88	0.88	-0.2%	0.76	0.94	23.6%
Petropavlovsk	USD	POG.L	1.49	1.48	-0.4%	2.50	2.19	-12.5%	2.27	2.58	13.8%
Randgold Resources	USD	RRS.L	6.43	6.35	-1.1%	9.53	8.70	-8.7%	8.97	10.01	11.6%

Source: Citi Investment Research and Analysis

NPVs have also dropped in most cases due to more downward than upward revisions.

Figure 15. Summary of NPV Changes

			NPV				P/NPV		Premium/Discount	
Company	Currency	RIC	Old	New	% Change	Price	Old	New	Old	New
Diversified										
Anglo American PLC	GBP	AAL.L	35.02	30.97	-12%	22.81	0.65	0.74	-35%	-26%
BHP Billiton PLC	GBP	BLT.L	28.00	27.30	-3%	19.15	0.68	0.70	-32%	-30%
ENRC	GBP	ENRC.L	8.16	8.01	-2%	5.87	0.72	0.73	-28%	-27%
Rio Tinto PLC	GBP	RIO.L	54.33	54.52	0%	35.06	0.65	0.64	-35%	-36%
Base and Bulks										
Ferrexpo PLC	GBP	FXPO.L	4.71	4.64	-1%	2.90	0.62	0.62	-38%	-38%
New World Resources	GBP	NWRR.L	5.43	4.83	-11%	4.29	0.79	0.89	-21%	-11%
Antofagasta	GBP	ANTO.L	12.38	12.44	0%	11.48	0.93	0.92	-7%	-8%
First Quantum Minerals	GBP	FQM.L	14.49	14.52	0%	13.53	0.93	0.93	-7%	-7%
Kazakhmys	GBP	KAZ.L	15.27	16.81	10%	9.02	0.59	0.54	-41%	-46%
Nyrstar NV	EUR	NYR.BR	13.48	12.66	-6%	6.28	0.47	0.50	-53%	-50%
Talvivaara	GBP	TALV.L	5.98	4.74	-21%	2.25	0.38	0.47	-62%	-53%
Norsk Hydro	NOK	NHY.OL	31.70	30.63	-3%	30.42	0.96	0.99	-4%	-1%
Gold/PGM										
African Barrick Gold	GBP	ABGL.L	3.23	3.11	-4%	3.60	1.12	1.16	12%	16%
Aquarius Platinum Plc	GBP	AQP.L	1.83	1.68	-8%	1.39	0.76	0.82	-24%	-18%
Centamin Egypt	GBP	CEY.L	0.86	0.83	-4%	0.66	0.76	0.79	-24%	-21%
Fresnillo	GBP	FRES.L	9.37	9.03	-4%	16.22	1.73	1.80	73%	80%
Hochschild Mining	GBP	HOCM.L	3.63	3.66	1%	5.01	1.38	1.37	38%	37%
Lonmin	GBP	LMI.L	10.11	10.00	-1%	10.09	1.00	1.01	0%	1%
Nordgold	GBP	NORDNq.L	5.57	5.70	2%	3.82	0.69	0.67	-31%	-33%
Petropavlovsk	GBP	POG.L	6.14	5.88	-4%	5.27	0.86	0.90	-14%	-10%
Randgold Resources	GBP	RRS.L	52.26	50.23	-4%	56.15	1.07	1.12	7%	12%

Source: Citi Investment Research and Analysis

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Sell	3
Price (13 Apr 12)	£3.57
Target price	£3.11
from £4.19	
Expected share price return	-12.9%
Expected dividend yield	0.0%
Expected total return	-12.9%
Market Cap	£1,464M
	US\$2,336M

Price Performance (RIC: ABGL.L, BB: ABG LN)



African Barrick Gold Plc (ABGL.L) Reducing PT to £3.11; Maintain Sell

Earnings and Target Price Downgrade — We have updated our forecasts for new gold prices as well as a review of costs and our 2012E EPS falls from \$0.70 to \$0.65 and our 2013E EPS falls from \$1.14 to \$0.77. We have reduced our target P/NPV ratio from 1.2x to 1.1x to reflect the general decline in mining sector valuations, whereby the large caps are now trading on c30% discounts to NPV. With rising costs and no new greenfield production until 2016, ABG is vulnerable to a fall in the gold price. We continue to rate ABG as Sell with a TP of £3.11.

African Barrick Gold Plc (USD)

Year to 31 Dec	2009A	2010A	2011E	2012E	2013E
Sales (\$M)	693.4	974.7	1,218.0	1,303.1	1,479.9
Profit Before Tax (\$M)	150.4	308.9	399.7	391.6	456.7
Diluted EPS (\$)	0.14	0.53	0.67	0.65	0.77
Diluted EPS (Old) (\$)	0.14	0.53	0.67	0.70	1.14
PE (x)	39.9	10.7	8.6	8.7	7.4
EV/EBITDA (x)	14.0	6.7	3.6	3.8	3.1
DPS (\$)	0.02	0.02	0.16	0.13	0.15
Net Div Yield (%)	0.3	0.4	2.8	2.3	2.7

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Neutral	2
Price (13 Apr 12)	£23.07
Target price	£25.00
from £30.00	
Expected share price return	8.4%
Expected dividend yield	2.6%
Expected total return	11.0%
Market Cap	£30,619M
	US\$48,867M

Price Performance (RIC: AAL.L, BB: AAL LN)



Anglo American PLC (AAL.L) Target Price Reduced to £25; Maintain Neutral

- **Maintain Neutral** — Anglo's share price has fallen 15% since February as it has been plagued by a raft of negative newsflow.
- **Anglo Is Cheap.....**— Anglo is now trading at price to book of only 1.1x, a 42% discount to its long term average of 1.9x. On a cyclically adjusted PE multiple basis (price divided by 10 year earnings), it is trading on a multiple of 10x – a 29% discount to its historical average of 14x. Anglo's interest in its subsidiaries Kumba and Angloplat now accounts for a massive 58% of its market capitalisation relative to a historical average of 49%. Anglo's rump, excluding these subsidiaries, is trading on a 2013E PE multiple of only 5.4x.
- **...However, We See No Identifiable Catalyst** — In our 15 February report "Enjoyed the Ride – Downgrade to Neutral", we listed five key concerns that prompted us to downgrade our recommendation. 1) ongoing operational issues at Anglo Plat, 2) significant cost pressure at Kumba Iron Ore due to increasing mining complexity, 3) ongoing issues at Minas Rio, 4) potential for higher taxes in South Africa, 5) potentially negative news flow relating to Codelco's option to acquire 49% of Anglo Sur. We believe negative newsflow could now be largely priced in; however, there appears to be limited near-term catalysts.
- **Earnings Trimmed** — We reduce Anglo's medium-term earnings forecasts by up to 10% as we incorporate lower commodity price forecasts. Our FY12-13 earnings forecasts for AAL now stand at ~9% below Bloomberg consensus. At current levels we estimate that AAL is trading at a 7.5x 2013E P/E multiple.

Anglo American PLC (USD)

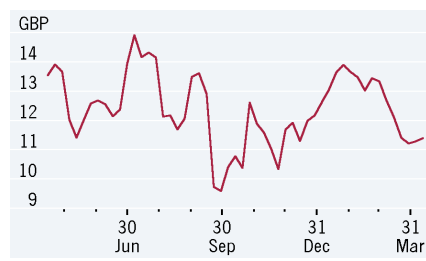
Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	27,960.0	30,580.0	31,519.0	41,673.8	43,657.3
Profit Before Tax (\$M)	10,928.0	10,782.0	9,942.4	11,704.0	12,542.5
Diluted EPS (\$)	3.96	4.85	4.21	4.92	5.28
Diluted EPS (Old) (\$)	3.96	4.85	4.66	5.47	5.63
PE (x)	9.3	7.6	8.7	7.5	7.0
EV/EBITDA (x)	5.2	4.3	4.5	3.6	3.2
DPS (\$)	0.65	0.74	0.95	1.09	1.26
Net Div Yield (%)	1.8	2.0	2.6	3.0	3.4

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Sell	3
Price (13 Apr 12)	£11.48
Target price	£10.50
from £10.00	
Expected share price return	-8.6%
Expected dividend yield	3.3%
Expected total return	-5.3%
Market Cap	£11,322M
	US\$18,069M

Price Performance (RIC: ANTO.L, BB: ANTO LN)



Antofagasta PLC (ANTO.L) Unattractive; Maintain Sell

- **Copper Price Changes** — Our commodities team have amended their copper price assumptions. Our new forecasts are now 8.5% higher in 2012, 1.8% lower in 2013 and 3% lower in 2014.
- **Earnings Changes** — Our 2012 EPS increases by 16.7% to \$0.89, while our 2013E and 2014E EPS are down 7% and 6.7%, respectively.
- **Target Price Raised to £10.50** — We set a new rounded target price of £10.50 for First Quantum, up from £10.00. Our target price is based on a blend of NPV and earnings-based multiples. We apply a 20% premium to NPV to try to capture some of the optionality from resources and cash.
- **Returns falling** — In our view Antofagasta has been quite successful in building and equity story of conservative cash management, low cost growth and avoiding large scale M&A. In past years this has meant creating value by building rather than paying high multiples; however, with capital intensity rising sharply, incremental returns on these projects are falling. We estimate the company will spend a further \$5bn by 2016, before returns from new projects start. Our preferred UK copper stock remains Kazakhmys on attractive valuation.

Antofagasta PLC (USD)

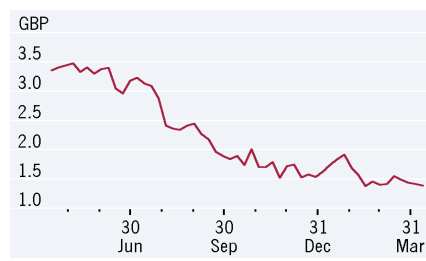
Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	4,577.1	6,076.0	7,240.0	6,847.9	6,766.2
Profit Before Tax (\$M)	2,573.2	3,076.2	3,860.8	3,488.5	3,209.1
Diluted EPS (¢)	100.6	139.7	173.8	169.0	159.4
Diluted EPS (Old) (¢)	100.6	139.7	148.9	181.7	170.8
PE (x)	18.2	13.1	10.5	10.8	11.5
EV/EBITDA (x)	6.5	5.1	4.2	4.5	4.6
DPS (¢)	116.0	44.0	60.8	59.1	55.8
Net Div Yield (%)	6.3	2.4	3.3	3.2	3.0

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Neutral	2
Price (13 Apr 12)	£1.39
Target price	£1.51
from £1.65	
Expected share price return	8.6%
Expected dividend yield	3.6%
Expected total return	12.2%
Market Cap	£654M
	US\$1,043M

Price Performance (RIC: AQP.L, BB: AQP LN)



Aquarius Platinum Ltd (AQP.L) Maintain Neutral; Target Price Trimmed to £1.51

2012 Earnings Remain in Negative Territory — We have updated our forecasts for new PGM prices as well as a review of costs, and our 2012E EPS moves from a loss of \$0.043 to \$0.038 while our 2013E EPS falls from \$0.152 to \$0.136 (-11%). We use a 0.9x P/NPV ratio to derive our target price of £1.51 (previously £1.65) and we continue to rate AQP as Neutral. The group has suffered a number of production setbacks, lowering investor confidence, and the earnings profile is far too reliant on the Zimbabwe operations, in our view.

Aquarius Platinum Ltd (USD)

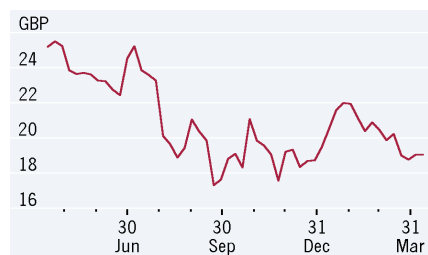
Year to 30 Jun	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	472.2	667.6	527.3	703.2	783.2
Net Income (\$M)	62.1	97.1	-17.8	63.0	107.7
Diluted EPS (¢)	12.7	21.0	-3.8	13.6	23.2
Diluted EPS (Old) (¢)	12.7	21.0	-4.3	15.2	25.8
PE (x)	17.5	10.6	-57.9	16.3	9.6
EV/EBITDA (x)	6.2	4.8	17.6	6.2	4.3
DPS (¢)	6.0	8.0	1.0	1.0	1.0
Net Div Yield (%)	2.7	3.6	0.5	0.5	0.5

Company Focus

■ Company Update

Buy	1
Price (13 Apr 12)	£19.30
Target price	£23.00
Expected share price return	19.2%
Expected dividend yield	3.1%
Expected total return	22.3%
Market Cap	£113,176M
	US\$180,623M

Price Performance (RIC: BLT.L, BB: BLT LN)



BHP Billiton PLC (BLT.L/BHP.AX) Preferred Diversified Play

- **Minimal Changes to Earnings Estimates** — Revised commodity and currency assumptions have left our FY2012E EPS almost unchanged at \$3.58 (from \$3.60). FY2013E earnings are -4.2% while FY2014E earnings are -1%. Our NPV has dropped by 3% to £27.30. BHP remains our preferred diversified play with a Buy recommendation and unchanged target price of £23 (which converts to R290 at a 1-year forward ZAR/GBP exchange rate of 12).

BHP Billiton PLC (USD)

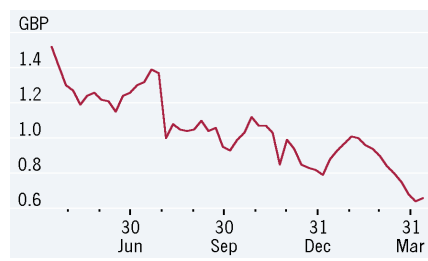
Year to 30 Jun	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	52,798.0	71,739.0	74,550.1	81,609.8	86,305.5
Profit Before Tax (\$M)	19,572.0	31,255.0	28,785.6	30,337.0	33,202.4
Diluted EPS (¢)	223.7	407.4	357.8	379.3	418.2
Diluted EPS (Old) (¢)	223.7	407.4	359.7	396.1	422.3
PE (x)	13.8	7.6	8.6	8.1	7.4
EV/EBITDA (x)	7.3	4.8	5.2	4.9	4.4
DPS (¢)	87.0	101.0	115.0	126.0	136.0
Net Div Yield (%)	2.8	3.3	3.7	4.1	4.4

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Buy	1
Price (13 Apr 12)	£0.66
Target price	£0.87
from £0.99	
Expected share price return	31.6%
Expected dividend yield	0.0%
Expected total return	31.6%
Market Cap	£725M
	US\$1,157M

Price Performance (RIC: CEY.L, BB: CEY LN)



Centamin Egypt Limited (CEY.L) Target Price Trimmed to £0.87; Maintain Buy

Over-punished for Political Risks; Buy — We have updated our forecasts for new gold prices as well as a review of costs and our 2012E EPS falls from \$0.210 to \$0.207 (-2%) while our 2013E EPS falls from \$0.316 to \$0.275 (-13%). We have reduced our target P/NPV ratio from 1.15x to 1.05x to reflect the general decline in mining sector valuations, whereby the large caps are now trading on c30% discounts to NPV. CEY is 80% about politics nowadays, but, outside of that, the group is steadily ramping up production, with only minor hitches here and there, not uncommon among peers. CEY is the cheapest UK gold stock, by a long way, in our opinion, and we believe that the politics of, for example, Egypt (CEY) vs Mali & DRC (RRS) are being disproportionately valued, to the detriment of Egypt. We continue to rate CEY as Buy.

Centamin Egypt Limited (USD)

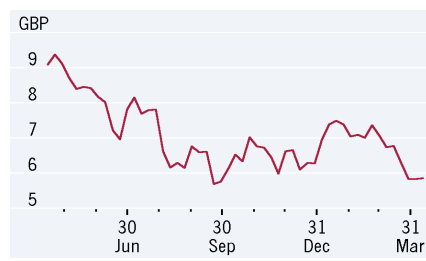
Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	124.2	340.5	435.8	622.9	685.3
Net Income (\$M)	51.7	183.5	227.1	301.0	218.0
Diluted EPS (¢)	5.0	16.7	20.7	27.5	19.9
Diluted EPS (Old) (¢)	5.0	16.7	21.0	31.6	21.6
PE (x)	21.1	6.3	5.1	3.8	5.3
EV/EBITDA (x)	12.9	4.4	3.3	1.9	1.4
DPS (¢)	0.0	0.0	0.0	0.0	0.0
Net Div Yield (%)	0.0	0.0	0.0	0.0	0.0

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Buy	1
Price (13 Apr 12)	£5.82
Target price	£7.60
from £8.00	
Expected share price return	30.7%
Expected dividend yield	2.2%
Expected total return	32.9%
Market Cap	£7,488M
	US\$11,951M

Price Performance (RIC: ENRC.L, BB: ENRC LN)



Eurasian Natural Resources Corporation PLC (ENRC) (ENRC.L)

Minor Changes; Maintain Buy

- **Price Changes** — Our commodities team have increase iron ore prices by 0.3% in 2012, 2% in 2013 and 4% in 2014, while keeping ferrochrome prices unchanged. Of the other relevant commodities to ENRC, aluminium prices are up 0.2% in 2012E and down ~5.5% in 2013E and 2014E. Copper price forecasts are 8.5% higher in 2012E, 2% lower in 2013E and 3% lower in 2014E.
- **Minor Earnings Changes** — The net effect of the amendments mentioned above is a reduction in 2012E EPS of 2.8%, a 4% reduction in 2013E, while 2014E EPS is up by 5.3%.
- **Target Price Trimmed to £7.60** — Our target price reduces from £8 to £7.60 on the back of these earnings changes. Our TP is based on a blended valuation of DCF, earnings multiples, free cash flow and residual income.

Eurasian Natural Resources Corporation PLC (ENRC) (USD)

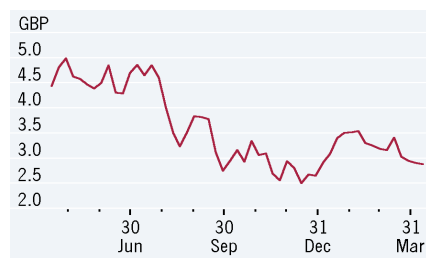
Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	6,605.0	7,705.0	7,739.7	8,790.6	9,869.0
Profit Before Tax (\$M)	2,733.0	2,755.0	2,054.8	2,191.8	2,616.1
Diluted EPS (\$)	1.51	1.53	1.09	1.41	1.47
Diluted EPS (Old) (\$)	1.51	1.53	1.12	1.47	1.40
PE (x)	6.2	6.1	8.5	6.6	6.3
EV/EBITDA (x)	4.0	3.6	4.5	4.3	3.4
DPS (\$)	0.31	0.27	0.20	0.25	0.26
Net Div Yield (%)	3.3	2.9	2.1	2.7	2.9

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Buy	1
Price (13 Apr 12)	£3.00
Target price	£4.25
from £4.35	
Expected share price return	41.8%
Expected dividend yield	1.4%
Expected total return	43.3%
Market Cap	£1,764M
	US\$2,815M

Price Performance (RIC: FXPO.L, BB: FXPO LN)



Ferrexpo PLC (FXPO.L)

2012E EPS -5% while 2014E +6%; Maintain Buy

- **Iron Ore Prices Up** — Our commodities team have slightly increased iron ore price assumptions by 0.3% in 2012, 2% in 2013 and 4% in 2014.
- **A Bit of Maintenance** — At the same time we have updated our model for Q1 production numbers and tweaked our cost and fx assumptions.
- **Small Earnings Revisions** — the net effect of these revisions is a 5% downgrade to 2012E EPS and 6% upgrade to 2014E EPS.
- **Target Price £4.25** — Our valuation is 75% based on NPV, which has moved from £4.71 to £4.64. The remaining 25% is based on 5x 2012E EV/EBITDA which is now £3.08. As a result our blended target price decreases by £0.10 to £4.25.

