



Kinross Gold Corporation (NYSE: KGC)

Materials Sector

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Gold



Agenda

- Company Overview
- Industry Overview
- Investment Thesis & Catalysts
- Valuation
- Risks and Mitigants
- Summary



Company Overview

Investment Recommendation

Current Price: \$5.29

Price Target: \$7.00

Implied Upside: 32.3%

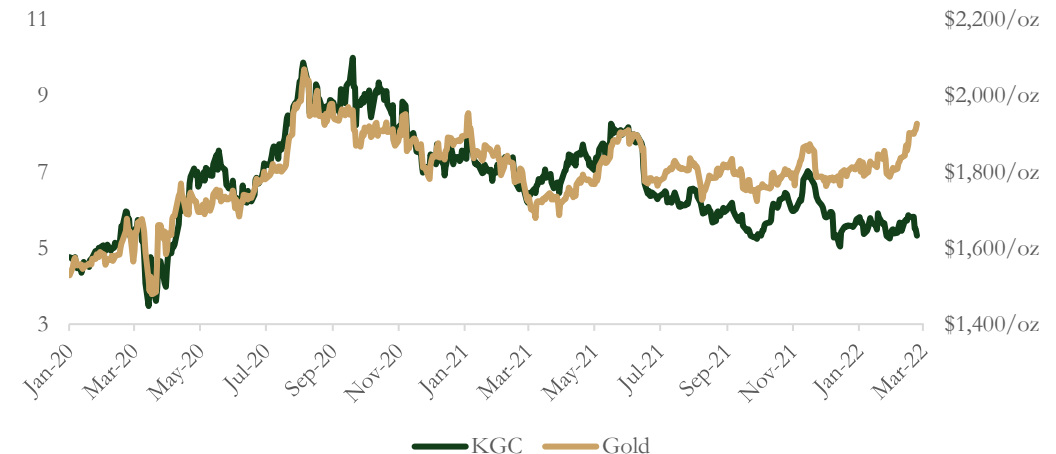
Key Financial Information

Share Price	\$ 5.29
Market Cap	\$ 6.71B
52 Week High/Low	\$ 8.34/4.90
CEO	J. Paul Rollinson
Headquarters	Toronto, Canada
Revenue (FY '22E)	\$4.42B
P/E (FY '22E)	10.07x
EV/EBITDA (FY '22E)	3.85x

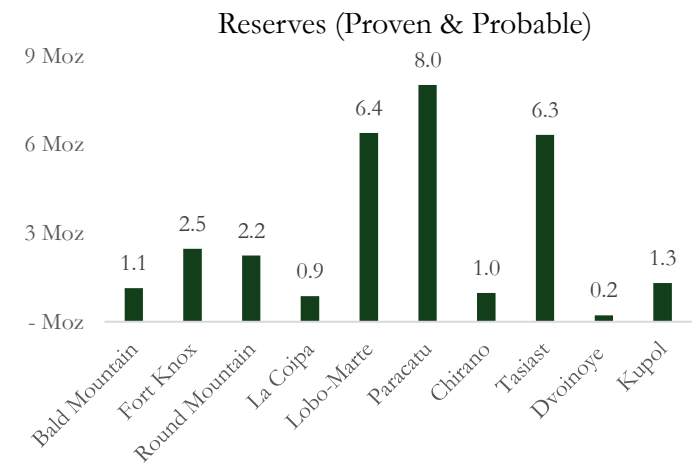
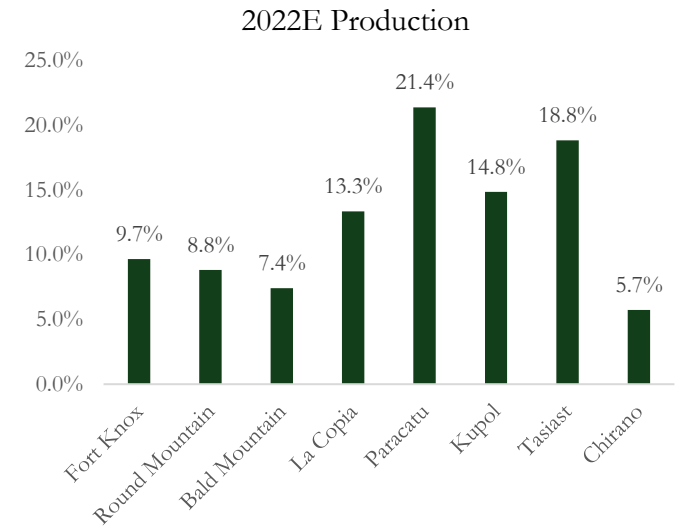
Company Description

- Canadian-based gold and silver mining company that drives its operating results from its diverse portfolio of mines in the Americas, West Africa, and Russia
- In 2021, KGC announced its acquisition of Great Bear Resources and created a Climate Change Strategy to reduce its greenhouse gas emissions
- On March 2nd, KGC announced that it is suspending its Russian operations due to the Russia-Ukraine conflict

Stock Performance Relative to Gold



Kinross's Geographic Exposure

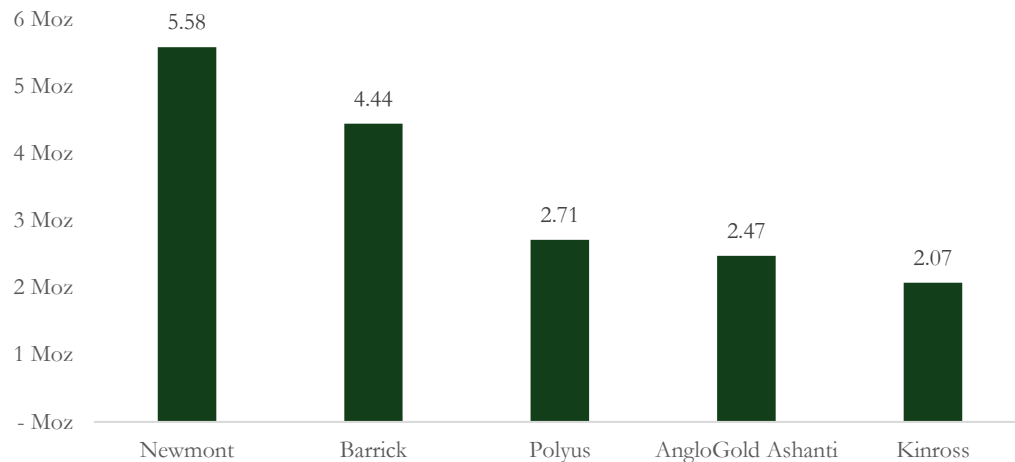


Industry Overview

Gold Demand

- Gold has multiple demand drivers, including jewelry, industrial applications, and public/private investment
- Roughly half of gold is used in jewelry, with private investment (22%), government holdings (17%) the next main uses
- Jewelry demand among Asian countries has been particularly strong as countries urbanize and become wealthier
- That said, the most important driver of gold demand remains private investment

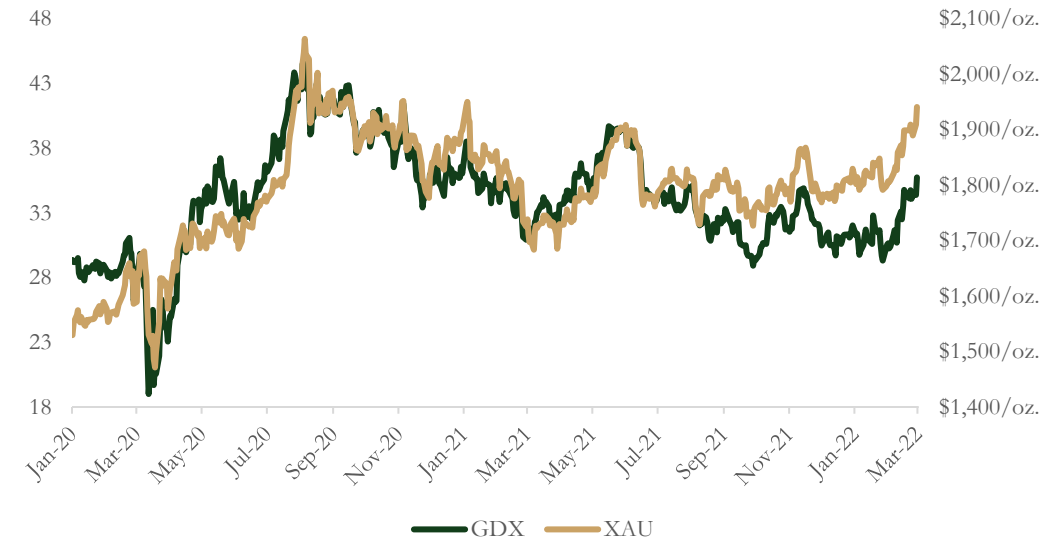
Top 2021 Gold Producers



Gold as an Investment

- Gold has thousands of years of history acting as a store of wealth against inflation and currency devaluation
- Most important to today's markets, gold acts as “safe-haven” investment that performs well during times of economic and geopolitical uncertainty
- There are multiple ways to invest in the industry, including the physical metal, ETFs tracking gold's price, as well as gold mining companies (which provide the most upside but also the greatest risk)

Gold Mining Stocks vs. Gold



Industry Overview (Cont.)

