

## Equities

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# Newmont Mining (NEM)

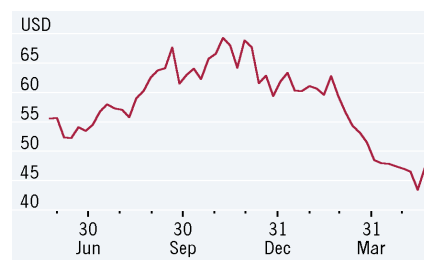
## Investor Day Message Centers on Disciplined Spending

- What's New** — Newmont hosted an investor meeting today in New York and our takeaways from the half day event are that management is placing more emphasis on total cost management (exploration, cash cost, capex) and disciplined growth. As well, management effectively backed away from their 7 mln ozs target in 2017, not surprising given Peru issues and consistent with their disciplined growth remarks. We left incrementally more positive but continue to prefer ABX.
- Total Cost Management ... Lacking Details, Sounds Promising** – To tackle operating and capital cost pressure, NEM is taking a fresh look at their cradle-to-grave cost structure from exploration to capex to opex to reclamation. No tangible targets were provided at the meeting but management indicated that more details would be provided later in the year as they rationalize exploration, early stage projects, and reduce G&A.
- Stabilizing Conga** – Our sense is that Conga will not move forward under current conditions since the project IRR was already in the low teens prior to the expanded recommendations, but equally critical is the lack of local support for the project. Without local support, Cerro Quilish is unlikely to move forward either. Conga spending forecast has slowed dramatically to \$440 mln for 2012-13 vs \$1.5 bln previously, focused on stabilizing the project and water supply/quality for a possible future restart.
- Alternative Projects** – The \$1 bln of Conga capex savings may be redirected to a restart of the Lone Tree autoclave (\$100 mln), Ahafo North (\$550 mln), Jundee Extension (\$100 mln) and/or Batu SAG mill (\$300 mln). However, Batu is 2016 and Ahafo is 2019 so there should be a positive free cash flow impact over the next couple of years. Management hinted at possible capital return, probably dividends over share buyback.

### Company Update

<b>Neutral</b>	<b>2</b>
Price (23 May 12)	US\$46.95
Target price	US\$56.00
Expected share price return	19.3%
Expected dividend yield	3.1%
<b>Expected total return</b>	<b>22.4%</b>
Market Cap	US\$23,035M

### Price Performance (RIC: NEM.N, BB: NEM US)



EPS	Q1	Q2	Q3	Q4	FY	FC Cons
<b>2011A</b>	1.04A	0.89A	1.26A	1.14A	4.31A	4.39A
<b>2012E</b>	<b>1.15A</b>	<b>1.04E</b>	<b>1.17E</b>	<b>1.24E</b>	<b>4.60E</b>	<b>4.72E</b>
Previous	1.15A	1.04E	1.17E	1.24E	4.60E	na
<b>2013E</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>5.10E</b>	<b>5.47E</b>
Previous	na	na	na	na	5.10E	na
<b>2014E</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>4.85E</b>	<b>4.95E</b>
Previous	na	na	na	na	4.85E	na

Source: Company Reports and dataCentral, CIR. FC Cons: First Call Consensus.

