

Metals & Mining

December 22, 2025
Global Equity Research

Gold and Gold Miners

Sector Initiation

Gold Above \$4,000 and the Central Banks Behind It: Initiating at \$4,850 Gold; Overweight Newmont

Gold: Dec-26 target \$4,850 (+12%). Central banks have bought about 1,019t a year since 2022, more than twice the 473t a year of 2010-21. They budget in dollars: as the price rose they bought fewer tonnes (854t in 2025E) but spent more (\$94bn, from \$63bn in 2022). If they spend ~\$100bn in 2026, our flow model puts gold at \$5,067 by December. For gold to fall back below \$4,000 with that spend and real yields flat, ETFs would have to sell ~530t, most of 2025's ~700t of inflows.

NEM: Overweight, PT \$132 (+30%). The cheapest of our producers at 6.6x FY26E EBITDA at spot, with an 8% FCF yield and ~\$2.7bn left on its \$6bn buyback. The most gold leverage per dollar of our four, at the lowest multiple.

B: Neutral, PT \$54 (+21%). Real catalysts in the Mali settlement and a possible minority IPO of the North American assets, but collars cap ~800koz at \$4,310/oz and the CEO role is interim.

AEM: Underweight, PT \$203 (+17%). The best assets in the group, priced as such: 7.8x FY26E EBITDA against 6.6x for Newmont, for output guided flat at 3.3-3.5Moz through 2027. We assume half that premium closes; if it holds, the shares rate Neutral.

WPM: Neutral, PT \$146 (+22%). No mine capex, no debt and mostly fixed per-ounce payments: lower gearing to gold (1.09x) than the producers, but at 21x EBITDA a return in line with the group.

Key Points

Central banks set the floor; private buyers set the pace

In 2023 and 2024 gold ETFs sold 244t and 7t, yet gold rose 13% and 27% as central banks bought 1,051t and 1,089t. In 2025 central banks slowed and ETFs added ~700t: gold rose 65%. The first is a floor that rises with official budgets; the second is the swing factor, and it is the one that can reverse.

Real yields still matter, but only at the margin

Since 2022 gold still falls ~8% for each 100bp rise in 10-year real yields (14% in 2010-21), but its underlying drift jumped from ~1% a year to ~27%. The 2006-21 level relationship would put gold at \$836 today (Exhibit 1).

The miners do not need higher gold, but they gear to it

GDX is up 159% this year against 65% for gold. At today's multiples our four names hold their value to December 2026 as long as gold stays above ~\$4,000-4,100, 5-8% below spot, because a year of free cash flow fills the gap. Consensus targets were set on older decks: Newmont and Barrick closed within 4% of theirs. We prefer the cheapest leverage (Newmont) over premium quality (Agnico) and low-beta streams (Wheaton).

K2 CAPITAL LIMITED

Connect With Our Research Desk

K2 Capital Limited | Global Equity Research
research@k2-capital.co

Symbol	PT	Rating	Price
NEM	— \$132.00	Overweight	\$101.29
B	— \$54.00	Neutral	\$44.73
AEM	— \$203.00	Underweight	\$174.21
WPM	— \$146.00	Neutral	\$119.70

Source: Yahoo Finance and K2 Capital. Prices at 19-Dec-25 close; Dec-26 PTs; ratings vs our coverage average.

Gold, Dec-26	\$/oz	vs spot	Prob.
Bull	5,936	+37%	25%
Base	5,067	+17%	50%
Bear	3,406	(22%)	25%
K2 target (weighted)	4,850	+12%	-

Spot \$4,347 on 19-Dec-25. See Exhibit 5.