Key Company Differentiators

- Given longer-term concerns about gold supply, investors place a premium on companies that can sustain and grow production
- Miners operating in safer jurisdictions (especially the U.S. & Canada) trade at a sizable premium to geographically riskier peers
- Investors often look for companies with strong balance sheets and free cash flow generation, due to the boom-bust nature of commodity cycles and the inherent volatility of commodity producing companies

Industry Cost Structure (AISC)



Gold Supply Dynamics

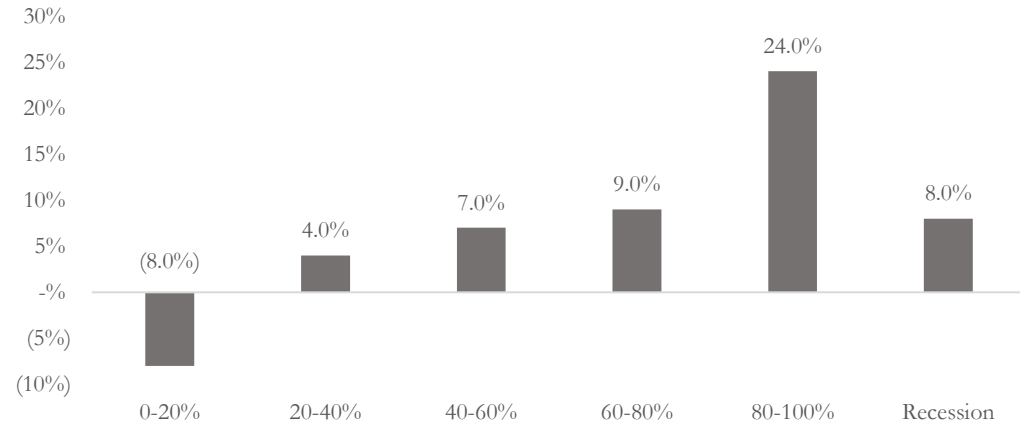
- Since 1900, gold supply has grown at an annual rate of ~1.5%
- During COVID, many mining companies struggled to reach production targets due to labor and operational issues
- According to S&P Global, there have been only 25 major gold discoveries in the past decade (totaling 154.3 Moz), a 92% decrease from the decade prior. As companies focus on developing existing gold assets, gold supply fell 4% in both 2019 and 2020 from previous level – raising doubts about future production

Gold & Silver Miners Free Cash Flow Yield

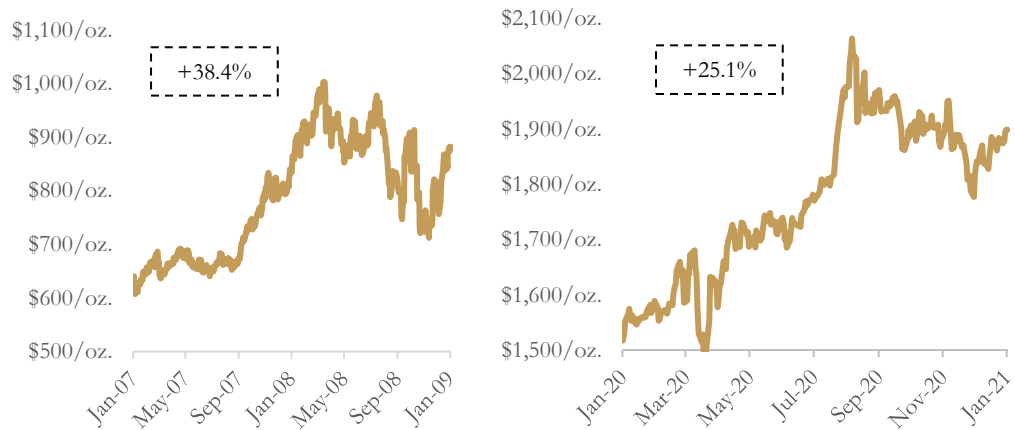


Major Gold Price Drivers

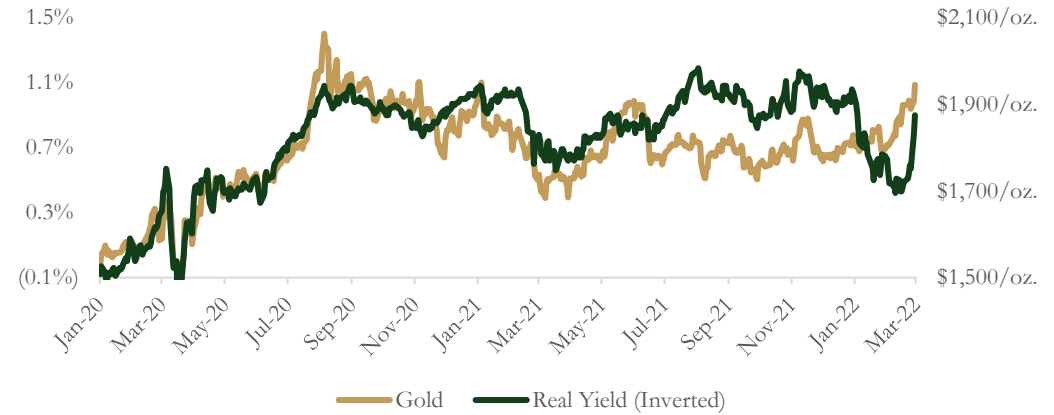
Economic Cycle Performance



Risk-Off Hedge



Gold Rallies as Real Yields Fall

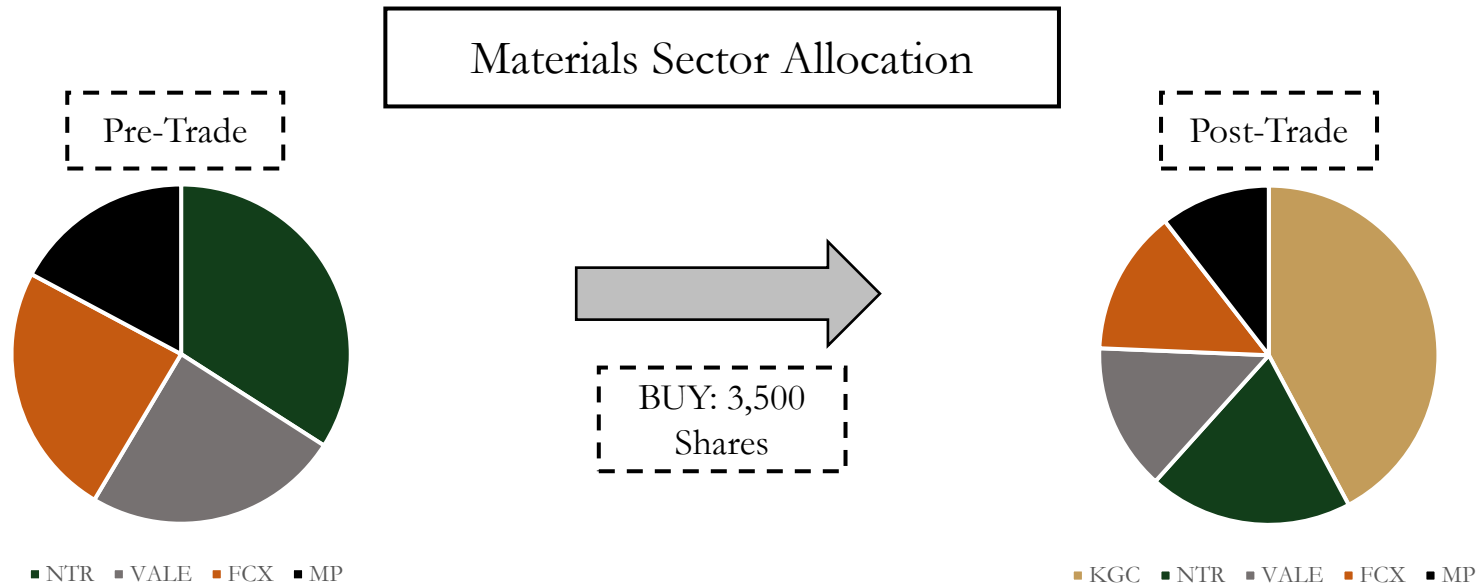


Competition with Crypto

- Over the past several years, cryptocurrencies have begun to challenge gold's status as a "safe-haven" alternative asset, especially in 2020 & 2021
- However, crypto's extreme volatility raises significant doubts about this claim
- Overall, gold's long-term track record (as well as recent outperformance vs. crypto) demonstrates that gold remains the premier safety asset, and Bitcoin's stability during a true market downturn is questionable at best