**Brian Yu, CFA**  
+1-415-951-1830  
brian.yu@citi.com

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

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**Newmont Mining (NEM)**

23 May 2012

NEM.N: Fiscal year end 31-Dec						Price: US\$46.95; TP: US\$56.00; Market Cap: US\$23,035m; Recomm: Neutral					
Profit & Loss (US\$m)	2010	2011	2012E	2013E	2014E	Valuation ratios	2010	2011	2012E	2013E	2014E
Sales revenue	9,540	10,358	10,832	11,491	11,642	PE (x)	12.4	10.9	10.2	9.2	9.7
Cost of sales	-4,458	-4,926	-5,198	-5,425	-5,738	PB (x)	1.7	1.8	1.6	1.4	1.3
Gross profit	5,082	5,432	5,634	6,066	5,905	EV/EBITDA (x)	5.1	8.7	5.6	5.4	5.6
Gross Margin (%)	53.3	52.4	52.0	52.8	50.7	FCF yield (%)	7.5	3.4	1.4	3.9	3.6
<b>EBITDA</b>	<b>5,083</b>	<b>3,078</b>	<b>5,163</b>	<b>5,606</b>	<b>5,445</b>	Dividend yield (%)	1.1	2.4	3.1	3.5	3.1
EBITDA Margin (%)	53.3	29.7	47.7	48.8	46.8	Payout ratio (%)	13	27	32	32	30
Depreciation	-945	-1,036	-1,025	-1,074	-1,078	ROE (%)	18.9	2.8	16.4	17.0	14.5
Amortisation	0	0	0	0	0	<b>Cashflow (US\$m)</b>	<b>2010</b>	<b>2011</b>	<b>2012E</b>	<b>2013E</b>	<b>2014E</b>
<b>EBIT</b>	<b>4,138</b>	<b>2,042</b>	<b>4,138</b>	<b>4,532</b>	<b>4,367</b>	EBITDA	5,083	3,078	5,163	5,606	5,445
EBIT Margin (%)	43.4	19.7	38.2	39.4	37.5	Working capital	-747	-311	-401	4	34
Net interest	-279	-244	-251	-282	-278	Other	-1,169	817	-1,324	-1,481	-1,429
Associates	-4	11	-25	-8	-8	<b>Operating cashflow</b>	<b>3,167</b>	<b>3,584</b>	<b>3,438</b>	<b>4,129</b>	<b>4,051</b>
Non-op/Except	109	12	123	120	120	Capex	-1,402	-2,787	-3,096	-3,200	-3,200
<b>Pre-tax profit</b>	<b>3,964</b>	<b>1,821</b>	<b>3,985</b>	<b>4,362</b>	<b>4,200</b>	Net acq/disposals	-7	-2,257	-154	0	0
Tax	-820	-713	-1,235	-1,311	-1,263	Other	-10	-23	-5	0	0
Extraord./Min.Int./Pref.div.	-867	-742	-521	-483	-493	<b>Investing cashflow</b>	<b>-1,419</b>	<b>-5,067</b>	<b>-3,255</b>	<b>-3,200</b>	<b>-3,200</b>
<b>Reported net profit</b>	<b>2,277</b>	<b>366</b>	<b>2,229</b>	<b>2,568</b>	<b>2,445</b>	Dividends paid	-246	-494	-727	-832	-731
Net Margin (%)	23.9	3.5	20.6	22.3	21.0	<b>Financing cashflow</b>	<b>-915</b>	<b>-854</b>	<b>298</b>	<b>-1,194</b>	<b>-1,301</b>
Core NPAT	1,893	2,174	2,317	2,568	2,445	<b>Net change in cash</b>	<b>841</b>	<b>-2,296</b>	<b>485</b>	<b>-265</b>	<b>-450</b>
<b>Per share data</b>	<b>2010</b>	<b>2011</b>	<b>2012E</b>	<b>2013E</b>	<b>2014E</b>	<b>FCF ex acquisns &amp; explorn</b>	<b>1,758</b>	<b>-1,460</b>	<b>188</b>	<b>929</b>	<b>851</b>
Reported EPS (\$)	4.55	0.73	4.42	5.10	4.85						
Core EPS (\$)	3.79	4.31	4.60	5.10	4.85						
DPS (\$)	0.50	1.15	1.45	1.65	1.45						
CFPS (\$)	6.33	7.11	6.82	8.19	8.04						
FCFPS (\$)	3.53	1.58	0.68	1.84	1.69						
BVPS (\$)	27.12	26.05	29.01	32.46	35.85						
Wtd avg ord shares (m)	492	494	492	492	493						
Wtd avg diluted shares (m)	500	504	504	504	504						
<b>Growth rates</b>	<b>2010</b>	<b>2011</b>	<b>2012E</b>	<b>2013E</b>	<b>2014E</b>						
Sales revenue (%)	23.6	8.6	4.6	6.1	1.3						
EBIT (%)	40.5	-50.7	102.6	9.5	-3.6						
Core NPAT (%)	38.2	14.8	6.6	10.9	-4.8						
Core EPS (%)	35.7	13.9	6.6	10.9	-4.8						
<b>Balance Sheet (US\$m)</b>	<b>2010</b>	<b>2011</b>	<b>2012E</b>	<b>2013E</b>	<b>2014E</b>						
Cash & cash equiv.	4,056	1,760	2,245	1,980	1,530						
Accounts receivables	670	620	743	740	714						
Inventory	658	714	731	728	701						
Net fixed & other tangibles	16,842	20,614	22,996	25,121	27,243						
Goodwill & intangibles	0	0	0	0	0						
Financial & other assets	3,437	3,766	3,549	3,549	3,549						
<b>Total assets</b>	<b>25,663</b>	<b>27,474</b>	<b>30,263</b>	<b>32,118</b>	<b>33,737</b>						
Accounts payable	427	561	519	518	499						
Short-term debt	259	689	80	80	10						
Long-term debt	4,182	3,624	6,081	6,081	5,951						
Provisions & other liab	5,079	6,829	6,249	6,249	6,249						
<b>Total liabilities</b>	<b>9,947</b>	<b>11,703</b>	<b>12,929</b>	<b>12,928</b>	<b>12,709</b>						
Shareholders' equity	13,345	12,896	14,259	15,996	17,710						
Minority interests	2,371	2,875	3,074	3,195	3,318						
<b>Total equity</b>	<b>15,716</b>	<b>15,771</b>	<b>17,333</b>	<b>19,191</b>	<b>21,028</b>						
<b>Net debt</b>	<b>385</b>	<b>2,553</b>	<b>3,916</b>	<b>4,181</b>	<b>4,431</b>						
Net debt to equity (%)	2.4	16.2	22.6	21.8	21.1						

