

Alamos Gold

Solid finish to '23, higher costs/capex in '24-25 set to improve in '26 with Island

Reiterate Rating: NEUTRAL | PO: 21.75 CAD | Price: 16.86 CAD

2026 is the bright spot

Alamos Gold (AGI) reported Q4'23 production and provided updated 3-year guidance. Q4 production marked a strong finish to 2023 with AGI at the top-end of its guidance range. For the 3-year outlook, 2024-2025 arguably disappoints on the increased costs/capex vs. the prior guide, though were within the range of expectations vs. BofAe. We're encouraged by the favourable 2026 outlook (higher production and lower costs). We like AGI's quality asset base located in attractive mining jurisdictions and see catalyst potential with the upcoming Puerto Del Aire (PDA) development plan and exploration catalyst potential across all assets. However, we see AGI trading a relatively rich valuation vs. peers. Reiterate Neutral.

2024 production better, though costs/capex higher

AGI's production guidance for 2024 of 485-525koz is better than prior guide of 470-510koz, driven by higher production at Mulatos. Total cash costs (TCC) of \$825-875 per ounce (/oz) and \$1,125-1,175/oz are 10% and 12% higher than previously respectively. Similarly, total capex is up 11% vs the prior guide for 2024. With respect to 2025, consolidated gold production is flat vs. prior guide, and TCC is up 7%. Total capex for 2025 is up 6% vs prior guide. Versus BofAe, on an all-in sustaining cost (AISC) basis and total capex basis, 2024-2025 were within the range of expectations (see Exhibit 4).

2026: Island P3+ boosts production and drives lower costs

AGI unveiled its preliminary 2026 guidance with production of 520-560koz, a solid increase versus 2024 and 2025 and 2% above BofAe at midpoint. TCC is expected to average \$675-775/oz and AISC \$975-1,075/oz, a nice and sizable decline vs. 2024 and 2025 and in-line with BofAe at \$702/oz and \$1,035/oz respectively. Total 2026 capex of \$175-200mn is also a sizable decline vs. 2024 and 2025. We update our model. 2023E EPS increases to \$0.53 (from \$0.52) and 2024E EPS declines to \$0.47 (from \$0.53).

| Estimates (Dec) (US\$) | 2021A | 2022A | 2023E | 2024E | 2025E |
|---------------------------|--------|--------|-------|--------|-------|
| EPS | 0.41 | 0.28 | 0.53 | 0.47 | 0.69 |
| GAAP EPS | (0.17) | 0.10 | 0.53 | 0.47 | 0.69 |
| EPS Change (YoY) | -8.9% | -31.7% | 89.3% | -11.3% | 46.8% |
| Consensus EPS (Bloomberg) | | | 0.54 | 0.57 | 0.58 |
| DPS | 0.10 | 0.10 | 0.10 | 0.10 | 0 |
| EPS (AGI - US\$) | 0.41 | 0.28 | 0.53 | 0.47 | 0.69 |
| DPS (AGI - US\$) | 0.10 | 0.10 | 0.10 | 0.10 | 0 |
| Valuation (Dec) | | | | | |
| P/E | 32.6x | 44.4x | 24.1x | 26.8x | 18.3x |
| GAAP P/E | NM | 124.4x | 24.1x | 26.8x | 18.3x |
| Dividend Yield | 0.7% | 0.8% | 0.8% | 0.8% | 0% |
| EV / EBITDA* | 11.7x | 15.0x | 9.3x | 9.2x | 7.7x |
| Free Cash Flow Yield* | 0.1% | -0.3% | 2.7% | 0.8% | 4.6% |

* For full definitions of *IQmethod*SM measures, see page 7.

10 January 2024

Equity

Key Changes

| (US\$) | Previous | Current |
|-----------|----------|---------|
| 2023E EPS | 0.52 | 0.53 |
| 2024E EPS | 0.53 | 0.47 |

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Stock Data

| | |
|-----------------------------|-------------------------|
| Price (TOR / NYS) | 16.86 CAD / 12.60 USD |
| Price Objective | 21.75 CAD / 15.75 USD |
| Date Established | 4-Dec-2023 / 4-Dec-2023 |
| Investment Opinion | B-2-7 / B-2-7 |
| 52-Week Range | 13.35 CAD - 20.20 CAD |
| Market Value (mn) | 6,690 CAD |
| Free Float | 99.6% |
| Average Daily Value | 14.59 USD |
| Shares Outstanding (mn) | 396.8 / 396.8 |
| BofA Ticker / Exchange | YAGI / TOR |
| BofA Ticker / Exchange | AGI / NYS |
| Bloomberg / Reuters | AGI CN / AGI.TO |
| ROE (2023E) | 7.4% |
| Net Dbt to Eqty (Dec-2022A) | -5.5% |
| ESGMeter TM | Medium |

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to ["BofA ESGMeter Methodology"](#).