Ferrexpo PLC (USD)

Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	1,294.9	1,788.0	1,696.5	1,688.3	1,872.8
Net Income (\$M)	422.9	567.8	396.2	410.8	493.0
Diluted EPS (\$)	0.72	0.97	0.68	0.70	0.84
Diluted EPS (Old) (\$)	0.72	0.97	0.71	0.70	0.80
PE (x)	6.6	4.9	7.1	6.8	5.7
EV/EBITDA (x)	5.1	3.5	4.2	4.0	3.1
DPS (\$)	0.07	0.07	0.07	0.07	0.07
Net Div Yield (%)	1.4	1.4	1.4	1.4	1.4

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Neutral	2
Price (13 Apr 12)	£13.58
Target price	£13.70
from £13.60	
Expected share price return	0.9%
Expected dividend yield	0.7%
Expected total return	1.6%
Market Cap	£6,339M
	US\$10,116M

Price Performance (RIC: FQM.L, BB: FQM LN)



First Quantum Minerals Ltd (FQM.L)

Good Growth but Expensive; Remain Neutral

- **Copper Price Changes** — Our commodities team have amended their copper price assumptions. Our new forecasts are now 8.5% higher in 2012, 1.8% lower in 2013 and 3% lower in 2014.
- **Earnings Changes** — Our 2012E EPS increases by 26.4% to \$0.89, while our 2013E and 2014R EPS are down 4% and 2.8%, respectively.
- **Target Price Up Marginally to £13.70** — We set a new rounded target price of £13.70 for First Quantum, up from £13.60. Our target price is based on a blend of DCF, free cash flow and multiples.
- **Good Growth but Expensive** — FQM offers the best volume growth in the sector, in our opinion, but we think valuation is lofty and consensus earnings estimates for 2012 are too high. We think investors should look for a better entry point.

First Quantum Minerals Ltd (USD)

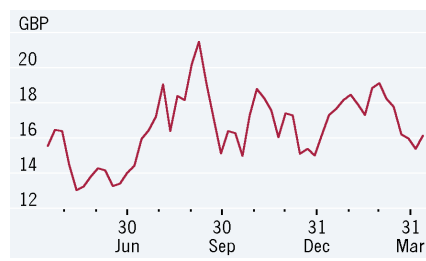
Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	2,378.2	2,583.5	3,728.4	4,656.2	6,799.8
Net Income (\$M)	857.1	577.3	428.1	684.0	1,536.6
Diluted EPS (\$)	1.81	1.28	0.89	1.43	3.21
Diluted EPS (Old) (\$)	1.81	1.28	0.71	1.49	3.30
PE (x)	12.0	16.9	24.2	15.2	6.7
EV/EBITDA (x)	8.2	8.1	8.6	6.1	3.3
DPS (\$)	0.20	0.19	0.15	0.27	0.32
Net Div Yield (%)	0.9	0.9	0.7	1.2	1.5

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Neutral	2
Price (13 Apr 12)	£16.07
Target price	£17.16
	from £18.74
Expected share price return	6.8%
Expected dividend yield	1.1%
Expected total return	7.9%
Market Cap	£11,525M
	US\$18,393M

Price Performance (RIC: FRES.L, BB: FRES LN)



Fresnillo Plc (FRES.L) Earnings Downgrades; Neutral Maintained

Correction in Silver Price, a Potential Risk; Neutral — We have updated our forecasts for new silver and gold prices as well as a review of costs and our 2012E EPS falls from \$1.41 to \$1.32 (-6 %) while our 2013E EPS falls from \$1.57 to \$1.46 (-7 %). We use a 1.9x P/NPV ratio on FRES to reflect its investor demand in the relatively safe political environment of Mexico, vs. peers in the likes of Egypt, Mali and the DRC. Our TP has fallen from £18.74 to £17.16. We accept that FRES warrants a high valuation multiple relative to precious peers but its multiples are far in excess of large-cap diversified miners, on our estimates. This will likely remain the case while the silver is above \$30/oz but we believe this will be called into question if silver falls to the \$25/oz-\$30/oz range. We continue to rate FRES as Neutral.

Fresnillo Plc (USD)

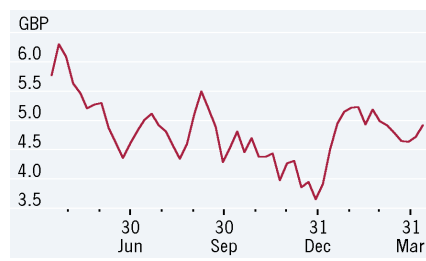
Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	1,421.4	2,120.2	2,177.8	2,377.8	2,396.0
Net Income (\$M)	540.7	901.4	946.4	1,047.0	985.2
Diluted EPS (\$)	0.75	1.26	1.32	1.46	1.37
Diluted EPS (Old) (\$)	0.75	1.26	1.41	1.57	1.33
PE (x)	34.0	20.4	19.4	17.6	18.7
EV/EBITDA (x)	18.7	11.4	10.7	9.4	9.5
DPS (\$)	0.44	1.03	0.54	0.58	0.55
Net Div Yield (%)	1.7	4.0	2.1	2.3	2.1

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Neutral	2
Price (13 Apr 12)	£4.95
Target price	£4.94
from £4.90	
Expected share price return	-0.2%
Expected dividend yield	0.8%
Expected total return	0.6%
Market Cap	£1,673M
	US\$2,670M

Price Performance (RIC: HOCL.L, BB: HOC LN)



Hochschild Mining Plc (HOCL.L) 2012E EPS Unchanged; Neutral

Silver Price Correction Risk Remains; Neutral— We have updated our forecasts for new silver and gold prices as well as a review of costs. As a result, our 2012E EPS remains unchanged at \$0.37 while our 2013E EPS falls from \$0.41 to \$0.39 (-5%). We set our TP at £4.94 (previously £4.90) by applying a 1.35x P/NPV ratio. We set our P/NPV multiple at 1.35x to take account of the very high multiple of peer Fresnillo, at 1.9x (although at a discount to this level reflecting the present uncertain phase of Peruvian politics), but we believe that both groups risk losing this very high valuation rating (vs diversified at a 30% NPV discount) if silver falls into the \$25/oz-\$30/oz range. We continue to rate HOCL as Neutral.

Hochschild Mining Plc (USD)

Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	752.6	986.1	839.2	760.9	959.2
Net Income (\$M)	100.8	162.8	123.8	131.5	236.4
Diluted EPS (\$)	0.30	0.48	0.37	0.39	0.70
Diluted EPS (Old) (\$)	0.30	0.48	0.37	0.41	0.68
PE (x)	26.5	16.4	21.6	20.3	11.3
EV/EBITDA (x)	7.8	4.6	5.4	5.4	3.8
DPS (\$)	0.05	0.06	0.07	0.08	0.14
Net Div Yield (%)	0.7	0.8	0.9	1.0	1.8

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Buy	1
Price (13 Apr 12)	£9.01
Target price	£14.00
from £13.00	
Expected share price return	55.4%
Expected dividend yield	2.0%
Expected total return	57.4%
Market Cap	£4,744M
	US\$7,572M

Price Performance (RIC: KAZ.L, BB: KAZ LN)



Kazakhmys Plc (KAZ.L)

Target Price Goes up to £14; Top UK Copper Pick

- **Copper Price Changes** — Our commodities team have amended their copper price assumptions. Our new forecasts are now 8.5% higher in 2012E, 1.8% lower in 2013E and 3% lower in 2014E.
- **Earnings Changes** — Our 2012E EPS increases by 12.7% to \$2.87, while our 2013E and 2014E EPS are down 1.3% and 0.9%, respectively.
- **Target Price Raised to £14** — We set a new rounded target price of £14 for Kazakhmys, up from £13. Our target price is based on a blend of NPV and earnings-based multiples.
- **Top UK Copper Pick** — We continue to rate Kazakhmys as a Buy based on what we see as an attractive valuation and advocate copper exposure through this stock vs. UK listed peers Antofagasta and First Quantum.

Kazakhmys Plc (USD)

Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	3,237.0	3,563.0	3,704.4	3,785.5	3,757.5
Profit Before Tax (\$M)	1,590.0	1,623.0	1,689.5	1,906.3	1,655.9
Diluted EPS (\$)	2.78	2.80	2.87	3.22	2.73
Diluted EPS (Old) (\$)	2.78	2.93	2.55	3.26	2.75
PE (x)	5.2	5.1	5.0	4.5	5.3
EV/EBITDA (x)	1.7	1.4	1.1	1.1	1.3
DPS (\$)	0.22	0.28	0.29	0.30	0.27
Net Div Yield (%)	1.5	1.9	2.0	2.1	1.9

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Lonmin PLC (LMI.L)

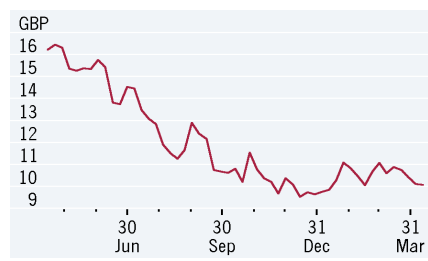
Maintain Neutral

2012E EPS -3%, 2013E -7%— We have updated our forecasts for new PGM prices as well as a review of costs, and our 2012E EPS falls from \$0.738 to \$0.719 (-3%) while our 2013E EPS falls from \$1.293 to \$1.198 (-7%). We set our TP at £11.00 (previously £11.12) by applying a 1.1x P/NPV, reflecting the longer-life assets of LMI vs. AQP and taking into account the valuation structure of SA-listed platinum groups. We continue to rate LMI as Neutral.

Neutral	2
Price (13 Apr 12)	£10.13
Target price	£11.00
from £11.12	
Expected share price return	8.6%
Expected dividend yield	0.0%
Expected total return	8.6%
Market Cap	£2,053M
	US\$3,276M

Price Performance

(RIC: LMI.L, BB: LMI LN)



Lonmin PLC (USD)

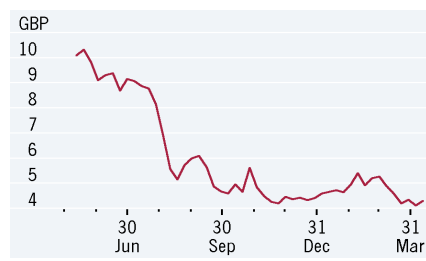
Year to 30 Sep	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	1,579.3	1,975.2	1,843.3	2,084.8	2,281.5
Profit Before Tax (\$M)	231.1	296.8	226.2	375.7	457.8
Diluted EPS (¢)	67.7	103.1	71.9	119.8	146.1
Diluted EPS (Old) (¢)	67.7	103.1	73.8	129.3	176.9
PE (x)	23.9	15.7	22.5	13.5	11.1
EV/EBITDA (x)	7.6	6.1	7.1	4.9	4.0
DPS (¢)	15.0	26.1	7.3	12.1	24.6
Net Div Yield (%)	0.9	1.6	0.5	0.8	1.5

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Neutral	2
Price (13 Apr 12)	£4.30
Target price	£4.80
from £5.00	
Expected share price return	11.8%
Expected dividend yield	2.6%
Expected total return	14.3%
Market Cap	£1,136M
	US\$1,812M

Price Performance (RIC: NWRR.L, BB: NWR LN)



New World Resources (NWRR.L) Time to Turn? Not Yet

- **Coking Price Revisions** — Our commodities team have made downward revisions to their coking coal price forecasts of 9% in 2012, 7% in 2013 and 6% in 2014, which pulls down our earnings forecasts for New World Resources. This is offset however, by more favourable EUR/USD exchange rate assumptions, which effectively increase the EUR price of coking coal.
- **Earnings Changes** — The combined impact of the amendments mentioned above are 1% lower EPS in 2012E, 6% higher in 2013E and 17% lower in 2014E.
- **Costs Assessed** — At the same time we take the opportunity to re-assess and increase our medium-term cost forecasts given rampant inflation in the last year which, to NWR's credit, it has managed to mitigate more successfully than some international peers. Our analysis suggests industry cash cost inflation has been ~15% CAGR over the last 6 years. This has reduced our NPV (12% WACC) from £5.43 to £4.83.
- **Target Price Reduced to £4.80** — We reduce our rounded target price from £5 to £4.80. Our target price is based on an equally weighted NPV and EV/EBITDA valuation. Our NPV of £4.83 has reduced from £5.43, while our 6x 2012E EBITDA valuation is £4.74.
- **Time to Turn?** — We do not think it is yet time to start buying coking coal stocks, particularly NWR which is working through some operational challenges. Granted, we think coking coal prices have hit rock bottom and recent mine closures (BHP's Norwich Park, Consol Energy's Buchanan mine) will provided support on the supply side. However, we also believe that there are significant stock piles at said mines and others, which will need to work through the market before coking coal prices start to run.

New World Resources (EUR)

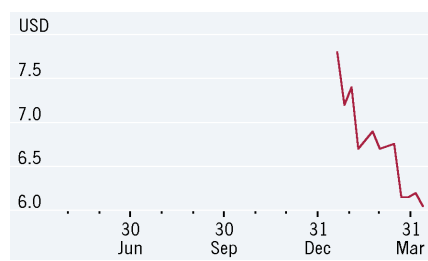
Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (€M)	1,590.0	1,632.5	1,473.4	1,560.1	1,600.7
Net Income (€M)	233.3	128.7	68.7	99.8	75.4
Diluted EPS (€)	0.88	0.48	0.26	0.38	0.28
Diluted EPS (Old) (€)	0.88	0.48	0.26	0.35	0.34
PE (x)	5.9	10.8	20.1	13.9	18.3
EV/EBITDA (x)	4.3	4.3	7.2	6.3	6.8
DPS (€)	0.43	0.23	0.13	0.19	0.14
Net Div Yield (%)	8.3	4.5	2.5	3.6	2.7

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Neutral	2
Price (13 Apr 12)	US\$6.20
Target price	US\$6.27
	from US\$7.24
Expected share price return	1.1%
Expected dividend yield	3.1%
Expected total return	4.2%
Market Cap	US\$2,225M

Price Performance (RIC: NORDNq.L, BB: NORD LI)



Nordgold (NORDNq.L) Remaining Neutral

Minor Change to 2012E EPS, 2013E unchanged — We have updated our forecasts for new gold prices as well as a review of costs and our 2012E EPS rises from \$0.77 to \$0.78 (+2%), while our 2013E EPS is unchanged at \$0.88. We set our TP at \$6.27 (previously £7.24) by applying a lower 1.1x P/NPV multiple (1.3x previously), to reflect the general decline in mining sector valuations. We continue to rate Nordgold as Neutral.

Nordgold (USD)

Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	754.2	1,182.1	1,449.3	1,846.4	1,938.8
Net Income (\$M)	107.7	168.9	280.9	316.6	337.0
Diluted EPS (\$)	0.21	0.47	0.78	0.88	0.94
Diluted EPS (Old) (\$)	0.21	0.47	0.77	0.88	0.76
PE (x)	29.0	13.2	7.9	7.0	6.6
EV/EBITDA (x)	6.9	4.5	3.3	2.8	2.5
DPS (\$)	0.00	0.00	0.20	0.22	0.23
Net Div Yield (%)	0.0	0.0	3.2	3.6	3.8

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Norsk Hydro ASA (NHY.OL)

Target Price Down to NKR27; Maintain Sell

■ **Earnings Up for 2012E but Down Afterwards** — Our 2012E EPS has gone up by 7.8% to NKR 2.15 but 2013E is down 18.7% to NKR 2.33 and 2014 is down by 19.1% to NKR 2.59. As a result, our NPV has also dropped from NKR 31.70 to NKR 30.63 leading to a 10% reduction in our target price to NKR 27 from NKR 30. We maintain our Sell recommendation on the stock with -9% ETR.

Sell	3
Price (13 Apr 12)	NKR30.39
Target price	NKR27.00
from NKR30.00	
Expected share price return	-11.2%
Expected dividend yield	2.1%
Expected total return	-9.0%
Market Cap	NKR62,877M
	US\$10,905M

Price Performance (RIC: NHY.OL, BB: NHY NO)



Norsk Hydro ASA (NOK)

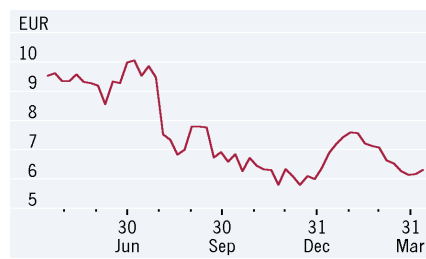
Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (NKRm)	75,754.0	91,444.0	97,596.7	100,798.9	101,600.9
Net Income (NKRm)	1,643.1	3,718.0	4,373.6	4,748.5	5,276.3
Diluted EPS (NKR)	1.16	1.89	2.15	2.33	2.59
Diluted EPS (Old) (NKR)	1.16	1.89	1.99	2.87	3.20
PE (x)	26.2	16.1	14.1	13.0	11.7
EV/EBITDA (x)	9.0	5.6	5.1	4.7	4.1
DPS (NKR)	0.75	0.75	0.64	0.70	0.78
Net Div Yield (%)	2.5	2.5	2.1	2.3	2.6

Company Focus

- Company Update
- Estimate Change

Buy	1
Price (13 Apr 12)	€6.30
Target price	€9.00
Expected share price return	42.8%
Expected dividend yield	2.5%
Expected total return	45.3%
Market Cap	€1,072M
	US\$1,413M

Price Performance (RIC: NYR.BR, BB: NYR BB)



Nyrstar NV (NYR.BR) Deep Value on Offer Again

- **2012E Earnings Up** — Our 2012E EBITDA has gone up by 14% to €450m from €396m, resulting in EPS increasing by 32% to €0.92 from €0.70. The impact of a 3.4% uplift in the 2012E zinc price to \$2,121 is partially offset by a 6.7% rise in the EUR/USD exchange rate. We have also revisited our cost assumptions through the model, which has resulted in a 6% NPV decline to €12.66. We maintain our Buy recommendation with an unchanged price target of €9/share.