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For definitions of the items in this table, please click [here](#).



**Indonesia ... Protected by Contract of Work** – The Indonesian government recently proposed a ban and/or export tax on unprocessed raw materials, and this has stirred concerns that NEM could be impacted. Management said that they remain protected under their Contract of Work so far. This also has positive implications for FCX that also operates under a Contract of Work for their Grasberg mine.

Figure 1. NEM Model Summary

NEWMONT MINING CORP. (Millions, Except Per Share)	2006	2007	2008	2009	2010	2011	1Q 12A	2Q 12E	3Q 12E	4Q 12E	2012E	2013E	2014E
<b>Operating Data</b>													
- Equity Gold Sales (m ozs)	5,870	5,281	5,184	5,258	5,274	5,104	1,274	1,247	1,262	1,282	5,065	5,153	5,265
- Equity Copper Prodn (m lbs)	230	204	130	217	302	209	37	40	40	40	157	168	240
- Spot Gold Price \$ / oz	604	694	870	972	1,229	1,570	1,691	1,680	1,740	1,760	1,718	1,835	1,725
- Realized Gold Price \$ / oz	599	697	870	977	1,222	1,562	1,684	1,680	1,740	1,760	1,716	1,799	1,725
- Total CAS Cost \$ / oz Gold	\$307	407	\$440	\$418	\$485	\$591	\$620	\$639	\$641	\$641	\$635	\$649	\$648
- Equity Cash Cost \$ / oz Gold	328	406	457	446	504	597	637	655	656	655	651	660	657
<b>Income and Cash Flow</b>													
- Total Revenue	\$5,019	\$5,614	\$6,199	\$7,721	\$9,540	\$10,358	\$2,683	\$2,630	\$2,727	\$2,792	\$10,832	\$11,491	\$11,642
- Gross Profit	1,851	1,858	2,308	3,851	5,082	5,432	1,435	1,324	1,413	1,462	5,634	6,066	5,905
- EBITDA	1,946	2,036	2,049	3,752	5,083	3,078	1,286	1,215	1,305	1,358	5,163	5,606	5,445
- Income from Operations	1,306	1,312	1,302	2,945	4,138	2,042	1,055	952	1,041	1,090	4,138	4,532	4,367
- Net Income	\$791	(\$1,886)	\$853	\$1,297	\$2,277	\$366	\$490	\$527	\$590	\$622	\$2,229	\$2,568	\$2,445
Per Share -- Reported	\$1.75	(\$4.16)	\$1.87	\$2.64	\$4.55	\$0.73	\$0.97	\$1.04	\$1.17	\$1.24	\$4.42	\$5.10	\$4.85
Per Share -- Operating	\$1.57	\$1.42	\$2.10	\$2.79	\$3.79	\$4.31	\$1.15	\$1.04	\$1.17	\$1.24	\$4.60	\$5.10	\$4.85
- Cash Flow from Operations	\$1,225	\$663	\$1,292	\$2,935	\$3,167	\$3,584	\$609	\$904	\$932	\$992	\$3,438	\$4,129	\$4,051
- Capital Costs	1,557	1,673	1,880	1,769	1,402	2,787	696	800	800	800	3,096	3,200	3,200
- Free Cash Flow	(332)	(1,010)	(588)	1,166	1,765	797	(87)	104	132	192	342	929	851
- Total Cash Flow	258	86	(796)	2,768	841	(2,296)	852	(186)	(108)	(74)	485	(265)	(450)
- OCF Per Share	\$3.36	\$2.12	\$3.77	\$4.81	\$7.84	\$7.78	\$1.92	\$1.79	\$1.91	\$1.99	\$7.62	\$8.19	\$7.97
- Common Dividend Per Share	\$0.40	\$0.40	\$0.40	\$0.40	\$0.50	\$1.15	\$0.35	\$0.35	\$0.35	\$0.40	\$1.45	\$1.65	\$1.45