Investment Thesis

1. Aggressive Fed tightening coupled with record leverage increases risks of problems in the financial markets
2. Withdrawal of unprecedented fiscal stimulus will hurt the US consumer and rapidly slow economic growth
3. KGC's production growth profile and recent Great Bear Acquisition is a compelling investment opportunity



Record Leverage Increases Problems with Higher Rates

Political Importance of Inflation

- CNN Poll (Dec. 2021): 80% of respondents said rising costs of food and other items are a major problem
- CBS Poll (Jan. 2022): 70% of respondents disapprove of the Biden Administration's handling of inflation
- Quinnipiac Poll (Feb. 2022): Inflation was the top issue among those polled (27%), followed by immigration (12%) and COVID (10%)
- Biden State of the Union Address (Mar. 2022): "My top priority is getting prices under control"

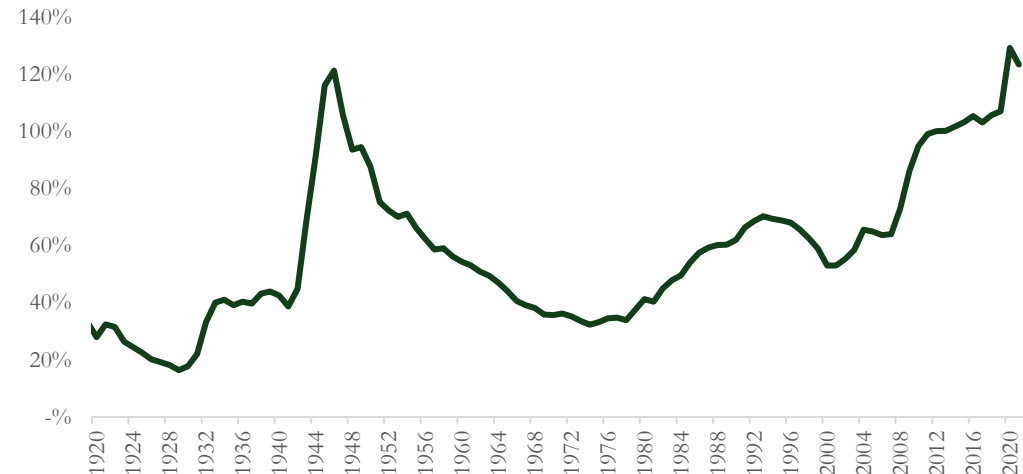
Near Record Corporate Leverage



Changing Fed Messaging

- "I don't expect inflation to be a problem" – Boston Federal Reserve President Eric Rosengren (Feb. 2021)
- "It's probably a good time to retire that word" – Fed Chairman Jerome Powell, referring to "transitory inflation" (Nov. 2021)
- "A significant reduction in the size of the balance sheet would likely be appropriate" – Federal Reserve Minutes (Jan. 2022)
- "This is strong, high inflation, and it's very important that we get on top of it, and that's exactly what we're going to do" – Jerome Powell Congressional remarks (Mar. 2022)

US Debt/GDP Ratio



Signs of Trouble in the Fixed Income Market

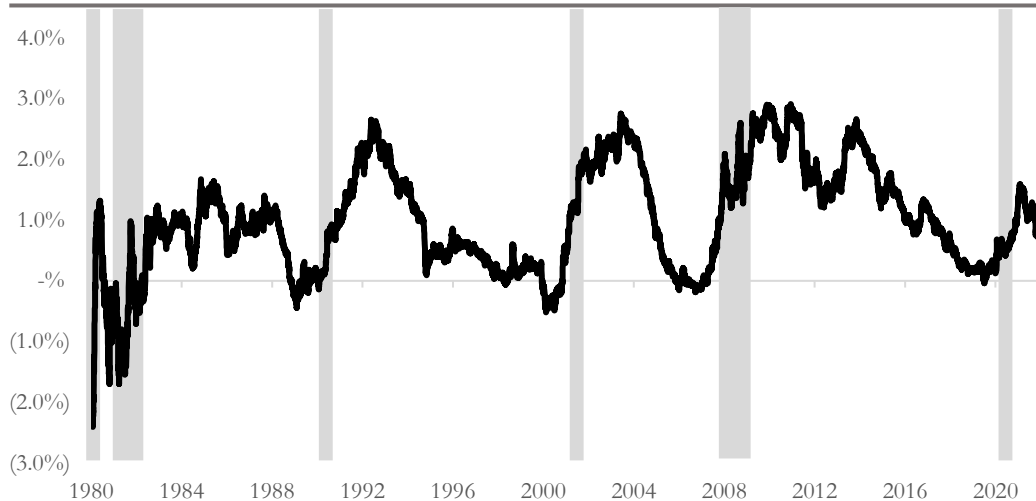
Fixed Income Market Overview

- The shape of the US Treasury curve is a key market economic growth indicator, with a steep yield curve signaling strong economic growth and a flat yield curve signaling growth concerns
- Volatility and widening credit spreads in the corporate bond market also serve as a key signal about potential market risks
- In December 2018, as the S&P 500 fell 20%, the high yield bond market saw a rapid widening of credit spreads
- Most importantly, the bond market would likely experience issues before the equity market, especially with aggressive rate hikes