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Refer to important disclosures on page 8 to 11. Analyst Certification on page 6. Price Objective Basis/Risk on page 6.

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Timestamp: 10 January 2024 10:06PM EST

iQprofileSM Alamos Gold

iQmethodSM – Bus Performance*

| (US\$ Millions) | 2021A | 2022A | 2023E | 2024E | 2025E |
|----------------------------|-------|-------|-------|-------|-------|
| Return on Capital Employed | 0.2% | 1.7% | 5.9% | 4.9% | 6.7% |
| Return on Equity | 5.8% | 4.0% | 7.4% | 6.2% | 8.6% |
| Operating Margin | 1.8% | 13.6% | 31.5% | 30.0% | 42.5% |
| Free Cash Flow | 7 | (15) | 139 | 38 | 229 |

iQmethodSM – Quality of Earnings*

| (US\$ Millions) | 2021A | 2022A | 2023E | 2024E | 2025E |
|--------------------------|----------|-------|-------|-------|--------|
| Cash Realization Ratio | 2.2x | 2.7x | 2.3x | 2.3x | 2.1x |
| Asset Replacement Ratio | NA | NA | NA | NA | NA |
| Tax Rate | 3,000.0% | 62.8% | 34.1% | 38.0% | 38.0% |
| Net Debt-to-Equity Ratio | -7.2% | -5.5% | -8.4% | -7.9% | -13.1% |
| Interest Cover | 3.3x | 19.6x | NM | NM | NM |

Income Statement Data (Dec)

| (US\$ Millions) | 2021A | 2022A | 2023E | 2024E | 2025E |
|------------------------------|--------------|---------------|--------------|---------------|--------------|
| Sales | 824 | 821 | 1,032 | 1,001 | 1,046 |
| % Change | 10.1% | -0.3% | 25.6% | -3.0% | 4.5% |
| Gross Profit | 290 | 212 | 395 | 341 | 483 |
| % Change | 6.2% | -26.7% | 85.8% | -13.6% | 41.5% |
| EBITDA | 410 | 321 | 515 | 520 | 622 |
| % Change | 6.0% | -21.7% | 60.5% | 1.0% | 19.4% |
| Net Interest & Other Income | (13) | (8) | (4) | (1) | (1) |
| Net Income (Adjusted) | 162 | 110 | 208 | 186 | 275 |
| % Change | -7.9% | -32.4% | 89.7% | -10.6% | 48.3% |

Free Cash Flow Data (Dec)

| (US\$ Millions) | 2021A | 2022A | 2023E | 2024E | 2025E |
|--|---------------|------------|------------|---------------|---------------|
| Net Income from Cont Operations (GAAP) | (67) | 39 | 211 | 186 | 275 |
| Depreciation & Amortization | 171 | 172 | 191 | 220 | 177 |
| Change in Working Capital | (54) | (62) | (50) | 0 | 0 |
| Deferred Taxation Charge | 64 | 55 | 44 | 14 | 125 |
| Other Adjustments, Net | 242 | 96 | 87 | 10 | 10 |
| Capital Expenditure | (349) | (314) | (343) | (391) | (358) |
| Free Cash Flow | 7 | -15 | 139 | 38 | 229 |
| % Change | -94.4% | NM | NM | -72.8% | 502.8% |
| Share / Issue Repurchase | (12) | 8 | 3 | 0 | 0 |
| Cost of Dividends Paid | (35) | (35) | (37) | (40) | (40) |
| Change in Debt | 0 | 0 | 0 | 0 | 0 |

Balance Sheet Data (Dec)

| (US\$ Millions) | 2021A | 2022A | 2023E | 2024E | 2025E |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Cash & Equivalents | 196 | 148 | 246 | 245 | 434 |
| Trade Receivables | 31 | 37 | 46 | 46 | 46 |
| Other Current Assets | 232 | 255 | 277 | 277 | 277 |
| Property, Plant & Equipment | 3,109 | 3,174 | 3,346 | 3,518 | 3,699 |
| Other Non-Current Assets | 61 | 59 | 57 | 54 | 57 |
| Total Assets | 3,629 | 3,674 | 3,973 | 4,139 | 4,513 |
| Short-Term Debt | 0 | 0 | 0 | 0 | 0 |
| Other Current Liabilities | 157 | 182 | 228 | 228 | 228 |
| Long-Term Debt | 0 | 0 | 0 | 0 | 0 |
| Other Non-Current Liabilities | 729 | 771 | 823 | 837 | 950 |
| Total Liabilities | 886 | 953 | 1,051 | 1,065 | 1,178 |
| Total Equity | 2,736 | 2,721 | 2,922 | 3,078 | 3,324 |
| Total Equity & Liabilities | 3,622 | 3,674 | 3,973 | 4,143 | 4,502 |

* For full definitions of iQmethodSM measures, see page 7.

