



North American Capital Markets: Trends and Expectations for 2012

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TABLE OF CONTENTS

1. MARKET OVERVIEW
 2. MERGERS AND ACQUISITIONS
-
- A. APPENDIX

MARKET OVERVIEW

MARKET OVERVIEW

Financing, Merger & Acquisition Opportunities

Opportunities

- Attractive projects with strong management teams are finding capital
- Partnerships with and investments by Chinese firms are becoming more common in base metals as they look to lock-in supply
- Junior and mid-tier producers have performed stronger than their larger peers

FINANCING

Challenges

- As gold pulls back from its highs, investors are evaluating projects more closely before deciding to invest
- More difficult to attract capital to projects in riskier jurisdictions
- Global economic uncertainty has severely reduced investors' appetite for risk

Opportunities

- Acquisition of more advanced projects is more attractive than increasing exploration expenditures
- Juniors with robust development stage projects but who require funding would complement larger producers with strong balance sheets

MERGER & ACQUISITION

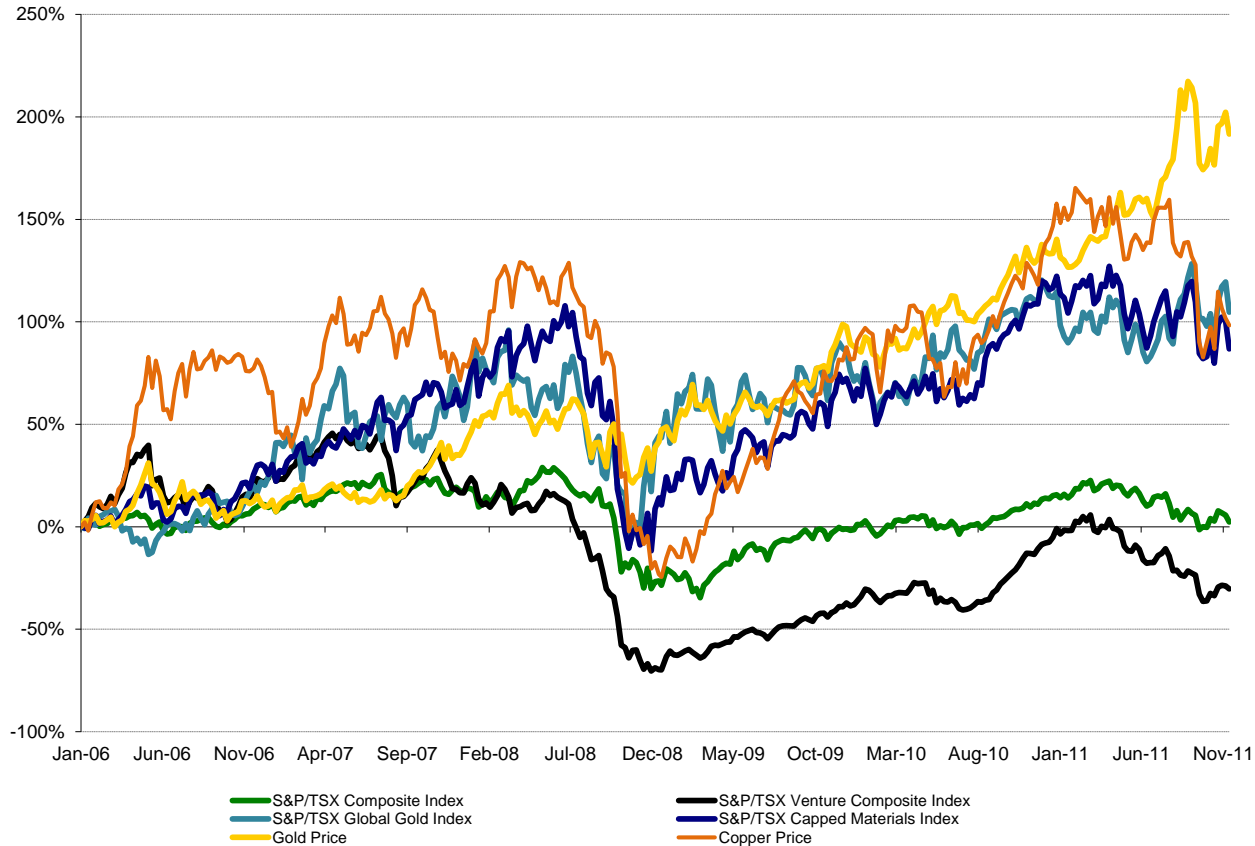
Challenges

- Tier I and Tier II producers with flat production profiles are having to seek out Tier III or emerging producers with riskier growth profiles
- Increased demand and large cash balances have driven up prices, making acquisitions less attractive

MARKET OVERVIEW

TSX / TSX Capped Materials / TSX Global Gold / Gold Price / Copper Price

- Since January 2006, gold bullion has been the top performer, returning 192%⁽¹⁾
- After rebounding strongly from their lows of 2008, with copper hitting an all-time high in April 2011, base metals prices have retraced in the second half of 2011 due to macroeconomic uncertainties

