Metal Prices, Currencies & Global Growth, Outlook 2015–16

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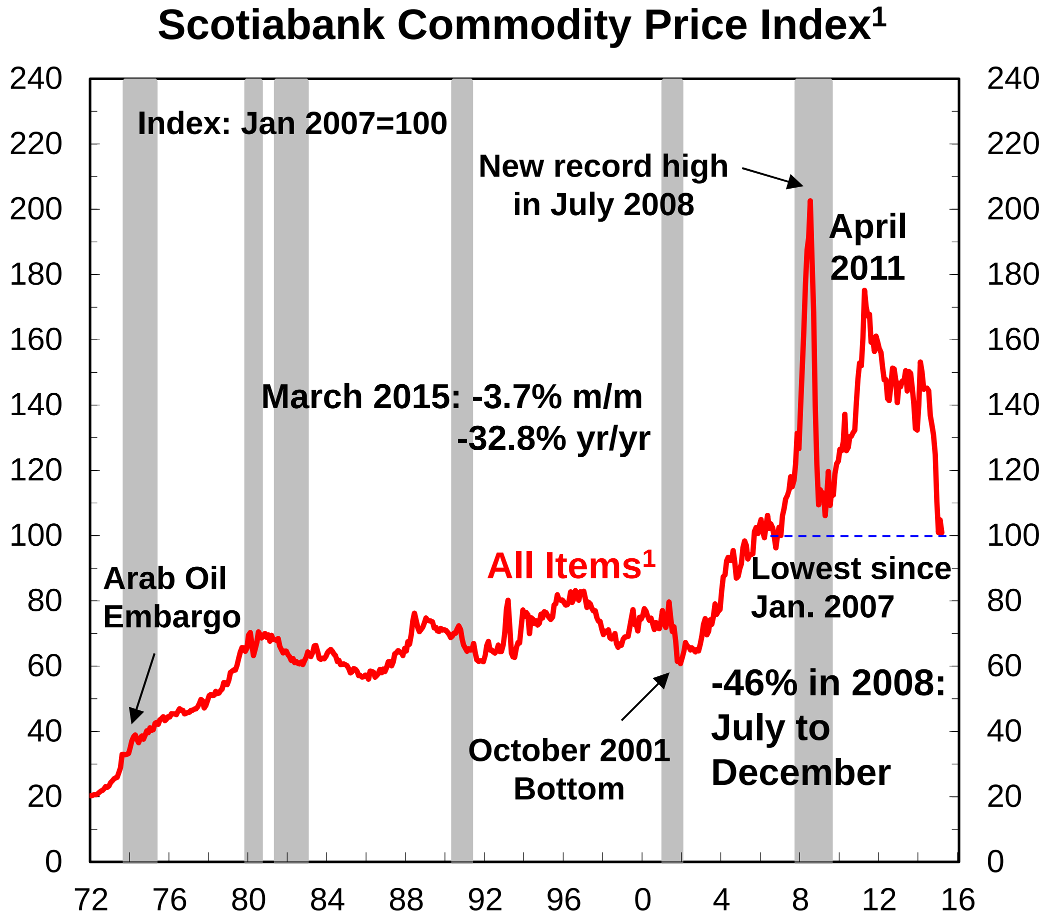
Scotiabank's Commodity Price Index Will Bottom In 2015:H1



A trade-weighted U.S. dollar-based Index of principal Canadian commodity exports, including Oil & Gas (39.9% weight), Metals & Minerals (30.1% weight), Forest Products (14.66% weight) and Agricultural commodities (15.35% weight). Shaded areas represent U.S. recession periods.

Data to March 2015.

Scotiabank's Commodity Price Index rose to a near-term peak in April 2011, just prior to financial market concern over excessive Eurozone sovereign debt and the negative impact on global economic growth.

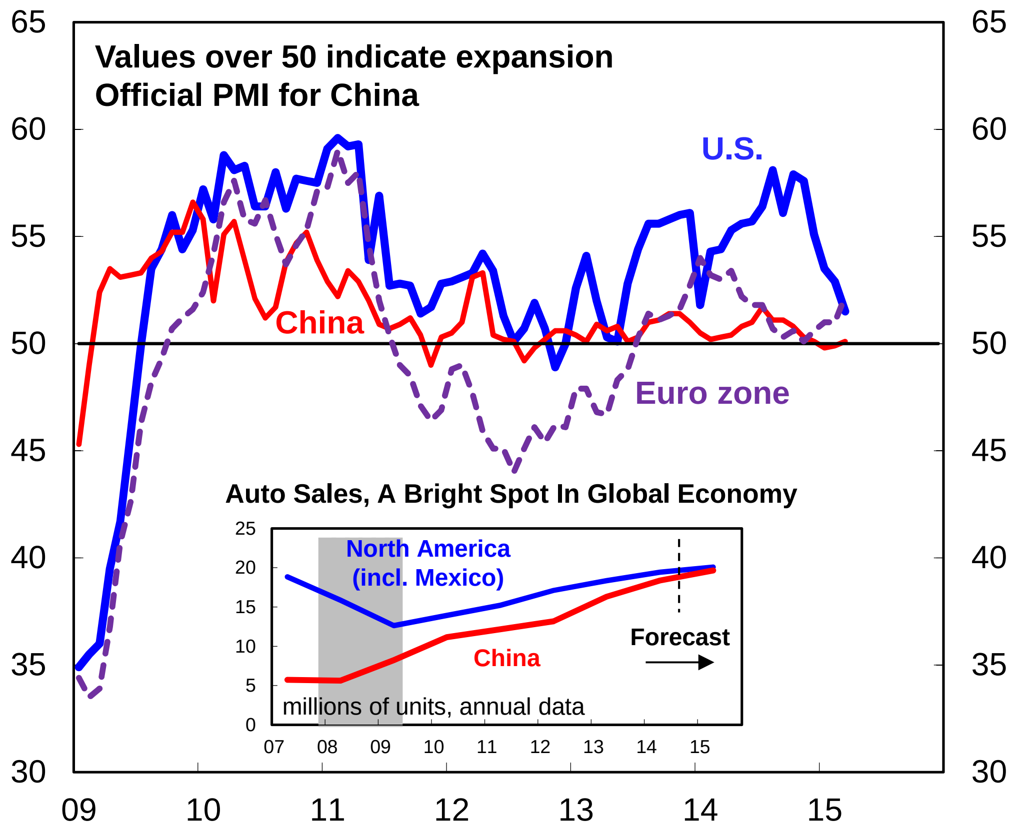
The correction since April 2011 has been linked to: austerity-led recession in the southern Eurozone and inadequate European economic reform, a fight for market share in oil and iron ore markets in a lacklustre global economy, an unwinding of grain & oilseed prices due to massive U.S. crops in 2013 & 2014, and more recently, the 'deflationary' impact of a strong U.S. dollar.

Overall commodity prices are expected to bottom in coming months, with oil prices slowly recovering by mid-2015.

The 'Bull-Run' in metal prices should return in the 2017-20 period, once current copper mine expansion is over, markets fully recognize the tight supplies of zinc & nickel likely by 2016 and the major mining companies complete their expansion in iron ore (forcing out higher-cost producers).

Global PMIs For Manufacturing

Drives Sentiment On Prospects For Commodity Markets



Source: Markit, ISM, Scotiabank Economics;
Data to March 2015.

Auto sales in Western Europe shifted from decline to growth in 2014 and led the gain in world sales in Feb 2015, with a double-digit advance yr/yr.

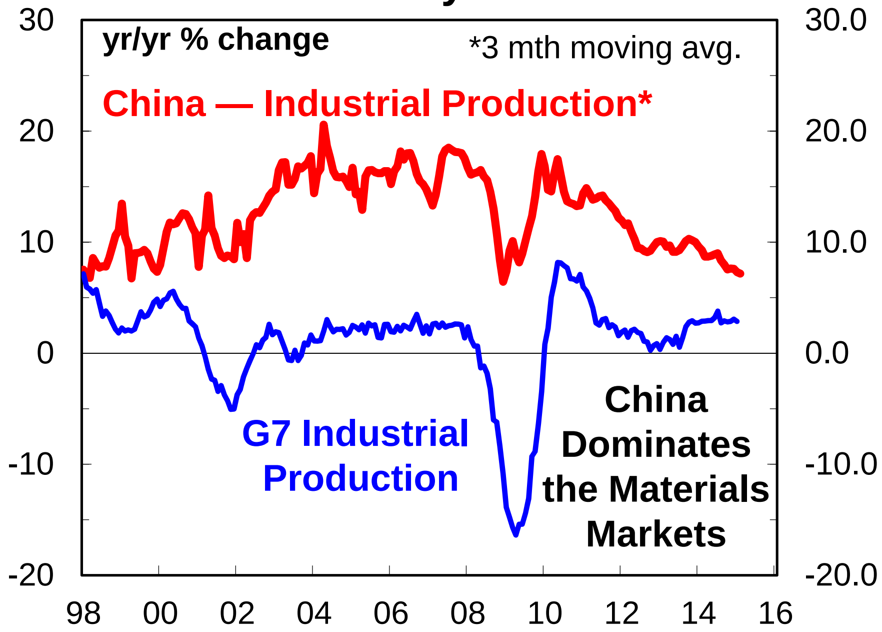
Global growth prospects for 2014 were downgraded last Fall (the third consecutive year of disappointing growth) due to another pullback in the Eurozone and generally slower manufacturing activity in China.

China's GDP rose by 7.4% in 2014, close to the 7.5% target, but slowed to 7.3% in H2.

Jitters over the pace of China's growth have intensified in recent months, with GDP growth expected to slow to 7.0% in 2015:Q1. Industrial production eased to 6.8% yr/yr in Jan/Feb 2015, from 7.6% in 2014:Q4. China's Purchasing Manager Index for Manufacturing – a key indicator of raw material demand – remains soft, though it edged up to 50.1 in March from 49.9 in February. While the Chinese New Year holiday from Feb 19-24 (the 'Year of the Goat') distorts economic statistics, China began 2015 on a soft note.

Prospects have brightened in the USA, where GDP growth should pick-up to 3.0% in 2015 from 2.4% last year. Strong consumer spending, linked to the pick-up in employment & low gasoline prices, and residential construction will lead growth, offsetting slower oil-related business investment & exports (checked by U.S. dollar strength).