Company Sector

Gold & Precious Metals

Company Description

Alamos is a Canadian-based gold exploration, development and mining company listed on the TSX and NYSE, ticker AGI. It has three key assets, Young-Davidson and Island located in Ontario, Canada, and Mulatos in Sonora, Mexico. Gold development projects include Lynn Lake in Canada and Kirazli and A

Investment Rationale

AGI is a gold producer focused in the Americas, largely Canada. The asset base, in our view, is high quality. However, we maintain a Neutral rating on AGI given premium valuation versus peers.

Key Drivers

| | 2023E | 2024E | 2025E |
|-----------------------|-------|-------|-------|
| Gold price(US\$/oz) | 1,943 | 1,975 | 2,098 |
| Gold Production (Koz) | 523 | 505 | 496 |
| TCC (US\$/oz) | 848 | 861 | 767 |
| AISC (US\$/oz) | 1,186 | 1,162 | 1,091 |

Stock Data

| | |
|-------------------------------|-----------|
| Average Daily Volume | 1,158,227 |
| Shares / Common - Dual Listed | 1.00 |

Quarterly Earnings Estimates

| | 2022 | 2023 |
|----|-------|-------|
| Q1 | 0.05A | 0.12A |
| Q2 | 0.07A | 0.15A |
| Q3 | 0.07A | 0.14A |
| Q4 | 0.09A | 0.12E |

Key Changes

| (US\$) | Previous | Current |
|-----------|----------|---------|
| 2023E EPS | 0.52 | 0.53 |
| 2024E EPS | 0.53 | 0.47 |

Q4'23 Operational Results Review

Exhibit 1: Q4'23 Operational Results

Q4'23 gold production of 129.5koz was 3% above our estimate of 126.2koz, and 5% above Bloomberg and Visible Alpha consensus at 123.7koz and 123.4koz.

| Gold Production (oz) | Q4'23A | Q4'22A | YoY | Q3'23A | QoQ | Q4'23E | Δ% | Bloomberg Consensus | Δ% | VA Consensus | Δ% |
|----------------------|----------------|----------------|------------|----------------|------------|----------------|-----------|---------------------|-----------|----------------|-----------|
| Young-Davidson | 49,800 | 44,500 | 12% | 45,100 | 10% | 49,123 | 1% | 50,420 | -1% | 49,851 | 0% |
| Mulatos | 48,100 | 49,100 | -2% | 53,900 | -11% | 42,670 | 13% | 39,518 | 22% | 39,808 | 21% |
| Island | 31,600 | 40,600 | -22% | 36,400 | -13% | 34,430 | -8% | 33,751 | -6% | 33,736 | -6% |
| Total | 129,500 | 134,200 | -4% | 135,400 | -4% | 126,223 | 3% | 123,688 | 5% | 123,396 | 5% |

Source: Company Reports, BofA Global Research, Bloomberg, Visible Alpha

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2024-2026 Guidance Review

Exhibit 2: Updated 3-Year Guidance Versus Prior Guidance

2024 and 2025 costs and capex are higher versus prior guidance. For 2024, this is driven by higher costs from residual leaching at Mulatos, inflation, and the Mexican peso (stronger than previously forecast).

| | New Guidance | | | Old Guidance | | Δ% | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------|-----------|
| | 2024E | 2025E | 2026E | 2024E | 2025E | 2024E | 2025E |
| Young-Davidson | 180 - 195 | 180 - 195 | 180 - 195 | 185 - 200 | 185 - 200 | -3% | -3% |
| Island Gold | 145 - 160 | 170 - 185 | 220 - 235 | 145 - 160 | 175 - 190 | 0% | -3% |
| Mulatos | 160 - 170 | 120 - 130 | 120 - 130 | 140 - 150 | 110 - 120 | 14% | 9% |
| Gold production | 485 - 525 | 470 - 510 | 520 - 560 | 470 - 510 | 470 - 510 | 3% | 0% |
| Total cash costs | 825 - 875 | 700 - 800 | 675 - 775 | 675 - 775 | 650 - 750 | 17% | 7% |
| All-in sustaining costs (AISC) | 1,125 - 1,175 | 1,050 - 1,150 | 975 - 1,075 | 975 - 1,075 | 950 - 1,050 | 12% | 10% |
| Sustaining capital | 93 - 105 | 115 - 125 | 105 - 115 | 105 - 115 | 105 - 115 | -10% | 9% |
| Growth capital | 232 - 260 | 195 - 225 | 70 - 85 | 185 - 215 | 185 - 215 | 23% | 5% |
| Total capital | 325 - 365 | 310 - 350 | 175 - 200 | 290 - 330 | 290 - 330 | 11% | 6% |