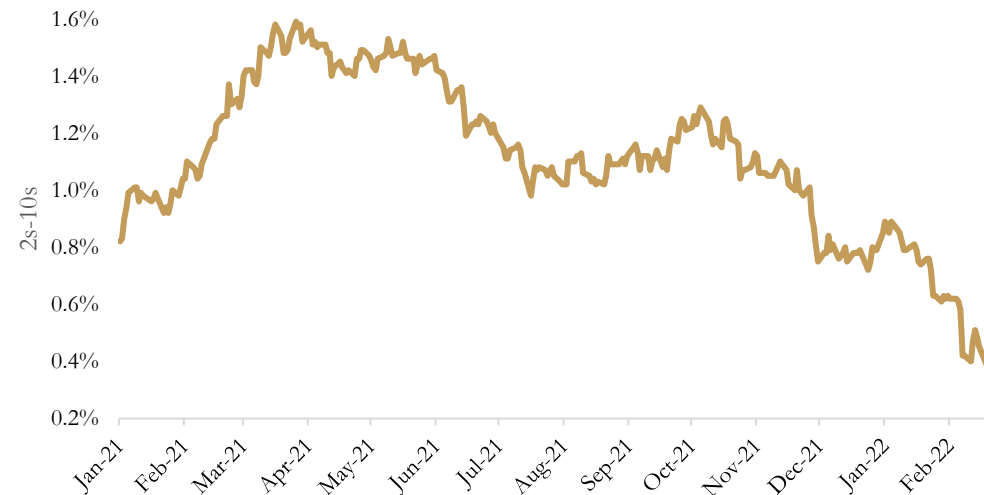
High Yield Credit Spreads Widening



Historical 2s-10s Spread

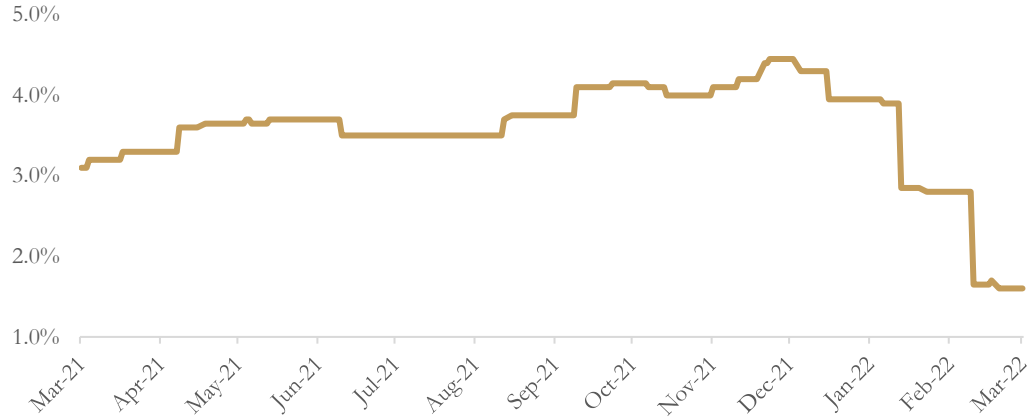


Rapid Recent Yield Curve Flattening

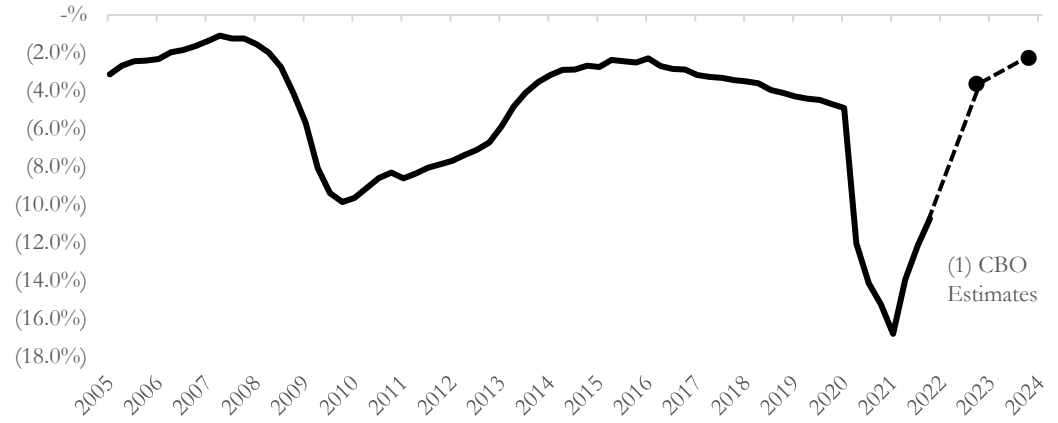


Slowing Economic Growth

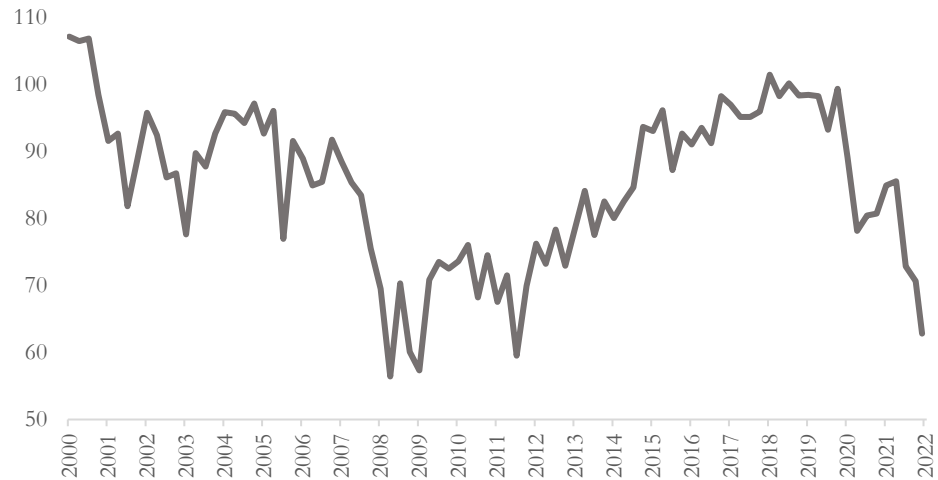
Q1 GDP Forecasts Tanking



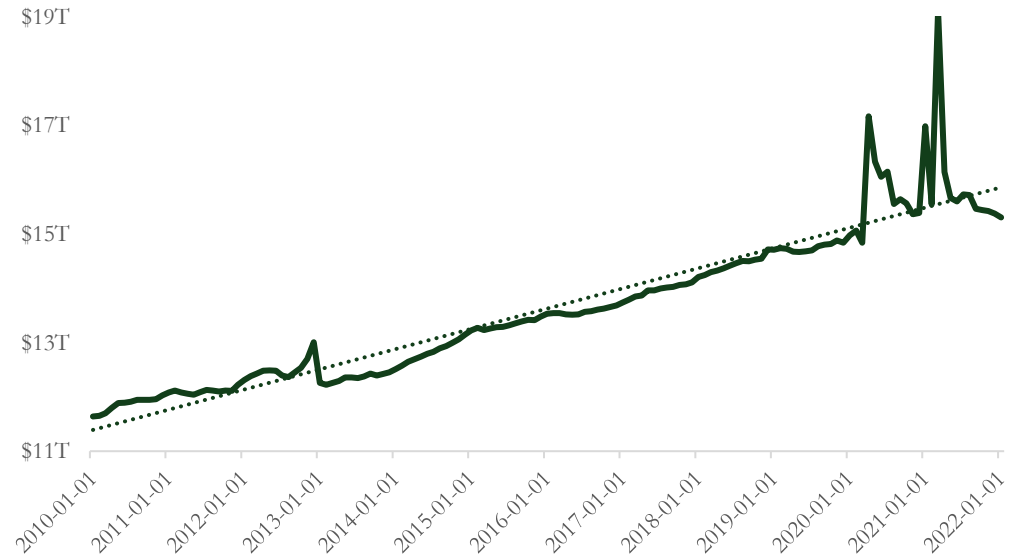
US Budget Deficit (as a % of GDP)¹



Michigan Consumer Sentiment Index

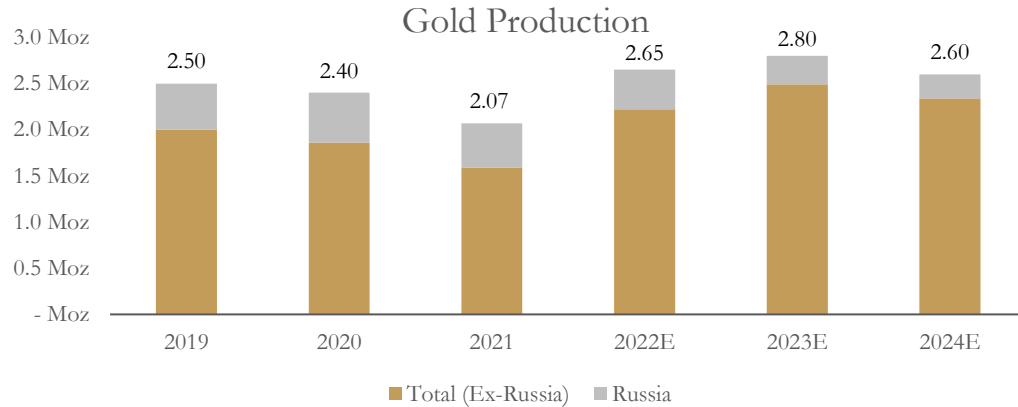


US Real Disposable Personal Income

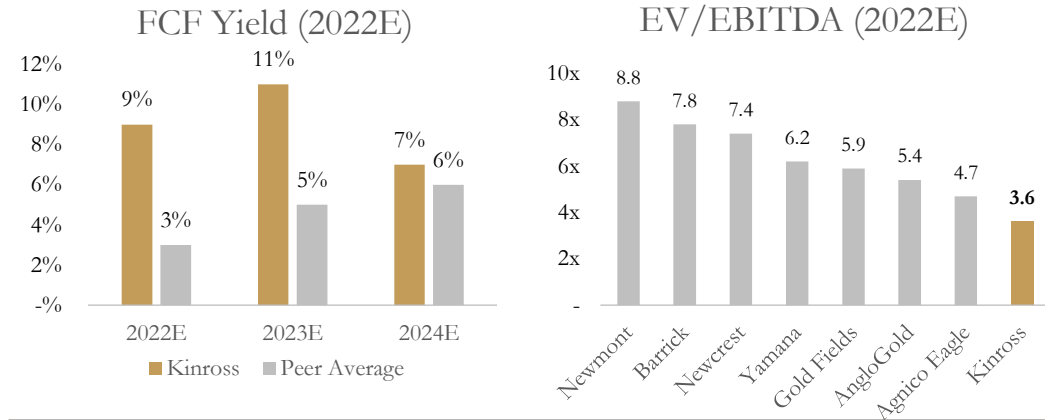


Kinross is a “Show-Me” Story

Production Growth Profile



Compelling Valuation Discount vs. Peers



Great Bear Resources Acquisition

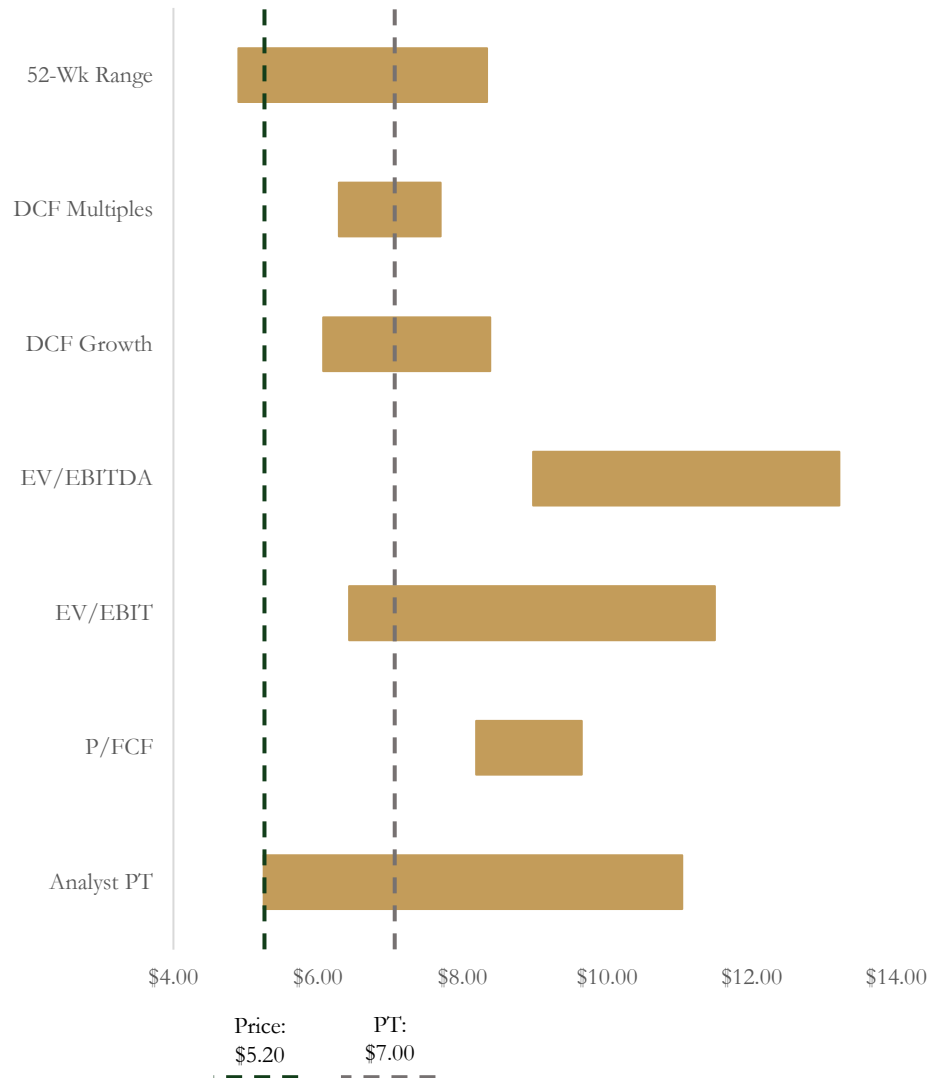
- Dec. 8th – Kinross announces Great Bear Resources Acquisition
 - \$1.4B deal (75% cash & 25% equity) with an additional equity component contingent upon future gold discoveries
 - Great Bear owns the Dixie Projection, a top-tier resource in Ontario, Canada
- Feb. 24th – Kinross closes on the deal
 - KGC announces plan to start exploration and development of the resource, with the goal to further identify the mining potential

Acquisition Fills Gaps in Portfolio

- Top-Tier Jurisdiction
 - Acquisition adds to KGC’s exposure in Tier-One locations, the lowest risk and most predictable mines
 - KGC has greater geopolitical risk than most of its closest peers
- Increasing Reserves
 - Asset also helps to build KGC’s reserves and help maintain a strong production profile later this decade, filling a key concern among investors



Valuation



Sensitivity Analysis

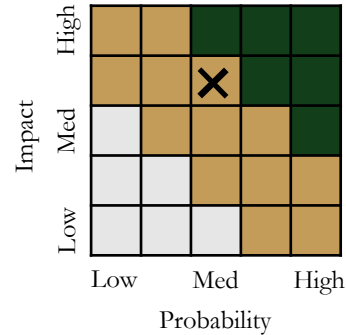
		Multiple					
		\$ 6.89	4.50x	5.00x	5.50x	6.00x	6.50x
WACC	5.96%		6.15	6.69	7.22	7.76	8.30
	6.46%		6.01	6.53	7.06	7.58	8.11
	6.96%		5.87	6.38	6.89	7.41	7.92
	7.46%		5.73	6.23	6.73	7.23	7.74
	7.96%		5.60	6.09	6.58	7.07	7.56

Key Assumptions

- Gold Price
 - 2022E: \$1,900/oz
 - 2023E: \$1,850/oz
 - 2024E and beyond: \$1,800/oz
- Forecasted Russian Production: 0 oz
- Terminal Growth Rate: 0.50%
- Terminal EBITDA Multiple: 5.5x

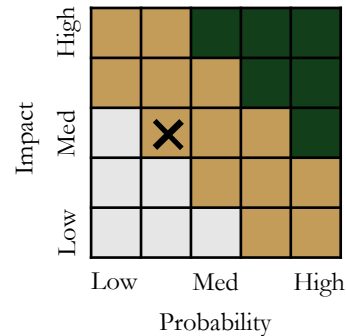
Risks & Mitigants

Kinross may permanently lose its Russian operations due to the Russia-Ukraine Conflict



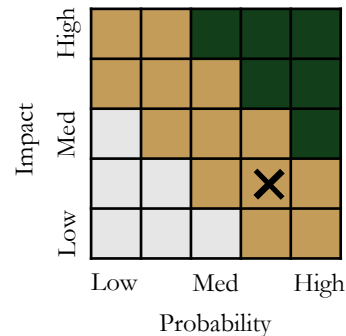
We see this event as possible, though unlikely. Regardless, Kupol only accounts for 15% of its current production and reserves, and we modeled the company assuming no future Russian production. Lastly, Kinross has underperformed the GDX by 20% in the past month, which we believe is an overreaction based on KGC's limited Russian exposure.

The increasing interest in cryptocurrencies as an alternative asset will continue to dampen investor enthusiasm for gold



Since its peak on November 8th, Bitcoin has fallen 38% (whereas gold is up more than 6%). Bitcoin's performance remains untested in a true bear market, and recent price performance suggests that it is ill-suited as a geopolitical/economic hedge in a risk-off environment.