China — Vital to Global Commodity Markets



China's Share of Global Consumption in 2015e Compared with the United States (in brackets)

Copper	45.7% (8.3%)	Nickel*	51.2% (8.0%)
Zinc	47.8% (7.9%)	Aluminium	49.9% (9.5%)

Four Base Metals: China 48.6%, USA 9.0%.
*Japan 7.4%; excluding inventory accumulation in China.
World oil consumption: China 11.2%; USA 20.6%.

Source: Scotiabank Commodity Price Index.

China Industrial Production:

Jan-Feb 2009 — **3.8% yr/yr (the bottom)**
Mar 2009 — **8.3%**
July 2009 — **10.8%**
Dec 2009 — **18.5%**

2010 — **14.4%**
China tightens monetary policy.

2011 — **13.7%**

2012 — **10.0%**

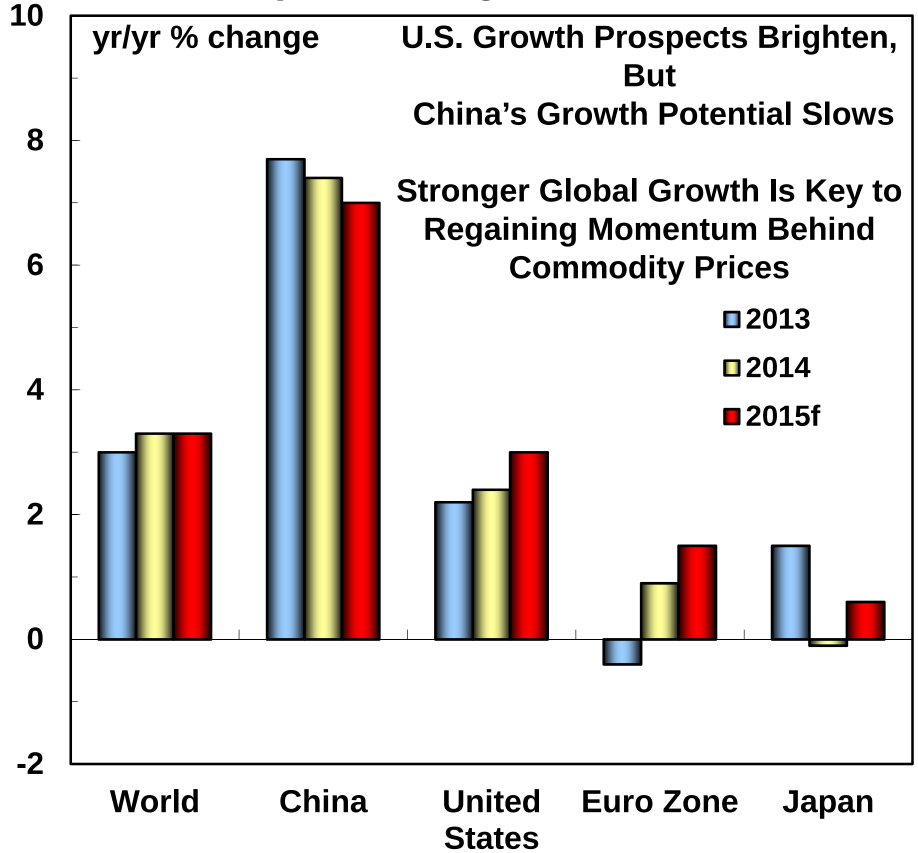
2013 — **9.7%**

Q1 2014 — **8.7%**
Q2 2014 — **8.9%**
Q3 2014 — **8.0%**
Dec 2014 — **7.9%**
Jan/Feb 2015 — **6.8%**

G7 Industrial Production

U.S. — **+3.5% (Feb)**
Japan — **-2.6% (Feb)**
Germany — **-0.3% (Feb)**

Global Growth
Should Pick Up Moderately By 2016, After Underperforming in Recent Years



Global growth has been stuck just above 3% p.a. for three consecutive years, keeping the global economy ticking over, but insufficient to boost commodity prices. Exceptionally low oil prices have side-swiped many other commodity prices and contributed to 'deflationary' sentiment in early 2015. India – key beneficiary of lower oil prices and restructuring efforts by Modi government.

GDP (% per annum)

	2009	2012	2013	2014e	2015f	2016f
WORLD*	-0.6	3.2	3.0	3.3	3.3	3.7
CANADA	-2.7	1.9	2.0	2.5	1.9	2.0
UNITED STATES	-2.8	2.3	2.2	2.4	3.0	2.9
MEXICO	-4.7	3.9	1.1	2.1	2.8	3.7
CHINA	9.2	7.7	7.7	7.4	7.0	6.5
INDIA	6.6	5.2	6.4	6.9	7.5	7.7
LATAM						
PERU	1.1	6.0	5.6	2.4	3.6	4.6
CHILE	-1.1	5.4	4.1	1.9	2.7	3.9
BRAZIL	-0.3	1.0	2.5	-0.1	-0.8	1.2
COLOMBIA	1.7	4.0	4.7	4.6	3.5	4.0
JAPAN	-5.5	1.8	1.6	-0.1	0.6	1.2
EURO ZONE	-4.5	-0.7	-0.4	0.9	1.5	1.7
RUSSIA	-7.8	3.4	1.3	0.6	-5.0	0.5

*Scotiabank estimates. Average 1988-1997: 3.4% p.a. prior to the "economic take-off" in China. GDP 2000-07: China 9.4% p.a.; Brazil 3.6%; India 7.1%; Russia 7.2%; **World GDP growth 2000-07: 4.5% p.a..**

China's Growth Will Slow To 7.0% in 2015 and 6.5% in 2016

Since 2013:H2, Chinese policy makers have had a dual agenda: meaningful deleveraging/de-risking of China's 'shadow banking' sector & municipal finances by encouraging tighter credit adjudication, while still ensuring 7.0-7.5% GDP growth.

Banking sector liquidity stayed relatively tight through 2014, but fiscal stimulus (huge investment in high-speed railways & subway systems & stepped-up funds for affordable 'socially assisted-housing') supported the economy. In a long overdue move, the People's Bank of China cut the 'Required Reserve Ratio' for commercial banks by 0.5 percentage points as of Feb 2015 (plus an extra 0.5% for some city & rural banks); lending & deposit rates were also cut on March 1. 300 infrastructure projects (US$1.1 tr) will be accelerated; however, fiscal stimulus will be less than applied in late 2008 to lift China's economy from the 'Great Recession' – so important in reviving commodity prices in early 2009.

THE NEW LEADERSHIP ANNOUNCED A NEW PRO-GROWTH REFORM AGENDA, AFTER THE NOVEMBER 9, 2013 PLENUM OF THE COMMUNIST PARTY's Central Committee:

Outlined the 'decisive' role that 'markets' should play in allocating resources (e.g. decontrol of energy prices), fiscal reform to deleverage municipal finances (better aligning spending obligations with revenue by shifting some spending to the central gov't and allowing municipalities to issue debt), the beginning of 'rural' land & Hukou reform to enable farmers to move to smaller towns & cities, facilitating urbanization, and reform of SOEs (more private investment in state-controlled sectors will be permitted and dividends paid by state assets will be raised to 30% by 2020).

If effectively implemented, the reforms should enable China's economy to achieve reasonable economic growth over the balance of the decade, though growth is slowing towards 6.5%.

Medium-Term, The ‘Emerging’ Markets Will Remain Supportive For Commodity Prices, With The ‘Bull Run’ Returning

Huge Potential for Oil & Metal-Intensive Motor Vehicle Sales in China & India
China’s population: 1.354 billion

Vehicle Penetration — 2013
(Vehicles per 1,000 people)

China	88
United States	792
Western Europe	569
Japan	590
India	26
Mexico	286

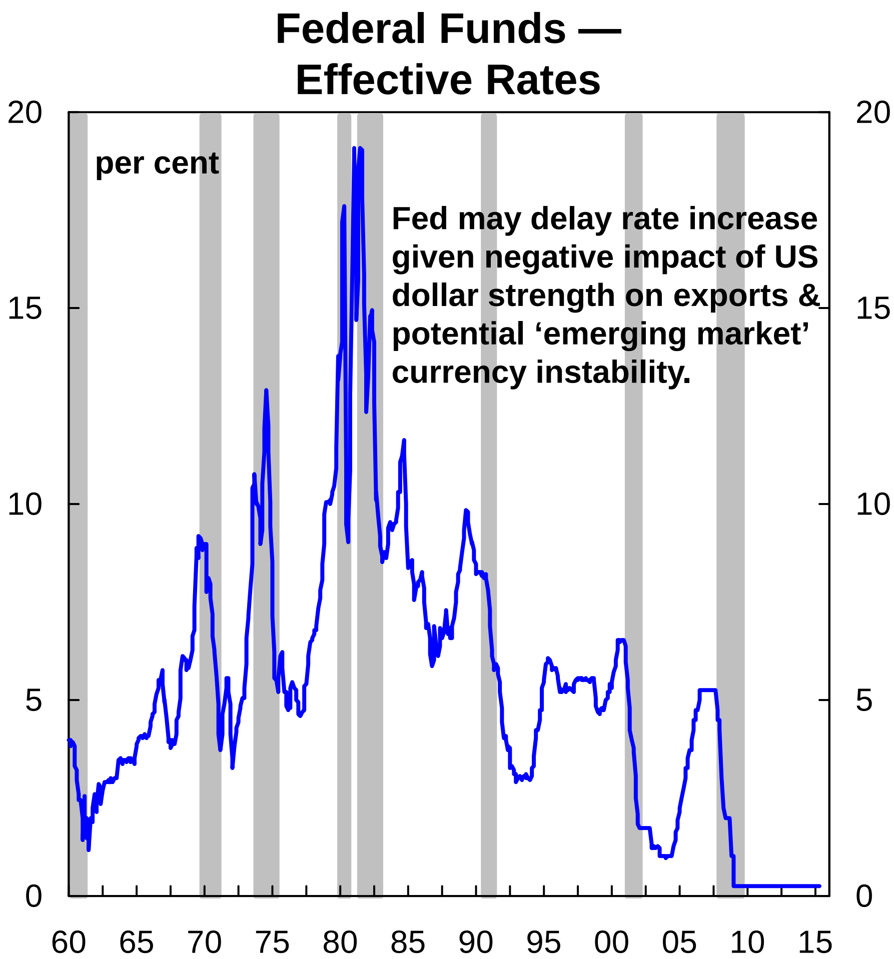
China intends to build a modern-day ‘Silk Road’, linking its relatively undeveloped western provinces with central Asia (a potential new source of GDP growth).