Figure 16. Summary of Changes

Key Changes	EBITDA (€m)			EPS (€)			NPV (€) DisplayText
	2012F	2013F	2014F	2012F	2013F	2014F	
New	450	628	707	0.92	1.63	1.94	12.66
Old	396	620	701	0.70	1.61	1.91	13.48
Change	14%	1%	1%	32%	1%	1%	-6%

Source: Citi Investment Research and Analysis

- **Shares Very Attractive Again** — Macro-driven correction in the mining equities has resulted in significant upside potential for a few stocks in our coverage universe, we believe. Nyrstar being one of those stocks now offers a ~45% ETR based on our unchanged target price of €9/share over a 12-month investment horizon. The shares are trading at a ~50% discount to NPV and a ~30% discount to 2012E book value, and at a 2012E P/E of 6.8x and a 2012E EV/EBITDA of 4.1x, making them very attractive across all financial matrices, in our view.
- **Top Small and Mid Cap Pick** — Nyrstar is one of our 15 Key Buys within the Continental Small and Mid Cap space on a 12-month investment horizon (see [SMID Panorama- Continental Europe](#)).

Nyrstar NV (EUR)

Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (€M)	2,696.1	3,347.6	3,309.9	3,653.0	3,756.7
Net Income (€M)	99.4	55.6	154.1	280.8	335.4
Diluted EPS (€)	0.79	0.37	0.92	1.63	1.94
Diluted EPS (Old) (€)	0.79	0.37	0.70	1.61	1.91
PE (x)	8.0	17.2	6.8	3.9	3.2
EV/EBITDA (x)	6.2	6.3	4.1	2.7	2.0
DPS (€)	0.13	0.16	0.16	0.16	0.16
Net Div Yield (%)	2.0	2.5	2.5	2.5	2.5

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Buy	1
Price (13 Apr 12)	£5.22
Target price	£6.24
from £7.62	
Expected share price return	19.5%
Expected dividend yield	0.0%
Expected total return	19.5%
Market Cap	£974M
	US\$1,555M

Price Performance (RIC: POG.L, BB: POG LN)



Petropavlovsk PLC (POG.L) PT Down to £6.24; Maintain Buy

■ **Banking on Gold Price; Buy** — We have updated our forecasts for new gold prices as well as a review of costs, and our 2012E EPS falls from \$1.49 to \$1.48 (-1%), while our 2013E EPS falls from \$2.50 to \$2.19 (-12%). We have reduced our target P/NPV ratio on the gold assets from 1.3x to 1.1x to reflect the general decline in mining sector valuations. This drives a decline in our target price to £6.24. We continue to rate POG as Buy. POG is the only UK gold equity with significant debt and it faces much higher costs in the years ahead as it treats refractory ore via the POX process. Our continued Buy rating on POG is therefore very much a function of the view of our commodity analysts that gold will rise from its current \$1650/oz level to average above \$1800/oz in 2013. Investors with a more cautious gold view should have a more cautious view than Citi on POG.

Petropavlovsk PLC (USD)

Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	612.2	1,261.5	1,478.6	1,766.6	1,778.0
Profit Before Tax (\$M)	95.0	356.9	397.1	604.7	713.4
Diluted EPS (\$)	0.23	1.23	1.48	2.19	2.58
Diluted EPS (Old) (\$)	0.23	1.23	1.49	2.50	2.27
PE (x)	37.0	6.8	5.6	3.8	3.2
EV/EBITDA (x)	8.8	4.4	4.4	3.2	2.4
DPS (\$)	0.08	0.08	0.08	0.08	0.08
Net Div Yield (%)	1.0	1.0	1.0	1.0	1.0

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Neutral	2
Price (13 Apr 12)	£56.35
Target price	£60.27
	from £65.27
Expected share price return	7.0%
Expected dividend yield	0.3%
Expected total return	7.3%
Market Cap	£5,170M
	US\$8,252M

Price Performance (RIC: RRS.L, BB: RRS LN)



Randgold Resources Ltd (RRS.L) PT Down to £60.27; Neutral

■ **Political Risk Remain; Neutral** — We have updated our forecasts for new gold prices as well as a review of costs, and our 2012E EPS falls from \$6.43 to \$6.35 (-2%) while our 2013E EPS falls from \$9.53 to \$8.70 (-9%). We have reduced our target P/NPV ratio from 1.3x to 1.2x to reflect the general decline in mining sector valuations. Our TP falls from £65.27 to £60.27 and we continue to rate RRS as Neutral. RRS has a superb future asset in Kibali but the increase in underground mining in Mali poses efficiency and cost challenges. While Mali is looking better, politically, than it did a month ago, the damage has been done to the previous perception of a settled, democratic country. As Kibali is in the DRC, also with a high political risk profile, the entire group risk rating of RRS has shifted quite significantly since the Ivory Coast also proved its potential for political instability in 2011.

Randgold Resources Ltd (USD)

Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	511.2	1,128.3	1,467.0	1,879.9	2,178.5
Net Income (\$M)	139.7	375.9	586.5	803.1	924.0
Diluted EPS (\$)	1.52	4.07	6.35	8.70	10.01
Diluted EPS (Old) (\$)	1.52	4.09	6.43	9.53	8.97
PE (x)	59.0	22.1	14.2	10.3	9.0
EV/EBITDA (x)	39.0	14.0	9.3	6.5	4.9
DPS (\$)	0.11	0.81	1.27	1.74	2.00
Net Div Yield (%)	0.1	0.9	1.4	1.9	2.2

Company Focus

■ Company Update

Buy	1
Price (13 Apr 12)	£35.29
Target price	£49.00
Expected share price return	38.8%
Expected dividend yield	2.0%
Expected total return	40.9%
Market Cap	£61,547M
	US\$98,226M

Price Performance (RIC: RIO.L, BB: RIO LN)



Rio Tinto PLC (RIO.L/RIO.AX) Near-Term Earnings Largely Unchanged; Maintain Buy

- **Steady to 2013E** — Our earnings forecasts for the next two years are largely unchanged with 2012E EPS now at \$8.00 (from \$7.98) and 2013E EPS now at \$9.04 (from \$9.07). Our 2014E EPS has gone up by 6.4% to \$10.26. Our NPV is also largely unchanged at £54.52 (from £54.33). We maintain our Buy recommendation on the stock with an unchanged price target of £49/share implying an ETR of >40%.

Rio Tinto PLC (USD)

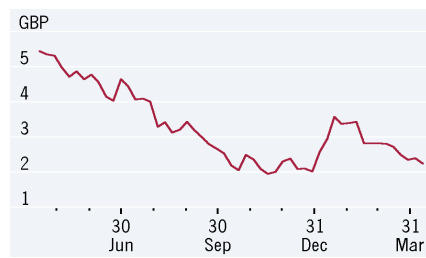
Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (\$M)	60,323.0	60,537.0	67,615.8	74,567.4	79,393.3
Profit Before Tax (\$M)	20,480.0	13,016.0	23,876.5	26,852.7	29,949.5
Diluted EPS (¢)	714.3	832.8	800.4	904.2	1,026.1
Diluted EPS (Old) (¢)	714.3	832.8	798.0	907.4	964.8
PE (x)	7.9	6.8	7.0	6.2	5.5
EV/EBITDA (x)	4.0	3.3	3.2	2.6	2.1
DPS (¢)	108.0	145.0	170.0	195.0	187.5
Net Div Yield (%)	1.9	2.6	3.0	3.5	3.3

Company Focus

- Company Update
- Target Price Change
- Estimate Change

Neutral	2
Price (13 Apr 12)	£2.25
Target price	£2.50
from £3.00	
Expected share price return	11.2%
Expected dividend yield	0.0%
Expected total return	11.2%
Market Cap	£609M
	US\$971M

Price Performance (RIC: TALV.L, BB: TALV LN)



Talvivaara Mining Company (TALV.L) Maintain Neutral

- **Costs and ramp-up offset FX** — We have incorporated new commodity price assumptions into our model. While there has been minimal change to our nickel forecasts, a weakened EUR against the USD has boosted earnings for Talvivaara. This sees EPS up 125% in 2012E and 38% in 2013E (due to small base). This is offset in the long run, however, by a slower ramp-up and increased long-term cost assumptions. As a result, we reduce our target price to £2.50 and maintain our Neutral recommendation.

Talvivaara Mining Company (EUR)

Year to 31 Dec	2010A	2011A	2012E	2013E	2014E
Sales (€M)	152.2	231.2	303.9	482.7	671.2
Net Income (€M)	-7.6	-10.5	17.7	82.2	174.7
Diluted EPS (€)	-0.03	-0.04	0.07	0.33	0.58
Diluted EPS (Old) (€)	-0.03	-0.04	0.03	0.24	0.57
PE (x)	-88.1	-63.8	41.2	8.3	4.7
EV/EBITDA (x)	14.5	14.7	9.8	5.1	3.1
DPS (€)	0.00	0.00	0.00	0.00	0.00
Net Div Yield (%)	0.0	0.0	0.0	0.0	0.0

African Barrick Gold Plc

Company description

African Barrick Resources operates four gold mines in Tanzania, namely Bulyanhulu, Buzwagi, North Mara and Tulawaka. Buzwagi, an open-pit mine, is the newest mine, having started up in 2009. The company is 75% owned by Barrick Gold following the IPO in March 2010.

Investment strategy

We rate African Barrick as Sell. The group has failed to meet earlier optimistic objectives of quickly attaining production levels of above 800 000 ounces per annum and the group's control of costs has been very poor in the past two years. Prospective costs are also set to rise higher.

Valuation

We prefer to use longer-term P/NPV ratios to value this subsector and set our target price of £3.42 by applying a 1.1x P/NPV ratio to our NPV estimate of £3.11 (derived using a discount rate of 10%).

We set our target P/NPV multiples with reference to absolute and relative historical sector average levels, taking into account our views on the current stage of the cycle and on the quality of each company's assets and management.

Among other things, the NPV multiple we apply in the case of ABG takes into account the risk of operating in a single African country, Tanzania.

Risks

Key risks that could cause volatility in the share price are the gold price, which has a volatile trading history, and African political risk. While Tanzania has a stable democracy, its location alongside some unstable democracies does offer some risk.

ABG has good labour relationships but there have been examples of labour disruption in the past before ABG took steps to improve relationships. There is always a risk that labour difficulties could resume. There has also been a security risk at ABG's North Mara mine.

We consider the ABG technology to be standard for the mining industry but all mining carries risk. ABG has extremely high safety standards but mines present a constant risk of fatalities and accidents cannot be ruled out.

If the impact of these risk factors is more or less positive than we currently anticipate, then the share price could deviate significantly from our target price.

Anglo American PLC

Company description

Anglo American is a diversified mining company, with key operations in base metals, coal, iron ore and PGMs. While its head office is in the UK, its operations are spread across the globe, with exposure to South Africa, Australia and South America. Its biggest differentiator vs. its peer group is its globally dominant position in platinum and diamond production. The group has a larger proportion of assets in Africa (40%) than its peers, which could be perceived as higher risk given political uncertainty and electricity shortages.

Investment strategy

Our recommendation on Anglo American is Neutral. We forecast strong volume growth over the next four years. We believe Anglo could offset the negative impact of falling commodity prices on its margins over the next five years to some extent through a defensive commodity basket and high-margin iron ore copper and coal growth.

However, we believe several operational challenges could weigh on Anglo's share price in the medium term 1) ongoing operational issues at Anglo Plat; 2) significant cost pressure at Kumba Iron Ore due to increasing mining complexity; 3) ongoing issues at Minas Rio; 4) potential for higher taxes in South Africa; 5) potentially negative news flow from Anglo Sur relating to Codelco's option to acquire 49%.

Valuation

Our target price for Anglo is based on a 50/50 weighting of our DCF fair value of £25 and a P/E-derived value of £25, whereby we apply a 8x PE multiple to 2013E earnings. We derive our DCF valuation based on: 1) a weighted average cost of capital (WACC) of 9.52%; 2) long-term (2013-23E) nominal revenue growth of 5% per annum; 3) long-term EBITDA margins of 38%; 4) a long-term capex/EBITDA ratio of 41%; 5) long-term ROE of 12%; and 6) a terminal growth rate (after 2023E) of 3.5% (implying an exit P/E multiple of 10x).

Risks

The biggest risks to our earnings forecasts and valuation relate to our commodity price and currency forecasts.

Industry-specific risks include government actions, such as controls on imports, exports and prices, new forms or rates of taxation and royalties, and increased government regulation. South African miners started paying mining royalties in March 2010, in line with global best practice and market expectations.

Higher-than-forecast inflation in the mining sector could lead to near-term margin compression, but should support higher commodity prices in the long term.

Skills, electricity and water shortages in South Africa may affect production and mining inflation more than we anticipate. As around 40% of Anglo's assets are in South Africa, this could erode Anglo's global competitiveness.

Over-estimation of mineral reserves could weaken our investment case. We assume long-term reserve replacement at a fixed capital cost to EBITDA. Failure to discover new reserves or expand existing reserves could therefore impact on Anglo's valuation.

Conversely, if any of these factors proves to have less of an effect than we anticipate, the stock could materially outperform our target.

Antofagasta PLC

Company description

ANTO is a top 10 global producer of copper. Its assets are mostly located in Chile and its headquarters are in the UK. ANTO is 65% family held by the Luksic family. The remaining free float trades on the FTSE.

Investment strategy

We rate Antofagasta as Sell. We see much more potential in ANTO from 2013 as the construction of Antucoya gets under way and more details emerge on JVs like Nokomis and Birch Lake and the Los Pelambres expansion. As such, we see 2012 as a transitional year of weak macro and relatively lacking in catalysts for the stock. We currently see better opportunities elsewhere in the sector.

Valuation

Our target price of £10.5 is based on a blend of NPV, free cash flow, multiples (EV/EBITDA) and residual income. The NPV and residual income approach give us a moderated and longer-term view of normalised returns, and the multiple and free cash flow methods give us a valuation on near-term earnings potential. We apply a 20% premium to NPV to try to capture some of the optionality from resources and cash.

Risks

With 80% of its sales related to copper, any change in copper prices has a significant effect on our estimates, valuation and target price; in terms of costs, there is added risk given the unpredictability of its cash production costs; not only are cash costs related to copper prices, but they are also affected by the prices of by-products, such as molybdenum, gold and silver.

If the impact of these risk factors is more or less negative than we currently anticipate, then the share price could fail to reach or exceed our target price.

Aquarius Platinum Ltd

Company description

Aquarius Platinum has interests in five operations and is one of the world's fastest-growing platinum companies. Operations and projects are located on both the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe. The primary operation is at Kroondal, one of the lowest-cost and most efficient PGM producers in the world. In Zimbabwe, AQP holds a 50% interest in the Mimosa Mine, arguably the lowest-cost primary PGM mine in the world. Mimosa has a mine life in excess of 30 years.

Investment strategy

We rate AQP Neutral. Operating and capital costs are on the rise, and PGM prices have been weakening, hence we believe the stock lacks near-term catalysts. In the long term, we think Aquarius should benefit from a structurally supportive outlook for PGM prices.

Valuation

Our £1.51 target price is based on our NPV valuation, given the current uncertainty over the macro outlook and likelihood of depressed earnings near term. Our base case NPV for the stock of £1.68 is derived from a DCF model that assumes a discount rate for the UK listing of 9% (in line with that which we use for its closest UK peer). We set our target price at 0.9x NPV. We set this at a discount to the 1.0x used for larger platinum peers in order to take account of AQP's smaller size and price volatility. The limited premium we apply to NPV compared with other precious metals stocks reflects the recent safety issues at AQP and associated risks.

Risks

Aquarius faces risks given that group earnings are all generated from a single commodity and mining is limited to one region. That said, the group generally has lowest costs among the South African PGM producers. All its mining is done using efficient mechanised mining via the use of contractors. This reduces exposure risks. Further, Aquarius does not operate its own downstream activities, with a life-of-mine offtake agreement with Impala taking care of smelting and refining capacity.

Key risks to Aquarius failing to achieve our projected earnings, cash flows and target price relate to the following:

Rand strength. A stronger-than-expected rand would continue to depress rand-denominated cash flows.

Cost pressures. Although Aquarius uses contractors to do all the mining and therefore has limited exposure to wage costs, cost pressures continue to be a feature in the industry.

Geopolitical exposure. Mining is limited to one region, Southern Africa. Aquarius has considerable investment at Mimosa in Zimbabwe. Any further deterioration in the political situation there and/or inability to expand the production assets could be a big problem for the company.

However, if the impact of these risk factors is less negative than we currently anticipate, then the share price could exceed our target price.

BHP Billiton PLC (BLT.L; £18.89; 1)/(BHP.AX; A\$34.47; 1)

Company description

BHP Billiton is the world's largest mining company, formed by the merger of BHP Ltd and Billiton plc in 2001. The group comprises six major business units, Petroleum, Aluminium, Base Metals, Carbon Steel Materials, Energy Coal and Stainless Steel Materials. The company retains a dual listed corporate structure between the UK and Australian markets.

Investment strategy

We rate BHP Billiton a Buy. Key positive drivers include the following. 1) Production growth - we forecast strong organic production growth across the group's petroleum, coal and iron ore assets as projects are delivered, subject to market conditions. 2) Strong balance sheet - BHP has a strong balance sheet that could be used to acquire assets at the bottom of the cycle, or return it to shareholders through the reactivation of the buyback programme.

Valuation

Our target price is £23.00 (which rounded converts to a R290 at a one-year forward forecast ZAR/GBP FX rate of 12). Our BHP valuation (NPV) of £27.30 per share is partly based on DCF analysis, using a 7.8% real, after-tax, unlevered discount rate and a beta of 1.1. Our long-term equilibrium commodity prices and other key assumptions are available in our Metals & Mining Strategy reports. We calculate a one-year target price using a combination of: 1) a target price based on a 10% discount to NPV; 2) a multiple-based target price of £21.45 per share using FY12E (10x P/E and 6x EV/EBITDA); and 3) a 50% weighting for each method.

Risks

Key risks to our projected earnings, cash flows and valuation relate to weaker than expected commodity prices/economic growth and currency fluctuations.

Country risk is a significant consideration with about 40% by NPV of operations in Africa, South America and Asia. Operating risk is lower than in smaller metals and mining companies with fewer operations.

The ongoing global economic slowdown could deteriorate further, providing further downside risk to commodity prices.

If the impact of these risk factors is more or less negative than we currently anticipate, then the share price could fail to reach or exceed our target price.

Centamin Egypt Limited

Company description

The principal asset of Centamin (CEY) is the Sukari gold project, located in eastern Egypt. The first gold bar was produced on 26 June 2009. CEY is beginning its life as a standard open pit, carbon in leach gold producer and will soon add underground production to the open pit operations, thus targeting higher grades earlier than would be the case with only the open pit. .

Investment strategy

We rate Centamin Buy. We think that CEY ticks all the key operational and reserves boxes and is an attractive new producer. Sukari is a good quality mine, which management hopes to eventually be producing more than 500k oz p.a., and CEY has the reserves and resources (14.5m oz) to back this up.

Valuation

Our £0.87 target price is based on a long-term NPV assessment of CEY based on a 1.05x multiple of our £0.83 NPV (derived using a discount rate of 12%).