Kinross's weaker balance sheet post-Great Bear Resources Acquisition could lead to trouble in a lower gold price environment



At current gold prices, KGC will reach Net Debt/EBITDA of <1.0x by year end, supported by Kinross's strong free cash flow generation. Near-term higher leverage was necessary to fund the transaction and support long-term growth in safer geographic jurisdictions.

Pitch Summary



Catalysts

Rising Rates	Fed tightening and record leverage will lead to problems in financial markets
Slowing Growth	Economic growth will rapidly slow due to the lack of fiscal stimulus
Great Bear Acquisition	The transformative Great Bear Acquisition will solidify KGC's long-term growth



Thank you!

Questions?

Appendix A: Income Statement

KGC Income Statement										
USD (In Millions)	2017	2018	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
Revenue	3,303	3,213	3,497	4,213	3,729	4,448	4,857	4,619	4,426	4,301
Cost of Sales:										
Production Cost of Sales	1,757	1,861	1,779	1,726	1,726	1,946	2,161	2,131	2,066	2,026
Depreciation, Depletion, & Amortization	819	772	731	842	841	999	1,091	1,037	994	966
Impairment Charge (Reversal)	22	-	(362)	(651)	145	-	-	-	-	-
Total Cost of Sales	2,598	2,633	2,148	1,917	2,712	2,945	3,252	3,168	3,060	2,992
Gross Profit	705	580	1,349	2,296	1,018	1,503	1,605	1,451	1,367	1,309
Operating Expenses:										
Other Operating Expense	130	137	109	187	295	125	128	130	133	135
Exploration & Business Development	106	109	114	93	133	133	136	138	141	144
General & Administrative	133	133	136	118	127	160	163	166	170	173
Operating Earnings	337	201	991	1,899	464	1,085	1,178	1,016	923	856
Other Income:										
Other Income	187	3	73	7	79	-	-	-	-	-
Finance Income	14	11	8	4	12	-	-	-	-	-
Finance Expense	(118)	(101)	(108)	(113)	(86)	(86)	(86)	(86)	(86)	(86)
Earnings Before Tax	419	113	964	1,799	469	999	1,093	930	837	770
Income Tax Expense	23	(139)	(247)	(440)	(251)	250	273	233	210	193
Net Income	442	(26)	717	1,359	219	1,249	1,366	1,163	1,047	963
Less: Non-Controlling Interests	(3)	(2)	(2)	16	(3)	-	-	-	-	-
Net Earnings to Kinross Shareholders	445	(24)	719	1,342	221	1,249	1,366	1,163	1,047	963



Appendix B: Balance Sheet

KGC Balance Sheet USD (In Millions)	2017	2018	2019	2020	2021
Current Assets					
Cash & Cash Equivalents	1,026	349	575	1,211	532
Restricted Cash	12	13	15	14	11
Accounts Receivable & Other Assets	91	101	130	116	215
Current Income Tax Recoverable	44	79	43	30	10
Inventories	1,094	1,052	1,054	1,073	1,151
Unrealized Fair Value of Derivative Assets	17	4	7	7	30
Total Current Assets	2,284	1,598	1,825	2,450	1,949
Non-Current Assets					
Property, Plant, & Equipment	4,887	5,519	6,340	7,654	7,618
Goodwill	163	163	159	159	159
Long-Term Investments	188	156	126	113	98
Investment in Joint Venture	24	18	18	18	7
Unrealized Fair Value of Derivative Assets	4	1	5	-	-
Other Long-Term Assets	574	564	568	537	591
Deferred Tax Assets	33	45	35	3	7
Total Non-Current Assets	5,873	6,466	7,251	8,484	8,479
Total Assets	8,157	8,064	9,076	10,933	10,428