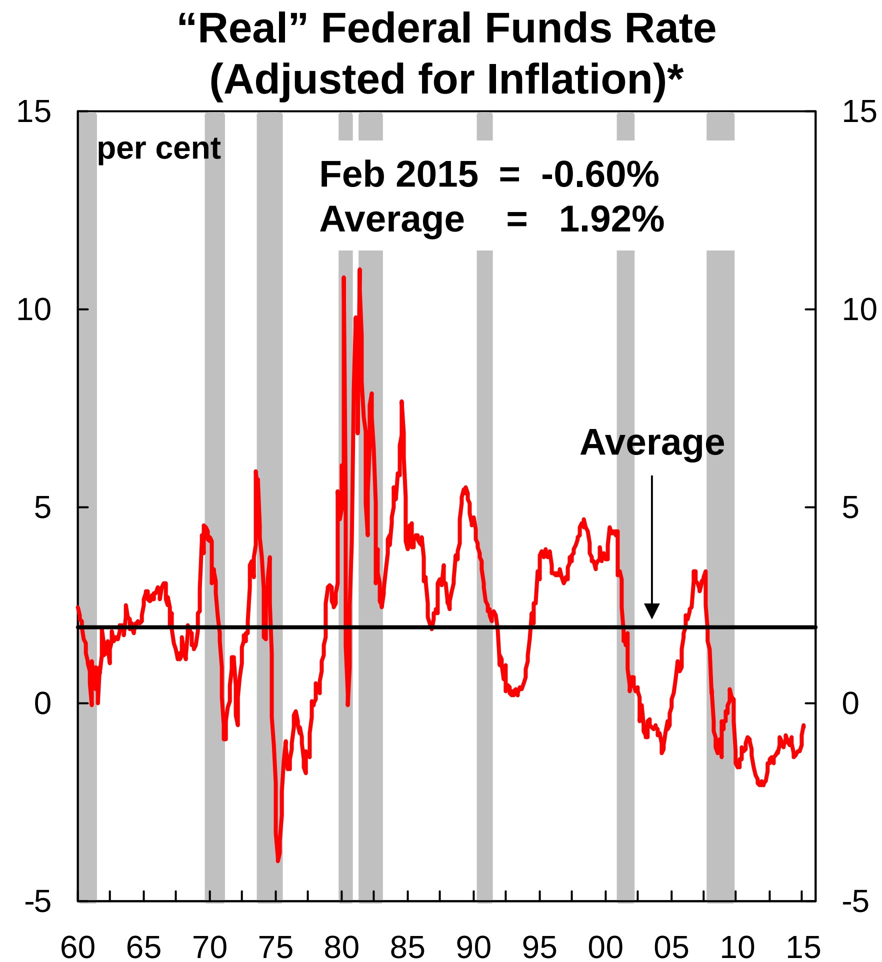
China’s auto sales will shift to 2nd and 3rd-tier cities, given vehicle-licence restrictions in the 4 major tier-1 cities (to curb traffic congestion & pollution).

China will continue to be the main driver of global auto sales (accounting for more than 60% of the world total in 2013). Passenger vehicle sales soared to 16.3 million units in 2013 and 18.4 m in 2014 (19.7 m expected in 2015, with strength in SUVs). Automakers introduced 200 new or upgraded models in China in 2014 compared with less than 70 in USA.

China’s potential GDP growth is slowing — in 2012: 8.5%, 2015-20: slightly less than 7.0% p.a., 2025-30: 5% p.a. with less under-utilized labour & less build-out of manufacturing. More emphasis placed on developing the service industries rather than ‘heavy’ industry; greater concern over air quality and environmental protection .

The Fed Has Been Determined To Strengthen U.S. Employment Recovery, But A Gradual Unwinding Of Accommodative Monetary Policy Is Coming



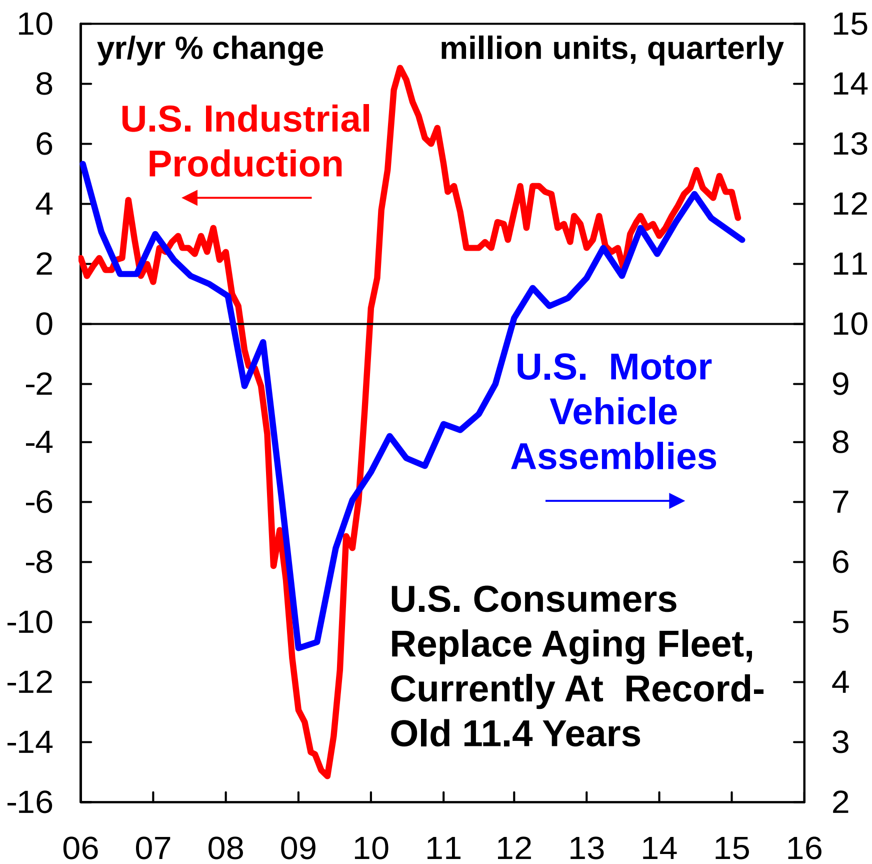


Fed Funds Target Rate is 0-25 bps. 'Asset purchase program' or Quantitative Easing ended on October 31 (purchases of longer-dated MBS & Treasury bonds were cut to zero in November; originally US$85 bn per month). Fed funds rate could be lifted as 2015 unfolds (possibly in September), provided labour market & inflation objectives are met and other financial & economic indicators are positive.

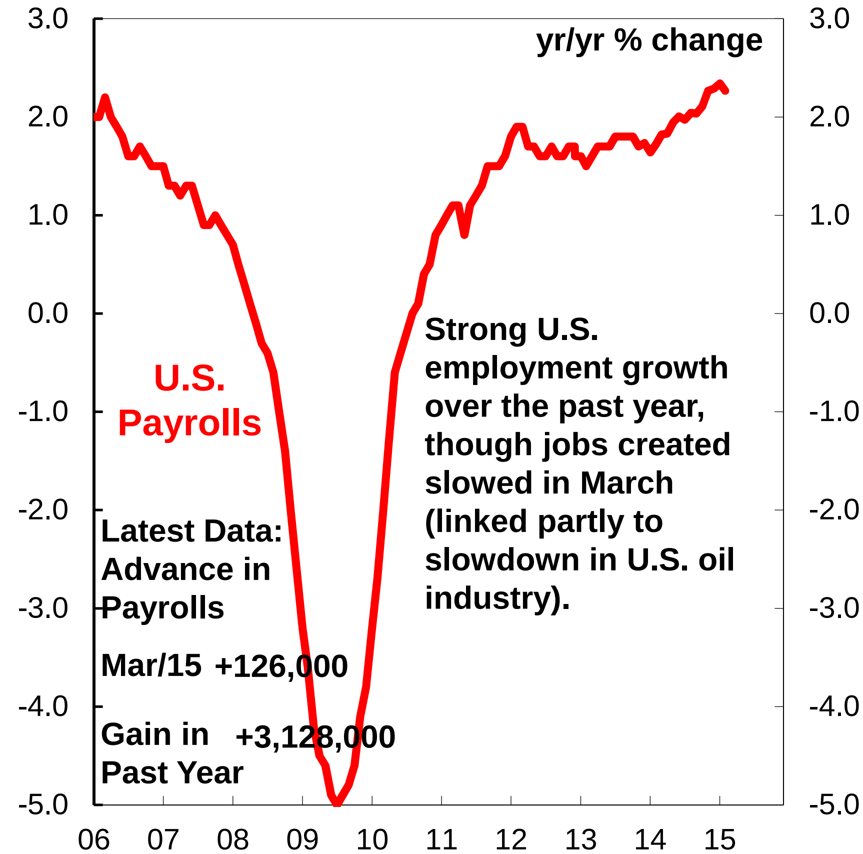
* Inflation-adjusted with the U.S. Personal Consumption Deflator (PCE) and the core PCE. Shaded areas represent U.S. recession periods. PCE inflation is currently below the Fed's 2% target. Unemployment rate in March: 5.5%, but participation rate remains relatively low.

Strong Auto Assemblies Buoy U.S. Industrial Activity & Employment Picks Up

U.S. Industrial Activity Revives



U.S. Employment Growth



North American motor vehicle assemblies advanced by 5.5% in 2014 to 17.4 million units and will climb to 18.0 million in 2015 — exceeding the previous 17.7 million peak of 2000. U.S. household balance sheets have improved markedly. Recent years have been ‘Years of the Truck & Cross-Over Utility’ in both Canada and the United States. Source: Scotiabank Economics, Global Auto Report.

Improving Fundamentals For U.S. Growth

U.S. consumers *are* in better shape to spend, with household debt (including mortgages) to disposable income falling to 135.9% in 2014:Q4 — the lowest level since late 2012. Lower gasoline prices will save households an average of US$1,200 in 2015 ($950 in Canada), boosting purchasing power and spending.