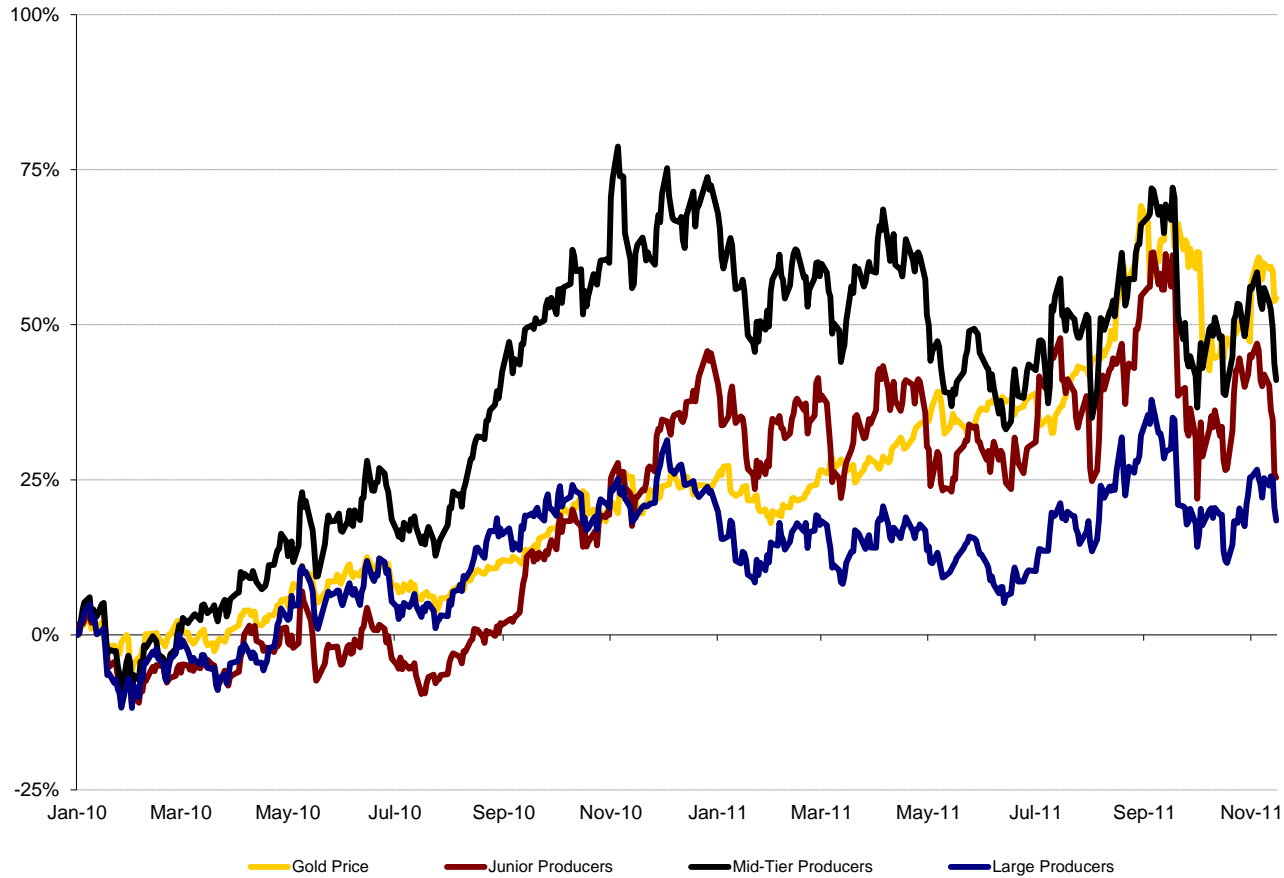


(1) As at November 18, 2011
Source: Capital IQ

MARKET OVERVIEW

Performance of Gold Producers

- Gold equities underperformed spot gold since the start of 2011, with the price gap between bullion and equities widening over the year
- Despite their leverage to spot prices, large producers have not kept pace with gold's appreciation



Notes:

1. As at November 18, 2011
 2. Junior Producers include: Alexis, Avion, Claude, Cluff, La Mancha, Brigus, Richmond, Timmins
 3. Mid-Tier Producers include: Alamos, Aurizon, CGA Mining, Golden Star, Great Basin, Nevsun
 4. Large Producers include: Agnico-Eagle, Barrick Gold, Goldcorp, IAMGOLD, Kinross, Yamana
- Source: Capital IQ

MARKET OVERVIEW

Performance of Silver Companies

- Silver prices hit an all-time high in May 2011
- While equities were following spot silver prices closely in H1/2011, the gap between bullion and exploration equities has widened in H2/2011 as investors have attempted to de-risk their portfolios



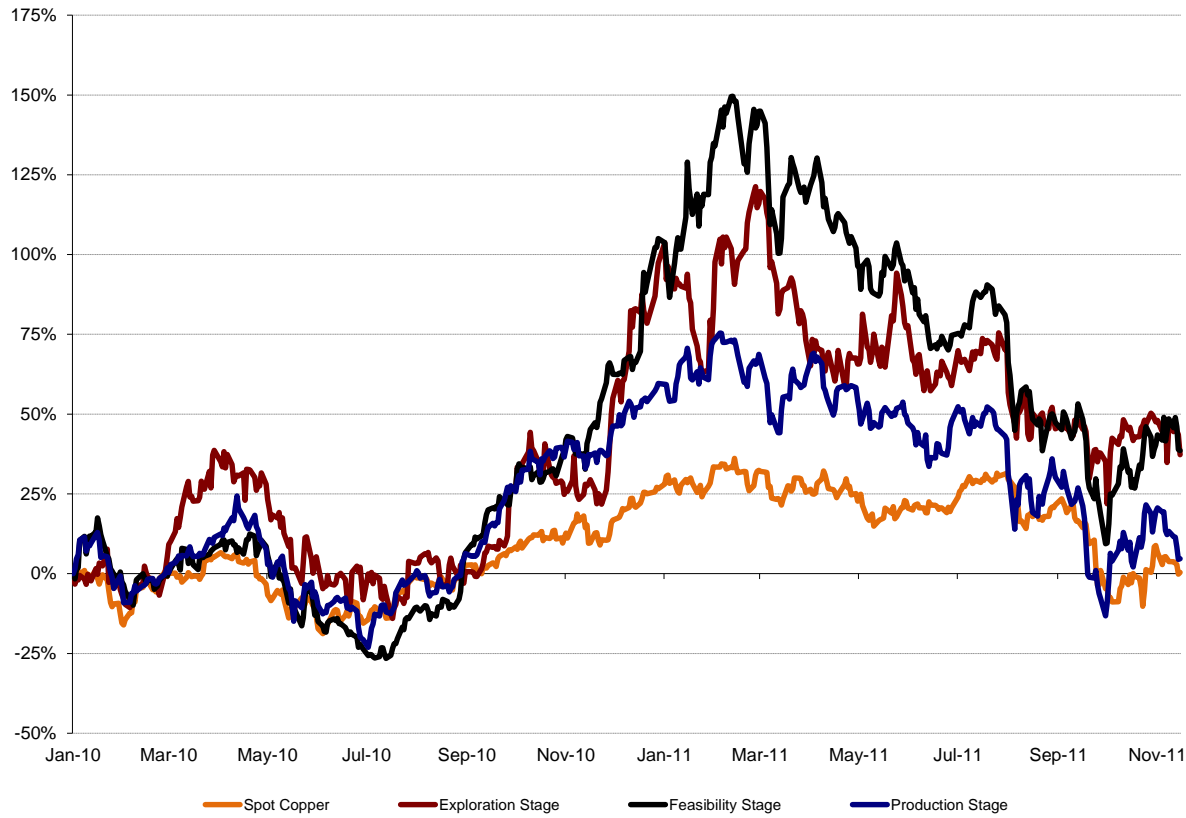
Notes:

1. As at November 18, 2011
 2. Explorers / Developers include: Bear Creek, Golden Minerals, MAG Silver, Oremex, Silvermex
 3. Small Producers include: Endeavour, Fortuna Silver, Revett, Scorpio, Silvercrest Mines
 4. Large Producers include: Coeur d'Alene, First Majestic, Hecla, Pan American Silver, Silvercorp
- Source: Capital IQ

MARKET OVERVIEW

Performance of Copper Companies

- After hitting an all-time high in April 2011, base metals prices have retraced in the second half of 2011 due to macroeconomic uncertainties
- Exploration stage and Feasibility stage groups outperformed the spot copper price over the last year, while producers' performance remained inline with that of spot copper



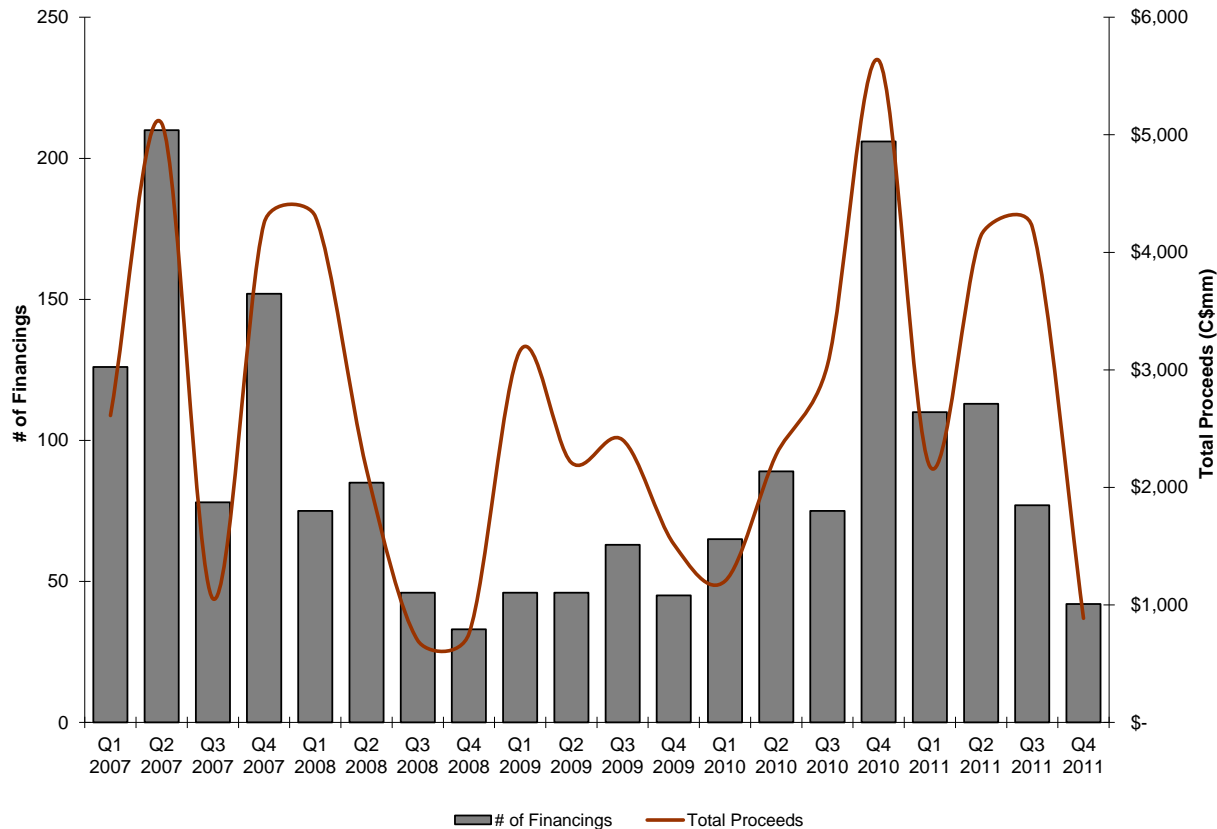
Notes:

1. As at November 18, 2011
 2. Exploration Stage includes: Panoro, Los Andes, African Metals, Serengeti, Bell Copper
 3. Feasibility Stage includes: Copper Fox, Candente, Western Copper, Nevada Copper
 4. Production Stage includes: First Quantum, Inmet, Capstone, Quadra FNX, Taseko, Imperial Metals
- Source: Capital IQ

MARKET OVERVIEW

TSX Mining Financings (2007 – 2011 YTD)

- Mining financings rebounded sharply through 2010 since the 2008 lows as resource investors regained confidence
- Recent macroeconomic uncertainties have, however, made it more challenging for junior mining companies to gain access to capital markets