We set our target P/NPV multiples with reference to absolute and relative historical sector average levels, taking into account our views on the current stage of the cycle and on the quality of each company's assets and management.

Risks

CEY faces risks associated with the difficult political situation in Egypt. Furthermore, all mining ventures carry risk via the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the company's future operations. The following risk factors could also cause the stock price to deviate significantly from our target price.

CEY's operations are influenced by fluctuations in the world gold price. If the price of gold should drop significantly, the economic prospects of CEY's Sukari project could be significantly reduced or rendered uneconomic. The converse applies to a rising gold price.

CEY offers potential predators instant access to gold production, as opposed to gold exploration assets and there is a possibility that CEY could become a target. Also, should CEY seek to make acquisitions, this represents either upside or downside risk.

There is a risk that the expenditures that CEY makes in exploration will not result in the discovery of mineralised materials in commercial quantities. There is also a degree of uncertainty attributable to the calculation of mineralisation, which could represent an upside or downside risk to our earning forecasts. These risks could impede the share price from reaching our target price.

Eurasian Natural Resources Corporation PLC (ENRC)

Company description

ENRC is a FTSE 100 diversified mining company, based primarily in Kazakhstan. Recent bolt-on acquisitions were made in Russia, China and Brazil. The company's primary products are ferrochrome, iron ore and alumina/aluminium. The company is also integrated in power and logistics.

Investment strategy

We have a Buy rating. ENRC is the world's lowest-cost ferrochrome producer and also a low-cost producer of aluminium. Cheap internal power supplies provide a competitive cost advantage. We estimate an average 'through-the-cycle' EBITDA margin of 40%, which compares well against global peers. ENRC also benefits from a strong project growth pipeline.

We see the company as an acquirer of assets, particularly in Africa, and view further related party transactions as a possibility. We think that ENRC shares now have attractive value and see sufficient upside potential for a Buy rating.

Valuation

We value ENRC using a rounded average of four methods - DCF, multiples, free cash flow and residual income - to get to our price target of £7.6.

Our DCF valuation uses a 2.5% growth rate (KAZ 2%), a 5% equity risk premium and a 6.5% cost of debt. We apply a 10% premium to our derived NPV. Our multiples/SOTP valuation is based on industry peer multiples for the different divisions. Our residual income model uses a 12.5% target return.

We use 2013 estimates for our multiples and FCF valuation, as 2012 will be a year of heavy growth capex.

Risks

As the company is primarily Kazakhstan-based, we view political/regional risk as higher than for peers. The quality of the company's assets might however be a partial offset.

Upside to our target price could come from projects such as platinum and bauxite (CAMEC assets) - which are still not fully well known or modeled. On the downside we feel an increasing concentration of DRC assets could lead to investors assigning a lower earnings multiple to ENRC. Other key risks to our target price are as follows.

Political & Regulatory Risk: The group's assets were acquired through the privatisation process in the mid-90s and the group has close links with the current government of Kazakhstan. The majority of ENRC's subsurface contracts expire within the next 10 years.

Commodity Prices: The key commodities for ENRC are ferrochrome, iron ore and aluminium. Any material movements in these commodities would likely have a significant impact on corporate earnings.

Currency Risk: ENRC reports in US\$, and its revenue stream is priced in US\$. However, operating costs are split 80:20 between the KZT and US\$. Any significant movements in the exchange rate would likely impact margins and profitability.

ENRC has increased its exposure to Africa - DRC and Zimbabwe through acquisitions - we believe this increases the political risk for the group.

Ferrexpo PLC

Company description

Ferrexpo (FXPO.L) is a FTSE 250 listed iron ore pellet producer with its main asset located in the Ukraine. In 2010 Ferrexpo produced 10Mt of iron ore pellets from its FYM mine. Ferrexpo holds licences to one of the largest resource bases in the world, with JORC Compliant reserves of 1.6bn tonnes, resources of 6.6bn tonnes and a further 15bn tonnes of resources classified according to the Soviet GKZ code.

Investment strategy

We rate Ferrexpo Buy, driven by robust iron ore pellet demand, attractive growth potential and margin expansion / earnings growth from a series of optimisation programmes over the next 3 years.

Valuation

Our FXPO target price of £4.25 is set using a weighted average of NPV (75%) and multiples-based valuation (25%). Our NPV of £4.64 is derived using a 12% WACC, reflecting regional and commodity exposure. We also apply a 5x 2012E EV/EBITDA ratio (£3.08/sh), in line with historical trading multiples. A weighting of 75% NPV and 25% EV/EBITDA reflects the emphasis we place on longer-term growth prospects and drives our rounded target price of £4.25.

Risks

The key risks surrounding FXPO, which could prevent the shares from reaching our target price, are:

Execution risk: The Ukraine, and FXPO specifically, have been short on project development expertise in operations as large as the potential expansion of the Yeristovo mine.

Transportation risk: Unlike the major iron ore producers, FXPO does not own its logistics network (freight and rail) and is thus reliant on using state or third-party-owned infrastructure. It is however becoming increasingly self-sufficient in rail car wagons and the acquisition of barging company Helogistics demonstrates an intention to rectify this.

Commodity price risk: As a single commodity producer, FXPO's earnings are highly sensitive to iron ore prices and consequently global steel demand. On our calculations a 5% change in the iron ore price can move earnings by ~10%.

Ukraine geopolitical risk: Country and political risk are significant considerations, given historical events within Russia and the Former Soviet Union (FSU). We have attempted to adjust for the sovereign risk factor in setting our discount rate. However, this adjustment may not fully reflect the risk of doing business in the FSU.

If the impact of these risk factors is more or less negative than we currently anticipate, then the share price could fail to reach or exceed our target price.

First Quantum Minerals Ltd

Company description

First Quantum (FQM.L) is listed on the Canadian and London exchanges, and is a copper, nickel and gold producer. FQM produces ~270ktpa of copper and 200koz of gold, making it one of the world's top 20 producers.

We expect FQM to nearly treble its copper equivalent production by 2014 as the company commissions nearly one project every year from 2012.

Investment strategy

We rate FQM Neutral. The company offers the best copper equivalent volume growth in our UK mining coverage. However, it is moving into a project execution phase, and a recent change in the government in Zambia creates policy uncertainty.

Valuation

We value FQM using DCF, free cash flow and multiples. Our DCF inputs for FQM are a risk free rate of 4%, a risk premium of 4.0% and a terminal growth rate of 3.5%. Our multiples based valuation uses a 6x EBITDA multiple for GM, Kevitsa, Kansanshi and Sentinel.

We set our price target of £13.7 as a blend of three methods.

Risks

Key risks for the company include an uncertain tax regime in Zambia where it operates one large copper mine and has its biggest project, and also its ability to successfully execute the Sentinel, Ravensthorpe and Enterprise projects. If the impact of these risk factors is greater/less than we currently anticipate, then the share price could miss/exceed our target price.

Fresnillo Plc

Company description

FRES was spun out of the Penoles group in May 2008. FRES houses the precious metals assets that were previously part of the Penoles group. FRES has three core operating assets (the Fresnillo, Cienega and Herradura mines, all based in Mexico) as well as owning a silver-stream style royalty from Penoles's Sabinas mine. The Soledad & Dipolos expansion project at Herradura came on stream in 1Q 2010. The next major development project is the Saucito operation, currently in ramp up.

Investment strategy

We rate Fresnillo Neutral. FRES's core asset is the Fresnillo I mine, located c.300km north-west of Mexico City, the world's largest primary silver mine. Fresnillo I produces c33m oz of silver pa (roughly 96% of the group's silver production). The size, high silver grade and strong by-product credits of FRES's assets result in low operational costs. We expect silver production to rise from 38m oz in 2010 to 46.0m oz in 2013. Saucito provides the backbone of growth for the company and is likely to be the key development project and is due to be in production in 2011. However, the recent pullback has left FRES looking fairly valued.

Valuation

We prefer to use longer-term P/NPV ratios to value this subsector and set our target price of £17.16 by applying a 1.9x P/NPV ratio to our NPV estimate of £9.03 (derived using a discount rate of 10%, given our assessment of lower country risk in LatAm vs. Africa and Russia).

We set our target P/NPV multiples with reference to absolute and relative historical average levels, taking into account our views on the current stage of the cycle and on the quality of each company's assets and management.

Risks

The main risks to our investment thesis and target price revolve around either positive or negative moves in the following key areas:

Silver and metal prices: We expect silver to hold recent levels but see only limited upside risk as global financial risk is easing and silver will have to rely on industrial and jewellery demand alone. Silver has displayed a greater degree of volatility than other precious metals over recent years. The volatility and oversupply potential could see silver prices fluctuate away from our forecasts, leading to a risk to our earnings estimates. We also expect lead and zinc prices to remain volatile over the next several years.

Currency: All of FRES's operations are in Mexico. The revenue stream is denominated in US\$ and upwards of 70% of the cost base denominated in Mexican pesos, thus any significant shift in the US\$:peso exchange rate could impact profitability. We estimate that a $\pm 10\%$ move in the US\$:peso exchange rate would influence profitability by $\pm 3\%$.

Cost pressures: One of the key challenges facing the mining industry is rising cost pressures. Cyclical costs are under pressure from inflationary issues driven by the upswing in the commodities cycle. If we continue to see cost escalation against the backdrop of stable commodity prices, we could see margin erosion and reduced profitability for the mining industry.

Political risk: FRES's assets are predominantly based in Mexico. Consequently, while its revenue will be driven by the global demand for silver and gold, its cost base will be influenced by local currency rates, as well as country-specific economic issues such as labour availability, wages and inflation.

If the impact from any of these factors proves to be more negative than we anticipate, the stock will likely have difficulty achieving our financial and price targets. However, if any of these factors proves to have less of an effect than we anticipate, the stock could materially outperform our target.

Hochschild Mining Plc

Company description

Hochschild is a precious metals miner producing silver and gold, headquartered in Lima and registered in London. In 2006 Hochschild was the fourth-largest primary silver producer globally, producing 11.6 moz. The group is also a substantial gold producer, with 196 Koz produced in 2006.

The group has three 100%-owned operating mines in Peru: Arcata, Ares and Selene. All three are underground epithermal vein mines and the principal mining method used is cut and fill. The ore is processed into either silver-gold concentrate or doré. In addition, the group has three joint venture operations (Mina Morris, Pallancata and San Jose), which all started production in 2007.

Investment strategy

We rate Hochschild Mining Neutral. Although HOCM has no organic production growth on offer in the next two years, it is likely to be the beneficiary of a strong silver price. HOCM should have good production growth after 2014. However, the Peruvian political landscape is a concern.

Valuation

We prefer to use longer-term P/NPV ratios to value this subsector and set our target price of £4.94 by applying a 1.35x P/NPV ratio to our NPV estimate of £3.66 (derived using a discount rate of 10%). We set our target P/NPV multiples with reference to absolute and relative historical average levels, peer multiples, and our view on the current stage of the cycle and on the quality of each company's assets and management. HOCM does not warrant the higher P/NPV rating of its key silver peers, in our view, because of the present uncertain phase of Peruvian politics.

Risks

The main risks to our investment thesis and target price revolve around either positive or negative moves in the following key areas:

Politics. Following the recent Peruvian election, there is a higher risk of excessive taxes

Commodity price: Silver has displayed a greater degree of volatility than other precious metals over recent years. The volatility and oversupply potential could see silver prices fluctuate away from our forecasts leading to risk in our earnings estimates.

Currency risk: The bulk of HOC's earnings are generated from Peru. With their revenue denominated in US\$ and 40% of the cost base denominated in the Peruvian Sole, any significant shift in the US\$:Sole exchange rate could impact profitability.

Political risk: HOC's assets are based largely in Peru and Argentina. While these regions have a history of mining, it is nowhere near as extensive or deep-rooted as their neighbour Chile. We have seen an elevation in royalties in these regions in the past year, as well as extensive labour strikes, as sections of the government and labour try to increase their financial windfalls from the mining boom.

Kazakhmys Plc

Company description

Kazakhmys is a UK-listed copper producer with its primary assets in Kazakhstan. The company is a top 10 global producer of copper with c320ktpa of production capacity. KAZ owns 26% of ENRC, a Kazakhstan producer of ferroalloys, iron ore, alumina, aluminium and energy. Kazakhmys also owns a 50% stake in Ekibastuz, the largest power plant in Kazakhstan.

Investment strategy

We rate Kazakhmys Buy. The company has diversified its asset base through the purchase of 26% of ENRC. Backing out the market-implied value of the 26% stake in ENRC, we estimate the copper assets are being priced cheaply relative to peers. That said, we think the key driver for the KAZ share price in the next 12 months will be the company's earnings sensitivity to the copper price. Given the stock's valuation support, we rate the shares as Buy.

Valuation

We have a rounded target price of £14.0 on Kazakhmys. Our target price is based on a blend of NPV and earnings-based multiples (2011E EV/EBITDA). We derive a DCF value of £16.8 (based on a DR of 14.1%, terminal growth of 2%) and apply a 5% premium to reflect the value of optionality. We calculate £10.4/share from a SOTP EV/EBITDA valuation and £14.2/share from free cash flow analysis, which are equally weighted with our DCF valuation to arrive at our price target.

Risks

Adverse movements in the copper price away from our forecasts could see a significant delta in our forecasts from actual profits, both positively and negatively. The company conducts the bulk of its business in Kazakhstan and geopolitical risks could cause the share price to deviate significantly from our target price. If the impact on the company from any of these factors proves to be more or less negative than we anticipate, the stock could have difficulty achieving or exceed our financial and price targets.

Lonmin PLC

Company description

Lonmin is the world's third-largest primary producer of PGMs. Platinum production is expected to be in the region of 720koz in 2011. Lonmin's operations are located in South Africa.

Investment strategy

We rate Lonmin Neutral. We think that management is steadily gaining market confidence following a consistently improving trend in operational efficiency. However, a strong SA rand is tending to offset the recent strength in the US\$ price of platinum. The entire industry is facing cost challenges. Xstrata owns a 25% stake in the company and could aim to increase its ownership stake.

Valuation

Our target price for Lonmin is £11.00. We value Lonmin based on a sum-of-the-parts discounted cash flow (DCF) analysis. Our model uses a nominal WACC of 9% and discounts forecast cash flows over the life of the group's individual assets. We apply a 1.10 P/NPV multiple to our £10.00 NPV.

We set our target P/NPV multiples with reference to absolute and relative historical average levels, taking into account our views on the current stage of the cycle and on the quality of each company's assets and management.

Risks

Our valuation of LON is exposed to macroeconomic developments affecting PGM prices and exchange rates, operational risks that might affect volumes and input costs, and political and regulatory risks that might affect costs and the company's reputation.

- **Macroeconomic risks:** Our valuation of LON is highly dependent on input assumptions for platinum, palladium, and rhodium prices, as well as the rand-dollar exchange rate. Upside risks to our view include higher-than-expected PGM prices and a weaker-than-expected rand. Conversely, downside risks to our view include lower-than-expected PGM prices and a stronger-than-expected rand.

- **Operational risks:** We base our production and cost outlook for LON's individual mines on management guidance and by applying our discretion to management's guidance and targets. The main downside risk to our view is that significantly more capex is required in order to sustain current production levels than that assumed in our valuation model. We also caution downside risk to our generally favorable cost assumptions, given the inflationary environment in which LON operates. The main upside risk to our view is the platinum market moving into deficit, in which case LON might be able to expand production above our forecast levels.
- **Political and regulatory risks:** LON's operations and future projects are based in SA. The company is subsequently exposed to government and regulatory-related risks in SA. Specific risks include higher-than-expected royalties, production delays from government intervention and labour unrest. If the impact from any of these factors proves to be more negative than we anticipate, the stock will likely have difficulty achieving our financial and price targets. However, if any of these factors proves to have less of an effect than we anticipate, the stock could materially outperform our target.

New World Resources

Company description

NWR's coal assets (coking, thermal and coke products) are based in the Upper-Silesian Coal Basin in the eastern part of the Czech Republic, near the city of Ostrava. The company is the largest coal miner in the Czech Republic and one of Europe's leading coal producers. In 2011, NWR produced 11.2Mt of coal, with external sales of 4.42mt of coking coal and 6.23mt of thermal coal. NWR also produced 0.77Mt of coke products. NWR is one of the largest industrial companies in the Czech Republic and in 2011 employed approximately c18,046 workers, making it one of the largest private sector employers in the country.

Investment strategy

We rate New World Resources Neutral. NWR is struggling to maintain its coking coal volumes (more profitable than thermal coal) in line with historical levels and at FY11 guided to a lower coking coal proportion of external sales in the medium term. After the disappointing performance in 2011 we are incrementally more cautious on the group meeting its coking coal sales mix target in 2012. Set against a backdrop of currently low coking coal prices we feel the risk/reward is insufficient to advocate a Buy rating on a 12 month view. We recognize the potential for a beta rally should coking coal prices recover, however our concerns regarding the group's operating challenges are our main point of focus, since these issues have the potential to significantly undermine earnings.

Valuation

Our target price of £4.80 is set using a rounded average of NPV and multiples based valuation. We apply a 6x EV/EBITDA ratio based on 2012 and 2013 forecast EBITDA (£4.74/sh), at the higher end of NWR's historical trading multiples due to 2012E constituting trough earnings. Our DCF-derived NPV is £4.83, using a WACC of 12%, reflecting regional and commodity exposure along with its high position on the cost curve.

Risks

The key risks to our target price are:

Operational costs: Inflationary pressures on labour, raw materials and energy could negatively influence NWR's cost base, which is already high compared with its global coal peer group.

Customer base: changing technology from the steel plants, or the steel plants developing their own mines, could remove the end-market for some of NWR's product.

Macroeconomic factors: Further drops in industrial production would put additional pressure on steel production and energy consumption - the two key markets for NWR's products.

If the impact on the company from any of these factors proves to be more negative than we anticipate, the stock will likely have difficulty achieving our financial and price targets. However, if any of these factors proves to have less of an effect than we anticipate, the stock could materially outperform our target.

Nordgold

Company description

Nordgold is a gold mining company, whose initial history was formed within Russian steel group Severstal until the gold assets were spun out of the parent and a GDR was created. Nordgold has a portfolio of eight producing mine, two development projects, give advanced exploration projects and a broad portfolio of early exploration projects and licences located across West Africa in Guinea and Burkina Faso, Kazakhstan and the Russian Federation. Since 2007 the Nord assets have grown both by acquisitions and organically, increasing production from 21koz in 2007 to 754koz in 2011. The company targets over 1moz of gold produced on a fully consolidated basis by 2013.

Investment strategy

We have a Neutral rating on Nordgold. We believe the current share price accurately reflects the company's positive profile in terms of its mine and geographic diversification and its growth via new projects.

Valuation

Our NPV for Nordgold is \$5.70, to which we apply a 1.1x P/NPV target multiple in line with its closest listed peer. Our NPV is based on a 10% weighted average cost of capital. On this basis our target price is \$6.27.