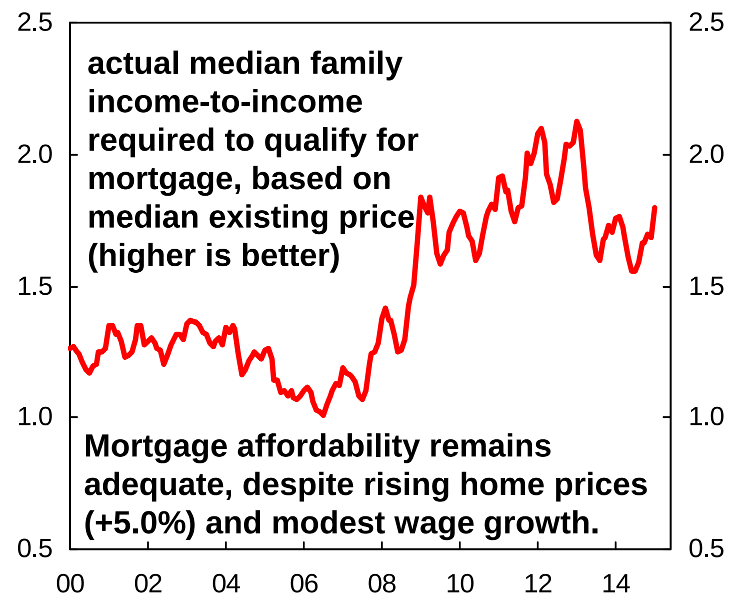
While U.S. housing starts were disappointing in 2014 and early 2015, due to tighter lending standards, we believe U.S housing is in the midst of a multiple-year recovery, after five years of underbuilding relative to demographic demand.

Less fiscal drag from the Federal government and slight stimulus from State & Local governments; the U.S. Federal deficit peaked at 9.8% of GDP in FY2009 and fell to 2.8% in FY2014; in FY2015 and 2016, deficits of about 2 ½% of GDP are projected;

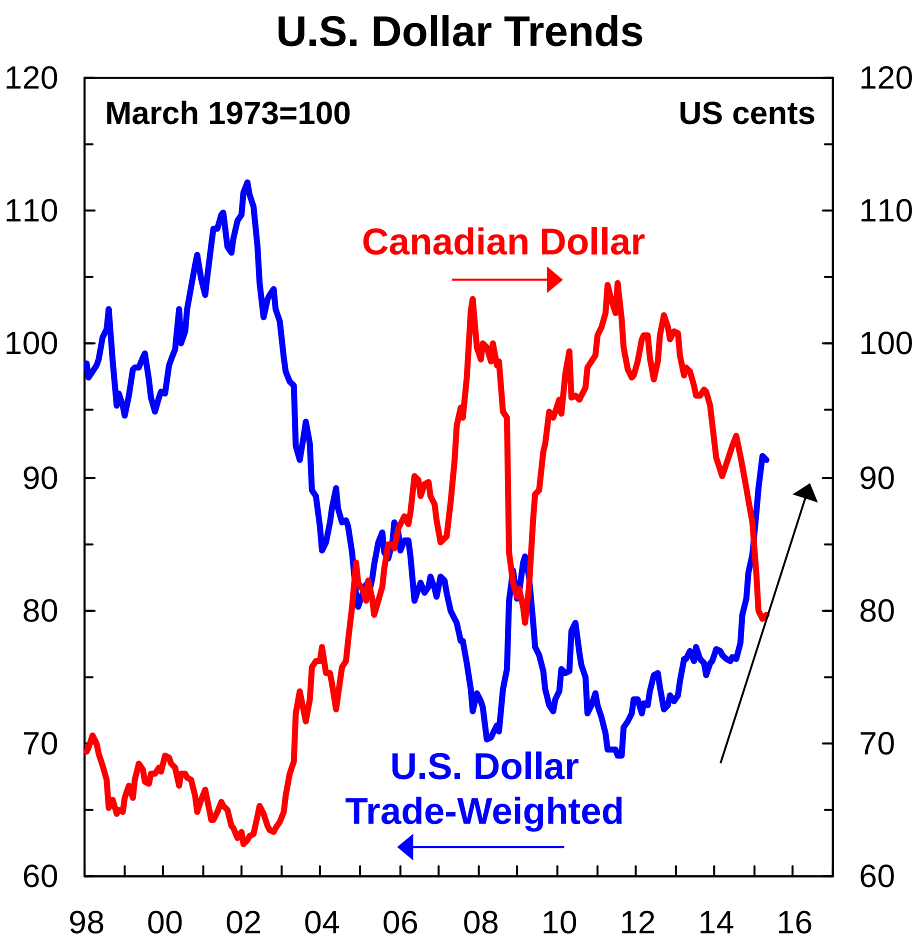
Big improvement in U.S. merchandise trade & industrial competitiveness due to the remarkable development of 'light, tight' oil in the North Dakota Bakken and the Permian & Eagle Ford Basins; however, the recent oil price decline to less than US$50 will reduce drilling activity & capex in 2015, more than halving the gain in 2015 oil output.

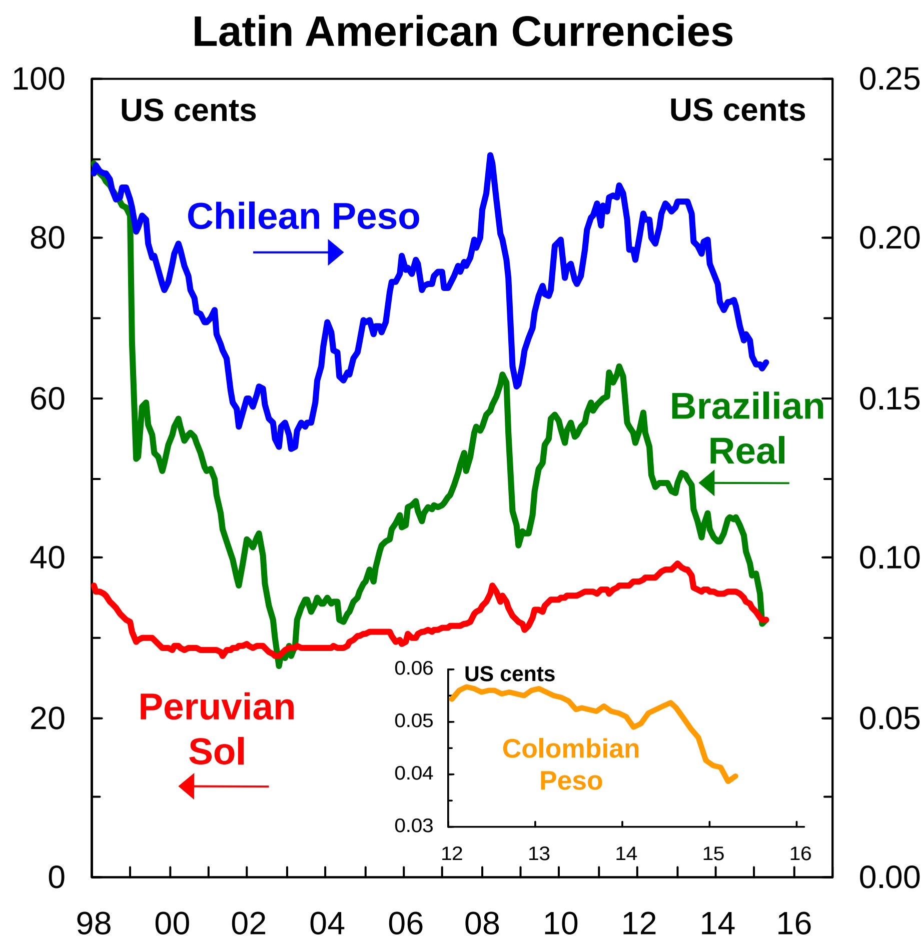
U.S. Household Debt-To-Disposable Income

U.S. Mortgage Affordability



A Stronger U.S. Dollar Against Major Currencies Expected In 2015-16
Supported By Widening & Increasingly Attractive Growth & Interest Rate Differentials

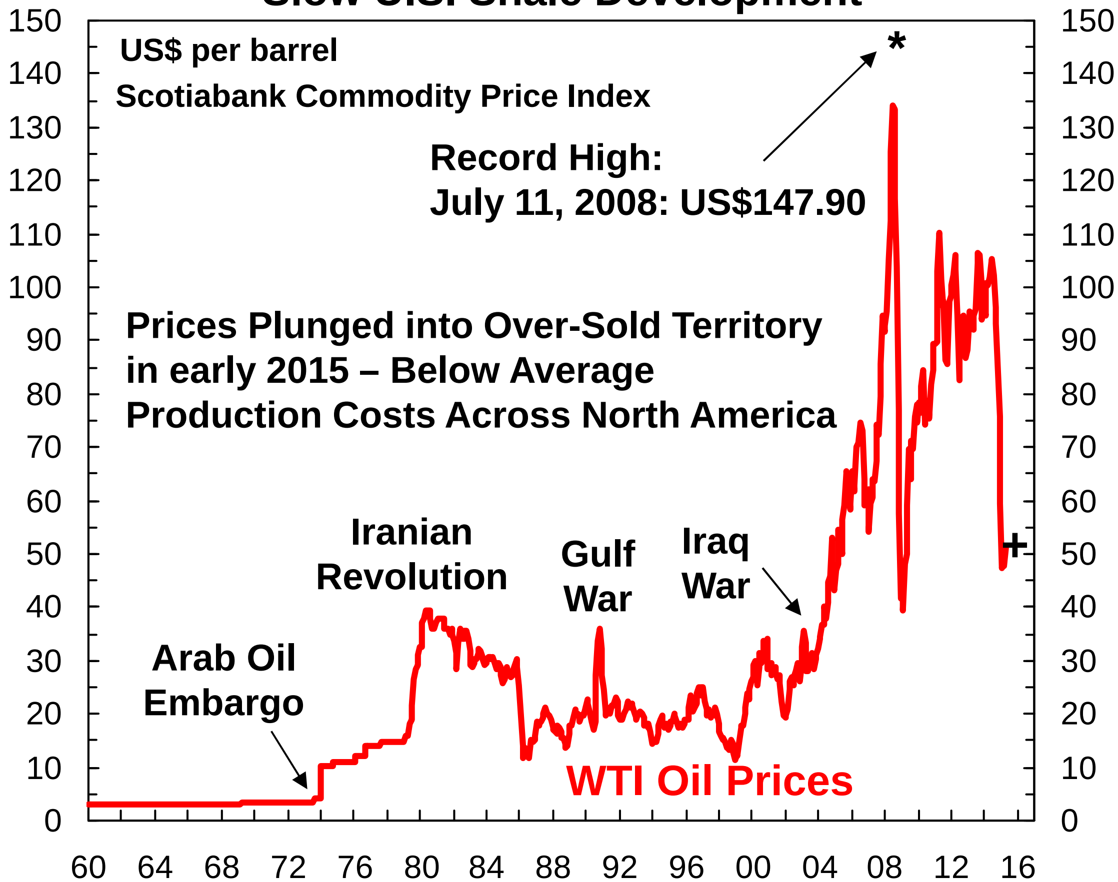




Data to April 10, 2015: euro US$1.0592; Cdn$ = US$0.7946; US$ = 3.0813 BRL. A stronger U.S. dollar creates 'headwinds' for dollar-denominated commodity prices.