KGC Balance Sheet USD (In Millions)	2017	2018	2019	2020	2021
Current Liabilities					
Accounts Payable & Accrued Liabilities	483	466	469	479	493
Current Income Tax Payable	35	22	68	115	95
Current Portion of Long-Term Debt & Credit Facilities	-	-	-	500	40
Current Portion of Provisions	67	73	58	64	90
Current Portion of Unrealized Fair Value of Derivative Liabilities	1	22	-	-	-
Other Current Liabilities	-	-	20	50	24
Deferred Payment Obligations	-	30	-	142	-
Total Current Liabilities	585	612	616	1,348	741
Non-Current Liabilities					
Long-Term Debt & Credit Facilities	1,733	1,735	1,837	1,424	1,590
Provisions	831	816	839	861	848
Unrealized Fair Value of Derivative Liabilities	-	10	1	-	-
Long-Term Lease Liabilities	-	-	39	46	35
Other Long-Term Liabilities	134	98	108	102	127
Deferred Tax Liabilities	256	265	305	488	437
Total Non-Current Liabilities	2,953	2,924	3,128	2,922	3,037
Total Liabilities	3,538	3,537	3,743	4,270	3,779
Equity					
Common Share Capital	14,903	14,913	14,926	4,474	4,428
Contributed Surplus	241	240	242	10,709	10,664
Accumulated Deficit	(10,581)	(10,548)	(9,829)	(8,563)	(8,492)
Accumulated Other Comprehensive Income (Loss)	21	(99)	(20)	(24)	(19)
Total Common Shareholders' Equity	4,584	4,507	5,319	6,597	6,581
Add: Non-Controlling Interests	36	21	14	67	69
Total Equity	4,619	4,527	5,333	6,663	6,650
Total Liabilities & Equity	8,157	8,064	9,076	10,933	10,428

Appendix C: Statement of Cash Flows

KGC Statement of Cash Flows					
USD (In Millions)	2017	2018	2019	2020	2021
Operating Cash Flow					
Net Earnings	442	(26)	717	1,359	219
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities:					
Depreciation, Depletion, & Amortization	819	772	731	842	841
Gain on Disposition of Associate & Other Interests	(55)	-	-	-	-
Impairment Charges (Reversals) & Assets Derecognition	(76)	-	(362)	(651)	145
Share-Based Compensation Expense	14	15	14	14	11
Finance Expense	118	101	108	113	86
Deferred Tax (Recovery) Expense	(76)	9	41	218	(64)
Foreign Exchange Losses & Other	(31)	(10)	(53)	12	73
Reclamation Expense	11	13	(12)	7	-
Changes in Operating Assets & Liabilities:					
Accounts Receivable & Other Assets	109	(23)	(65)	(121)	(50)
Inventories	(87)	(6)	54	(7)	(87)
Accounts Payable & Accrued Liabilities	(49)	70	166	279	265
Cash Flow Provided from Operating Activities	1,140	916	1,340	2,064	1,439
Less: Income Taxes Paid	(189)	(127)	(115)	(106)	(303)
Net Cash Flow Provided from Operating Activities	952	789	1,225	1,958	1,135
Investing Cash Flow					
Additions to Property, Plant, & Equipment	(898)	(1,043)	(1,105)	(916)	(939)
Interest Paid Capitalized to Property, Plant, & Equipment	-	-	-	(48)	(51)
Acquisitions	-	(304)	(30)	(267)	(142)
Net Additions to Long-Term Investments & Other Assets	(74)	(53)	72	(6)	(66)
Net Proceeds from the Sale of Property, Plant & Equipment	278	6	32	8	1
Decrease (Increase) in Restricted Cash	(1)	(1)	(3)	(24)	2
Interest Received & Other	7	8	8	3	1
Net Cash Flow Used in Investing Activities	(687)	(1,387)	(1,027)	(1,249)	(1,193)

KGC Statement of Cash Flows					
USD (In Millions)	2017	2018	2019	2020	2021
Financing Cash Flow					
Proceeds from Drawdown/Issuance of Debt	495	80	300	950	200
Repayment of Debt	(500)	(80)	(200)	(850)	(500)
Interest Paid	(63)	(58)	(14)	(63)	(47)
Payment of Lease Liabilities	-	-	(56)	(21)	(34)
Dividends Paid to Common Shareholders	-	-	-	(76)	(151)
Dividends Paid to Non-Controlling Interest	-	(13)	(5)	(6)	-
Repurchase & Cancellation of Shares	-	-	-	-	(100)
Other	(1)	(2)	-	(2)	9
Net Cash Flow Used in Financing Activities	(69)	(73)	25	(68)	(623)
Effect of Exchange Rates Changes on Cash & Cash Equivalents	3	(6)	3	(5)	1
Increase (Decrease) in Cash & Cash Equivalents	199	(677)	226	636	(679)
Cash & Cash Equivalents, Beginning of Period	827	1,026	349	575	1,211
Cash & Cash Equivalents, End of Period	1,026	349	575	1,211	532

Appendix D: Revenue Build

KGC Ounces Sold										
Gold Equivalent Ounces	2017	2018	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
Mine										
Fort Knox	381,779	256,037	200,323	238,349	263,590	263,590	250,411	237,890	225,995	214,696
Round Mountain	438,051	381,478	360,739	319,228	259,941	228,748	201,298	189,220	185,436	181,727
Bald Mountain	262,916	318,091	177,802	186,549	196,066	196,066	192,145	184,459	173,391	159,520
Kettle River - Buckhorn	77,087	927	-	-	-	-	-	-	-	-
La Coipa	-	-	-	-	-	345,000	690,000	690,000	640,000	640,000
Paracatu	356,251	523,417	619,009	541,506	549,900	549,900	533,403	506,733	476,329	447,749
Maricunga	41,316	89,959	43,756	8,947	2,787	-	-	-	-	-
Americas Total	1,557,400	1,569,909	1,401,629	1,294,579	1,272,284	1,583,304	1,867,256	1,808,302	1,701,152	1,643,692
Kupol	577,007	494,835	526,458	510,973	480,968	-	-	-	-	-
Russia Total	577,007	494,835	526,458	510,973	480,968	-	-	-	-	-
Tasiast	236,256	243,241	382,803	403,789	174,193	609,676	609,676	609,676	609,676	597,482
Chirano (100%)	251,212	224,927	201,868	166,207	148,293	148,293	148,293	148,293	148,293	148,293
West Africa Total	487,468	468,168	584,671	569,996	322,486	757,969	757,969	757,969	757,969	745,775
Less: Chirano Non-Controlling Interest (10%)	(25,121)	(22,493)	(20,186)	(16,621)	(14,829)	(14,829)	(14,829)	(14,829)	(14,829)	(14,829)
West Africa Attributable Total	462,347	445,675	564,485	553,375	307,657	743,139	743,139	743,139	743,139	730,946
Attributable Total	2,596,754	2,510,419	2,492,572	2,358,927	2,060,909	2,326,443	2,610,396	2,551,441	2,444,291	2,374,638
Add: Chirano Non-Controlling Interest (10%)	25,121	22,493	20,186	16,621	14,829	14,829	14,829	14,829	14,829	14,829
Operations Total	2,621,875	2,532,912	2,512,758	2,375,548	2,075,738	2,341,273	2,625,225	2,566,271	2,459,120	2,389,467

KGC Revenue Build										
USD (In Millions)	2017	2018	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
Revenue	3,303	3,213	3,497	4,213	3,729	4,448	4,857	4,619	4,426	4,301
Gold Ounces Sold	2.62	2.53	2.51	2.38	2.08	2.34	2.63	2.57	2.46	2.39
Average Realized Gold Price	1,260	1,268	1,392	1,774	1,797	1,900	1,850	1,800	1,800	1,800

Appendix E: Income Statement

KGC Discounted Cash Flow Analysis								
USD (In Millions)	2019	2020	2021	2022	2023	2024E	2025E	2026E
Revenue	3,497	4,213	3,729	4,448	4,857	4,619	4,426	4,301
<i>Revenue Growth (%)</i>		20.5%	(11.5%)	19.3%	9.2%	(4.9%)	(4.2%)	(2.8%)
EBIT	991	1,899	464	1,085	1,178	1,016	923	856
<i>EBIT Margin</i>	28.3%	45.1%	12.4%	24.4%	24.3%	22.0%	20.9%	19.9%
NOPAT	737	1,435	216	813	884	762	692	642
<i>Tax Rate</i>	25.6%	24.5%	53.4%	25.0%	25.0%	25.0%	25.0%	25.0%
Plus: D&A	731	842	841	999	1,091	1,037	994	966
Less: CapEx	1,105	916	939	956	923	924	930	968
Less: Δ NWC	56	(83)	56	77	81	(20)	(30)	(19)
FCFF	308	1,444	63	779	970	895	787	660
<i>% growth</i>		369.2%	(95.7%)	1141.1%	24.5%	(7.8%)	(12.1%)	(16.2%)
Discount Factor				1	2	3	4	5
Midpoint Factor				0.50	1.50	2.5	3.5	4.5
PV of Cash Flows				754	877	756	622	487