- EBITDA Margin	38.8%	36.3%	33.1%	48.6%	53.3%	29.7%	47.9%	46.2%	47.9%	48.6%	47.7%	48.8%	46.8%
- Operating Margin	26.0%	23.4%	21.0%	38.1%	43.4%	19.7%	39.3%	36.2%	38.2%	39.1%	38.2%	39.4%	37.5%
- Net Margin	15.8%	NM	13.8%	16.8%	23.9%	3.5%	18.3%	20.0%	21.6%	22.3%	20.6%	22.3%	21.0%
- Cash Margin (OCF/Revs)	24.4%	11.8%	20.8%	38.0%	33.2%	34.6%	22.7%	34.4%	34.2%	35.5%	31.7%	35.9%	34.8%
- Realized / CAS Margin	48.7%	41.6%	49.4%	57.2%	60.3%	62.2%	63.2%	62.0%	63.2%	63.6%	63.0%	63.9%	62.5%
- Realized / TCC Margin	45.2%	41.8%	47.5%	54.3%	58.8%	61.8%	62.2%	61.0%	62.3%	62.8%	62.0%	63.3%	61.9%
<b>Valuation Measures</b>													
- Price / Earnings	28.8x	34.3x	19.4x	22.0x	16.2x	13.9x					10.4x	9.4x	9.9x
- EV/EBITDA	10.8x	11.7x	10.4x	8.5x	6.1x	10.7x					5.4x	5.0x	5.2x
- Price / Sales	4.1x	3.9x	3.0x	3.9x	3.2x	2.9x					2.2x	2.1x	2.1x
- Price / Cash Flow	13.5x	16.1x	9.1x	9.6x	7.9x	7.8x					6.3x	5.8x	6.0x
- Price / Cash Flow (ex MI)	17.7x	23.0x	10.8x	12.9x	8.7x	9.2x					7.1x	6.6x	6.8x
- Price / Book Value	2.2x	2.9x	2.5x	2.8x	2.3x	2.3x					1.7x	1.5x	1.4x
- Return on Assets	5.1%	NM	5.4%	5.8%	8.9%	1.3%					7.4%	8.0%	7.2%
- Return on Equity	8.5%	NM	11.7%	12.1%	17.1%	2.8%					15.6%	16.1%	13.8%
- Return on Capital Employed	6.9%	NM	7.1%	7.6%	12.3%	2.8%					10.0%	10.7%	9.7%
- EV / P2 Reserve Oz	\$226	\$254	\$246		\$340								
- EV / Production Oz	3,585	4,512	4,114		5,920								
<b>Capital Structure</b>													
- Cash and Cash-Equivalents	\$1,275	\$1,231	\$435	\$3,215	\$4,056	\$1,760	\$2,612	\$2,426	\$2,319	\$2,245	\$2,245	\$1,980	\$1,530
- Working Capital	(213)	196	499	444	709	377	978	976	1,008	1,019	1,019	1,016	981
- Current Ratio	1.5x	1.8x	1.5x	2.5x	2.6x	1.4x	2.4x	2.3x	2.3x	2.2x	2.2x	2.1x	2.0x
- PP&E	\$6,847	\$9,140	\$10,132	\$12,370	\$12,907	\$15,881	\$16,364	\$16,901	\$17,437	\$17,970	\$17,970	\$20,095	\$22,217
- Total Debt	1,911	2,938	3,241	4,809	4,441	4,313	6,150	6,121	6,141	6,161	6,161	6,161	5,961
- Total Debt / Total Capital	17.0%	28.0%	30.8%	31.0%	25.0%	25.1%	32.0%	31.3%	30.7%	30.2%	30.2%	27.8%	25.2%
- Net LTD / Total Capital	4.2%	13.8%	25.0%	9.3%	0.7%	10.8%	18.0%	18.7%	18.8%	18.8%	18.8%	18.5%	18.7%
- Total Debt / EBITDA	1.0x	1.4x	1.6x	1.3x	0.9x	1.4x	4.8x	5.0x	4.7x	4.5x	1.2x	1.1x	1.1x
- EBITDA / Interest Expense	19.9x	19.4x	31.5x	44.1x	18.2x	12.6x	24.7x	18.4x	19.6x	20.3x	20.5x	19.9x	19.6x

Source: Citi Investment Research and Analysis

## Newmont Mining

### Company description

Newmont Mining Corporation is an American mining company (headquarters in Denver) engaged in the exploration and acquisition of gold properties, with operations in the USA, Australia, Peru, Indonesia, Ghana, Canada, Bolivia, New Zealand and Mexico. It is the world's second largest gold producer and it's also engaged in the production of copper.