Currency depreciation against the U.S. dollar has recently been a cushion for Canadian and LATAM mining companies, offsetting lower metal prices. Currency depreciation since Dec 2013: Canadian dollar -14.6%, Brazil -17.8%, Chile -15.1%, Peru -9.7%.

Saudi Arabia Triggers Lower Oil Prices to Slow U.S. Shale Development



+ April 10, 2015: US$51.63 (Brent US$57.72) * Mid-cycle breakeven costs including royalties & 9% after-tax return for over 100 plays across U.S./Canada in Sept. 2014 averaged US$60; excluded 'upfront' costs. SRC: 'Scotiabank Commodity Price Index' & Equity Research.

Oil Price Outlook (US$ per bbl)

	WTI	Brent
2008	99.62	97.95
2009	61.78	62.26
2012	94	112
2013	98	109
2014	93	99
2015F	58	63
2016F	65	70

The recent plunge in oil prices has reflected concerns over a lacklustre global economy, sapping growth in petroleum demand to a mere 0.6 mb/d in 2014 and a projected 1.0 mb/d in 2015, in the face of more-than-ample supply.

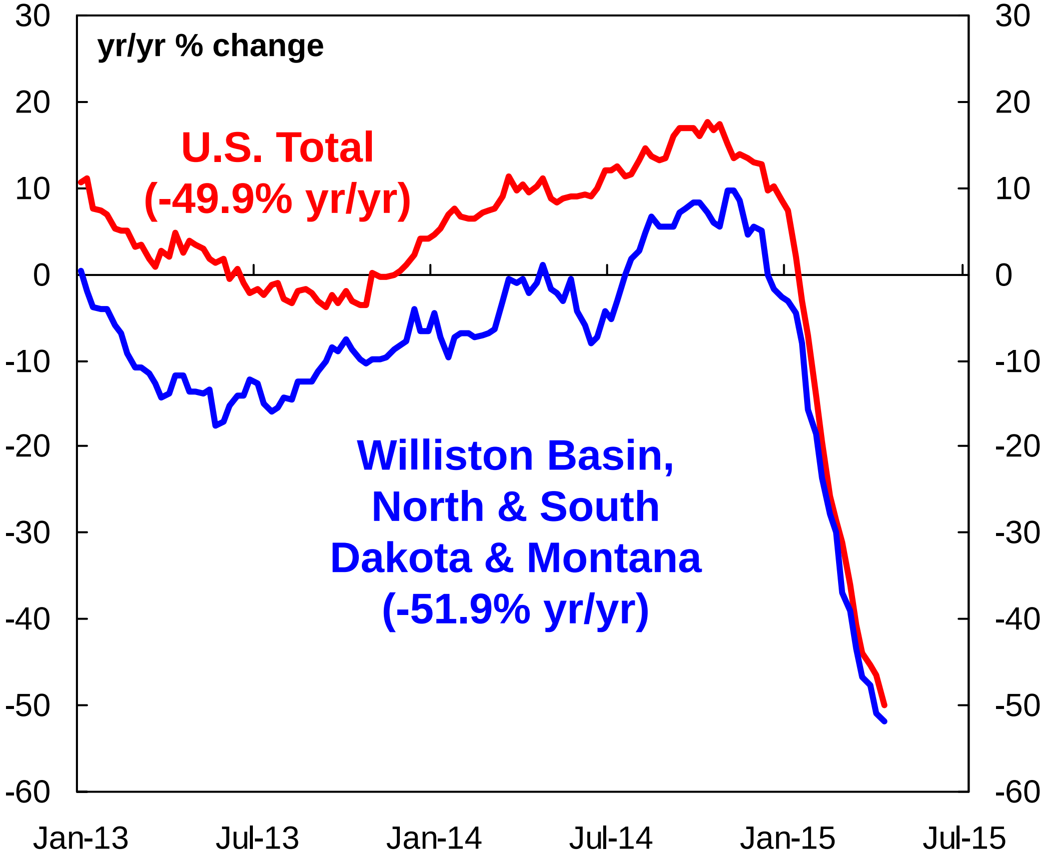
The remarkable growth of U.S. 'light, tight' oil production from the North Dakota Bakken and the Permian & Eagle Ford Basins of the United States (1.28 mb/d from Jan 2014 to Jan 2015) indirectly contributed to a glut of 'light, sweet' oil in the Atlantic Basin. Nigerian crude oil — backed out of the U.S. market — had difficulty finding a market in Europe, given a soft Eurozone economy and (until recently) a rebound in Libyan exports.

Saudi Arabia & the major Gulf Co-Operation Council members decided not to cut output to shore up prices at the Nov 27, 2014 OPEC meeting, but instead to allow prices to drop to levels triggering a slowdown in U.S. shale development. The Saudis fear a further loss …

… of market share in the United States, but perhaps more importantly, in Asia (OPEC's 'growth' market).

Oil Prices Will Recover Moderately By Mid-2015, Alongside An International Supply-Side Adjustment

Sharp Drop in U.S. Drilling Activity



Data Source: Baker Hughes Inc.

Strong 'spring driving season' expected in the United States, euro zone and parts of Asia, driving up gasoline & diesel demand. U.S. sales of larger, luxury SUVs +60% yr/yr in March 2015.

WTI oil prices have fallen below average costs of production across North America (even with a 20% potential drop in 2015 service & drilling costs) – an 'unsustainable' development.

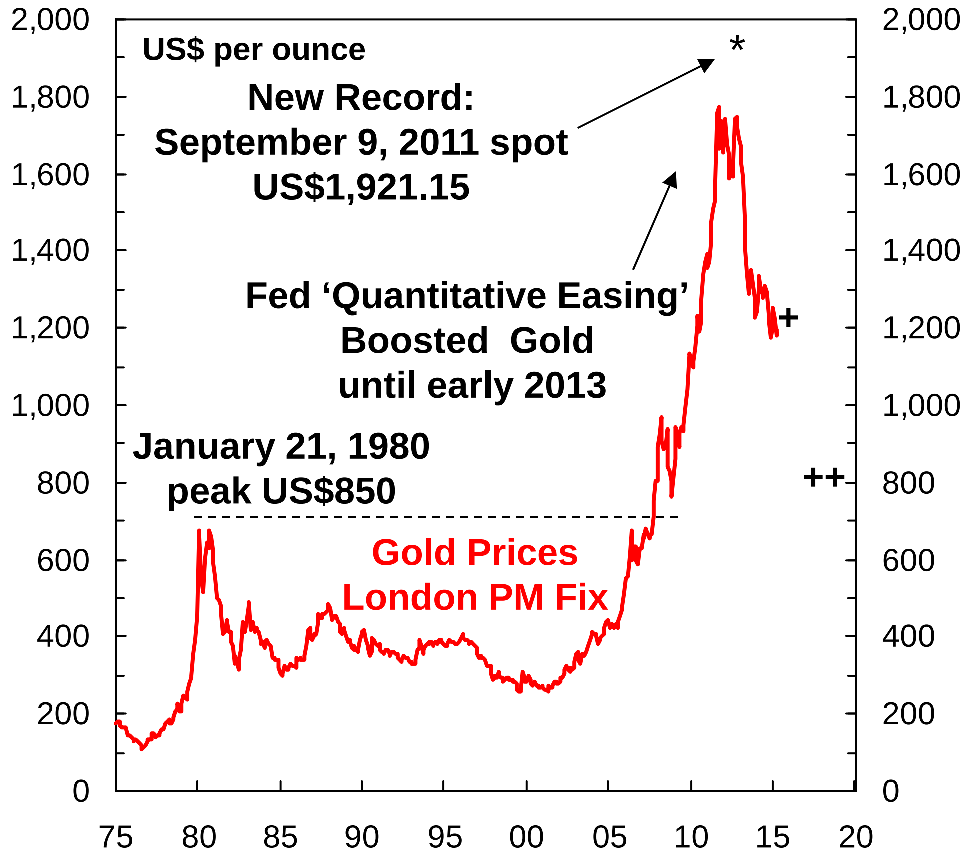
Drilling activity is being cut sharply in the U.S. shales as well as in Western Canada. Oil production growth in 2015 in the U.S. shales will completely level out in 2015:Q2.

There will also be a significant slowdown in international oil development (especially in Russia, -150,000 b/d in 2015 & 2016, faced with access restrictions to western oil technology and financial markets, and in southern Iraq over the medium-term). Saudi Aramco CEO says that oil prices at US$50 are below world costs and are unsustainable.

Global supply & demand conditions will probably approach balance in 2015:H2, with OPEC output just above the 'call' for its crude.

Iranian nuclear deal complicates restoration of oil market balance: Sanctions on Iranian oil will be lifted gradually as IAEA weapons inspectors confirm that Iran has met its commitments, with an additional 200-300,000 b/d in 2015 and over 1 mb/d of Iranian oil returning to world markets in 2016.