Risks

The key risks to Nordgold are a combination of stock specific and common mining sector factors, including:

Gold price exposure and potential earnings volatility

Operational risks and challenges, particularly during the expansion of an operation

Tax changes can impact profitability

Nordgold employs chemical processes that may be harmful to the environment and may be subject to compliance, clean-up and other costs which could materially affect the business, financial condition and results of the business

Fluctuations in currencies may adversely affect profitability

Nordgold operates in emerging markets which are subject to greater risks than more developed markets, including economic, political, social, legal and legislative risks.

If the impact from any of these factors proves to be more negative than we anticipate, the stock will likely have difficulty achieving our financial and price targets. However, if any of these factors proves to have less of an effect than we anticipate, the stock could materially outperform our target.

Norsk Hydro ASA

Company description

Norsk Hydro is a pure-play integrated aluminium company with interests in Europe, Qatar, Brazil and Jamaica. The company's downstream operations are principally 1Mt of rolled and 540kt of extruded products. The company supplies around 40% of its own power requirements from hydroelectric power in Norway. The company has acquired aluminium operations which place it in a net long alumina position.

Investment strategy

Our recommendation on Norsk Hydro is Sell. What is evident is stable operating performance, but a lack of near-term catalysts. The company has sold forward the bulk of its alumina production on LME-linked contracts to 2014, hedged forward the majority of its aluminium production for the next quarter. The rolled products and extruded products will likely be impacted by ongoing weakness in European demand. We therefore conclude that the upside in the company's share prices appears capped.

Valuation

Our Nkr27.00 target price is based on the rounded average of our NPV and PE fair values. Our NPV fair value is based on a zero premium to our calculated NPV for the stock of Nkr30.63, which is based on a 9.53% WACC. Our P/E valuation is based on an 10.0x 2013E multiple, to derive a value of Nkr23.30, resulting in a blended price target of 50% P/NPV and 50% PE target of Nkr27.00; after rounding.

Risks

The key risks surrounding our investment thesis and to our target price are the aluminium price, currency risk and the cost base. The company, as a pure-play aluminium business, is highly leveraged to the aluminium price; any material and sustained deviation from our price forecasts will affect our earnings forecasts and valuations. Hydro's revenue is priced in US\$, however, the business has operations based throughout Europe, Brazil and Jamaica and the company reports in Nkr. Any material movement in foreign exchange rates will therefore affect earnings. Rising costs, particularly energy costs, have been a negative theme for the aluminium industry. Cost increases above our estimates would affect margins and valuation. If the impact of these risk factors is more or less negative than we currently anticipate, then the share price could fail to reach or exceed our target price.

Nyrstar NV

Company description

Nyrstar is the largest Zinc metal producer in the world with ~8.5% market share based on 2011 production. Nyrstar also produces lead metal and is progressing to become a significant zinc concentrate producer through its mining operations and projects. Nyrstar is the sole owner and operator of Auby, Balen/Overpelt, and Budel zinc smelters in Europe; Clarksville zinc smelter in the USA; Hobart zinc smelter and Port Pirie Zinc/lead smelters in Australia. All the mining operations and projects of the group are located in Americas spread across Mexico, Peru, Honduras, Chile, Canada and the USA with a target of 50% vertical integration in medium term including output from Zinc streaming agreement from Finland based zinc mine of Talvivaara.

Investment strategy

We rate Nyrstar a Buy. We believe that the recent macro driven correction has left the shares again in deep value territory and the shares are attractively priced compared to global zinc peers. Nyrstar is a pure zinc play, and we see support for the zinc price both near term and medium term. The group offers a relatively less volatile earnings stream through its smelting business in a good zinc TC/RC environment, while retaining the potential for margin improvement through raw material integration being progressed through mining assets acquisition and development.

Valuation

Our €9.00 target price for Nyrstar is an outcome of equal weighted blend of DCF (€12.7), EV/EBITDA multiples (€8.4), FCF (€6.4), and Residual Income (€8.6) based valuation methods. For our DCF valuation, we use a WACC of 13.0% (RFR 4%, Beta 1.6, ERP 8%, Kd 6% and Gearing 35%). Our multiple-based valuation uses a 4.5x 1Y forward EV/EBITDA multiple. Our residual income valuation method uses a 14% expected rate of return on equity.

Risks

Key risks for Nyrstar include metal prices and zinc/lead Treatment Charges (TCs), execution risk of mining production ramp up, change in royalties/tax regimes especially in mining locations, and currency movements. If the impact of these risk factors is greater/less than we currently anticipate, then the share price could fail to meet/exceed our target price.

Petropavlovsk PLC

Company description

POG is a UK-listed gold mining company with gold and iron ore assets in Russia.

Investment strategy

We rate Petropavlovsk Buy. POG has attractive near-term production upside, but has more limited reserves than key peers and there are uncertainties about grade profile and the success of pressure oxidation after 2013.

Valuation

We set our target price of £6.24 by applying a 1.1x P/NPV multiple to POG's gold assets (NAV of £4.73 per share; derived using a discount rate of 10%) while we apply 90% of the market capitalisation of the IRC subsidiary (currently £1.20 per share).

We set our target P/NPV multiples with reference to absolute and relative historical average levels, taking into account our views on the current stage of the cycle and on the quality of each company's assets and management.

Risks

We would highlight in particular that it is a single commodity play with the bulk of its earnings being derived from gold. Adverse movement in the gold price away from our forecasts could see a significant delta in our forecasts from actual profits, both positively and negatively. POG also faces technical risk in relation to its POX technology. Finally the company conducts the bulk of its business in Russia which has higher risk than developed countries.

If the impact of these risk factors is more or less negative than we currently anticipate, then the share price could fail to reach or exceed our target price.

Randgold Resources Ltd

Company description

RRS is an African-based gold mining company listed on the LSE since 1997 and Nasdaq since 2002. RRS has three operational mines in Mali: Morila, Loulo and Gounkoto. The Tongon mine is based in Cote D'Ivoire. The Kibali project in DRC is expected to begin production in Q4 2013. Massawa in Senegal could begin production in 2014, subject to more drilling success. Randgold also has a portfolio of exploration projects in West Africa.

Investment strategy

We rate Randgold Resources Neutral. We base our investment case around two key themes:

Maintained strong gold price: As a pure gold play, Randgold offers leverage to the gold price and a rising gold price could be a strong driver for the stock. We expect gold to remain well supported at current levels but continue to be range-bound.

Volume gains: We see production growth as a key stock differentiator. We expect attributable production to rise from 696k oz in 2011 to 1.2m oz once the Kibali mine is in production.

We argue that the above outlook is fairly priced in at current levels.

Valuation

We derive our target price of £60.27 by applying a 1.2x P/NPV ratio to our NPV estimate of £50.23 (derived using a discount rate of 10%).

We set our target P/NPV multiples with reference to absolute and relative historical average levels, taking into account our views on the current stage of the cycle and on the quality of each company's assets and management.

Risks

The key risks that could prevent the achievement of our target price are gold price, currency risk, political risk and cost base. The political risk is a function of Randgold's operation in African countries.

Gold Price: Any material deviation from our price forecasts, either from 'stronger for longer' prices or a sharper and sooner decline, would impact on our earnings forecasts.

Currency Risk: Randgold reports in US\$, and the revenue stream is priced in US\$. However, operating costs are split 40:60 between the Communauté Financière Africaine franc (CFA) and US\$. The CFA is fixed against the euro, therefore, depreciation of the US\$ against the euro would cause the cost base to rise and negatively impact earnings.

Rio Tinto PLC (RIO.L; £34.46; 1)/(RIO.AX; A\$65.95; 1)

Company description

Rio Tinto is a diversified metals and mining company. Wholly-owned subsidiaries include Borax, Rio Tinto Alcan, Hamersley, Rio Tinto Coal Australia, Kennecott Utah Copper and Rio Tinto Iron & Titanium. There are also partly-owned subsidiaries (Coal & Allied and Palabora) and non-managed joint ventures (Escondida and Grasberg).

Investment strategy

We rate Rio Tinto Buy, as we see upside to our target price following the recent share price correction. We continue to see upside earnings risk on spot iron ore and base metal prices, and believe investors should Buy the shares, especially on any dips.

Valuation

Our RIO target price is £49.00. Our RIO valuation (NPV) of £54.52 per share is based on DCF analysis using a 7.8% real, after-tax, unlevered discount rate and a beta of 1.1. Long-term equilibrium commodity prices and key assumptions are available in our Metals & Mining Strategy reports. We calculate our one-year target price using a combination of: 1) a valuation based on 0% premium to NPV; and 2) a multiple-based valuation (a combination of 10x PE and 6x EV/EBITDA multiples for FY12E); with a 50/50 weighting between each methodology.

Risks

We consider a number of risks to our investment thesis, driven by the high financial leverage in the company offset by operational and geographical diversification. Key risks to our projected earnings, cash flows and target price relate to weaker-than-expected commodity prices/economic growth and currency fluctuations.

Country risk is a consideration with about 20% of operations by NPV in Africa and South America and Indonesia.

Operating risk in RIO is lower than in smaller metals and mining companies with fewer operations.

If the impact on the company from any of these factors proves to be more or less negative than we currently anticipate, the stock price might fail to reach or rise above our target price.

Talvivaara Mining Company

Company description

Talvivaara is a London-listed nickel miner with one operating asset at Sotkamo in Finland. The company is pioneering the application of bioleaching technology to the extraction of nickel metal from sulphide ores. The primary product is an intermediate nickel-cobalt sulphide which is subsequently sold under off-take to Norilsk Nickel. First saleable production was in Q2 2009 and in 2010 amounted to 10.4kt of contained nickel. The company achieved c.16kt in 2011 and guidance is for 25-30kt in 2012. By-product metals are zinc (under Nyrstar off-take), cobalt (under Norilsk off-take), copper and uranium (under Cameco off-take).

Investment strategy

We rate Talvivaara Neutral. While the company has an attractive production profile and low-cost assets we feel that investors face significant risks in the form of a weak nickel outlook, historically problematic operations and limited free cash flow.

Valuation

Our £2.50 target price is based on an equal weighting of 5x 2012E EBITDA, in line with previous trading ranges, and 1.0x DCF derived NPV. Our 11% WACC is lower than global nickel peers, which are skewed by Russia, but higher than European mining names due to the elevated risks that an early-stage ramp-up project represents.

Risks

The following risks could cause the shares to deviate from our target price.

Variations in the nickel price. Sensitivity analysis shows that a 5% increase in nickel across the curve would raise our NPV valuation by 27%.

Given the novelty of the technology and the early-stage nature of the project we feel that a prudent approach is appropriate when assessing the operations. As such should expected delays not materialise then there will be upside risk to our estimates. This conservative approach extends to the 13kt of back precipitated metal that the company predicts will begin to leach in the secondary heap.

While this is possible at this stage there is little evidence to suggest that the particle size that was such a problem in the primary heap will not repeat now the material has been moved to the secondary.

Uranium permit. Following conversations with the company we are confident that the uranium permit will be approved by the government. However, should this not be the case our NPV is at risk of a fall of around 9%.

Exchange rate. 90% of costs are in Euros while revenues are denominated in USD. Should movements in the Euro not correspond with an inverse move in commodity prices, earnings risk could develop.

Environmental risk. The company is just within emission limits however it is in the process of re-applying for its environmental license. Should regulations be tightened the costs of compliance will create downside risk to our valuation.

Notes

Appendix A-1

Analyst Certification

The research analyst(s) primarily responsible for the preparation and content of this research report are named in bold text in the author block at the front of the product except for those sections where an analyst's name appears in bold alongside content which is attributable to that analyst. Each of these analyst(s) certify, with respect to the section(s) of the report for which they are responsible, that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc and its affiliates. No part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this report.

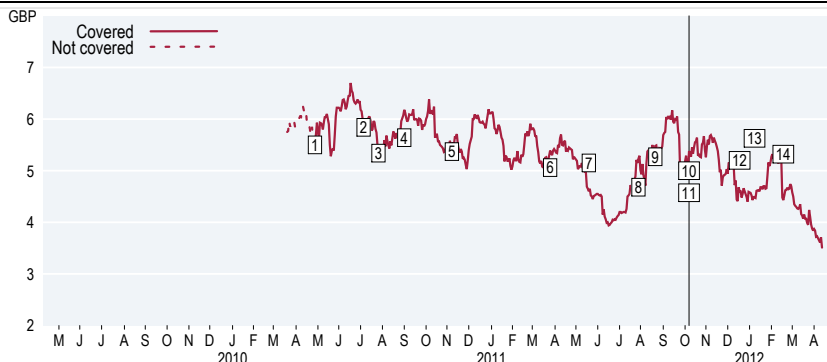
IMPORTANT DISCLOSURES

African Barrick Gold Plc (ABGL.L)

Ratings and Target Price History Fundamental Research

Analyst: Jon H Bergtheil

Covered since April 29 2010



	Date	Rating	Target Price	Closing Price
1	28-Apr-10	*1M	*6.65	5.59
2	6-Jul-10	1M	*7.40	5.84
3	27-Jul-10	1M	*6.75	5.47
4	1-Sep-10	*2M	*6.40	6.18
5	7-Nov-10	2M	*6.20	5.49

* Indicates change

	Date	Rating	Target Price	Closing Price
6	25-Mar-11	*1M	*6.25	5.39
7	19-May-11	1M	*6.21	4.60
8	28-Jul-11	1M	*6.57	5.23
9	21-Aug-11	1M	*7.90	5.36
10	7-Oct-11	Stock rating system changed		

	Date	Rating	Target Price	Closing Price
11	7-Oct-11	*1	7.90	5.38
12	19-Dec-11	1	*7.56	4.60
13	8-Jan-12	1	*6.55	4.50
14	17-Feb-12	*3	*4.19	4.43

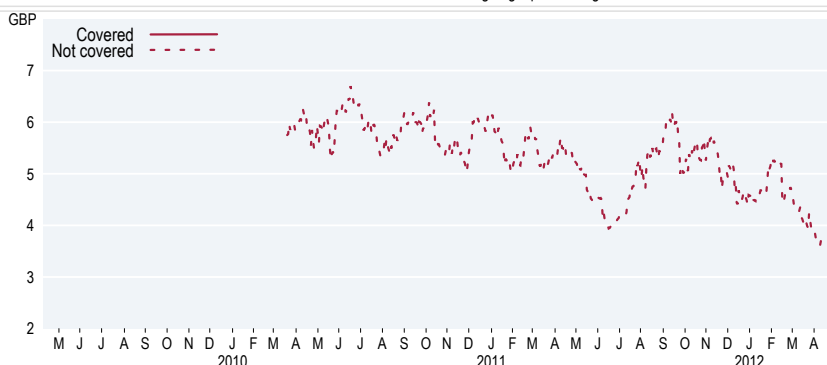
Rating/target price changes above reflect Eastern Standard Time

African Barrick Gold Plc (ABGL.L)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Jon H Bergtheil

Covered since April 29 2010



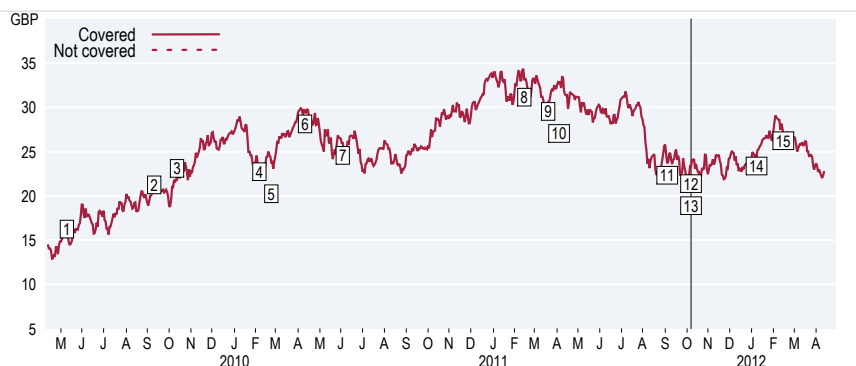
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Anglo American PLC (AAL.L)

Ratings and Target Price History Fundamental Research

Analyst: Heath R Jansen
Covered since May 24 2010



	Date	Rating	Target Price	Closing Price
1	10-May-09	2M	*17.00	16.25
2	10-Sep-09	2M	*22.00	20.40
3	13-Oct-09	2M	*24.00	21.74
4	5-Feb-10	*1M	*30.00	22.74
5	23-Feb-10	1M	*32.00	23.80

* Indicates change

	Date	Rating	Target Price	Closing Price
6	12-Apr-10	1M	*38.00	29.48
7	3-Jun-10	1M	*36.00	26.05
8	15-Feb-11	*2M	*37.00	33.07
9	21-Mar-11	*1M	37.00	30.62
10	5-Apr-11	1M	*38.00	32.73

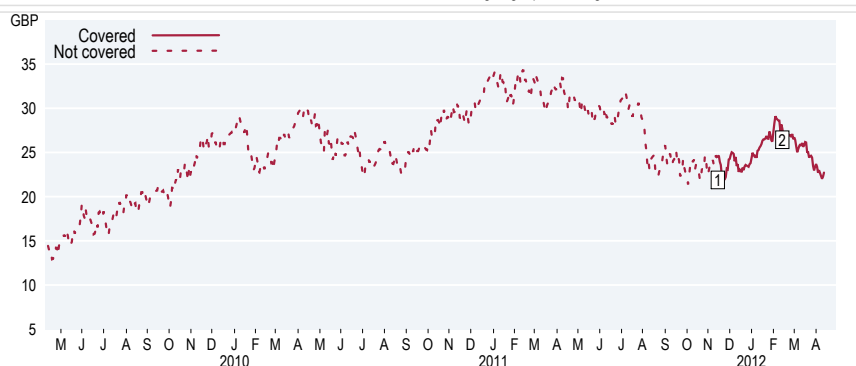
	Date	Rating	Target Price	Closing Price
11	4-Sep-11	1M	*35.00	24.58
12	7-Oct-11	Stock rating system changed		
13	7-Oct-11	*1	35.00	23.30
14	8-Jan-12	1	*33.00	24.69
15	15-Feb-12	*2	*30.00	26.90

Rating/target price changes above reflect Eastern Standard Time

Anglo American PLC (AAL.L)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Heath R Jansen
Covered since May 24 2010



	Date	Rating	Target Price	Closing Price
1	15-Nov-11	*ADD MP	-	24.54

* Indicates change

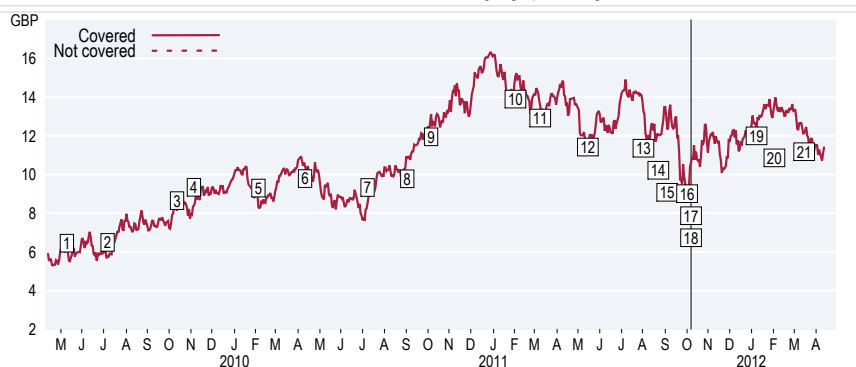
	Date	Rating	Target Price	Closing Price
2	14-Feb-12	*REM MP	-	27.72