Source: Company Reports, BofA Global Research

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Exhibit 3: Updated 3-Year Guidance vs BofA Estimates

On a consolidated basis, 2024 costs and capex were largely within expectation of BofAe.

| | New Guidance | | | BofAe | | | Δ% | | |
|--------------------------------|------------------|------------------|------------------|------------|------------|------------|-----------|------------|-------------|
| | 2024E | 2025E | 2026E | 2024E | 2025E | 2026E | 2024E | 2025E | 2026E |
| Young-Davidson | 180 - 195 | 180 - 195 | 180 - 195 | 193 | 192 | 192 | -3% | -2% | -2% |
| Island Gold | 145 - 160 | 170 - 185 | 220 - 235 | 154 | 183 | 233 | -1% | -3% | -3% |
| Mulatos | 160 - 170 | 120 - 130 | 120 - 130 | 145 | 104 | 104 | 14% | 20% | 20% |
| Gold production | 485 - 525 | 470 - 510 | 520 - 560 | 492 | 479 | 530 | 6% | 6% | 2% |
| Total cash costs | 825 - 875 | 700 - 800 | 675 - 775 | 759 | 728 | 702 | 12% | 3% | 3% |
| All-in sustaining costs (AISC) | 1,125 - 1,175 | 1,050 - 1,150 | 975 - 1,075 | 1,116 | 1,095 | 1,035 | 3% | 0% | -1% |
| Sustaining capital | 93 - 105 | 115 - 125 | 105 - 115 | 131 | 131 | 131 | -24% | -9% | -16% |
| Growth capital (ex Lynn Lake) | 232 - 260 | 195 - 225 | 70 - 85 | 193 | 180 | 78 | 28% | 17% | -1% |
| Total capital | 325 - 365 | 310 - 350 | 175 - 200 | 343 | 351 | 209 | 1% | -6% | -10% |

Source: Company Reports, BofA Global Research

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Model Changes

Exhibit 4: Key Model Changes

We update for Q4'23 production results and updated guidance.

| US\$ millions / per share | 2023E | | | 2024E | | | 2025E | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Old | New | % Chg | Old | New | % Chg | Old | New | % Chg |
| Revenues | 1,025 | 1,032 | 1% | 977 | 1,001 | 2% | 1,012 | 1,046 | 3% |
| EBITDA | 510 | 515 | 1% | 559 | 520 | -7% | 618 | 622 | 1% |
| Adjusted Net Income | 204 | 208 | 2% | 210 | 186 | -12% | 273 | 275 | 1% |
| Adjusted EPS US\$/sh | 0.52 | 0.53 | 2% | 0.53 | 0.47 | -11% | 0.69 | 0.69 | 0% |
| Cashflow from operations | 477 | 479 | 0% | 517 | 430 | -17% | 592 | 588 | -1% |
| Capital Expenditures on PP&E | 343 | 343 | 0% | 368 | 391 | 6% | 375 | 358 | -5% |
| Free cash flow (post interest, total capex) | 134 | 136 | 1% | 149 | 39 | -74% | 217 | 230 | 6% |
| Year-end net cash (net debt) | 244 | 246 | 1% | 353 | 245 | -31% | 529 | 434 | -18% |
| Gold output (koz) | 523 | 529 | 1% | 492 | 505 | 3% | 479 | 496 | 3% |
| Total cash costs (US\$/oz) | 846 | 848 | 0% | 759 | 861 | 13% | 728 | 767 | 5% |
| All-in sustaining costs | 1,184 | 1,186 | 0% | 1,116 | 1,162 | 4% | 1,095 | 1,091 | 0% |

Source: BofA Global Research

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Valuation considerations

Exhibit 5: BofA global gold producer coverage relative valuation comparison

AGI trades at a premium valuation multiple vs broader peers supportive of our Neutral rating.