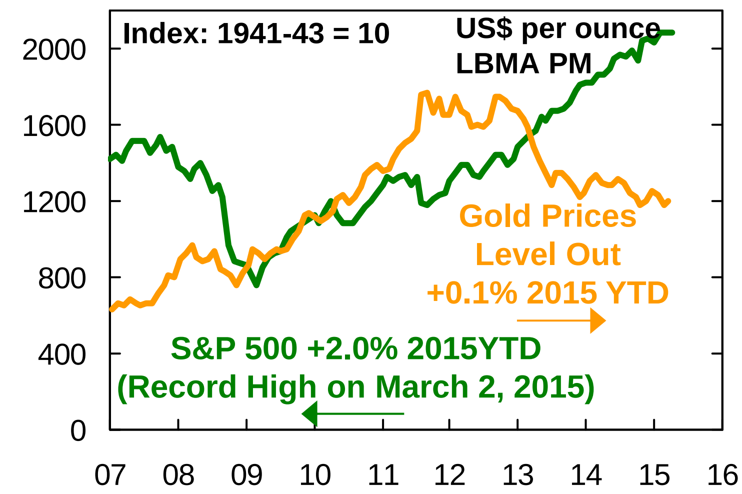
U.S. Dollar Strength Restrains Gold



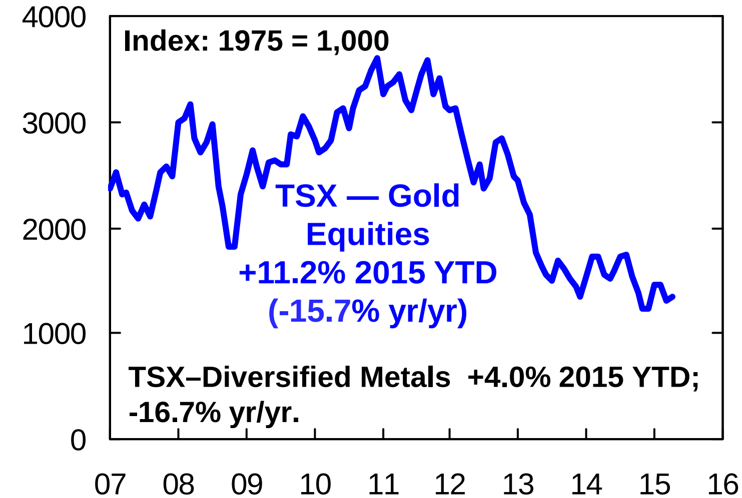
+ 'LBMA Gold Price PM' on April 10, 2015: US$1,207.35;
++ Avg. World 'All-In Sustaining Cash Costs' have dropped significantly in the past year.

Gold Prices: 2012 US$1,670; 2015F US$1,185
2013 US$1,410 ; 2016F US$1,185
2014 US$1,266

Investors Shift From Gold To U.S. Equities in 2013-14



TSX Gold Equities Rally in Early '15



Data to April 10, 2015

‘Safe-Haven’ Bid Re-Emerged for Gold in Early 2015, But Stronger US Dollar Remains A Near-Term Risk

Gold prices (London PM Fix) fell as low as US$1,142 per ounce on Nov. 5, 2014 – moving below the previous near-term low of US$1,180 in mid-June 2013, following the Fed’s announcement that it would likely reduce its ‘asset purchase program’ and end ‘Quantitative Easing’ (QE) in 2014. This reflected:

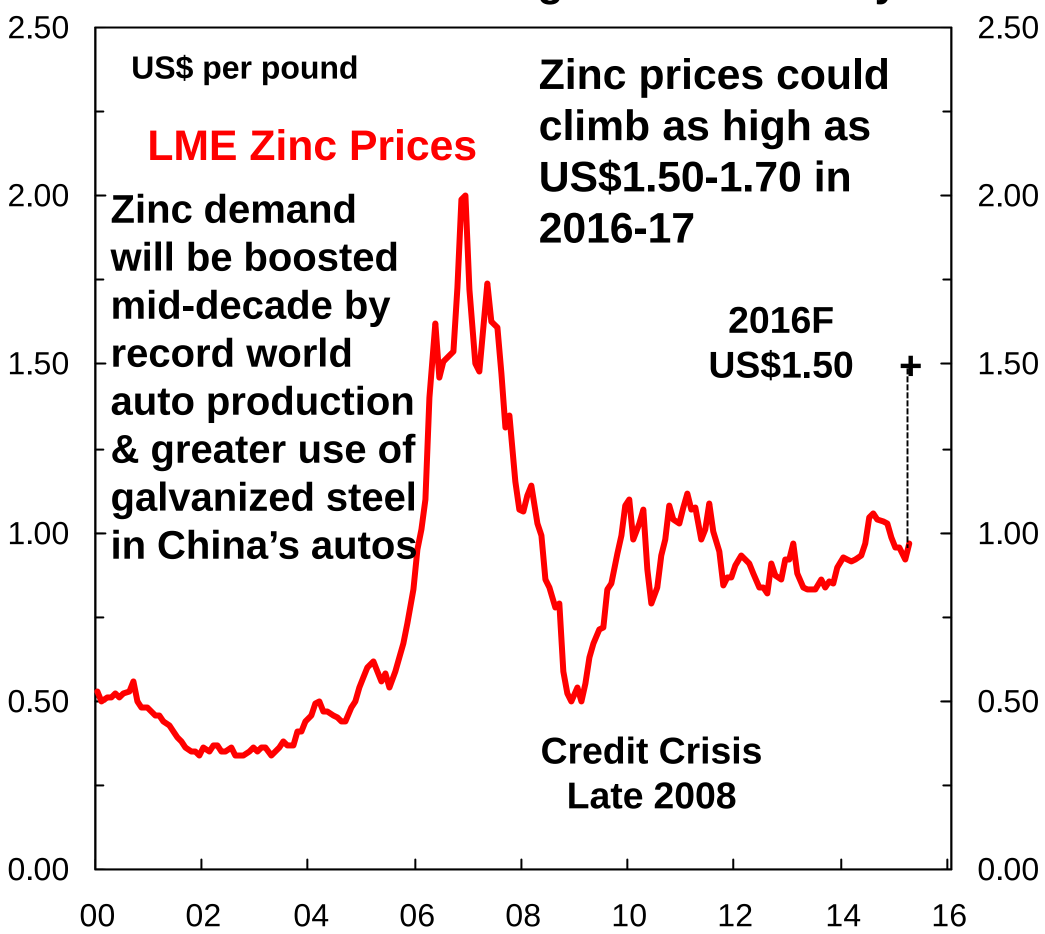
A jump in the US Dollar to a 4-year high against a basket of currencies, after the Bank of Japan announced a huge increase in its bond purchase programme (QE) in contrast to an end to U.S. QE and prospects for tighter U.S. monetary policy by mid-2015. Reinvigorated U.S. GDP growth also sent the S&P 500 to a new all-time record high on Oct 31 & again on Dec 29, with investors further shifting from gold to U.S. equities.

In early 2015, uncertainty over global growth and pressure on some oil-related currencies (the Russian rouble) gave gold a renewed bid as a ‘safe-haven’. The SNB’s decision to abandon the Swiss franc’s 1.20 euro cap, ahead of expected ‘Quantitative Easing’ by the ECB on Jan 22, also riled currency markets, driving up gold prices.

Medium-Term Outlook: An expected Fed shift to a modestly tighter monetary policy, boosting the US Dollar, will likely check gold prices in 2015. However, bullion prices should strengthen later in the decade amid tight new mine supplies. World gold production may start to decline in 2017, given the deferral of new mine development in recent years. Central bank interest in gold will also remain supportive.

Early 2015 Correction in Base Metals Was Overdone

Zinc — The Next Big Base Metal Play



LME official cash settlement price April 10, 2015: US$1.00.

Zinc Price Outlook

2009	US$0.75
2012	US$0.88
2013	US$0.87
2014	US$0.98
2015F	US$1.00
2016F	US$1.50

Zinc was the 5th best performing commodity of the 32 commodities within the 'Scotiabank Commodity Price Index' in 2014 (+11.6% from mid-Dec 2013 to mid-Dec 2014).

Prices were boosted by strong investor and Commodity Fund interest, with a sizeable 'deficit' in the global concentrate as well as the refined market expected by 2016 (Lundin Mining, HudBay Minerals, Teck, Glencore, Milpo in Peru).

While base metal prices have been side-swiped by weakness in oil prices and concern over 'deflation' in late 2014/early 2015, zinc held up well and will move higher as 2015 unfolds.

Zinc — The Next Big Base Metal Play (continued)

Zinc prices are expected to strengthen mid-decade alongside the following:

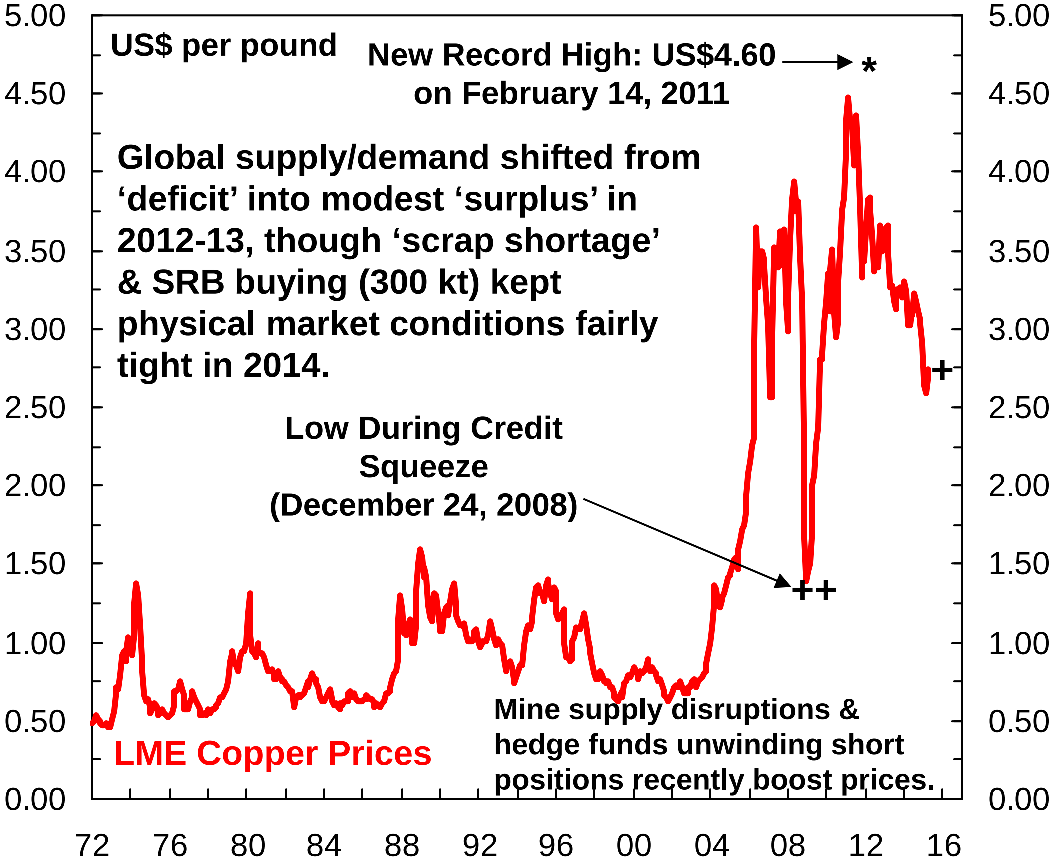
1) **Gains in world mine production from 2013-17 at 3.6% p.a. are likely to fall short of global demand growth at 4.3%, given unusually high depletion at major mines in the face of tighter capital availability for new mine development; start-up of the Sesa Sterlite Gamsberg project will be delayed likely until 2019; lack of equity capital for junior miners will take a toll on development; Century in Australia (the world's third-biggest zinc mine) will close in 2015:Q3 (480,000t) and Lisheen will also shut in 2015:Q3 (172,000 t), after closures in 2013 at Brunswick (190,000t) & Perseverance (125,000 t) in Canada;**
2) **A major end use of primary zinc in galvanized steel — motor vehicle production -- is likely to be quite strong. World vehicle sales reached new record highs in 2013 and 2014, with an even bigger record expected in 2015. Sales will be boosted across the Asia/Pacific region including India & ASEAN countries by rising household purchasing power from sharply lower oil prices. Auto sales have strengthened in Western Europe (especially Spain), helped by ECB 'quantitative easing'.**