### Investment strategy

We rate Newmont Neutral (2). Positive factors in our investment thesis include: 1. a strong base of production and reserves, 2. very low valuation relative to spot gold prices, 3. future upside to production and reserves from new projects. Negative factors include: 1. gold is close to all time highs on a nominal basis, 2. a weak history of ROIC generation in the sector.

### Valuation

Our \$56 target price is based on a combination of forward P/E and DCF modeling with respective weightings of 80/20. Forward P/E - From 1999 - 2007, shares of NEM traded down to a low of 14.2x during the peak with a median multiple of 29.4x, and a trough multiple of 87.4x. More recently, NEM hit a low multiple of 8.6x in October '08 with a median of 15.6x over the past 5 years. Due to our outlook for moderating pricing in '14, we apply a 12.0x multiple on our '13 estimate yielding a P/E based target of \$61/sh. DCF - DCF modeling yields a target price of \$33. Our DCF model incorporates our production, realized pricing and cost estimates through 2014, followed by long term pricing assumptions of \$1,400/oz for gold, \$3.50/lb for copper, and equity cash costs of \$683/oz. Our WACC of 6.2% is based on a beta of 0.7, and from the CIRA strategy group, an equity risk premium of 6.2% and risk-free rate of 2.0%. We tend to rely less on DCF modeling because the derived value is highly sensitive to terminal assumptions.

### Risks

The keys risks to our investment thesis on NEM include commodity exposure, political risk, operating risk and somewhat offset by the company's geographic diversification and broad range of assets.

**Gold Pricing** - Gold pricing is driven by a number of market factors including mining output, scrap availability, central bank sales and US inflation rates. A significant decline in the price of gold due to any combination of these factors could reduce NEM's realized pricing and sales volumes impairing the company's earnings power.

**Mining Operations** - The company's mining operations are subject to variability in ore quality and structural issues which could potentially decrease production volumes and increase unit costs.

**Foreign Currency** - While the majority of NEM's revenues are in USD, a significant amount of the company's costs are in foreign currencies with AUD having the largest impact. A significant devaluation of the US dollar relative to the AUD could cause a decrease in NEM's profitability.

If the impact from any of these factors proves to be greater than we anticipate, the stock could have difficulty achieving our target price, alternatively if the effect is less than expected the share price could exceed our target.

## Barrick Gold

(ABX.N; US\$39.60; 1)

### Valuation

Our \$57 target price is based on a combination of forward P/E and DCF modeling with respective weightings of 80/20.

Forward P/E – Shares of ABX have traded down to a low of 8.6x during the peak with a median multiple of 29.4x, and a trough multiple of 8.6x. More recently, ABX hit a low multiple of 8.6x in October '08 with a median of 15.6x over the past 5 years. To reflect short mine lives we apply an 11x to our 2013 estimate to arrive at a target price of \$60/sh.

DCF - DCF modeling yields a target price of \$46. Our DCF model incorporates our production, realized pricing and cost estimates through 2014, followed by long term pricing assumptions of \$1,400/oz for gold and \$3.50/lb for copper. Our WACC of 6.1% is based on a beta of 0.8, and from the CIRA strategy group, an equity risk premium of 6.2% and risk-free rate of 2.0%.

### Risks

The keys risks to our investment thesis on ABX include commodity exposure, political risk and monetary and fiscal policy somewhat offset by the company's geographic diversification and broad range of assets.

Gold Pricing – Barrick's financial performance is highly levered to the price of Gold, with all future production unhedged. The market price of gold can be volatile and is highly sensitive to macroeconomic factors including economic confidence and growth rates, central bank policy, and government fiscal policy.

Project Development – Barrick aims to advance multiple new projects to drive future growth. The process to bring a development project to production has many hurdles including project financing, permitting, regulatory compliance, staffing and construction. Any unexpected issues or delays could effect project delivery, increase project development and operating costs, and reduce the NPV of projects.

Mining Operations - The company's mining operations are subject to variability in ore quality and structural issues which could potentially decrease production volumes and increase unit costs.