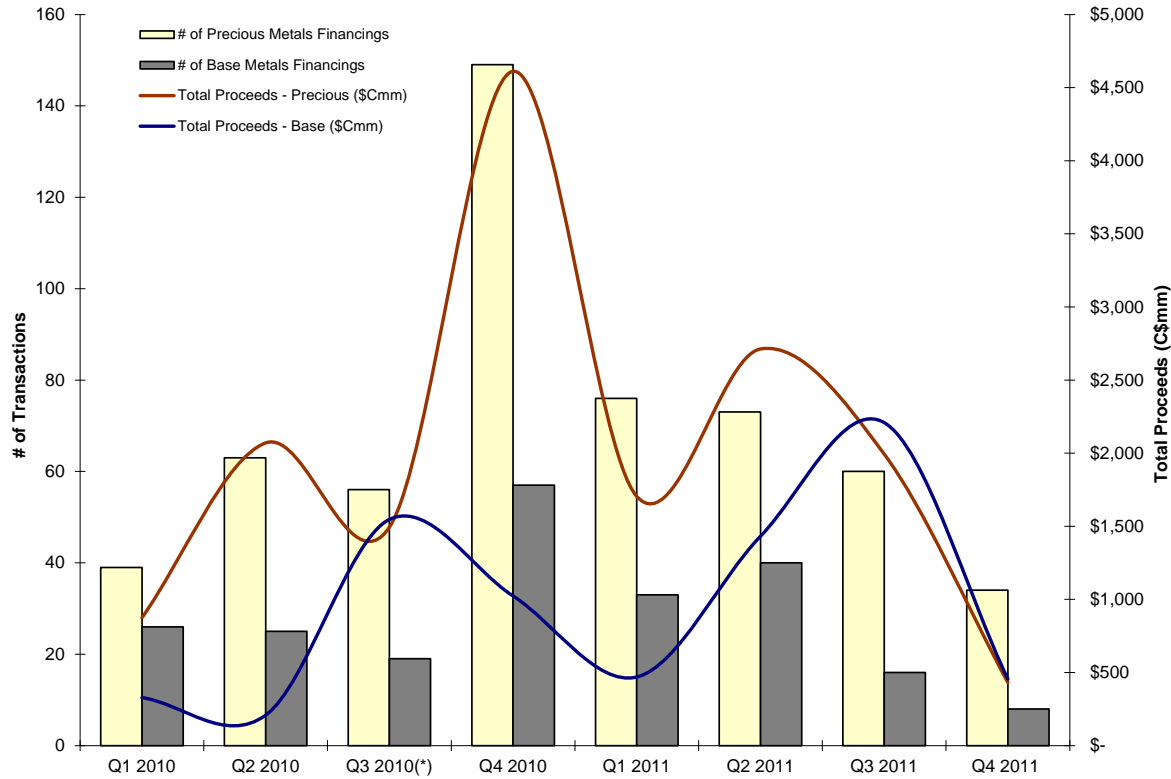


As of November 18, 2011
Source: FP Infomart

MARKET OVERVIEW

TSX Mining Financings by Metal (2010 – 2011 YTD)

- During H1/2011, the financing market had been stronger than H1/2010 for both base and precious metals as commodity prices remained strong
- In the second half of the year, volatility due to macroeconomic challenges in Europe and in the US has slowed down the pace of financings



As of November 18, 2011

Note: (*) Q3 2010 includes C\$1.45B in financing for Teck Resources

Source: FP Infomart

MARKET OVERVIEW

Alternative Financings

- Alternative financing vehicles have increased in popularity over the past few years, they include:
 - Offtake Agreements :
 - Base metals end-users in Asia are securing long-term supply from mine developers through offtake agreements
 - Forward Sales:
 - Cash rich senior precious metals producers have progressively stepped away from forward sales agreements while junior and near-term producers, at times faced with challenges in accessing capital markets, continue to rely on this method of financing
 - Mezzanine Financing:
 - The recent volatility in equity and high yield debt markets has increased the popularity of mezzanine financing, including commodity backed/denominated loans, in the junior mining sector

MERGERS AND ACQUISITIONS

MERGERS AND ACQUISITIONS

Competition and Scarcity

- Over the past year, approximately 95 mining M&A transactions have been completed or are in progress in the Canadian capital markets
- The total value of these deals is approximately C\$58.4 billion, with an average transaction value of approximately C\$614.7 million
- During the same period, several announced M&A transactions have resulted in multiple parties vying for the same assets
- This suggests a shrinking number of quality projects that are at the late development/early production stage
- Recent examples include:
 - Rio Tinto and Cameco bid for Hathor Exploration (ongoing)
 - Barrick Gold's acquisition of Equinox Minerals, topping Minmetals' offer (completed)

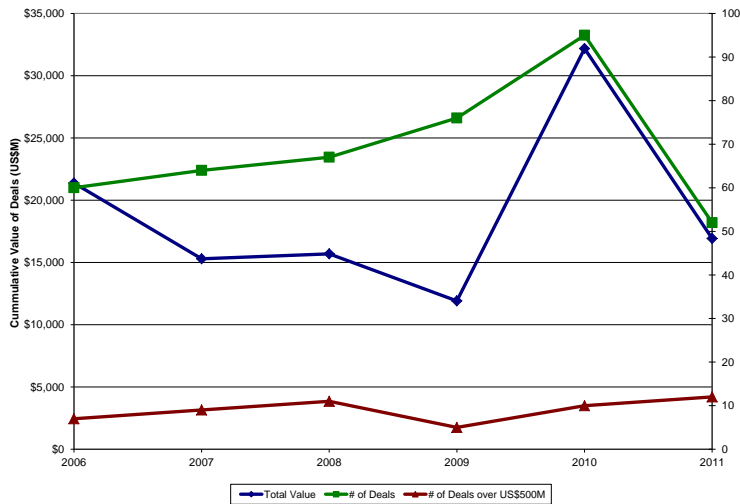
*Source: Metals Economics Group, Company Reports
All data as at November 18, 2011*

MERGERS AND ACQUISITIONS

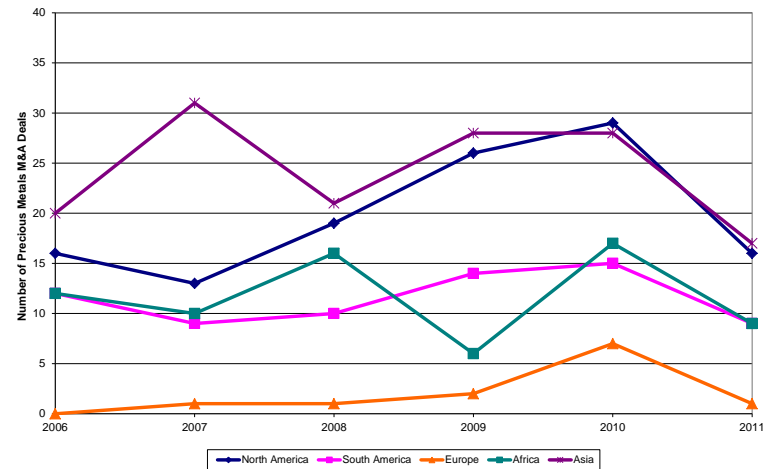
Increase in Precious Metals M&A Activity