3) **However, the expected price increase in 2015 has been pared back moderately due to risks from a soft global economy in early 2015.**

Top Ten Zinc Producers, 2014

By Mine			By Smelter		
	Zinc Production, Kt	*% of World*		*Zinc Production, Kt*	*% of World*
1. Glencore	1,319	10.0%	1. Nyrstar	1,081	7.9%
2. Hindustan Zinc	742	5.6	2. Korea Zinc Group	1,070	7.9
3. Teck	655	5	3. Glencore	1,011	7.4
4. MMG Limited (Century)	591	4.5	4. Hindustan Zinc	722	5.3
5. Boliden	300	2.3	5. Votorantim	587	4.3
6. Nyrstar	293	2.2	6. Boliden	448	3.3
7. Votorantim	291	2.2	7. Shaanxi Nonferrous Metals	422	3.1
8. Minera Volcan	252	1.9	8. China Minmetals	286	2.1
9. Industrias Peñoles	219	1.7	9. Teck	278	2.0
10. China State Enterprise	212	1.6	10. Yuguang Gold & Lead	277	2.0
World Total	13,141	100.0	World Total	13,626	100.0
11. Sumitomo	199	1.5	11. Noranda Income Fund	258	1.9
13. Goldcorp (Penasquito)	180	1.4	12. Huludao Zinc	256	1.9
14. Zhongjin Lingnan Metals	171	1.3	13. Dongling Trade & Industry	247	1.8
15. Lundin Mining	140	1.1	14. Industrias Peñoles	233	1.7
25. HudBay Minerals	94	0.7	15. Yunnan Metallurgical	224	1.6
Shaanxi Nonferrous Metals	65	0.5	30. HudBay Minerals	100	0.7

Copper Prices Ease Alongside Mine Expansion – Early 2015 Correction Was Overdone



LME cash settlement prices. + Latest data: April 10, 2015: US$2.75 still yielding a 26.5% profit margin over average world breakeven costs including depreciation, interest & indirect costs (reflecting lower diesel costs in 2015 & impact of currency depreciation against US dollar). ++ December 24, 2008: US$1.26.

Price Outlook

2009	US$2.34
2011	US$4.00
2012-13	US$3.47
2014	US$3.11
2015F	US$2.75
2016F	US$2.75

The strength of copper prices in 2008-12 reflected only limited global mine development, up 1.7% p.a. from 2008-2012, in the face of strong demand growth from China and the 'emerging' world.

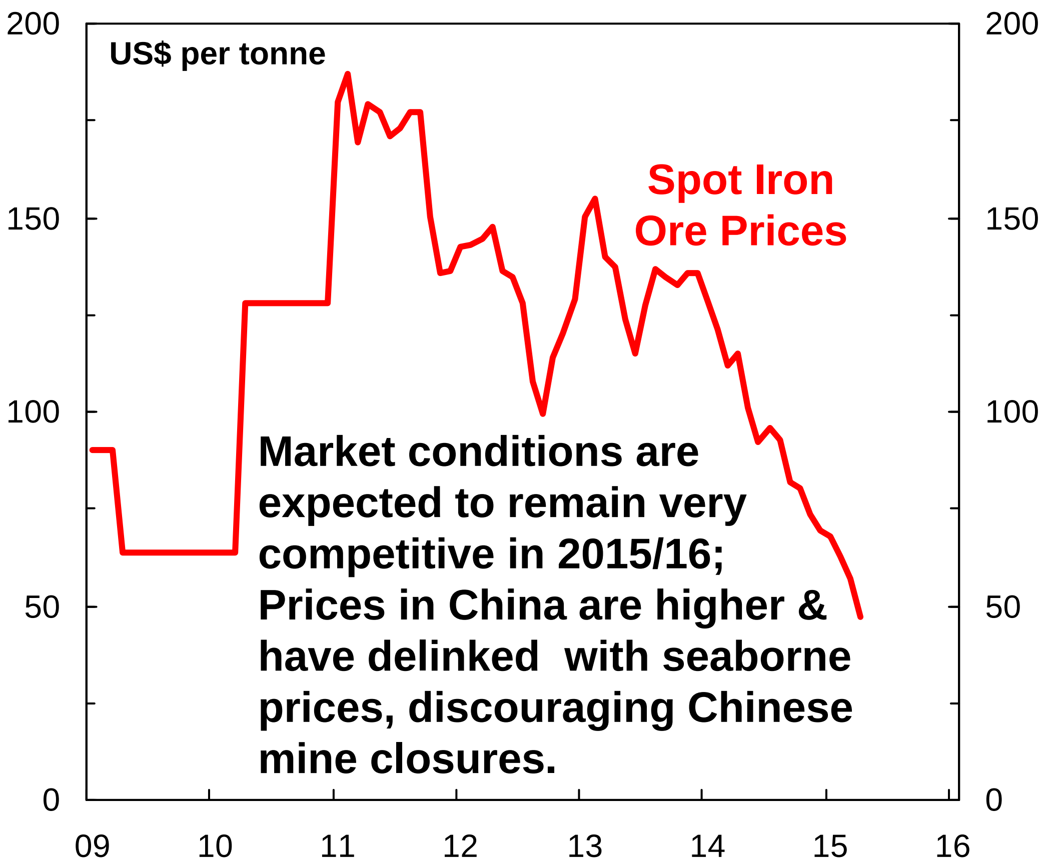
China's refined copper consumption:

2009	2010	2013	2014	2015f	2016f
+25%	+10.8%	+11.7%	+7.3%	+4.3%	+4.5%

Refined copper demand stayed strong in China in 2014 amid high-speed railway & urban transit development and tight supplies of copper scrap (both in China and worldwide). Copper cable orders from the State Grid should pick up moderately in 2015, but demand in new home construction may remain subdued.

Prices will edge down in 2015 alongside ongoing mine development (in Zambia, First Quantum's Sentinel, expansion in DR Congo at Mutanda & Kamoto KOV, ramp-up of 3 mines in Chile and Toromocho in Peru). In 2016, a big increase is planned at Grasberg and Las Bambas should be commissioned. Longer-run, prices will recover significantly to about US$3.50.

Iron Ore Prices, 62% Fe Fines, Delivered To Northern China



April 1, 2015: US$47 per tonne; April 2014: US$115; December 2013: US$136.

Baffinland Iron Mines' Mary River project benefits from the high-quality of its ore (67.5% Fe) and premiums for lump & clean fines.

Spot iron ore prices delivered to northern China have lost almost two-thirds of their value since late 2013 due to massive capacity expansion from low-cost mines in Western Australia and Brazil in the face of slower growth in China's steel industry.

China's steel production – accounting for 50% of the world total – grew by only 0.9% in 2014 and edged down in early 2015 (-1.5% yr/yr). A slowdown in China's residential construction due to over-building several years ago has dampened steel demand. Some steel mill closures in China due to tighter environmental controls will check output further in 2015.

Four major low-cost producers in Western Australia & Brazil -- who dominate the world iron ore market and earn the bulk of their revenue from iron ore -- embarked on a program of mine expansion in 2013-14, partly to force out higher-cost producers in other regions and defend their market share. Iron ore prices are expected to remain exceptionally low until these mine expansion programs are complete and /or high-cost iron ore mines in China (with cash costs of US$80-90) close.