Rating/target price changes above reflect Eastern Standard Time

Antofagasta PLC (ANTO.L)

Ratings and Target Price History Fundamental Research

Analyst: Anindya Mohinta
Covered since June 22 2010



	Date	Rating	Target Price	Closing Price
1	10-May-09	3M	*5.50	6.39
2	7-Jul-09	*2M	*6.00	5.77
3	13-Oct-09	2M	*8.50	8.14
4	5-Nov-09	*1M	*9.90	8.40
5	4-Feb-10	1M	*10.75	8.30
6	12-Apr-10	*2M	*11.60	10.45
7	8-Jul-10	*1M	*12.00	8.52

* Indicates change

	Date	Rating	Target Price	Closing Price
8	2-Sep-10	*2M	12.00	10.82
9	6-Oct-10	*3M	12.00	13.13
10	2-Feb-11	3M	*13.00	15.09
11	9-Mar-11	3M	*13.10	13.54
12	16-May-11	*2H	13.10	11.85
13	2-Aug-11	2H	*13.00	13.28
14	23-Aug-11	2H	*12.90	12.06

	Date	Rating	Target Price	Closing Price
15	4-Sep-11	*3H	*12.30	13.00
16	3-Oct-11	*2H	*10.10	9.21
17	7-Oct-11	Stock rating system changed		
18	7-Oct-11	*2	10.10	10.63
19	9-Jan-12	*3	*10.60	12.34
20	2-Feb-12	3	*10.10	13.66
21	15-Mar-12	3	*10.00	12.14

Rating/target price changes above reflect Eastern Standard Time

Antofagasta PLC (ANTO.L)

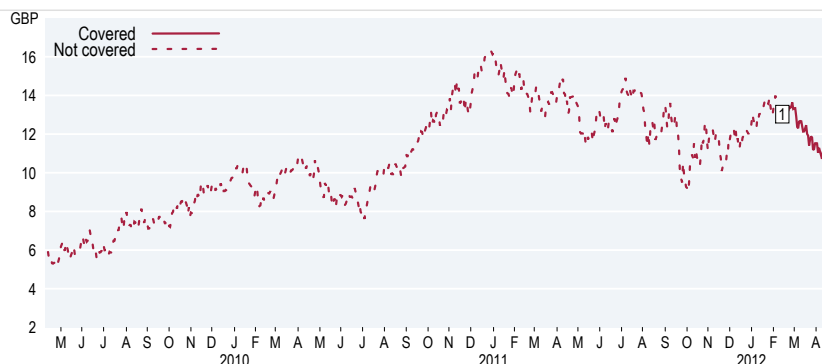
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Anindya Mohinta

Covered since June 22 2010



	Date	Rating	Target Price	Closing Price
1	14-Feb-12	*ADD LP	-	13.37

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Aquarius Platinum Ltd (AQP.L)

Ratings and Target Price History

Fundamental Research

Analyst: Jon H Bergtheil



	Date	Rating	Target Price	Closing Price
1	23-Jul-09	*1H	*2.85	2.32
2	9-Sep-09	1H	*3.60	2.92
3	24-Nov-09	1H	*4.45	3.43
4	6-Jul-10	1H	*4.20	3.15
5	20-Jul-10	1H	*3.80	2.55

* Indicates change

	Date	Rating	Target Price	Closing Price
6	11-Oct-10	1H	*4.10	3.77
7	11-Feb-11	*2H	4.10	4.16
8	1-Jun-11	2H	*3.57	3.41
9	12-Sep-11	2H	*2.61	2.18
10	29-Sep-11	2H	*2.00	1.90

	Date	Rating	Target Price	Closing Price
11	5-Oct-11	2H	*1.89	1.73
12	7-Oct-11	Stock rating system changed		
13	7-Oct-11	*2	1.89	1.86
14	1-Feb-12	2	*1.80	1.67
15	14-Feb-12	2	*1.65	1.40

Rating/target price changes above reflect Eastern Standard Time

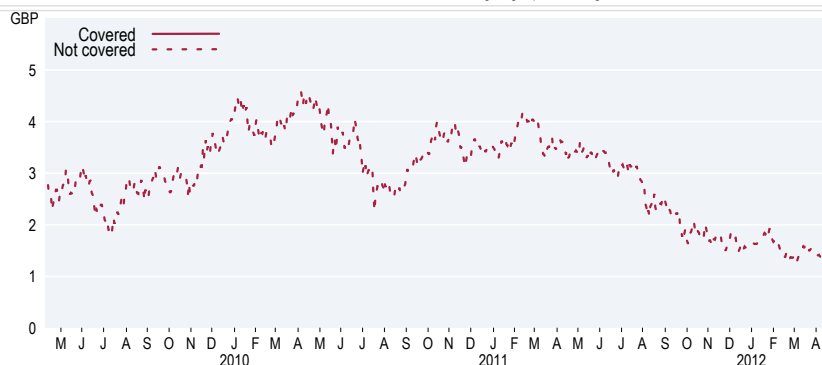
Aquarius Platinum Ltd (AQP.L)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Jon H Bergtheil



* Indicates change

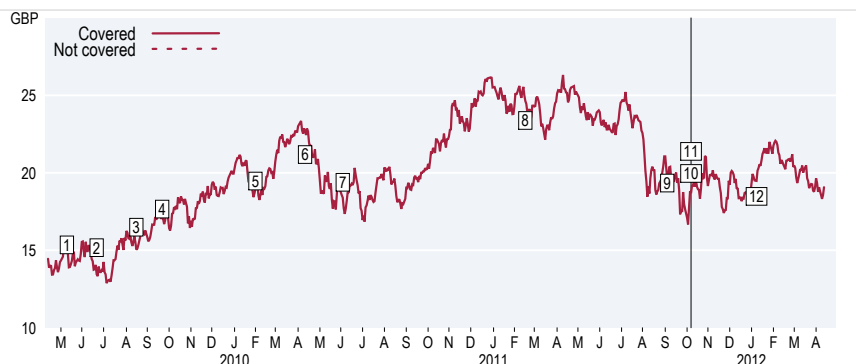
Rating/target price changes above reflect Eastern Standard Time

BHP Billiton PLC (BLT.L)

Ratings and Target Price History

Fundamental Research

Analyst: Heath R Jansen
Covered since May 24 2010



	Date	Rating	Target Price	Closing Price
1	10-May-09	2M	*16.00	15.35
2	22-Jun-09	*1M	*17.30	13.45
3	16-Aug-09	1M	*19.00	15.53
4	22-Sep-09	1M	*20.00	17.19

* Indicates change

	Date	Rating	Target Price	Closing Price
5	1-Feb-10	1M	*25.00	18.96
6	12-Apr-10	1M	*30.00	22.71
7	3-Jun-10	1M	*27.00	18.40
8	16-Feb-11	1M	*30.00	24.64

	Date	Rating	Target Price	Closing Price
9	4-Sep-11	1M	*24.05	20.32
10	7-Oct-11	Stock rating system changed		
11	7-Oct-11	*1	24.05	18.68
12	8-Jan-12	1	*23.00	19.49

Rating/target price changes above reflect Eastern Standard Time

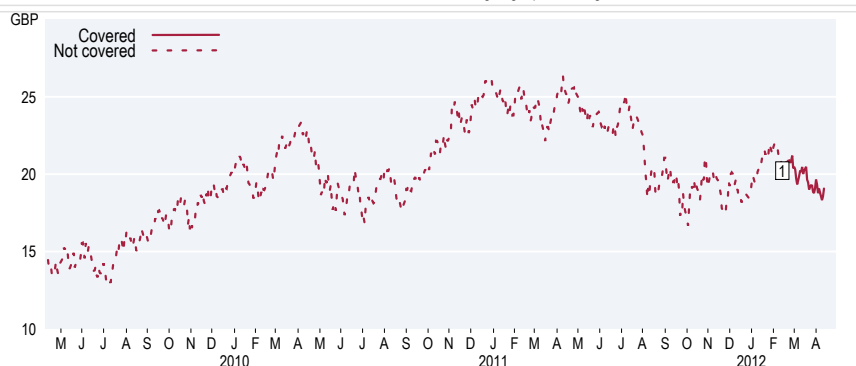
BHP Billiton PLC (BLT.L)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Heath R Jansen
Covered since May 24 2010



	Date	Rating	Target Price	Closing Price
1	14-Feb-12	*ADD MP	-	20.72

* Indicates change

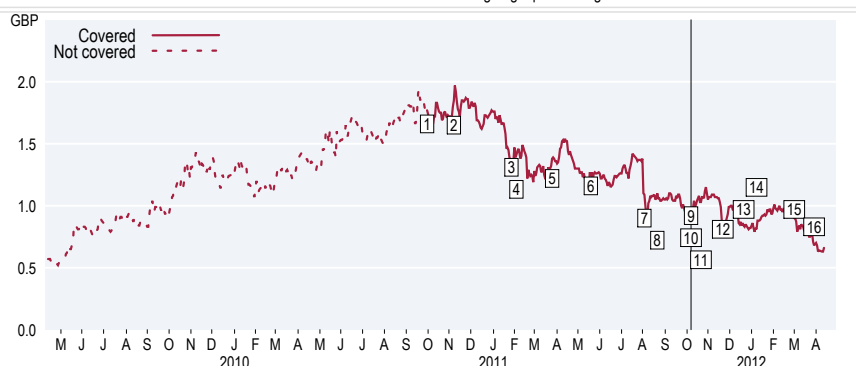
Rating/target price changes above reflect Eastern Standard Time

Centamin Egypt Limited (CEY.L)

Ratings and Target Price History

Fundamental Research

Analyst: Jon H Bergtheil
Covered since October 1 2010



	Date	Rating	Target Price	Closing Price
1	30-Sep-10	*3M	*1.50	1.77
2	7-Nov-10	3M	*1.58	1.80
3	27-Jan-11	*1M	*1.65	1.36
4	3-Feb-11	1M	*1.71	1.41
5	25-Mar-11	*1H	*1.80	1.38
6	19-May-11	1H	*1.66	1.24

* Indicates change

	Date	Rating	Target Price	Closing Price
7	3-Aug-11	1H	*1.43	1.09
8	21-Aug-11	1H	*1.72	1.06
9	7-Oct-11	Stock rating system changed		
10	7-Oct-11	*1	1.72	0.95
11	21-Oct-11	1	*1.80	1.03
12	22-Nov-11	1	*1.67	0.81

	Date	Rating	Target Price	Closing Price
13	21-Dec-11	1	*1.23	0.84
14	8-Jan-12	1	*1.04	0.82
15	1-Mar-12	1	*1.10	0.90
16	29-Mar-12	1	*0.99	0.68

Rating/target price changes above reflect Eastern Standard Time

Centamin Egypt Limited (CEY.L)

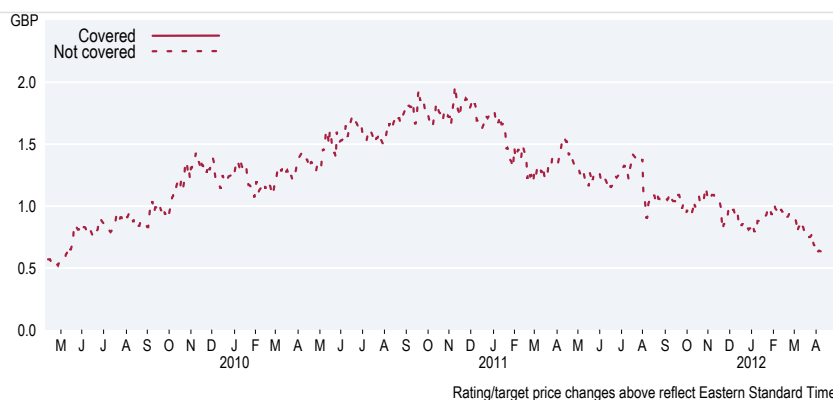
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Jon H Bergtheil

Covered since October 1 2010



* Indicates change

Eurasian Natural Resources Corporation PLC (ENRC) (ENRC.L)

Ratings and Target Price History

Fundamental Research

Analyst: Anindya Mohinta

Covered since June 22 2010



	Date	Rating	Target Price	Closing Price
1	14-Apr-09	*1M	*6.00	5.54
2	10-May-09	*2M	*7.20	6.79
3	7-Jul-09	2M	*7.50	6.57
4	18-Sep-09	*1M	*10.30	8.92
5	13-Oct-09	1M	*11.00	9.32

* Indicates change

	Date	Rating	Target Price	Closing Price
6	4-Feb-10	1M	*11.80	8.85
7	14-Apr-10	1M	*14.20	12.45
8	19-Aug-10	*2M	*10.00	8.86
9	18-May-11	*1H	10.00	8.41
10	7-Oct-11	Stock rating system changed		

	Date	Rating	Target Price	Closing Price
11	7-Oct-11	*1	10.00	6.29
12	8-Jan-12	1	*9.30	7.05
13	26-Jan-12	1	*9.10	7.39
14	13-Mar-12	1	*8.60	6.83
15	22-Mar-12	1	*8.00	6.28

Rating/target price changes above reflect Eastern Standard Time

Eurasian Natural Resources Corporation PLC (ENRC) (ENRC.L)

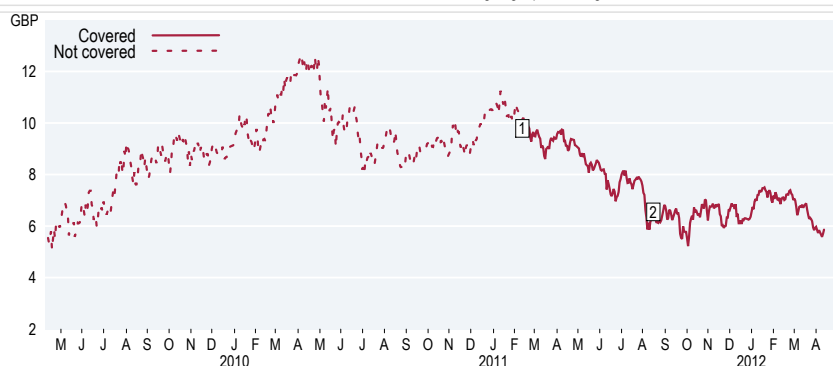
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Anindya Mohinta

Covered since June 22 2010



	Date	Rating	Target Price	Closing Price
1	11-Feb-11	*ADD LP	-	10.15

* Indicates change

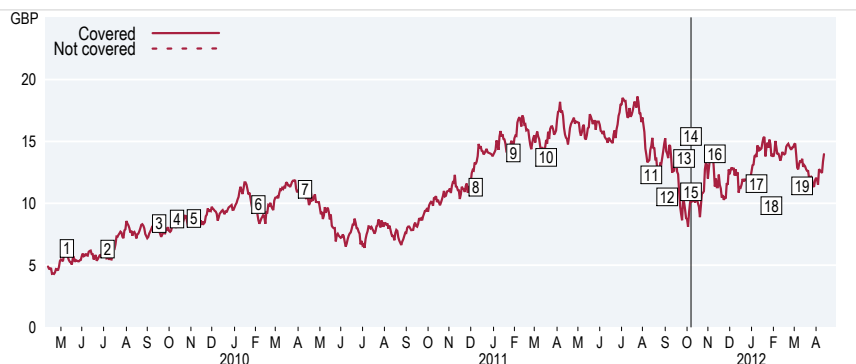
	Date	Rating	Target Price	Closing Price
2	16-Aug-11	*REM LP	-	6.32

Rating/target price changes above reflect Eastern Standard Time

First Quantum Minerals Ltd (FQM.L)

Ratings and Target Price History Fundamental Research

Analyst: Anindya Mohinta
Covered since June 22 2010



Date	Rating	Target Price	Closing Price
1 10-May-09	2M	*6.30	6.16
2 7-Jul-09	*1M	*7.50	5.63
3 17-Sep-09	*2H	*8.60	7.74
4 13-Oct-09	2H	*8.80	8.55
5 5-Nov-09	2H	*9.35	8.31
6 4-Feb-10	2H	*10.80	8.64
7 12-Apr-10	2H	*12.12	11.00

* Indicates change

Date	Rating	Target Price	Closing Price
8 8-Dec-10	*1M	*16.00	13.16
9 31-Jan-11	1M	*18.20	14.54
10 17-Mar-11	1M	*20.00	15.12
11 12-Aug-11	1M	*19.00	14.65
12 4-Sep-11	*2M	*17.00	14.20
13 28-Sep-11	*1H	*14.00	10.09
14 7-Oct-11	Stock rating system changed		

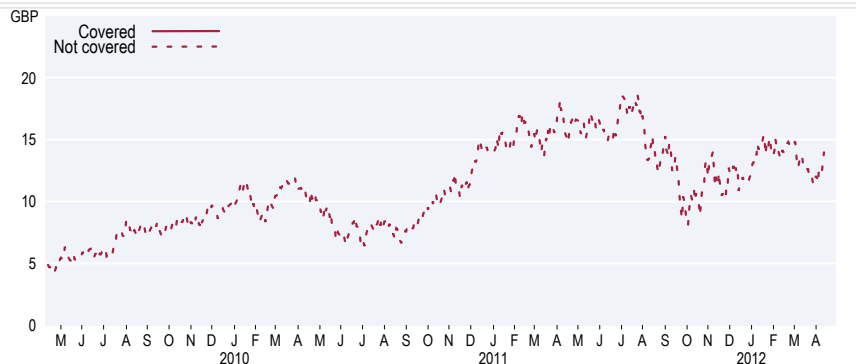
Date	Rating	Target Price	Closing Price
15 7-Oct-11	*1	14.00	10.49
16 10-Nov-11	*2	*13.00	11.36
17 9-Jan-12	2	*14.40	13.74
18 30-Jan-12	2	*14.00	13.80
19 13-Mar-12	2	*13.60	13.60

Rating/target price changes above reflect Eastern Standard Time

First Quantum Minerals Ltd (FQM.L)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Anindya Mohinta
Covered since June 22 2010



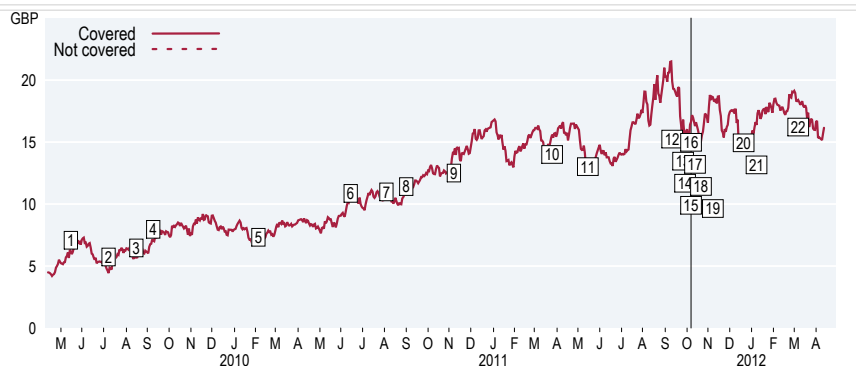
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Fresnillo Plc (FRES.L)