Foreign Currency – Non-USD denominated costs represent 40% of production costs and are affected by USD exchange rates with the largest exposure being towards the AUD. ABX also has significant exposure to the CAD through its Canadian mine operations and corporate administrative costs as well as increasing exposure to the Chilean peso. The company aims to mitigate exposure to foreign currencies fluctuations through its hedging program. A significant strengthening of foreign currencies vs. the USD would negatively impact mine operating and capital costs though the effect on profitability would be uncertain and depend on changes in

realized gold prices which tends to be inversely correlated with the USD as it is a monetary metal.

Political Risk – While approximately 61% of ABX's reserves are located in investment grade countries government intervention, taxation, or regulation and the threat of civil unrest do present risks and could negatively impact production and operating costs. ABX attempts to mitigate this risk through a diverse portfolio of global assets.

If the impact from any of these factors proves to be greater than we anticipate, the stock could have difficulty achieving our target price; alternatively if the effect is less than expected the share price could exceed our target.

## Freeport-McMoRan Copper & Gold Inc.

(FCX.N; US\$32.73; 1)

### Valuation

Our \$45 target price is based on a combination of forward P/E, EV/EBITDA and DCF modeling with respective weightings of 40/40/20.

Forward P/E - In 1995-2005, the shares of FCX traded down to a low of 7.3x during the peak with a median multiple of 18.2x, and a trough multiple of 33.5x. More recently, FCX hit a low multiple of 3.5x in October 2008 with a median of 10.8x since 2005. We apply a P/E of 10x on our 2013E to arrive at a target price of \$48.

Trailing EV/EBITDA - In 1995-2005, FCX traded down to 4.3x with a median multiple of 7.1x and a high multiple of 15.6x. In October 2008, FCX hit a new low of 1.6x and has had a median of 5.8x since 2005. We apply a 5.0x multiple on 2011E EBITDA to arrive at a target price of \$43.

DCF - DCF modeling yields a target price of \$43. Our DCF model incorporates our forward production, realized pricing and cost estimates through 2014, followed by long-term pricing assumptions of \$2.75/lb for Cu, \$1,200/oz for Au, \$15.50/lb for Moly and \$12.00/lb for Co and copper site production and delivery costs of \$1.20/lb Cu. Our WACC of 11.3% is based on a beta of 1.6, and from the CIRA strategy group, an equity risk premium of 6.2% and risk-free rate of 2.0%.

### Risks

The keys risks to our investment thesis on FCX include commodity exposure, political risk and relatively high leverage somewhat offset by the company's cost and geographic diversification and broad range of assets.

Economy and Demand: Demand for copper is largely driven by the strength of the global economy. If depressed economic conditions persist, FCX's realized pricing and sales volumes could be limited which would impair the company's earnings power. Conversely, stronger than expected demand could cause the shares to exceed our target price.

Balance Sheet: FCX employed significant leverage to complete the Phelps Dodge acquisition in 2007. Future interest and principal payments could limit the company's ability to invest in operating facilities or expansion projects. In addition,

an inability to comply with the covenants on FCX's senior credit facilities could impact the company's available liquidity.

Foreign Currency: While the majority of FCX's revenues are in USD, a significant amount of the company's costs are in foreign currencies including Indonesian rupiah, Chilean pesos, Peruvian nuevo soles and Australian dollars among others. A significant devaluation of the US dollar relative to one or more of these currencies could cause a decrease in FCX's profitability.

If the impact from any of these factors proves to be greater than we anticipate, the stock could have difficulty achieving our target price, alternatively if the effect is less than expected the share price could exceed our target.

## Appendix A-1

### Analyst Certification

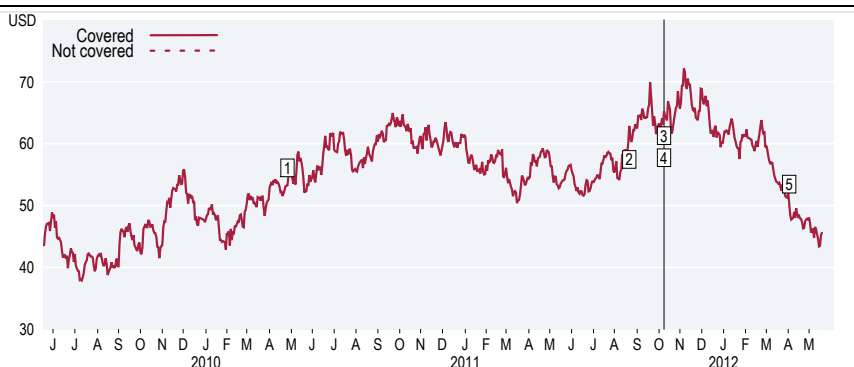
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#### Ratings and Target Price History Fundamental Research