Iron Ore -- Very Competitive Global Market Conditions

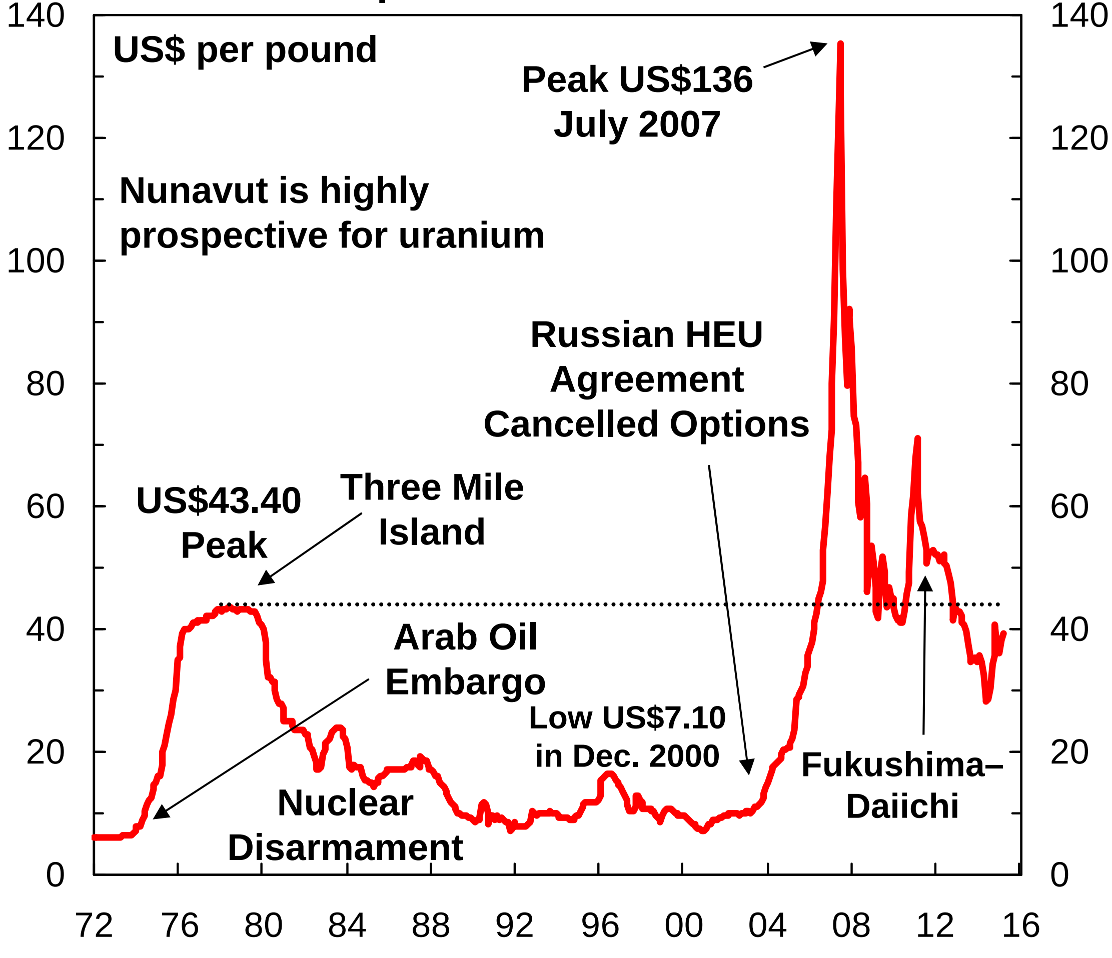
Global market conditions for iron ore have become considerably more competitive in the past year.

Average world cash mine costs (FOB loading port) have dropped from US$46-47 per tonne several years ago to only US$35-37 today. This reflects the impact of mine expansion by the major producers in low-cost jurisdictions (especially Western Australia) as well as low diesel costs and currency depreciation in many producing regions against the U.S. dollar (especially in Australia, Brazil and South Africa).

Rio Tinto's mine costs in Western Australia are now as low as US$17 per tonne; given ocean shipping costs of US$4 from Australia to northern China, iron ore can be delivered to Tianjin and Qingdao for US$21. BHP Billiton is following the lead of Rio Tinto in reducing costs. Vale's planned S11D mine in northern Brazil (which will replace depleting mine reserves in the southern system) will have mine cash costs of US$15 and will likely be the lowest-cost mine in the world, when on stream around 2016 H2.

While oil prices will rebound in coming years, and some mine maintenance costs have been deferred & will have to be increased again, Canadian iron ore miners will be under pressure to cut costs in the next several years.

Spot Uranium Prices



April 6, 2015: US$39.25. On a positive note, Japan's Abe government has proposed that 20% of base-load electricity demand be met by nuclear by 2030; observers expect about 10%, with 14 reactors re-started, 17 uncertain & 17 closed permanently. A stronger uranium price improvement should get underway late decade.

Gradual Recovery Forecast

2013	US$38.50/lb.
2014	US$33.43
2015F	US$40
2016F	US$45

Spot uranium prices have edged up since late 2014 alongside supply disruptions at BHP Billiton's Olympic Dam mine in Australia, at Rio Tinto's Rossing mine & at Paladin's Langer Heinrich mine.

Only a slow price recovery is expected in 2015-17 due to a low level of uncovered utility needs worldwide (until 2018).

New reactor construction in China has slowed, though 5 plants will be started in 2015. Japan's 48 nuclear reactors remain shut, though Sendai 1 and 2 should re-start by June 2015 and 2 units at Takahama have been approved for re-start by the Nuclear Regulatory Agency.

New Modi Government in India favours nuclear energy for 'base-load' electricity demand and is seeking a political rapprochement with Canada to buy uranium from Cameco.

Landmark Mining & Metals Transactions

Streaming

- Largest mineral royalty / streaming transaction ever
- Highest valuation achieved
- Largest international mining sell-side with a sole Canadian advisor

VALE

has sold a portion of the gold from some of its Sudbury mines and the Salobo copper mine to

SILVER WHEATON

for

US$2,000,000,000

Financial Advisor

February 2013

M&A

- Fourth largest M&A transaction ever completed in the gold sector
- Long history of support

C$165,000,000	C$60,025,000	C$110,003,520	C$375,000,003
Common Shares	Common Shares	Common Shares	Special Warrants & Sub. Receipts
Co-Bookrunner	Co-Bookrunner	Sole Bookrunner	Co-Manager
September 2009	December 2008	October 2007	May 2007

Red Back Mining Inc.

has completed a private placement investment in the Class B shares of

KINROSS

for

C$8,000,000,000

Financial Advisor

September 2010

Equity Financing

- Largest Canadian equity offering in history
  - One of the largest common share offerings in the mining sector globally
  - Largest ever in gold sector

BARRICK

US$4,026,164,375

Common Shares

Co-Bookrunner

September 2009

Private Placement

- Largest common share private placement by a single investor in Canadian history
- Largest investment in a mining company by a Chinese investor in Canadian history

中国投资有限责任公司
CHINA INVESTMENT CORPORATION

has completed a private placement investment in the Class B shares of

Teck

for

US$1,500,000,000

Financial Advisor

July 2009

Lead Lender in the Metals & Mining Sector

- Corporate loans, project financing, M&A financing, letters of credit, structured metal financings
- #1 mining Tier - One lender in Canada (based on both deal count and notional loan volume)
- #1 mining Tier - One lender in North America based on deal count (#2 based on notional loan volume)
- #1 mining Tier - One lender in the Americas based on deal count (#2 based on notional loan volume)
- Broadest range (small to large borrowers), compared to competitors

VALE
BARRICK
GOLDCORP
RoyalGold, Inc.
RioTinto
Lucara Diamond Corp.
NEWMONT
AngloGold Ashanti
Silver Wheaton
Teck
Franco Nevada
Agnico Eagle
Gold Fields
HUDBAY
Allied Nevada Gold Corp.
AuRico Gold
IAMGOLD Corporation
KINROSS
Minera Frisco
Antofagasta PLC
Guyana Goldfields Inc.
Hecla Mining Company
Denison Mines
TorexGold Resources Inc.
newgold
Fortuna Silver Mines Inc.
KGHM Polska Miedź S.A.
newgold
Cameco Corporation
Freeport McMoRan Copper & Gold
IOC
YamanaGold
GlencoreXstrata plc
Baffinland
lundin mining
bhpbilliton
North American Palladium Ltd.
CODELCO Orgullo de Todos
Newcrest Mining Limited
AngloAmerican
capstone mining corp
MAGRIS
SilverCrest Mines Inc.
Dominion Diamond Corporation

Significant relationships across the sector

Leading Mining & Metals M&A Advisor in Canada

#3 mining & metals advisor from 2013 through 2015 for Canadian targets / acquirers; advising on ~$11 billion in transactions

RIO ALTO MINING LIMITED
has merged with
Tahoe RESOURCES INC
to create a company with a combined market cap at announcement of
US$3,250,000,000
Financial Advisor to Independent Committee
Pending

PARAMOUNT gold & silver
is being acquired by
COEUR MINING
for
US$182,000,000
Financial Advisor
Pending

ALLIED NEVADA GOLD CORP.
Financial advisor to Allied Nevada in its financing of the Hycroft Gold Mine
Financial Advisor
Pending

stornoway DIAMOND CORPORATION
Financial advisor to Stornoway in its financing of the Renard Diamond Project
C$946,000,000
Financial Advisor
July 2014

AUGUSTA
has agreed to a friendly takeover following an unsolicited offer from
HUDBAY
for
C$555,000,000
Financial Advisor
July 2014

GOLDCORP
Has made an offer to acquire
OSISKO
for
C$3,600,000,000
Financial Advisor
Terminated

ALTIUS
has led a consortium in acquiring a royalty portfolio from
sherritt
for
C$481,000,000
Financial Advisor
April 2014

PRIMERO
has acquired
BRIGUS GOLD
for
C$290,000,000
Financial Advisor
March 2014

SIROCCO MINING INC
has merged with Canada Lithium Corp. to create a company with a combined market capitalization at announcement of
for
US$265,000,000
Financial Advisor
January 2014

HUDBAY
has sold 50% of the gold from the Constancia mine to
SILVER WHEATON
for
US$135,000,000
Financial Advisor
November 2013

capstone MINING CORP
has acquired the Pinto Valley copper mine from
bhpbilliton
for
US$650,000,000
Financial Advisor
October 2013

AURIZON MINES LTD.
has been acquired by
Hecla MINING COMPANY
for
C$796,000,000
Financial Advisor
June 2013

INMET MINING
has been acquired by
FIRST QUANTUM MINERALS LTD.
for
C$5,058,000,000
Financial Advisor
April 2013

LABRADOR IRON ORE ROYALTY CORPORATION
Financial advisor to LIORC in its review of strategic alternatives
Financial Advisor
April 2013

VALE
has sold a portion of the gold from some of its Sudbury mines and the Salobo copper mine to
SILVER WHEATON
for
US$2,000,000,000
Financial Advisor
February 2013

HANA MINING LTD.
has been acquired by
Cupric Canyon Capital
for
C$82,000,000
Financial Advisor
February 2013

ScotiaMocatta — Precious & Base Metals Trading

ScotiaMocatta is a global leader in precious metals trading and finance dating back to 1671; ranks #1 in physical trading worldwide.

First foreign member of the Shanghai Gold Exchange, participant in the LBMA Silver Price setting and an original member of the LBMA Gold Price.

Offices in New York, Shanghai, Hong Kong, Singapore, London, Toronto, Bangalore, Coimbatore, Dubai, Mumbai and New Delhi.

ScotiaMocatta provides innovative hedging & base metal trading solutions with offices in London, New York, Toronto & Mumbai.

Fully integrated and innovative solutions across a complete range of metal services:

- ***Spot, forward and options trading***
- ***Metal leases, consignments and loans***
- ***Global physical delivery***
- ***Forward rate agreements***
- ***Metals certificate programs***
- ***Hedging programs***
- ***Custodial services***
- ***Approved COMEX depository***
- ***Location swaps***
- ***Structured notes***

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