Ratings and Target Price History Fundamental Research

Analyst: Jon H Bergtheil
Covered since December 3 2009



Date	Rating	Target Price	Closing Price
1 15-May-09	*2M	*6.20	6.19
2 8-Jul-09	*1M	6.20	4.43
3 17-Aug-09	1M	*6.50	5.68
4 9-Sep-09	1M	*8.00	7.05
5 4-Feb-10	1M	*8.60	6.71
6 15-Jun-10	1M	*12.25	10.70
7 4-Aug-10	*2M	*11.90	10.98
8 1-Sep-10	2M	*11.35	11.19

* Indicates change

Date	Rating	Target Price	Closing Price
9 7-Nov-10	2M	*13.75	14.13
10 25-Mar-11	2M	*15.22	15.60
11 15-May-11	2M	*15.00	13.24
12 12-Sep-11	*3M	*18.64	19.89
13 27-Sep-11	*2M	*17.15	16.81
14 29-Sep-11	2M	*16.73	15.14
15 7-Oct-11	Stock rating system changed		
16 7-Oct-11	*2	16.73	16.63

Date	Rating	Target Price	Closing Price
17 13-Oct-11	2	*17.30	16.29
18 21-Oct-11	2	*16.66	15.05
19 8-Nov-11	2	*18.15	18.62
20 21-Dec-11	2	*16.98	15.28
21 8-Jan-12	2	*16.68	16.61
22 7-Mar-12	2	*18.74	18.39

Rating/target price changes above reflect Eastern Standard Time

Fresnillo Plc (FRES.L)

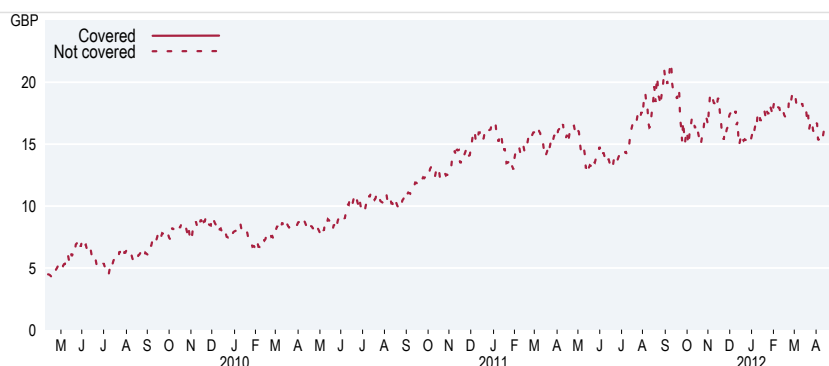
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Jon H Bergtheil

Covered since December 3 2009



* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Ferrexpo PLC (FXPO.L)

Ratings and Target Price History

Fundamental Research

Analyst: Thomas O'Hara

Covered since August 19 2011



Date	Rating	Target Price	Closing Price
1 10-May-09	2H	*1.65	1.62
2 7-Jul-09	2H	*1.40	1.30
3 13-Oct-09	2H	*1.80	1.57
4 5-Nov-09	*1H	*2.00	1.55
5 4-Feb-10	1H	*2.65	2.04

* Indicates change

Date	Rating	Target Price	Closing Price
6 25-Mar-10	1H	*4.25	3.56
7 12-Apr-10	1H	*5.75	3.58
8 18-Aug-11	1H	*5.50	3.24
9 4-Sep-11	1H	*5.60	3.75
10 7-Oct-11	Stock rating system changed		

Date	Rating	Target Price	Closing Price
11 7-Oct-11	*1	5.60	2.97
12 14-Dec-11	1	*4.45	2.52
13 16-Mar-12	1	*4.35	3.38

Rating/target price changes above reflect Eastern Standard Time

Ferrexpo PLC (FXPO.L)

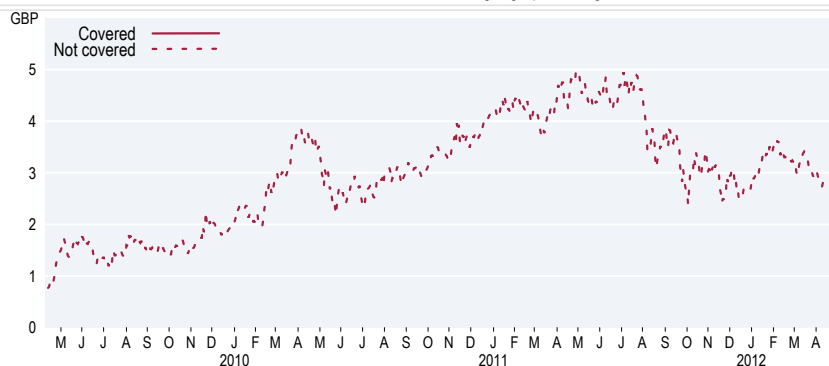
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Thomas O'Hara

Covered since August 19 2011



* Indicates change

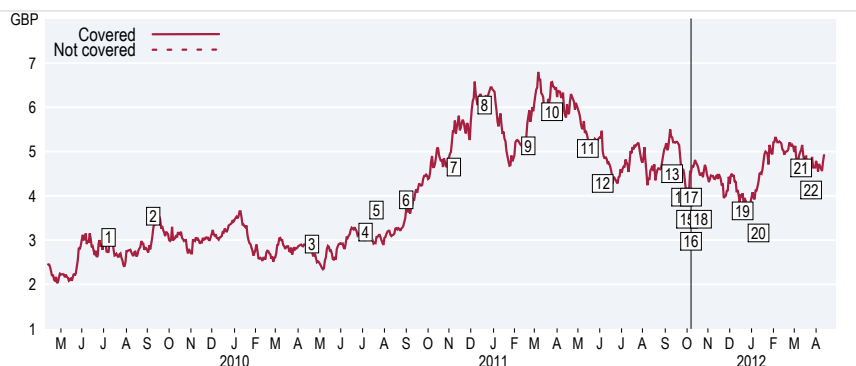
Rating/target price changes above reflect Eastern Standard Time

Hochschild Mining Plc (HOCM.L)

Ratings and Target Price History Fundamental Research

Analyst: Jon H Bergtheil

Covered since December 3 2009



	Date	Rating	Target Price	Closing Price
1	8-Jul-09	*2M	*2.80	2.72
2	9-Sep-09	2M	*3.30	3.26
3	21-Apr-10	2M	*3.00	2.75
4	6-Jul-10	2M	*3.40	3.08
5	21-Jul-10	2M	*3.20	3.07
6	1-Sep-10	*3M	*3.06	3.72
7	7-Nov-10	3M	*4.50	5.46
8	21-Dec-10	*2M	*6.25	6.15

* Indicates change

	Date	Rating	Target Price	Closing Price
9	21-Feb-11	*1M	*6.94	5.79
10	25-Mar-11	1M	*7.65	6.57
11	15-May-11	1M	*8.00	5.39
12	6-Jun-11	*2H	*6.00	5.00
13	12-Sep-11	2H	*5.91	5.32
14	26-Sep-11	2H	*5.50	4.50
15	3-Oct-11	2H	*4.43	4.18
16	7-Oct-11	Stock rating system changed		

	Date	Rating	Target Price	Closing Price
17	7-Oct-11	*2	4.43	4.53
18	21-Oct-11	2	*4.84	4.49
19	20-Dec-11	2	*4.51	4.06
20	11-Jan-12	2	*4.75	4.32
21	12-Mar-12	2	*5.13	5.04
22	26-Mar-12	2	*4.90	4.78

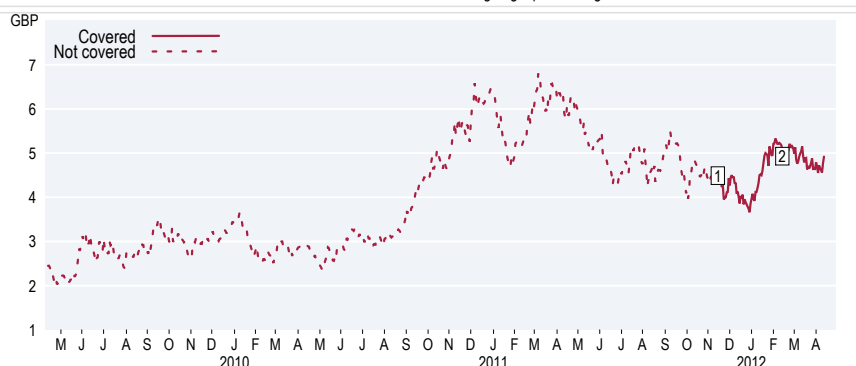
Rating/target price changes above reflect Eastern Standard Time

Hochschild Mining Plc (HOCM.L)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Jon H Bergtheil

Covered since December 3 2009



	Date	Rating	Target Price	Closing Price
1	15-Nov-11	*ADD LP	-	4.38

* Indicates change

	Date	Rating	Target Price	Closing Price
2	14-Feb-12	*REM LP	-	5.05

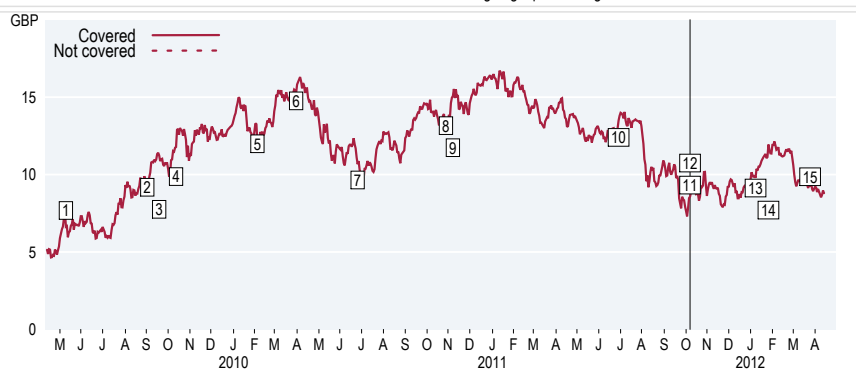
Rating/target price changes above reflect Eastern Standard Time

Kazakhmys Plc (KAZ.L)

Ratings and Target Price History Fundamental Research

Analyst: Anindya Mohinta

Covered since June 22 2010



	Date	Rating	Target Price	Closing Price
1	10-May-09	*1M	*8.35	7.68
2	2-Sep-09	1M	*11.00	9.20
3	18-Sep-09	*2M	*13.00	11.24
4	13-Oct-09	2M	*12.70	11.78
5	4-Feb-10	2M	*13.30	11.99

* Indicates change

	Date	Rating	Target Price	Closing Price
6	31-Mar-10	2M	*16.10	15.27
7	25-Jun-10	2M	*13.00	10.67
8	28-Oct-10	*1M	*15.30	13.26
9	7-Nov-10	1M	*16.00	14.97
10	29-Jun-11	*1H	*15.50	13.50

	Date	Rating	Target Price	Closing Price
11	7-Oct-11	Stock rating system changed		
12	7-Oct-11	*1	15.50	8.58
13	9-Jan-12	1	*15.60	9.79
14	26-Jan-12	1	*15.20	11.94
15	26-Mar-12	1	*13.00	9.25

Rating/target price changes above reflect Eastern Standard Time

Kazakhmys Plc (KAZ.L)

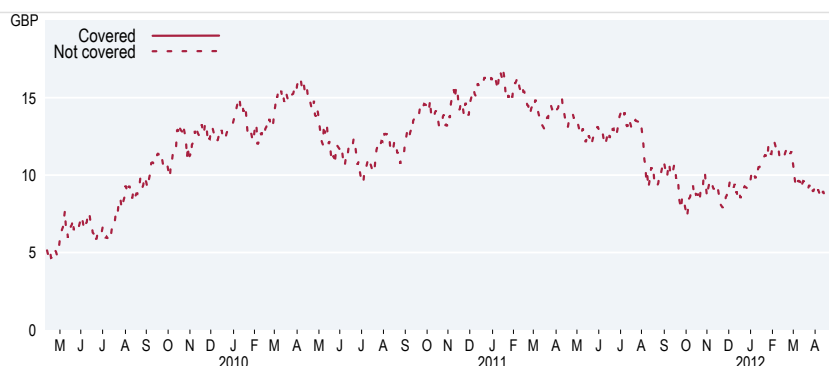
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Anindya Mohinta

Covered since June 22 2010



* Indicates change

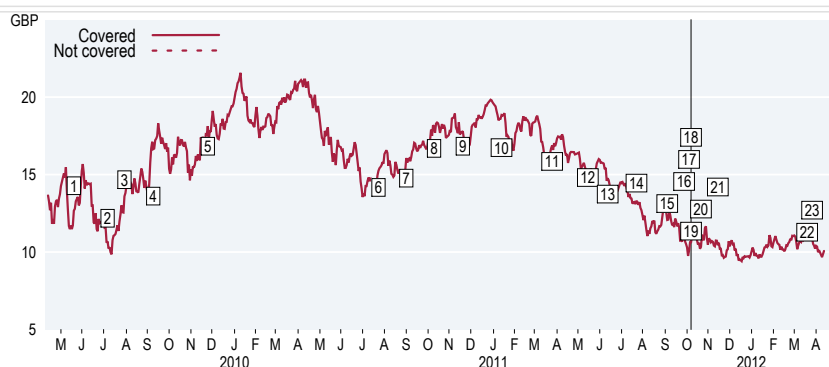
Rating/target price changes above reflect Eastern Standard Time

Lonmin PLC (LMI.L)

Ratings and Target Price History

Fundamental Research

Analyst: Jon H Bergtheil



Date	Rating	Target Price	Closing Price
1 20-May-09	2H	*13.85	12.67
2 7-Jul-09	2H	*11.90	10.69
3 30-Jul-09	*1M	*16.18	13.60
4 9-Sep-09	1M	*20.60	16.64
5 25-Nov-09	1M	*21.00	18.13
6 23-Jul-10	1M	*19.25	15.25
7 1-Sep-10	*2M	*16.80	16.07
8 11-Oct-10	2M	*17.45	18.08

* Indicates change

Date	Rating	Target Price	Closing Price
9 19-Nov-10	2M	*18.00	17.80
10 13-Jan-11	2M	*19.85	18.84
11 25-Mar-11	2M	*18.56	16.88
12 16-May-11	2M	*17.00	15.18
13 13-Jun-11	2M	*16.88	14.76
14 22-Jul-11	2M	*15.35	13.31
15 4-Sep-11	2M	*13.63	12.55
16 28-Sep-11	2M	*12.37	10.98

Date	Rating	Target Price	Closing Price
17 5-Oct-11	2M	*11.31	10.09
18 7-Oct-11	Stock rating system changed		
19 7-Oct-11	*2	11.31	10.63
20 21-Oct-11	2	*10.67	10.33
21 15-Nov-11	2	*11.05	10.44
22 20-Mar-12	2	*11.25	11.09
23 27-Mar-12	2	*11.12	10.92

Rating/target price changes above reflect Eastern Standard Time

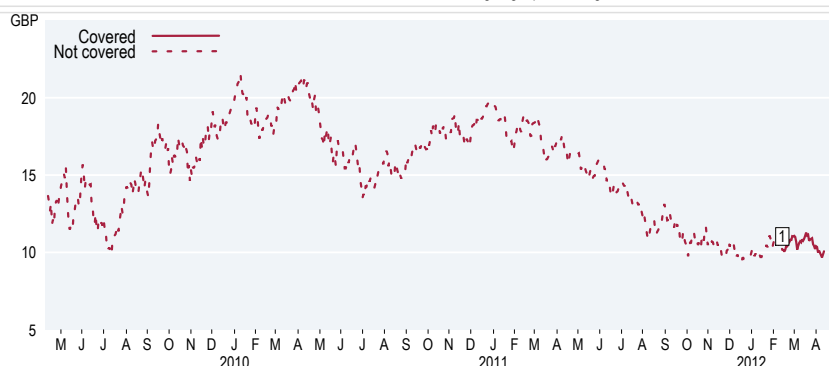
Lonmin PLC (LMI.L)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Jon H Bergtheil



Date	Rating	Target Price	Closing Price
1 14-Feb-12	*ADD LP	-	10.17

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Norsk Hydro ASA (NHY.OL)

Ratings and Target Price History Fundamental Research

Analyst: Heath R Jansen

Covered since November 8 2010



	Date	Rating	Target Price	Closing Price
1	10-May-09	3M	*23.03	32.24
2	7-Jul-09	3M	*25.33	26.53
3	13-Oct-09	*2M	*42.38	39.13
4	5-Nov-09	*1M	*45.14	35.66
5	4-Feb-10	1M	*49.75	38.63

* Indicates change

	Date	Rating	Target Price	Closing Price
6	19-Apr-10	1M	*49.47	41.23
7	9-Nov-10	*3M	*34.20	38.49
8	17-Feb-11	3M	*35.00	46.10
9	28-Jul-11	*2M	*39.00	38.85
10	4-Sep-11	*3M	*31.00	32.04

	Date	Rating	Target Price	Closing Price
11	30-Sep-11	*2M	*27.00	27.07
12	7-Oct-11	Stock rating system changed		
13	7-Oct-11	*2	27.00	27.05
14	8-Jan-12	2	*31.00	28.56
15	2-Feb-12	*3	*30.00	30.98

Rating/target price changes above reflect Eastern Standard Time

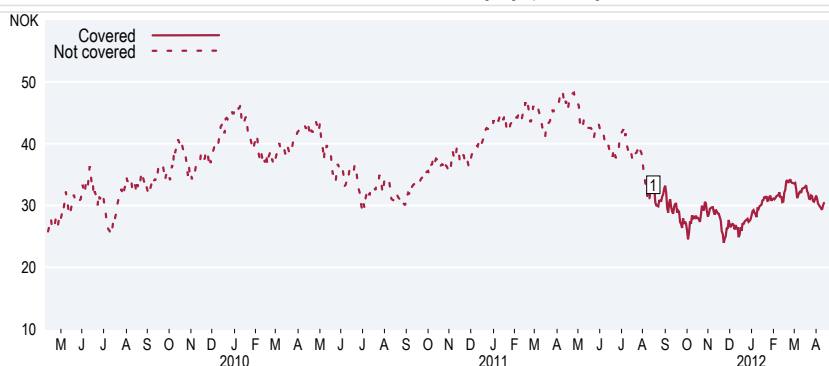
Norsk Hydro ASA (NHY.OL)

Ratings and Target Price History Best Ideas Research

Relative Call (3 Month)

Analyst: Heath R Jansen

Covered since November 8 2010



	Date	Rating	Target Price	Closing Price
1	16-Aug-11	*ADD LP	-	32.83

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Nordgold (NORDNq.L)