| Priced as of 10-Jan-2024 | | MC | ND | EV | P/CFPS (x) | | | EV/EBITDA | | | FCF yield | | | ND / EBITDA | | | Div. yield | |
|--|---|--------|--------|---------|------------|-------|-------|-----------|-------|-------|-----------|-------|-------|-------------|-------|-------|------------|------|
| | BofA Share Sym Price (\$mn) (\$mn) (\$mn) | | | | 2023E | 2024E | 2025E | 2023E | 2024E | 2025E | 2023E | 2024E | 2025E | P/NAV | 2023E | 2024E | 2025E | |
| Senior Gold Producers ⁽¹⁾ | | | | | | | | | | | | | | | | | | |
| Agnico Eagle Mines | AEM | 52.06 | 25,850 | 1,752 | 27,602 | 9.6 | 9.1 | 7.8 | 5.8 | 8.0 | 6.7 | 3% | 4% | 6% | 1.42 | 0.3 | 0.3 | 3.1% |
| Barrick Gold | GOLD | 17.34 | 30,441 | 514 | 39,633 | 7.2 | 7.0 | 5.7 | 7.7 | 6.2 | 5.0 | 2% | 3% | 8% | 0.87 | 0.1 | 0.2 | 2.3% |
| Kinross Gold | KGC | 5.63 | 6,913 | 1,975 | 8,992 | 4.6 | 4.6 | 3.8 | 4.9 | 5.0 | 4.1 | 6% | 5% | 10% | 1.07 | 1.0 | 1.0 | 2.1% |
| Newmont Corporation | NEM | 37.95 | 43,737 | 2,852 | 46,775 | 11.6 | 9.3 | 6.9 | 14.3 | 8.1 | 5.7 | 1% | 2% | 6% | 1.00 | 1.2 | 0.9 | 4.2% |
| Market Cap Weighted Average | | | | | | 9.4 | 8.3 | 6.6 | 9.6 | 7.2 | 5.6 | 2% | 3% | 7% | 1.07 | 0.7 | 0.5 | 3.3% |
| Mid-Tier Gold Producers | | | | | | | | | | | | | | | | | | |
| B2Gold ⁽¹⁾ | BTG | 3.07 | 3,992 | (238) | 3,864 | 4.8 | 5.2 | 7.1 | 4.1 | 3.7 | 5.3 | 1% | 3% | 9% | 0.94 | (0.3) | (0.2) | 5.2% |
| Centerra Gold ⁽²⁾ | YCG | 7.31 | 1,178 | (492) | 686 | 8.4 | 5.4 | 5.3 | 2.8 | 2.2 | 2.2 | 21% | 10% | 18% | 0.52 | (2.5) | (2.0) | 3.8% |
| Eldorado Gold ⁽¹⁾ | EGO | 12.19 | 2,495 | 138 | 2,628 | 7.4 | 7.2 | 7.0 | 6.6 | 5.7 | 5.6 | -3% | -10% | -1% | 0.86 | 0.4 | 0.9 | 0.0% |
| Endeavour Mining ⁽²⁾ | YEDV | 24.60 | 4,554 | 485 | 5,385 | 8.0 | 5.1 | 4.3 | 5.8 | 3.8 | 3.1 | 0% | 14% | 22% | 0.71 | 0.4 | (0.1) | 4.4% |
| IAMGOLD ⁽¹⁾ | IAG | 2.39 | 1,150 | 417 | 1,623 | 3.5 | 5.3 | 2.2 | 7.6 | 5.9 | 2.3 | -49% | -19% | 31% | 0.49 | 2.41 | 2.8 | 0.0% |
| SSR Mining ⁽¹⁾ | SSRM | 10.29 | 2,098 | (135) | 2,940 | 4.7 | 6.5 | 5.2 | 5.9 | 8.0 | 6.6 | 2% | 2% | 4% | 0.82 | (0.5) | (0.2) | 2.7% |
| Market Cap Weighted Average | | | | | | 6.3 | 5.7 | 5.5 | 5.6 | 4.9 | 4.5 | -2% | 3% | 13% | 0.78 | 0.3 | 0.3 | 3.4% |
| Intermediate/Jr Gold Producers | | | | | | | | | | | | | | | | | | |
| Alamos Gold ⁽¹⁾ | AGI | 12.60 | 4,999 | (230) | 4,770 | 9.4 | 11.6 | 8.5 | 9.3 | 9.2 | 7.7 | 3% | 1% | 5% | 1.25 | (0.5) | (0.5) | 0.8% |
| New Gold ⁽¹⁾ | NGD | 1.35 | 927 | 213 | 1,140 | 3.2 | 2.8 | 1.9 | 3.7 | 3.2 | 2.0 | -1% | 3% | 32% | 0.62 | 0.8 | 0.7 | 0.0% |
| Market Cap Weighted Average | | | | | | 8.4 | 10.2 | 7.5 | 8.2 | 8.0 | 6.6 | 2% | 1% | 9% | 1.15 | (0.3) | (0.3) | 0.7% |
| Royalty Companies | | | | | | | | | | | | | | | | | | |
| Franco-Nevada ⁽²⁾ | FNV | 106.10 | 20,384 | (1,297) | 19,087 | 21.5 | 21.6 | 17.2 | 18.4 | 18.1 | 14.0 | 5% | 5% | 6% | 1.91 | (1.4) | (2.0) | 1.3% |
| Royal Gold ^{(1),(9)} | RGLD | 121.78 | 8,000 | 218 | 8,230 | 20.1 | 15.8 | 14.2 | 18.0 | 14.3 | 13.2 | 5% | 6% | 7% | 2.03 | 0.3 | (0.4) | 1.3% |
| Triple Flag Precious Metals | YTFPM | 16.85 | 2,538 | 39 | 2,577 | 16.4 | 12.9 | 11.9 | 22.2 | 12.2 | 11.1 | 3% | 5% | 5% | 0.95 | 0.2 | (0.4) | 1.6% |
| Wheaton Precious Metals ⁽¹⁾ | WPM | 48.27 | 21,866 | (828) | 21,038 | 29.9 | 22.4 | 19.8 | 29.4 | 21.6 | 19.1 | 3% | 5% | 5% | 2.12 | (1.3) | (1.0) | 1.2% |
| Market Cap Weighted Average | | | | | | 24.5 | 20.6 | 17.6 | 23.1 | 18.6 | 15.8 | 4% | 5% | 6% | 1.98 | (1.0) | (1.3) | 1.3% |
| Primary Silver Producers | | | | | | | | | | | | | | | | | | |
| Pan American Silver ⁽¹⁾ | PAAS | 15.03 | 5,478 | 726 | 6,204 | 10.1 | 7.7 | 6.2 | 10.4 | 7.4 | 5.7 | 1% | 5% | 8% | 1.00 | 0.6 | 0.3 | 0.0% |
| Market Cap Weighted Average | | | | | | 10.1 | 7.7 | 6.2 | 10.4 | 7.4 | 5.7 | 1% | 5% | 8% | 1.00 | 0.6 | 0.3 | 0.0% |