WACC	6.96%
Terminal Growth Rate	0.50%
EV/EBITDA	5.50x

Gordon Growth Method	
Terminal Value	10,259
PV of Terminal Value	7,328
Enterprise Value	10,824
Less: Debt	2,438
Plus: Cash	532
Equity Value	8,918
Diluted Shares Outstanding	1,269
Share Price	\$ 7.03

Multiples Method	
Terminal Value	10,021
PV of Terminal Value	7,158
Enterprise Value	10,654
Less: Debt	2,438
Plus: Cash	532
Equity Value	8,748
Diluted Shares Outstanding	1,269
Share Price	\$ 6.89

Appendix F: WACC

KGC WACC	
Market Return	10.00%
Market Risk Premium	8.00%
Risk Free Rate	2.00%
Beta	0.71
Cost of Equity	7.66%
Pre-Tax Cost of Debt	3.40%
Tax Rate	25.03%
After-Tax Cost of Debt	2.55%
Market Capitalization	6,714
Debt	1,058
Weight of Equity	86.38%
Weight of Debt	13.62%
WACC	6.96%

Cost of Debt Calculation			
Maturity Date	Amount	Coupon	YTM
3/15/2024	500	5.950%	2.89%
7/15/2027	500	4.500%	2.86%
9/1/2041	250	6.875%	5.50%
Cost of Debt			3.40%

1 Year S&P
0.71



Appendix G: Net Working Capital Projections

KGC Net Working Capital Projections										
USD (In Millions)	2017	2018	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
Current Assets										
Accounts Receivable & Other Assets	91	101	130	116	215	138	150	143	137	133
Revenue	3,303	3,213	3,497	4,213	3,729	4,448	4,857	4,619	4,426	4,301
AR Days	10.09	11.52	13.59	10.03	20.99	11.31	11.31	11.31	11.31	11.31
Inventories	1,094	1,052	1,054	1,073	1,151	1,169	1,298	1,280	1,240	1,217
Production Cost of Sales	1,757	1,861	1,779	1,726	1,726	1,946	2,161	2,131	2,066	2,026
Days Inventories Outstanding	227.28	206.39	216.22	226.93	243.45	219.20	219.20	219.20	219.20	219.20
Total Current Assets	1,186	1,153	1,184	1,189	1,366	1,307	1,448	1,423	1,378	1,350
Current Liabilities										
Accounts Payable & Accrued Liabilities	483	466	469	479	493	526	584	576	559	548
Production Cost of Sales	1,757	1,861	1,779	1,726	1,726	1,946	2,161	2,131	2,066	2,026
AP Days	100.23	91.40	96.29	101.35	104.19	98.69	98.69	98.69	98.69	98.69
Other Current Liabilities	-	-	20	50	24	17	17	17	18	18
Operating Expenses	130	137	109	187	295	125	128	130	133	135
<i>As a % of Operating Expenses</i>	<i>0.0%</i>	<i>0.0%</i>	<i>18.7%</i>	<i>26.6%</i>	<i>8.0%</i>	<i>13.4%</i>	<i>13.4%</i>	<i>13.4%</i>	<i>13.4%</i>	<i>13.4%</i>
Current Liabilities	612	603	578	666	787	651	712	706	691	683
Net Working Capital	573	551	606	523	579	655	736	717	686	667
Change in Net Working Capital		(23)	56	(83)	56	77	81	(20)	(30)	(19)

Appendix H: CapEx & D&A Projections

KGC CapEx & D&A Projections										
USD (In Millions)	2017	2018	2019	2020	2021	2022E	2023E	2024E	2025E	2026E
Capital Expenditures	898	1,043	1,105	916	939	956	923	924	930	968
Revenue	3,303	3,213	3,497	4,213	3,729	4,448	4,857	4,619	4,426	4,301
<i>As a % of Revenue</i>	<i>27.2%</i>	<i>32.5%</i>	<i>31.6%</i>	<i>21.7%</i>	<i>25.2%</i>	<i>21.5%</i>	<i>19.0%</i>	<i>20.0%</i>	<i>21.0%</i>	<i>22.5%</i>
Depreciation & Amortization	819	772	731	842	841	999	1,091	1,037	994	966
Revenue	3,303	3,213	3,497	4,213	3,729	4,448	4,857	4,619	4,426	4,301
<i>As a % of Revenue</i>	<i>24.8%</i>	<i>24.0%</i>	<i>20.9%</i>	<i>20.0%</i>	<i>22.5%</i>	<i>22.5%</i>	<i>22.5%</i>	<i>22.5%</i>	<i>22.5%</i>	<i>22.5%</i>



Appendix I: Comps

KGC Comparable Companies Analysis (2022 Estimates)																
Company	Ticker	Share Price	Shares	Market Cap	Net Debt	Minority Interest	EV	EPS ('22)	EBIT ('22)	EBITDA ('22)	FCF ('22)	Fwd. P/E	Fwd. EV/EBIT	Fwd. EV/EBITDA	Fwd. P/FCF	
Kinross	KGC	5.29	1,269	6,714	1,058	69	7,703	0.57	1,152	2,220	632	9.28x	6.69x	3.47x	10.63x	
Newmont	NEM	66.20	793	52,464	660	(209)	53,333	3.00	3,518	6,241	2,739	22.07x	15.16x	8.55x	19.15x	
Barrick	GOLD	22.57	1,779	40,152	(130)	-	40,022	1.07	4,352	6,264	2,216	21.09x	9.20x	6.39x	18.12x	
Agnico-Eagle	AEM	50.49	455	22,963	1,379	-	24,342	2.65	1,854	3,082	1,145	19.05x	13.13x	7.90x	20.05x	
B2Gold	BTG	4.03	1,056	4,255	(598)	101	3,556	0.37	763	1,051	372	10.89x	4.66x	3.38x	11.43x	
Min												10.89x	4.66x	3.38x	11.43x	
1st Quartile												17.01x	8.06x	5.64x	16.45x	
Median												20.07x	11.16x	7.14x	18.64x	
3rd Quartile												21.34x	13.64x	8.06x	19.38x	
Maximum												22.07x	15.16x	8.55x	20.05x	

P/E	Multiple	Share Price
Min	10.89x	6.21
1st Quartile	17.01x	9.70
Median	20.07x	11.44
3rd Quartile	21.34x	12.16
Max	22.07x	12.58

EV/EBITDA	Multiple	EV	Share Price
Min	3.38x	7,512	5.03
1st Quartile	5.64x	12,516	8.97
Median	7.14x	15,859	11.61
3rd Quartile	8.06x	17,893	13.21
Max	8.55x	18,971	14.06

EV/EBIT	Multiple	EV	Share Price
Min	4.66x	5,373	3.35
1st Quartile	8.06x	9,289	6.43
Median	11.16x	12,860	9.24
3rd Quartile	13.64x	15,710	11.49
Max	15.16x	17,464	12.87

P/FCF	Multiple	Share Price
Min	11.43x	5.69
1st Quartile	16.45x	8.19
Median	18.64x	9.28
3rd Quartile	19.38x	9.65
Max	20.05x	9.98

Appendix J: DCF (\$1,900 Gold)

KGC Discounted Cash Flow Analysis								
USD (In Millions)	2019	2020	2021	2022	2023	2024E	2025E	2026E
Revenue	3,497	4,213	3,729	4,448	4,988	4,876	4,672	4,540
<i>Revenue Growth (%)</i>		20.5%	(11.5%)	19.3%	12.1%	(2.2%)	(4.2%)	(2.8%)
EBIT	991	1,899	464	1,085	1,280	1,215	1,114	1,041
<i>EBIT Margin</i>	28.3%	45.1%	12.4%	24.4%	25.7%	24.9%	23.8%	22.9%
NOPAT	737	1,435	216	813	960	911	835	781
<i>Tax Rate</i>	25.6%	24.5%	53.4%	25.0%	25.0%	25.0%	25.0%	25.0%
Plus: D&A	731	842	841	999	1,120	1,095	1,049	1,020
Less: CapEx	1,105	916	939	956	948	975	981	1,021
Less: Δ NWC	56	(83)	56	77	85	(16)	(31)	(20)
FCFF	308	1,444	63	779	1,047	1,047	934	799
<i>% growth</i>		369.2%	(95.7%)	1141.1%	34.4%	(.1%)	(10.8%)	(14.5%)
Discount Factor				1	2	3	4	5
Midpoint Factor				0.50	1.50	2.5	3.5	4.5
PV of Cash Flows				754	947	885	738	590

WACC	6.96%
Terminal Growth Rate	0.50%
EV/EBITDA	5.50x

Gordon Growth Method	
Terminal Value	12,421
PV of Terminal Value	8,872
Enterprise Value	12,785
Less: Debt	2,438
Plus: Cash	532
Equity Value	10,879
Diluted Shares Outstanding	1,269
Share Price	\$ 8.57

Multiples Method	
Terminal Value	11,335
PV of Terminal Value	8,097
Enterprise Value	12,009
Less: Debt	2,438
Plus: Cash	532
Equity Value	10,103
Diluted Shares Outstanding	1,269
Share Price	\$ 7.96