- As the prices for gold and silver have increased over the past few years, so too has the volume of M&A activity in the precious metals sector
- However, recent all time highs seen for both silver and gold prices have not materialized in more M&A transactions due to macroeconomic uncertainties and weaker correlation between gold and gold equities
- The number of M&A transactions in the sector could rebound due to the lack of major new discoveries, “assimilation/disappearance” of many mid-tier gold producers, and the shear competition between juniors to become the next precious metals producer
- It is expected that precious metals M&A activity going forward will be ever increasing in Africa and Asia as exploration activities continue and as geopolitical concerns ease throughout the continents

Precious Metals Deals Since 2006



Precious Metals M&A Deals by Continent Since 2006



Source: Metals Economics Group
All data as at November 18, 2011

MERGERS AND ACQUISITIONS

Juniors to Seniors – The Valuation Gap

- The table below outlines the “re-ratings” that gold producers can achieve on a resource and OCF basis by moving up in the ranks, a key consideration in M&A activity in the small and mid-tier gold production space

| Category | Average AMC / Resources (US\$/oz) | Average AMC / 2012 OCF (x) |
|--|---|----------------------------------|
| Large Producers (>450,000 oz/a) | \$247.1 | 7.1x |
| Mid-Tier Producers (150,000 to 450,000 oz/a) | \$140.5 | 4.8x |
| Small Producers (<150,000 oz/a) | \$105.6 | 2.9x |
| Development - BFS/Construction Stage | \$52.5 | N/A |
| Development - PFS | \$38.6 | N/A |

1 AMC = current market capitalization + long-term debt – current working capital

2 2012 operating cashflow estimates, based on consensus research, management guidance, technical reports and/or Haywood estimates

3 Haywood's estimated 2012 gold price is US\$1,650/oz Au

4 Closing Prices as at November 18, 2011

5 FD o/s calculation is based on the treasury method

6 Gold equivalency based on commodity prices of US\$1,150.00/oz Au, US\$20.00/oz Ag, US\$3.00/lb Cu, US\$1.10/lb Zn and US\$1.10/lb Pb

MERGERS AND ACQUISITIONS

Summary of Activity

- Since 2006, deals larger than US\$500.0M made up 69.1% of the total value of deals completed
- The largest deals were completed in 2006 and 2010, highlighted by the Newcrest-Lihir Gold, Goldcorp-Glamis Gold and Kinross-Red Back Mining blockbuster deals