Source: Bloomberg, BofA Global Research, Company reports

(1) all data points in USD; (2) stock price in CAD; EPS, CFPS, NAV in USD; (3) all estimates except NAV in CAD; price in USD (4) AUD\$ (5) ZAR (6) stock price, NAV in pence; market cap in GBP, EPS, CFPS in USD; (7) stock price, market cap and NAV in CAD; EPS and CFPS in USD; (8) share price and NAV in HKD; EPS and CFPS in CNY, market cap in USD; (9) stock price, NAV in pence; market cap in USD, EPS, CFPS in GBP; (10) stock price, market cap, NAV in AUD, EPS, and CFPS in USD; (11) stock price and market cap in CAD; NAV in GBP, EPS and CFPS in USD; (12) stock price, market cap, EPS, CFPS and NAV in TRY; (13) Estimates are based on Bloomberg consensus; (14) stock price, market cap and NAV in ZAR; EPS and CFPS in USD.

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Price objective basis & risk

Alamos Gold (YAGI / AGI)

Our price objective for Alamos Gold (AGI/YAGI) is US\$15.75/C\$21.75, based on the stock trading at 1.55x our estimated net asset value (NAV). Historically, North American precious metal producers have traded between 1x and 3x NAV, but more recently between 1x and 2x, with unhedged, growth-oriented producers occupying the upper end of the range and Junior and Mid-tier producers trading historically at a discount to the senior producers.

Upside risks to our PO are a higher-than-forecast gold price, a lower-than-forecast CADUSD FX rate, a better-than-expected lower mine tie-in process at Y-D, advantageous changes to the regulatory and/or tax regimes in the jurisdictions in which they operate and the potential for AGI to be acquired at a premium valuation.

Downside risks are a lower-than-forecast gold price and higher-than-forecast CADUSD FX rate, unforeseen operating and development issues.