Analyst: Brian Yu, CFA  
Covered since April 3 2012



	Date	Rating	Target Price	Closing Price
1	27-Apr-10	2M	*\$55.00	53.26
2	22-Aug-11	*1M	*\$80.00	62.86

\* Indicates change

	Date	Rating	Target Price	Closing Price
3	8-Oct-11	Stock rating system changed		
4	8-Oct-11	*1	80.00	63.09

	Date	Rating	Target Price	Closing Price
5	3-Apr-12	*2	*\$56.00	50.34

Rating/target price changes above reflect Eastern Standard Time

## Newmont Mining (NEM)

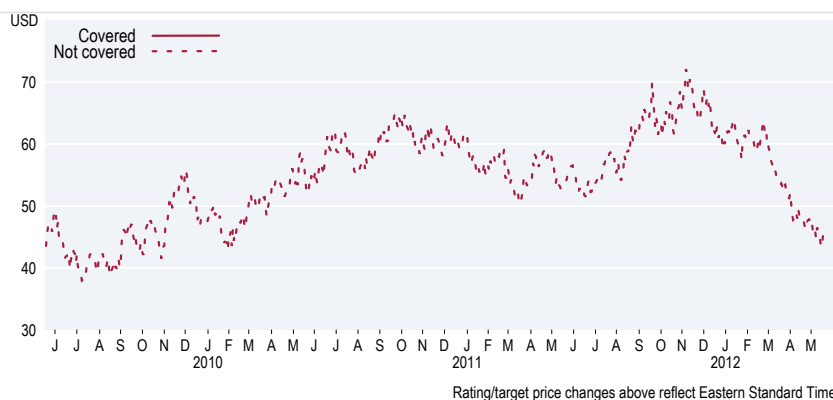
### Ratings and Target Price History

#### Best Ideas Research

#### Relative Call (3 Month)

Analyst: Brian Yu, CFA

Covered since April 3 2012



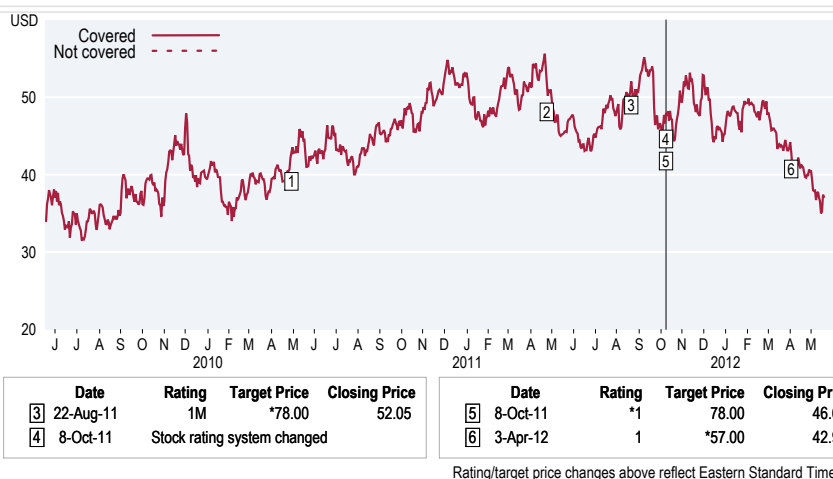
## Barrick Gold (ABX)

### Ratings and Target Price History

#### Fundamental Research

Analyst: Brian Yu, CFA

Covered since April 3 2012



	Date	Rating	Target Price	Closing Price
1	29-Apr-10	1M	*50.00	42.87
2	25-Apr-11	1M	*60.00	51.86

	Date	Rating	Target Price	Closing Price
3	22-Aug-11	1M	*78.00	52.05
4	8-Oct-11	Stock rating system changed		

	Date	Rating	Target Price	Closing Price
5	8-Oct-11	*1	78.00	46.64
6	3-Apr-12	1	*57.00	42.94