| Date Announced | Target | Seller | Buyer | Main Metal | % Acquired | Price Paid (US\$M) |
|----------------|---------------------------------|---------------------------------------|--|------------|------------|--------------------|
| 2011/11 | <i>Jaguar Mining Inc</i> | <i>Jaguar Mining Inc</i> | <i>Shandong Gold Group Co Ltd</i> | Au | 100.0% | 785 |
| 2011/08 | Northgate Minerals Corp | Northgate Minerals Corp | AuRico Gold Inc | Au | 100.0% | 1,484 |
| 2011/06 | <i>Minera Andes Inc</i> | <i>Minera Andes Inc</i> | <i>US Gold Corp</i> | Au | 100.0% | 763 |
| 2011/04 | Tarkwa and Damang | lamgold Corp | Gold Fields Ltd | Au | 18.9% | 667 |
| 2011/04 | KazakhGold's producing asset | Polyus Gold International Ltd | Kazakhaltyn Mining Co Ltd | Au | 100.0% | 509 |
| 2011/04 | Taung Gold Holdings Ltd | Taung Gold Holdings Ltd | Wing Hing International | Au | 87.0% | 580 |
| 2011/04 | Richfield Ventures Corp (Black) | Richfield Ventures Corp | New Gold Inc | Au | 100.0% | 570 |
| 2011/03 | Century Mining Corp | Century Mining Corp | White Tiger Gold Ltd | Au | 100.0% | 762 |
| 2011/02 | Fronteer Gold Inc | Fronteer Gold Inc | Newmont Mining Corp | Au | 100.0% | 2,300 |
| 2010/12 | Gold Wheaton Gold Corp | Gold Wheaton Gold Corp | Franco-Nevada Corp | Au | 100.0% | 826 |
| 2010/11 | Ventana Gold Corp | Ventana Gold Corp | EBX Group | Au | 80.0% | 1,009 |
| 2010/09 | Avoca Resources Ltd | Avoca Resources Ltd | Anatolia Minerals Development Ltd | Au | 100.0% | 968 |
| 2010/09 | Andean Resources Ltd | Andean Resources Ltd | Goldcorp Inc | Au | 100.0% | 3,442 |
| 2010/08 | Red Back Mining | Red Back Mining | Kinross Gold Corp | Au | 100.0% | 7,584 |
| 2010/06 | San Dimas | Goldcorp Inc | Primerio Mining Corp | Au | 100.0% | 510 |
| 2010/05 | Escobal | Goldcorp Inc | Tahoe Resources Inc | Ag | 100.0% | 505 |
| 2010/04 | Comaplex Minerals Corp | Meliadine Holdings Inc (Agrico-Eagle) | Agrico-Eagle Mines Ltd | Au | 87.7% | 588 |
| 2010/03 | Lihir Gold Ltd | Lihir Gold Ltd | Newcrest Mining Ltd | Au | 100.0% | 8,662 |
| 2010/01 | El Morro | Xstrata Plc | Goldcorp Inc | Au | 70.0% | 513 |
| 2009/12 | International Royalty Corp | International Royalty Corp | Royal Gold Inc | Au | 100.0% | 701 |
| 2009/10 | Aquiline Resources Inc | Aquiline Resources Inc | Pan American Silver Corp | Ag | 100.0% | 607 |
| 2009/08 | Sino Gold Mining Ltd | Sino Gold Mining Ltd | Eldorado Gold Corp | Au | 80.2% | 1,752 |
| 2009/08 | West Timmins Mining Inc* | West Timmins Mining Inc | Lake Shore Gold Corp | Au | 100.0% | 291 |
| 2009/07 | Moto Goldmines Ltd | Moto Goldmines Ltd | AngloGold Ashanti Ltd Randgold Resources Ltd | Au | 100.0% | 488 |
| 2009/03 | Anglogold Ashanti Ltd | Anglo American Plc | Paulson Co Inc | Au | 11.3% | 1,280 |
| 2009/01 | Boddington | Anglogold Ashanti Ltd | Newmont Mining Corp | Au | 33.3% | 990 |
| 2008/10 | Lonmin Plc | Lonmin Plc | Xstrata Plc | Pt | 14.2% | 786 |
| 2008/07 | Gold Eagle Mines Ltd | Gold Eagle Mines Ltd | Goldcorp Inc | Au | 100.0% | 1,500 |
| 2008/07 | Aurelian Resources Inc | Aurelian Resources Inc (Kinross Gold) | Kinross Gold Corp | Au | 100.0% | 809 |
| 2008/06 | Polymetal Mnpo | Nafta-Moskva Co | Private Interest | Ag | 68.0% | 2,040 |
| 2008/04 | Esperanza And El Tesoro | Antofagasta Plc | Marubeni Corp | Au | 30.0% | 1,310 |
| 2008/04 | Aquarius South Africa | Impala Platinum Holdings Ltd | Aquarius Platinum Ltd | Pt | 20.0% | 505 |
| 2008/03 | Metallica Resources Inc | Metallica Resources Inc | New Gold Inc | Au | 100.0% | 772 |
| 2008/03 | Peak Gold Ltd | Peak Gold Ltd | New Gold Inc | Au | 100.0% | 639 |
| 2008/03 | Equigold NL | Equigold NL | Lihir Gold Ltd | Au | 100.0% | 742 |
| 2008/02 | Cortez | Rio Tinto Plc | Barrick Gold Corp | Au | 40.0% | 1,695 |
| 2008/02 | Greens Creek | Rio Tinto Plc | Hecla Mining Co | Ag | 70.3% | 750 |
| 2007/10 | Miramar Mining Corp | Miramar Mining Corp | Newmont Mining Corp | Au | 91.5% | 1,380 |
| 2007/10 | Cerro Casale | Arizona Star Resource Corp | Barrick Gold Corp | Au | 51.0% | 810 |
| 2007/10 | Choco Concessions | Gold Fields Ltd | Rusoro Mining Ltd | Au | 95.0% | 532 |
| 2007/08 | Elandsfontein 440 Jq | Eland Platinum Holdings Ltd (Xstrata) | Xstrata Plc | Pt | 65.0% | 1,000 |
| 2007/06 | Northern Orion Resources Inc | Northern Orion Resources Inc | Yamana Gold Inc | Au | 100.0% | 985 |
| 2007/06 | Meridian Gold Inc | Meridian Gold Inc | Yamana Gold Inc | Au | 100.0% | 3,540 |
| 2007/05 | Bolnisi Gold NI | Bolnisi Gold NI | Coeur D'Alene Mines Corp | Ag | 100.0% | 845 |
| 2007/02 | Meadowbank River | Cumberland Resources Ltd | Agrico-Eagle Mines Ltd | Au | 97.4% | 609 |
| 2007/02 | Leeuwkop 402Jq | African Platinum Plc | Impala Platinum Holdings Ltd | Pt | 100.0% | 511 |
| 2006/11 | Bema Gold Corp | Eastwest Gold Corp (Kinross Gold) | Kinross Gold Corp | Au | 100.0% | 3,100 |
| 2006/09 | Cambior Inc | Cambior Inc | lamgold Corp | Au | 100.0% | 1,196 |
| 2006/09 | South Deep | Western Areas Ltd | Gold Fields Ltd | Au | 41.0% | 975 |
| 2006/09 | South Deep | Barrick Gold Corp | Gold Fields Ltd | Au | 50.0% | 1,525 |
| 2006/08 | Glamis Gold Ltd | Glamis Gold Ltd | Goldcorp Inc | Au | 100.0% | 8,600 |
| 2006/08 | Gualcamayo | Viceroy Exploration Ltd | Yamana Gold Inc | Au | 100.0% | 515 |
| 2006/02 | Penasquito | Western Silver Corp (Goldcorp) | Glamis Gold Ltd | Au | 100.0% | 1,000 |
| 2006/02 | Jacobina | Desert Sun Mining Corp | Yamana Gold Inc | Au | 100.0% | 500 |

Source: Metals Economics Group

Deals shown in italic fonts are currently in-progress

All data as at November 18, 2011

MERGERS AND ACQUISITIONS

An Overview of Deal Valuations – Gold Deals over US\$500M

- In general, the premium paid for an acquisition (over the 20-day VWAP) has remained relatively consistent over the last 4 years
- From 2007 to 2010, the acquisition price as a % of the spot gold price decreased mainly due to the rapid increase in the gold price
- After falling sharply in 2008/2009, the average acquisition price on a Au Eq basis has surged to new highs as increasing competition pushes valuations higher