Analyst Certification

I, Harmen Puri, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

North America - Metals and Mining Coverage Cluster

| Investment rating | Company | BofA Ticker | Bloomberg symbol | Analyst |
|-------------------|-----------------------------------|-------------|------------------|--------------------|
| BUY | | | | |
| | Agnico Eagle Mines | AEM | AEM US | Lawson Winder, CFA |
| | B2Gold Corp | YBTO | BTO CN | Harmen Puri |
| | B2Gold Corp | BTG | BTG US | Harmen Puri |
| | Barrick Gold | GOLD | GOLD US | Lawson Winder, CFA |
| | Cameco Corporation | YCCO | CCO CN | Lawson Winder, CFA |
| | Cameco Corporation | CCJ | CCJ US | Lawson Winder, CFA |
| | Commercial Metals | CMC | CMC US | Lawson Winder, CFA |
| | Endeavour Mining | YEDV | EDV CN | Harmen Puri |
| | Endeavour Mining | EDVMF | EDVMF US | Harmen Puri |
| | Endeavour Mining PLC | XEDVF | EDV LN | Harmen Puri |
| | Franco-Nevada | YFNV | FNV CN | Lawson Winder, CFA |
| | Franco-Nevada | FNV | FNV US | Lawson Winder, CFA |
| | IAMGOLD | YIMG | IMG CN | Lawson Winder, CFA |
| | IAMGOLD Corp. | IAG | IAG US | Lawson Winder, CFA |
| | Ivanhoe Mines | YIVN | IVN CN | Lawson Winder, CFA |
| | Ivanhoe Mines | IVPAF | IVPAF US | Lawson Winder, CFA |
| | Lundin Mining | XLPRF | LUMI SS | Lawson Winder, CFA |
| | Lundin Mining Corp | YLUN | LUN CN | Lawson Winder, CFA |
| | Lundin Mining Corp | LUNMF | LUNMF US | Lawson Winder, CFA |
| | MP Materials | MP | MP US | Lawson Winder, CFA |
| | Newmont Corporation | NEM | NEM US | Lawson Winder, CFA |
| | Newmont Corporation | XNCRF | NEM AU | Lawson Winder, CFA |
| | Nucor | NUE | NUE US | Lawson Winder, CFA |
| | Pan American Silver | PAAS | PAAS US | Lawson Winder, CFA |
| | Teck Resources | YTECK | TECK/B CN | Lawson Winder, CFA |
| | Teck Resources Ltd | TECK | TECK US | Lawson Winder, CFA |
| | Triple Flag Precious Metals Corp. | YTFPM | TFPM CN | Lawson Winder, CFA |
| | Triple Flag Precious Metals Corp. | TFPM | TFPM US | Lawson Winder, CFA |
| | Wheaton Precious Metals | WPM | WPM US | Lawson Winder, CFA |
| NEUTRAL | | | | |
| | Alamos Gold | YAGI | AGI CN | Harmen Puri |
| | Alamos Gold | AGI | AGI US | Harmen Puri |
| | Alcoa Corporation | AA | AA US | Lawson Winder, CFA |

North America - Metals and Mining Coverage Cluster

| Investment rating | Company | BofA Ticker | Bloomberg symbol | Analyst |
|---------------------|---------------------------|-------------|------------------|--------------------|
| | Cleveland-Cliffs | CLF | CLF US | Lawson Winder, CFA |
| | First Quantum | FQVLF | FQVLF US | Lawson Winder, CFA |
| | First Quantum Minerals | YFM | FM CN | Lawson Winder, CFA |
| | Freeport-McMoRan | FCX | FCX US | Lawson Winder, CFA |
| | Hudbay Minerals | YHBM | HBM CN | Lawson Winder, CFA |
| | HudBay Minerals | HBM | HBM US | Lawson Winder, CFA |
| | Reliance Steel & Aluminum | RS | RS US | Lawson Winder, CFA |
| | Steel Dynamics | STLD | STLD US | Lawson Winder, CFA |
| UNDERPERFORM | | | | |
| | Centerra Gold | YCG | CG CN | Lawson Winder, CFA |
| | Centerra Gold | CGAU | CGAU US | Lawson Winder, CFA |
| | Eldorado Gold | EGO | EGO US | Harmen Puri |
| | Eldorado Gold | YELD | ELD CN | Harmen Puri |
| | Kinross Gold | KGC | KGC US | Lawson Winder, CFA |
| | New Gold Inc. | YNGD | NGD CN | Harmen Puri |
| | New Gold Inc. | NGD | NGD US | Harmen Puri |
| | Nexa Resources | NEXA | NEXA US | Lawson Winder, CFA |
| | Royal Gold | RGLD | RGLD US | Lawson Winder, CFA |
| | SSR Mining Inc. | SSRM | SSRM US | Lawson Winder, CFA |
| | SSR Mining Inc. | YSSRM | SSRM CN | Lawson Winder, CFA |

IQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization

Shareholders' Equity

Sales

N/A

N/A

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

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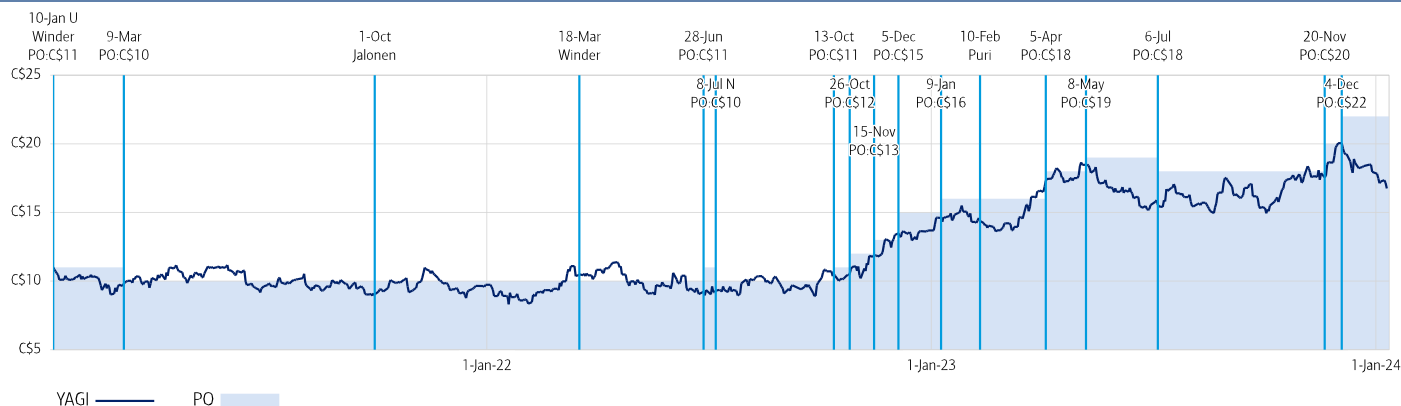
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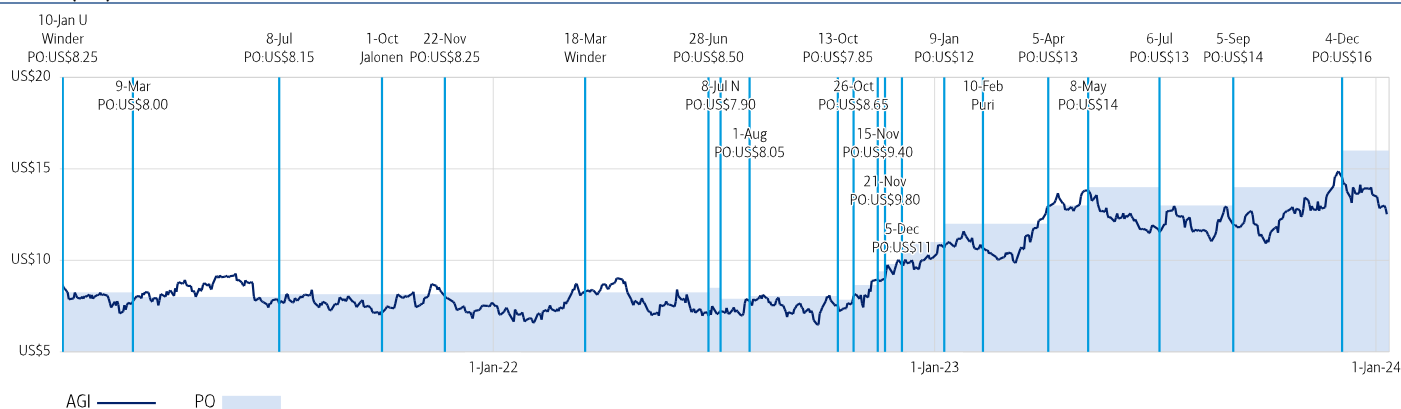
Alamos Gold (YAGI) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Alamos Gold (AGI) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Equity Investment Rating Distribution: Non-Ferrous Metals/Mining & Minerals Group (as of 31 Dec 2023)

| Coverage Universe | Count | Percent | Inv. Banking Relationships ^{R1} | Count | Percent |
|-------------------|-------|---------|--|-------|---------|
| Buy | 58 | 53.70% | Buy | 26 | 44.83% |
| Hold | 24 | 22.22% | Hold | 10 | 41.67% |
| Sell | 26 | 24.07% | Sell | 13 | 50.00% |

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

| Coverage Universe | Count | Percent | Inv. Banking Relationships ^{R1} | Count | Percent |
|-------------------|-------|---------|--|-------|---------|
| Buy | 1895 | 53.62% | Buy | 1083 | 57.15% |
| Hold | 832 | 23.54% | Hold | 454 | 54.57% |
| Sell | 807 | 22.84% | Sell | 383 | 47.46% |

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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| Investment rating | Total return expectation (within 12-month period of date of initial rating) | Ratings dispersion guidelines for coverage cluster ^{R2} |
|-------------------|---|--|
| Buy | ≥ 10% | ≤ 70% |
| Neutral | ≥ 0% | ≤ 30% |
| Underperform | N/A | ≥ 20% |

^{R2} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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