Ratings and Target Price History Fundamental Research

Analyst: Jon H Bergtheil

Covered since March 12 2012



	Date	Rating	Target Price	Closing Price
1	8-Oct-11	Stock rating system changed		

* Indicates change

	Date	Rating	Target Price	Closing Price
2	12-Mar-12	*2	*7.11	6.75

	Date	Rating	Target Price	Closing Price
3	12-Mar-12	2	*7.24	6.75

Rating/target price changes above reflect Eastern Standard Time

Nordgold (NORDNq.L)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Jon H Bergtheil

Covered since March 12 2012



* Indicates change

New World Resources (NWRR.L)

Ratings and Target Price History

Fundamental Research

Analyst: Thomas O'Hara

Covered since April 11 2011



Date	Rating	Target Price	Closing Price
1 10-May-09	2M	*4.20	NA
2 7-Jul-09	2M	*3.00	NA
3 13-Oct-09	2M	*6.50	NA
4 4-Feb-10	2M	*6.75	NA

* Indicates change

Date	Rating	Target Price	Closing Price
5 15-Apr-10	2M	*9.95	NA
6 6-Jul-10	2M	*7.70	NA
7 11-Apr-11	*3M	*8.30	NA
8 6-Sep-11	*1M	8.30	5.61

Date	Rating	Target Price	Closing Price
9 7-Oct-11	Stock rating system changed		
10 7-Oct-11	*1	8.30	4.74
11 8-Jan-12	1	*7.20	4.56
12 16-Mar-12	*2	*5.00	4.47

Rating/target price changes above reflect Eastern Standard Time

New World Resources (NWRR.L)

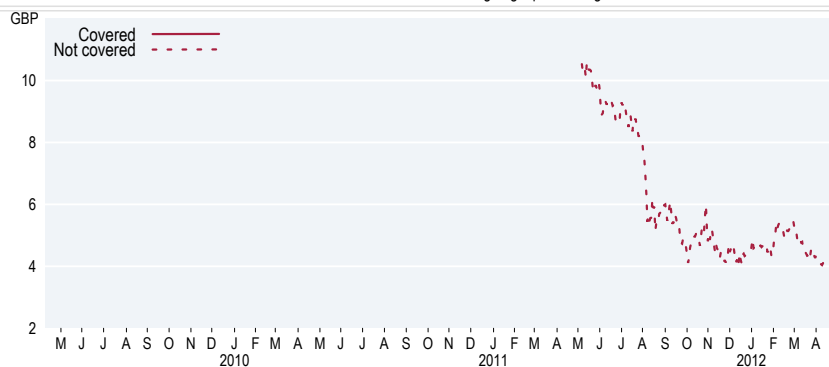
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Thomas O'Hara

Covered since April 11 2011

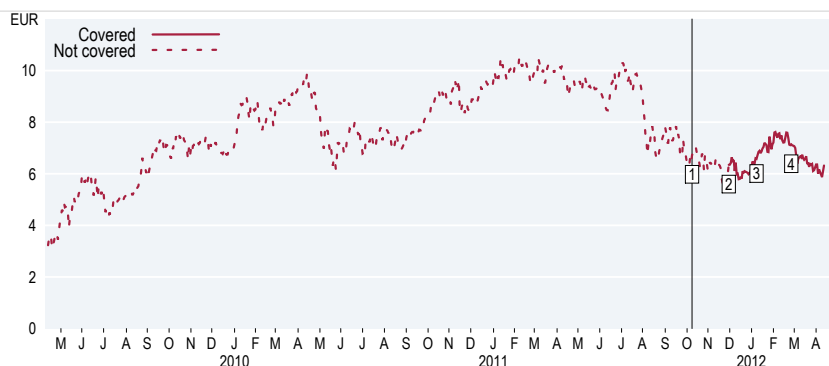


* Indicates change

Nyrstar NV (NYR.BR)

Ratings and Target Price History Fundamental Research

Analyst: Jatinder Goel, CFA
Covered since December 1 2011



	Date	Rating	Target Price	Closing Price
1	8-Oct-11	Stock rating system changed		
2	30-Nov-11	*1	*8.80	6.35

* Indicates change

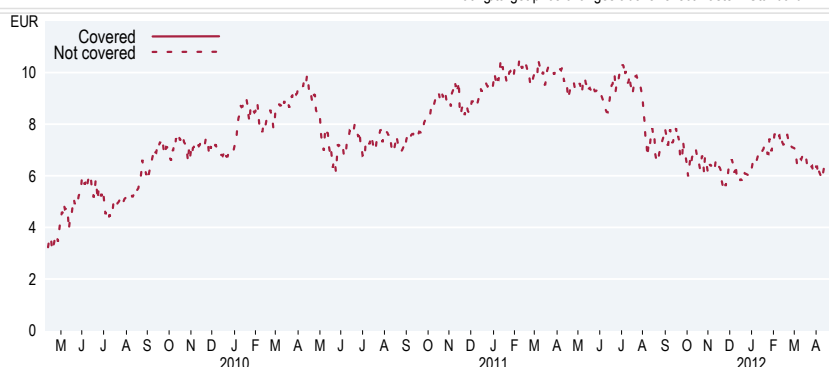
	Date	Rating	Target Price	Closing Price
3	8-Jan-12	1	*9.10	6.60
4	27-Feb-12	1	*9.00	7.14

Rating/target price changes above reflect Eastern Standard Time

Nyrstar NV (NYR.BR)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Jatinder Goel, CFA
Covered since December 1 2011



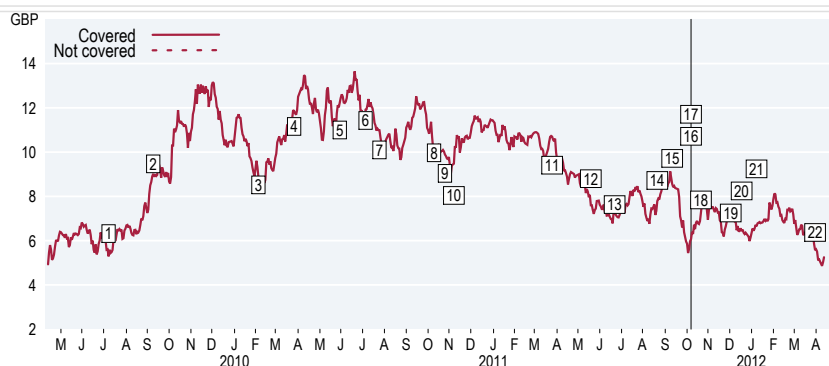
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Petropavlovsk PLC (POG.L)

Ratings and Target Price History Fundamental Research

Analyst: Jon H Bergtheil
Covered since December 3 2009



	Date	Rating	Target Price	Closing Price
1	8-Jul-09	*1H	*7.00	5.29
2	9-Sep-09	*2H	*9.50	9.02
3	4-Feb-10	2H	*9.90	8.88
4	26-Mar-10	2H	*12.20	11.85
5	31-May-10	*1M	*14.05	12.02
6	6-Jul-10	1M	*14.90	11.92
7	26-Jul-10	1M	*14.10	10.99
8	11-Oct-10	1M	*13.70	10.00

* Indicates change

	Date	Rating	Target Price	Closing Price
9	26-Oct-10	1M	*13.50	9.89
10	7-Nov-10	1M	*12.90	9.44
11	25-Mar-11	*2M	*11.00	10.70
12	19-May-11	2M	*9.11	7.60
13	22-Jun-11	2M	*8.32	7.40
14	21-Aug-11	*1M	*9.90	7.34
15	12-Sep-11	1M	*10.47	8.56
16	7-Oct-11	Stock rating system changed		

	Date	Rating	Target Price	Closing Price
17	7-Oct-11	*1	10.47	6.07
18	21-Oct-11	1	*11.31	7.28
19	2-Dec-11	1	*10.91	7.00
20	19-Dec-11	1	*10.10	6.43
21	8-Jan-12	1	*8.34	6.71
22	30-Mar-12	1	*7.62	5.57

Rating/target price changes above reflect Eastern Standard Time

Petropavlovsk PLC (POG.L)

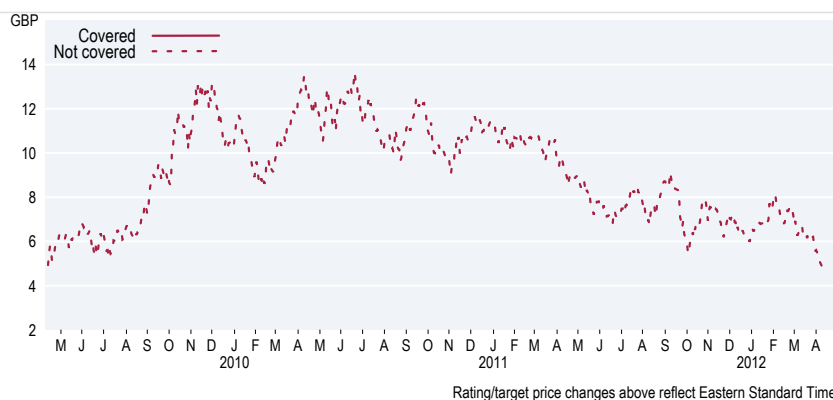
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Jon H Bergtheil

Covered since December 3 2009



* Indicates change

Rio Tinto PLC (RIO.L)

Ratings and Target Price History

Fundamental Research

Analyst: Heath R Jansen

Covered since May 24 2010



Date	Rating	Target Price	Closing Price
1 10-May-09	*1M	*29.74	24.77
2 22-Jun-09	1M	*28.10	20.15
3 7-Jul-09	1M	*29.00	19.20
4 16-Aug-09	1M	*32.00	23.56
5 22-Sep-09	1M	*33.00	27.08

* Indicates change

Date	Rating	Target Price	Closing Price
6 15-Jan-10	*2M	*40.00	35.83
7 1-Feb-10	*1M	40.00	31.83
8 12-Apr-10	1M	*50.00	39.40
9 3-Jun-10	1M	*42.00	31.71
10 11-Feb-11	1M	*50.00	46.24

Date	Rating	Target Price	Closing Price
11 5-Apr-11	1M	*52.00	44.13
12 4-Sep-11	1M	*53.00	36.74
13 7-Oct-11	Stock rating system changed		
14 7-Oct-11	*1	53.00	31.64
15 8-Jan-12	1	*49.00	33.14

Rating/target price changes above reflect Eastern Standard Time

Rio Tinto PLC (RIO.L)

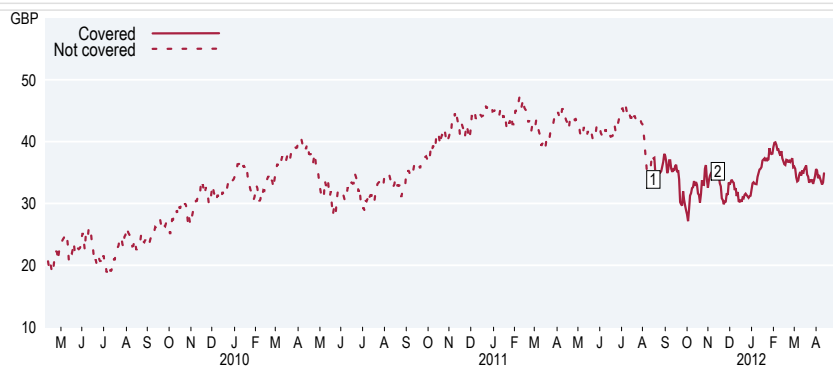
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Heath R Jansen

Covered since May 24 2010



Date	Rating	Target Price	Closing Price
1 16-Aug-11	*ADD MP	-	37.29

* Indicates change

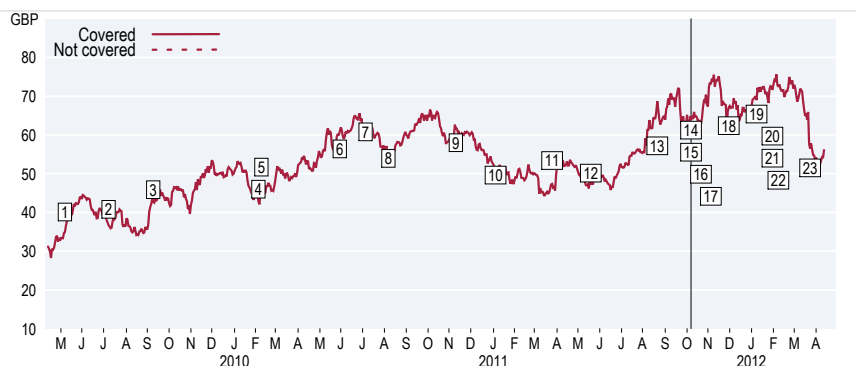
Date	Rating	Target Price	Closing Price
2 15-Nov-11	*REM MP	-	34.58

Rating/target price changes above reflect Eastern Standard Time

Randgold Resources Ltd (RRS.L)

Ratings and Target Price History Fundamental Research

Analyst: Jon H Bergtheil
Covered since December 3 2009



	Date	Rating	Target Price	Closing Price
1	7-May-09	*1M	*40.00	34.90
2	8-Jul-09	*2M	40.00	36.67
3	9-Sep-09	2M	*48.00	42.72
4	4-Feb-10	2M	*46.50	42.94
5	9-Feb-10	2M	*47.30	44.63
6	31-May-10	2M	*60.90	59.90
7	6-Jul-10	2M	*67.30	61.85
8	6-Aug-10	2M	*62.60	54.10

* Indicates change

	Date	Rating	Target Price	Closing Price
9	10-Nov-10	2M	*64.20	61.60
10	5-Jan-11	*1M	*62.20	50.90
11	25-Mar-11	1M	*54.88	47.36
12	19-May-11	1M	*61.35	47.23
13	21-Aug-11	1M	*86.78	66.10
14	7-Oct-11	Stock rating system changed		
15	7-Oct-11	*1	86.78	64.00
16	21-Oct-11	1	*88.46	62.80

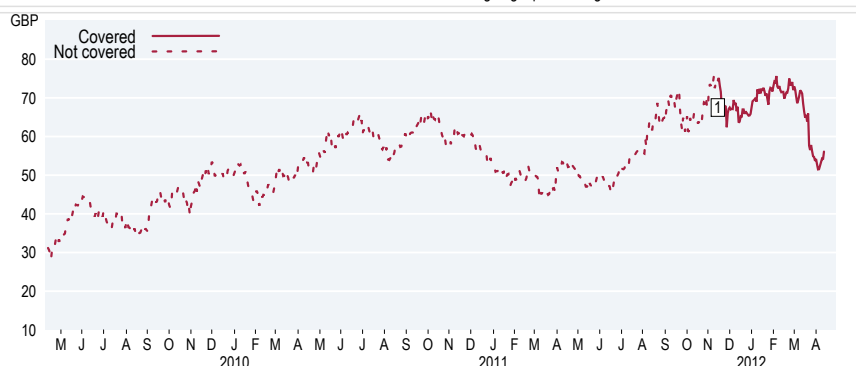
	Date	Rating	Target Price	Closing Price
17	4-Nov-11	1	*88.59	73.10
18	30-Nov-11	1	*83.49	67.15
19	8-Jan-12	1	*84.16	70.00
20	31-Jan-12	1	*90.90	71.65
21	31-Jan-12	1	*90.83	71.65
22	8-Feb-12	1	*88.84	72.45
23	23-Mar-12	*2	*65.27	56.50

Rating/target price changes above reflect Eastern Standard Time

Randgold Resources Ltd (RRS.L)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Jon H Bergtheil
Covered since December 3 2009



	Date	Rating	Target Price	Closing Price
1	15-Nov-11	*ADD MP	-	74.50

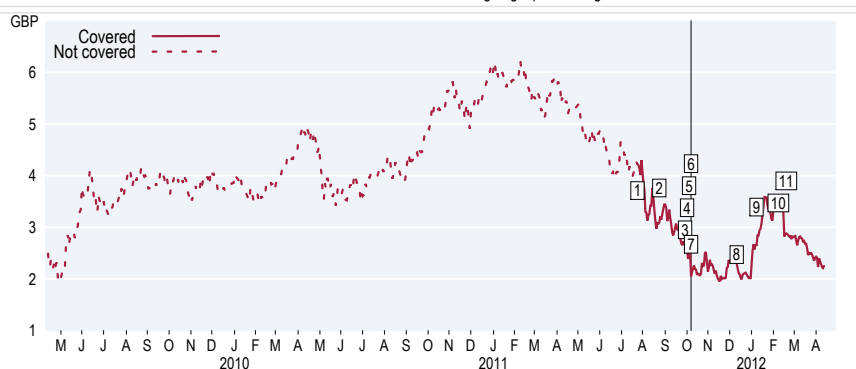
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

Talvivaara Mining Company (TALV.L)

Ratings and Target Price History Fundamental Research

Analyst: Michael E Flitton
Covered since July 26 2011



	Date	Rating	Target Price	Closing Price
1	25-Jul-11	*3H	*3.18	4.22
2	24-Aug-11	3H	*2.91	3.09
3	29-Sep-11	3H	*2.64	2.67
4	3-Oct-11	3H	*2.51	2.55

* Indicates change

	Date	Rating	Target Price	Closing Price
5	5-Oct-11	3H	*2.42	2.44
6	7-Oct-11	Stock rating system changed		
7	7-Oct-11	*3	2.42	2.05
8	12-Dec-11	3	*2.30	2.30

	Date	Rating	Target Price	Closing Price
9	8-Jan-12	*2	*3.00	2.67
10	8-Feb-12	2	*3.25	3.40
11	20-Feb-12	2	*3.00	2.88

Rating/target price changes above reflect Eastern Standard Time

Talvivaara Mining Company (TALV.L)

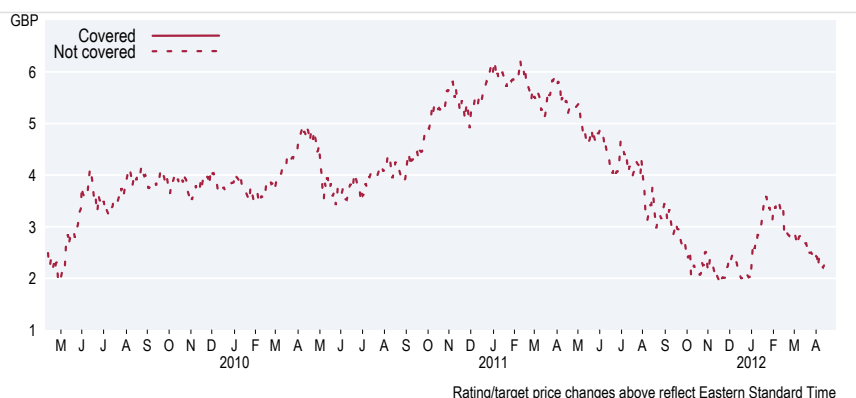
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Michael E Flitton

Covered since July 26 2011



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Data current as of 31 Mar 2012

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Heath R Jansen; Anindya Mohinta; Jon H Bergtheil; Jatinder Goel, CFA; Thomas O'Hara; Michael E Flitton

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