Summary of Valuation Multiples – Gold Transactions Completed 2007 – 2011 YTD

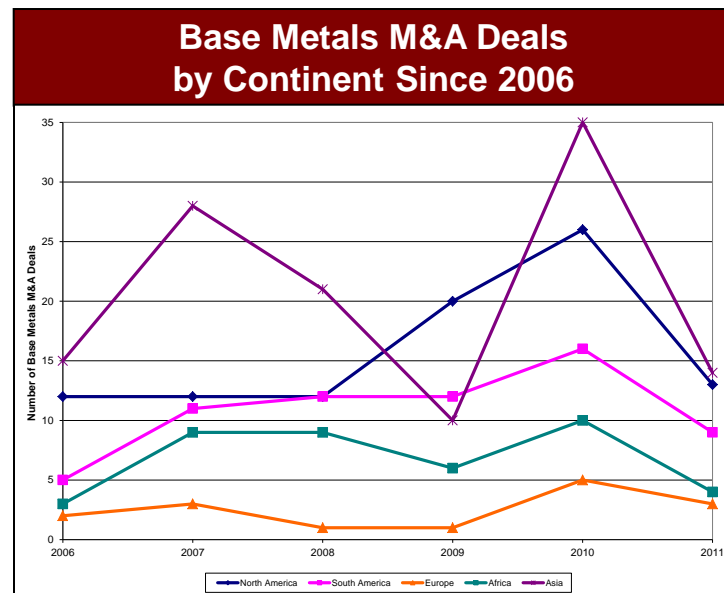
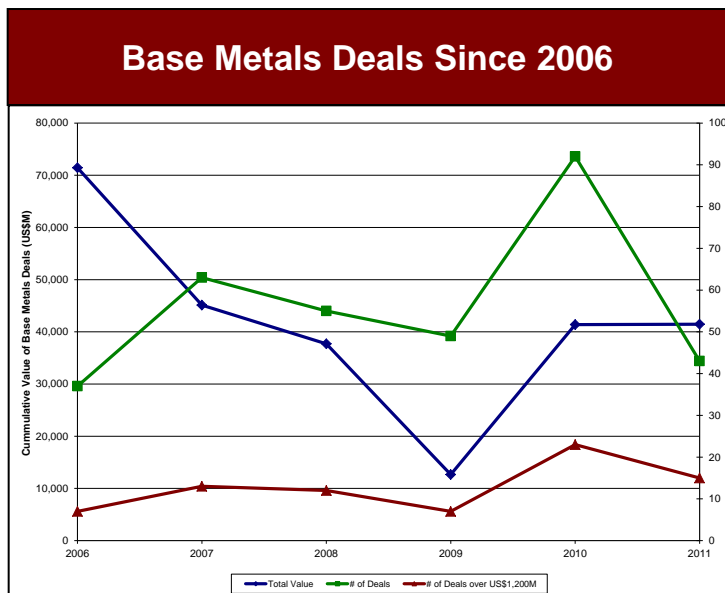
| AVERAGES | | | | |
|----------------|----------------|-----------------------------|---------------------|----------------------|
| Year | Deal Size | Premium over 20-day VWAP | Price / Au Eq Oz | Price / Gold Spot |
| | (US\$ M) | (%) | (US\$/oz) | (%) |
| 2007 | \$239.0 | 30.9% | \$55.9 | 8.2% |
| 2008 | \$234.2 | 26.0% | \$35.8 | 5.4% |
| 2009 | \$156.7 | 37.9% | \$38.5 | 4.0% |
| 2010 | \$335.3 | 30.8% | \$64.4 | 5.6% |
| 2011 YTD | \$316.5 | 37.3% | \$94.5 | 7.7% |
| AVERAGE | \$256.3 | 32.6% | \$57.8 | 6.2% |

Source: Metals Economics Group, Thomson ONE, and Company Reports
All data as at November 18, 2011

MERGERS AND ACQUISITIONS

A Rapid Recovery in Base Metals M&A Activity

- With the surge in base metal prices during 2006-2007, M&A transactions had been strong and growing
- As prices crashed in 2008-2009, M&A values and transactions were significantly depressed
- 2010 saw a spike in the number of deals as commodity prices were strong, although they have fallen off in 2011 due to global economic concerns
- It is expected that base metals M&A activity going forward will be ever increasing in Africa and Asia, with their vast untapped and unexplored resources



Source: Metals Economics Group
All data as at November 18, 2011

MERGERS AND ACQUISITIONS

Summary of Activity

- Since 2006, deals larger than US\$1,200M made up 42.6%* of the total value of base metal M&A transactions
- The sector has seen a resurgence of M&A transactions since 2006, supported by base metals end-users in Asia looking to secure long-term supply through acquisitions which accounted for over 15.5%* of the total value of base metal M&A transactions in 2010, compared to just 10.8%* for all of 2006-2009 combined