## Barrick Gold (ABX)

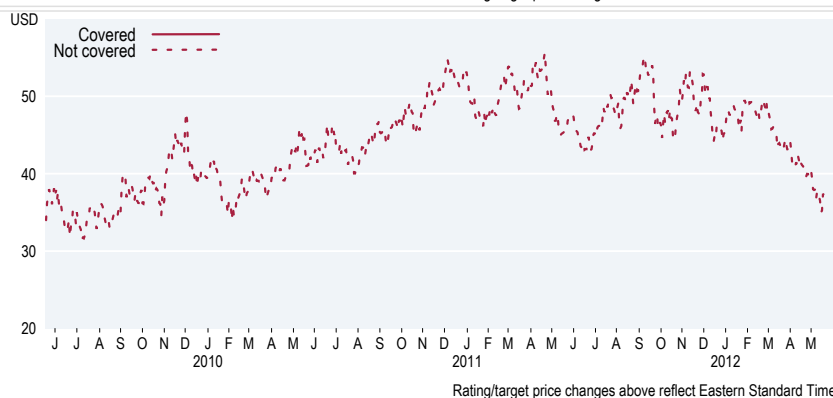
### Ratings and Target Price History

#### Best Ideas Research

#### Relative Call (3 Month)

Analyst: Brian Yu, CFA

Covered since April 3 2012

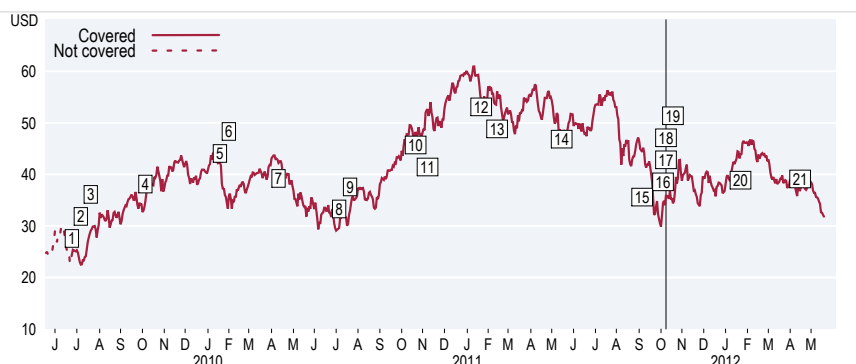




## Freeport-McMoRan Copper & Gold Inc. (FCX)

### Ratings and Target Price History Fundamental Research

Analyst: Brian Yu, CFA  
Covered since June 25 2009



Date	Rating	Target Price	Closing Price
1 24-Jun-09	*2H	*26.50	24.40
2 7-Jul-09	*1H	*29.00	22.50
3 21-Jul-09	*2H	*30.50	29.09
4 6-Oct-09	2H	*35.50	34.81
5 19-Jan-10	2H	*42.50	42.30
6 1-Feb-10	*1H	*47.50	35.80
7 12-Apr-10	1H	*51.50	42.20

\* Indicates change

Date	Rating	Target Price	Closing Price
8 6-Jul-10	1H	*46.50	29.60
9 21-Jul-10	1H	*46.00	33.03
10 21-Oct-10	1H	*57.00	48.22
11 8-Nov-10	1H	*62.00	52.64
12 21-Jan-11	*2H	*59.00	54.20
13 13-Feb-11	2H	*60.00	53.52
14 15-May-11	2H	*56.00	48.27

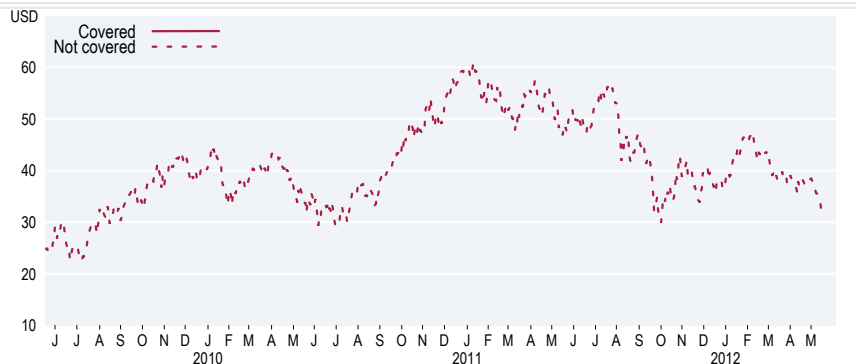
Date	Rating	Target Price	Closing Price
15 6-Sep-11	2H	*52.00	44.36
16 5-Oct-11	2H	*34.00	34.43
17 8-Oct-11	Stock rating system changed		
18 8-Oct-11	*2	34.00	34.01
19 19-Oct-11	2	*38.00	34.38
20 23-Jan-12	2	*43.00	43.88
21 16-Apr-12	*1	*45.00	36.92

Rating/target price changes above reflect Eastern Standard Time

## Freeport-McMoRan Copper & Gold Inc. (FCX)

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

Analyst: Brian Yu, CFA  
Covered since June 25 2009



\* Indicates change

Rating/target price changes above reflect Eastern Standard Time

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