Appendix K: DCF (\$1,700 Gold)

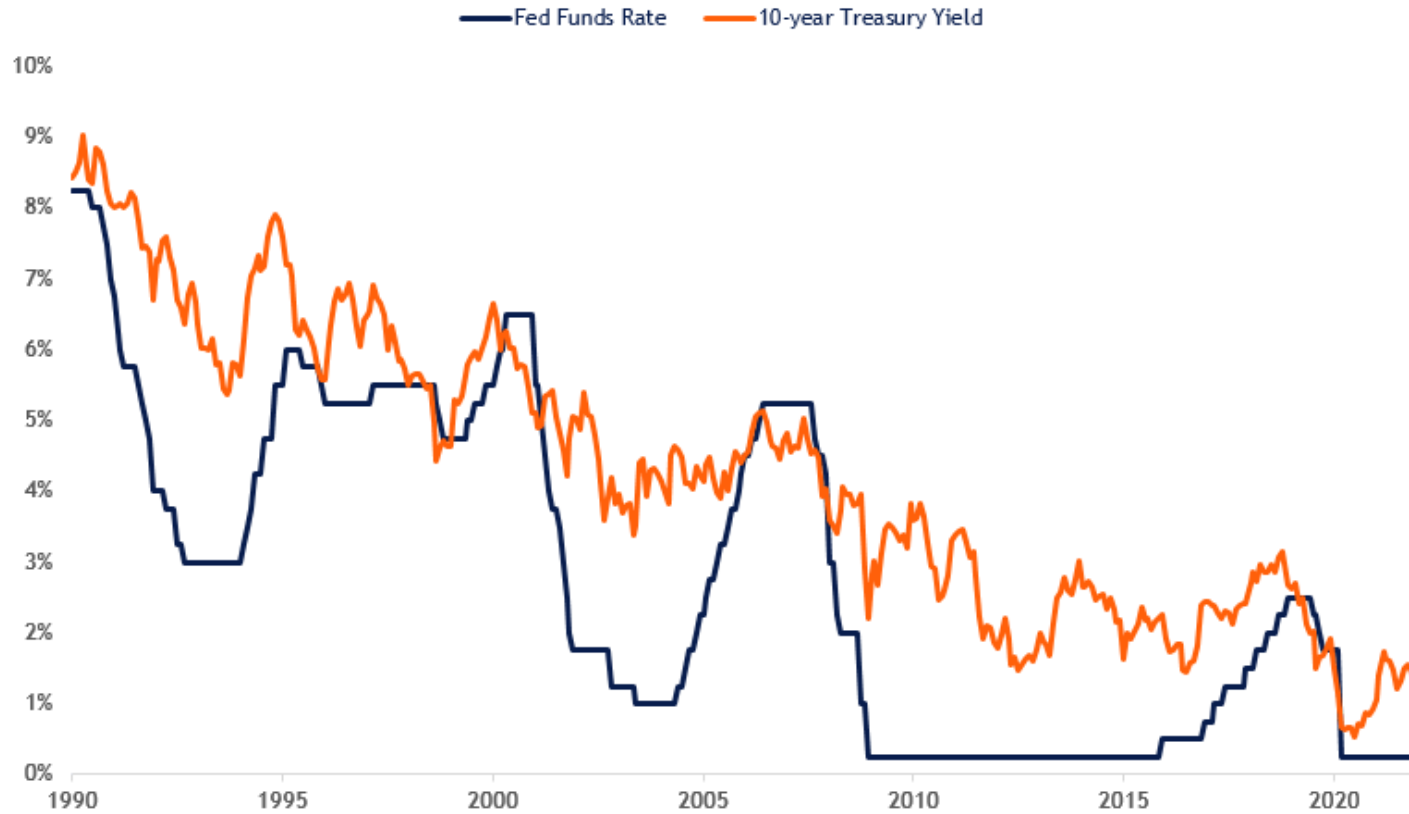
KGC Discounted Cash Flow Analysis								
USD (In Millions)	2019	2020	2021	2022	2023	2024E	2025E	2026E
Revenue	3,497	4,213	3,729	3,980	4,463	4,363	4,181	4,062
<i>Revenue Growth (%)</i>		20.5%	(11.5%)	6.7%	12.1%	(2.2%)	(4.2%)	(2.8%)
EBIT	991	1,899	464	722	873	817	732	671
<i>EBIT Margin</i>	28.3%	45.1%	12.4%	18.1%	19.6%	18.7%	17.5%	16.5%
NOPAT	737	1,435	216	541	655	612	549	503
<i>Tax Rate</i>	25.6%	24.5%	53.4%	25.0%	25.0%	25.0%	25.0%	25.0%
Plus: D&A	731	842	841	894	1,002	980	939	912
Less: CapEx	1,105	916	939	856	848	873	878	914
Less: Δ NWC	56	(83)	56	62	83	(16)	(30)	(19)
FCFF	308	1,444	63	517	726	735	640	520
<i>% growth</i>		369.2%	(95.7%)	723.5%	40.3%	1.3%	(13.0%)	(18.7%)
Discount Factor				1	2	3	4	5
Midpoint Factor				0.50	1.50	2.5	3.5	4.5
PV of Cash Flows				500	656	621	506	385

WACC	6.96%
Terminal Growth Rate	0.50%
EV/EBITDA	5.50x

Gordon Growth Method	
Terminal Value	8,096
PV of Terminal Value	5,783
Enterprise Value	8,451
Less: Debt	2,438
Plus: Cash	532
Equity Value	6,544
Diluted Shares Outstanding	1,269
Share Price	\$ 5.16

Multiples Method	
Terminal Value	8,707
PV of Terminal Value	6,219
Enterprise Value	8,887
Less: Debt	2,438
Plus: Cash	532
Equity Value	6,980
Diluted Shares Outstanding	1,269
Share Price	\$ 5.50

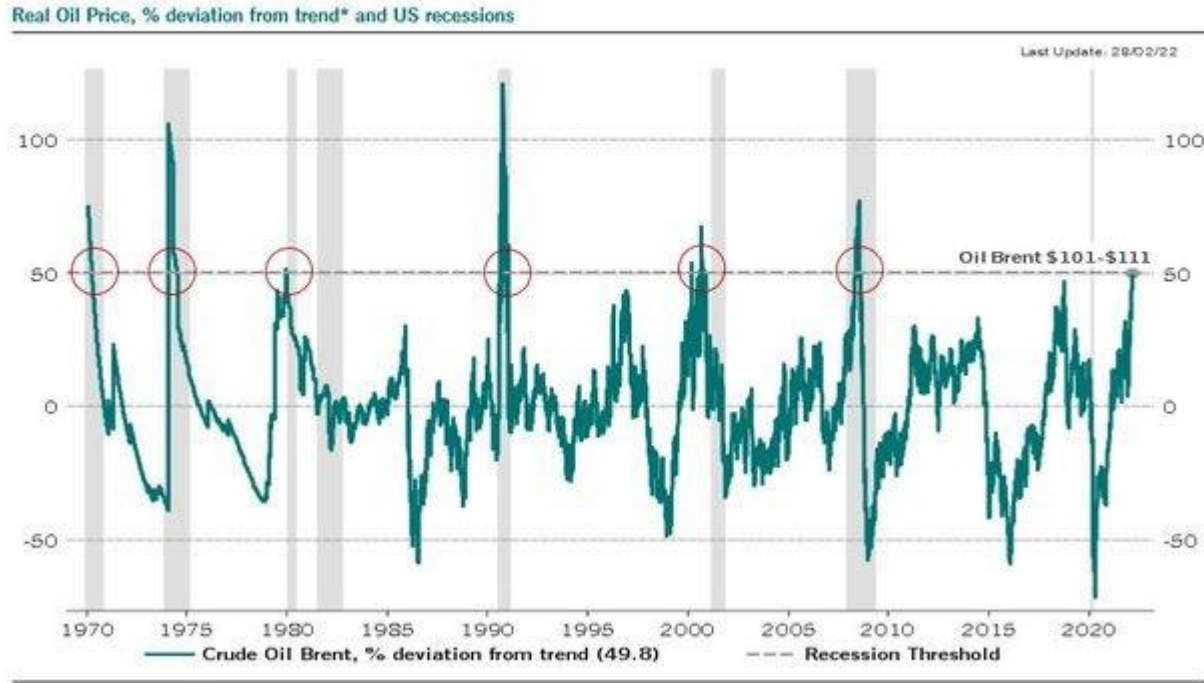
Appendix L: Terminal Fed Funds Rate & 10-Year Yield



Appendix M: Oil Spikes & Recession Probability



SURGE IN ENERGY PRICES SUGGESTS HIGH PROBABILITY OF RECESSION



Source: Refinitiv Datastream, Pictet Asset Management. *trend is based on a 49.8 floor. As of 28th February 2022.