| Date Announced | Target | Seller | Buyer | Main Metal | % Acquired | Status | Price Paid (US\$M) |
|----------------|--|--|---|------------|------------|--------------------|--------------------|
| 2011/10 | Anglo American Sur | Anglo American plc | Mitsubishi Corp | Cu | 24.1% | Completed | 5,390 |
| 2011/09 | <i>Anvil Mining Ltd</i> | <i>Anvil Mining Ltd</i> | <i>Minmetals Resources Ltd</i> | Cu | 100.0% | <i>In Progress</i> | 1,270 |
| 2011/07 | <i>Metorex Ltd</i> | <i>Metorex Ltd</i> | <i>Jinchuan Group Ltd</i> | Cu | 100.0% | <i>In Progress</i> | 1,328 |
| 2011/05 | International Coal Group, Inc. | International Coal Group, Inc. | Arch Coal Inc | Coal | 100.0% | Completed | 2,986 |
| 2011/04 | Equinox Minerals Ltd | Equinox Minerals Ltd | Barrick Gold Corp | Cu | 100.0% | Completed | 7,700 |
| 2011/04 | <i>Kazzinc Jsc</i> | <i>Verny Investments SPA Investors</i> | <i>Glencore International AG</i> | Zn | 42.3% | <i>In Progress</i> | 3,200 |
| 2011/01 | Massey Energy Company | Massey Energy Company | Alpha Natural Resources, Inc. | Coal | 100.0% | Completed | 7,107 |
| 2011/01 | Consolidated Thompson Iron Mines Limited | Consolidated Thompson Iron Mines Limited | Cliffs Natural Resources Inc. | Fe | 100.0% | Completed | 4,947 |
| 2010/12 | Riversdale Mining Ltd | Riversdale Mining Ltd | Rio Tinto plc | Coal | 100.0% | Completed | 3,909 |
| 2010/12 | <i>Ivanhoe Mines Ltd</i> | <i>Ivanhoe Mines Ltd</i> | <i>Rio Tinto plc</i> | Cu | 11.50% | <i>In Progress</i> | 1,307 |
| 2010/12 | Norilsk Nickel (MMC) | Norilsk Nickel (MMC) | Trafigura Beheer | Ni | 8.0% | Completed | 3,600 |
| 2010/10 | Kazakhmys Plc | National Welfare Fund Samruk-Kazyna JSC | Private Interest | Cu | 11.00% | Completed | 1,300 |
| 2010/10 | Citadel Resource Group Ltd | Citadel Resource Group Ltd (Equinox Resource) | Equinox Minerals Ltd | Cu | 100.0% | Completed | 1,240 |
| 2010/10 | <i>Minerals and Metals Group</i> | <i>China Minmetals Non-ferrous Metals Co Ltd</i> | <i>Minmetals Resources Ltd</i> | Zn | 100.0% | <i>In Progress</i> | 1,850 |
| 2010/10 | Kazakhmys Plc | National Welfare Fund Samruk-Kazyna JSC | Private interest | Cu | 11.0% | Completed | 1,300 |
| 2010/07 | <i>Centennial Coal Co. Ltd.</i> | <i>Centennial Coal Co. Ltd.</i> | <i>Banpu Minerals Co. Ltd.</i> | Coal | 80.1% | <i>In Progress</i> | 1,644 |
| 2010/05 | C.I. Prodeco S.A. | C.I. Prodeco S.A. | Glencore International AG | Coal | 100.0% | Completed | 2,250 |
| 2010/04 | BSG Resources Ltd. (Simandou) | BSG Resources Ltd. (Simandou) | Vale S.A. | Fe | 51.0% | Completed | 2,500 |
| 2010/03 | Itaminas Iron Ore Mine | Itaminas Iron Ore Mine | East China Mineral Exploration & Develop | Fe | 100.0% | Completed | 1,220 |
| 2010/03 | FNX Mining Co Inc | FNX Mining Co Inc | Quadra FNX Mining Ltd | Ni | 100.0% | Completed | 1,517 |
| 2009/05 | Foundation Coal Holdings, Inc. | Foundation Coal Holdings, Inc. | Alpha Natural Resources, Inc. | Coal | 100.0% | Completed | 1,620 |
| 2009/02 | Oz Minerals Asset Package | Oz Minerals Ltd | China Minmetals Corp | Zn | 100.0% | Completed | 1,386 |
| 2009/01 | C.I. Prodeco S.A. | C.I. Prodeco S.A. | Xstrata plc | Coal | 100.0% | Completed | 2,000 |
| 2008/08 | Norilsk Nickel | Onexim Group | Interros Group | Ni | 16.7% | Completed | 10,000 |
| 2008/07 | New Hope Corp Ltd. (New Saraji Coal Project) | New Hope Corp Ltd. | BHP Billiton Mitsubishi Alliance Pty Ltd. | Coal | 100.0% | Completed | 2,391 |
| 2008/04 | Magnum Coal Company | Magnum Coal Company | Patriot Coal Corp. | Coal | 100.0% | Completed | 1,385 |
| 2008/04 | Esperanza And El Tesoro | Antofagasta Plc | Marubeni Corp | Cu | 30.00% | Completed | 1,310 |
| 2008/03 | Zinifex Ltd | Zinifex Ltd | Oz Minerals Ltd | Zn | 100.0% | Completed | 5,570 |
| 2008/01 | Rio Tinto Plc | Rio Tinto Plc | Aluminum Corp Of China Ltd Alcoa Inc | Cu | 12.0% | Completed | 9,400 |
| 2007/12 | Norilsk Nickel (MMC) | Norilsk Nickel (MMC) | Russian Aluminum (Rusal) | Ni | 25.0% | Completed | 14,500 |
| 2007/11 | Nikanor PLC | Nikanor Plc | Katanga Mining Ltd | Cu | 100.0% | Completed | 3,100 |
| 2007/11 | Aynak | Government Of Afghanistan | Jiangxi Copper Co Ltd China | Cu | 100.0% | Completed | 3,700 |
| 2007/10 | Jubilee Mines NL | Jubilee Mines NI (Xstrata) | Xstrata Plc | Ni | 100.0% | Completed | 2,900 |
| 2007/07 | Aur Resources Inc | Aur Resources Inc (Teck Cominco) | Teck Cominco Ltd | Cu | 100.0% | Completed | 3,818 |
| 2007/05 | Lionore Mining International Ltd | Lionore Mining International Ltd (Norilsk Ni) | Norilsk Nickel (MMC) | Ni | 100.0% | Completed | 6,300 |
| 2007/04 | Ambatovy | Dynatec Corp | Sherritt International Corp | Ni | 40.0% | Completed | 1,300 |
| 2007/04 | Tenke Fungurume | Tenke Mining Corp | Lundin Mining Corp | Cu | 24.8% | Completed | 1,300 |
| 2006/11 | Phelps Dodge Corp | Phelps Dodge Corp (Freeport-Mcmoran Copper) | Freeport-Mcmoran Copper And Gold Inc | Cu | 100.0% | Completed | 25,900 |
| 2006/08 | Lundin Mining Corp | Lundin Mining Corp | Eurozinc Mining Corp | Zn | 100.0% | Completed | 1,638 |
| 2006/08 | Inco Ltd | Vale Inco Ltd (CVRD) | Vale | Ni | 100.0% | Completed | 17,300 |
| 2006/05 | Falconbridge Ltd | Xstrata Canada Corp (Xstrata) | Xstrata Plc | Ni | 80.2% | Completed | 21,200 |

Source: Metals Economics Group, Company Reports

Note: (*) Percentage normalized by excluding deals above \$10B

Deals shown in italic fonts are currently in-progress

All data as at November 18, 2011

MERGERS AND ACQUISITIONS

An Overview of Deal Valuations – Copper Deals over US\$500M

- Valuations were significantly impacted by the financial crisis in 2008-2009 and related collapse in base metals prices
- The premium paid for an acquisition (over the 20-day VWAP) has rebounded in 2010, as strong demand from emerging markets, particularly China, for base metals (copper, coal, iron ore) has driven commodity prices higher

Summary of Valuation Multiples – Copper Transactions Completed 2007 – 2011 YTD

| AVERAGES | | | | |
|----------|--------------------------|------------------|-------------------------------------|---------------------------------|
| Year | Premium over 20-day VWAP | Price / Cu Eq lb | Average Copper Price @ Announcement | Price as % of Spot Copper Price |
| | (%) | (US\$/lb) | (US\$/lb) | (%) |
| 2007 | 26.5% | \$0.074 | \$3.298 | 2.3% |
| 2008 | 29.0% | \$0.034 | \$3.118 | 1.1% |
| 2009 | 22.9% | \$0.034 | \$2.602 | 1.3% |
| 2010 | 35.0% | \$0.064 | \$3.147 | 2.0% |
| 2011 YTD | 33.5% | \$0.075 | \$4.064 | 1.8% |

Source: Metals Economics Group, Thomson ONE, Company Reports
All data as at November 18, 2011

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