Dashboard	Now	Prior	Chg
Spot gold (\$/oz)	4,347	2,624	+65%
CB buying, 2022-25E avg (t/yr)	1,019	473*	2.2x
CB spend, 2025E (\$bn)	94	63**	+50%
Gold ETF flows, 2025 YTD (t)	+700	-7***	Swing
10y real yield (%)	1.92	2.24	-32bp
DXV	98.6	108.5	-9%
Gold miners (GDX)	87.8	33.9	+159%

*2010-21 average. **2022. ***Full-year 2024. Spot gold vs 31-Dec-24; real yield and DXV vs 31-Dec-24.

This material is intended solely for professional and institutional investors and does not constitute investment advice to any person. It may not be reproduced, sold or redistributed, in whole or in part, without the written consent of K2 Capital Limited.

See Page 8 of this report for analyst certification and important disclosures. K2 Capital Limited and its personnel may hold positions in, and may trade, securities discussed in this report, including positions inconsistent with its rating. Investors should consider this report as only a single factor in making their investment decision.

From 473t to 1,000t a year: who is buying

Central banks bought 1,082t in 2022, 1,051t in 2023 and ~1,089t in 2024 (WGC, latest revisions), against 473t a year in 2010-21. The 2025 pace is slower but still high: 634t in the first three quarters, and October's reported 53t was the biggest month of the year. The buyers are emerging-market central banks diversifying away from dollars after ~\$300bn of Russian reserves were frozen in 2022. Poland has bought 83t this year (to 531t, 26% of reserves) and raised its target to 30%; Kazakhstan 41t; Azerbaijan's oil fund 38t; Brazil 31t, its first purchases since 2021. China has reported 13 straight monthly increases, to 2,305t, but only ~26t this year; the WGC estimates 66% of 3Q25 buying was unreported, and Goldman Sachs estimates China bought ~15t in September against 1.24t reported.

Why the buying is sticky

In the WGC's 2025 survey, 95% of reserve managers expected global central-bank gold holdings to rise over the next year, a record 43% planned to add to their own and 73% expected the dollar's share of reserves to fall within five years. Gold overtook the euro as the second-largest reserve asset in 2024, at ~20% of official reserves (ECB). On 11-12 December the EU agreed to keep Russia's central-bank assets frozen indefinitely; on 19 December it chose to fund Ukraine without them. None of this changes quickly, and none of it is driven by the gold price.

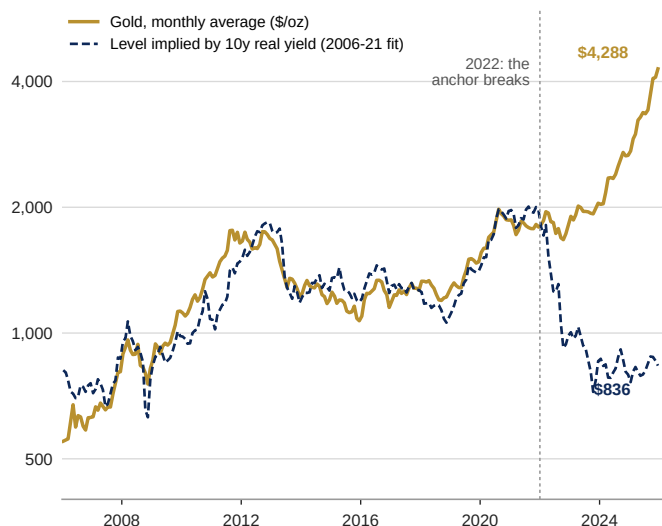
Tonnes fall when the price rises; dollars do not

Central-bank tonnage fell ~22% in 2025, which bears read as price sensitivity. Measured in dollars, buying rose: ~\$63bn in 2022, \$66bn in 2023, \$84bn in 2024 and ~\$94bn in 2025E (Exhibit 2). We model official demand as a dollar budget: \$100bn in 2026 buys ~661t at our base-case average price, ~23% below 2025E. That is conservative: Metals Focus forecast ~900t for 2025 (14 October) and Goldman Sachs assumes 70t a month in 2026.

The real-yield anchor broke in 2022

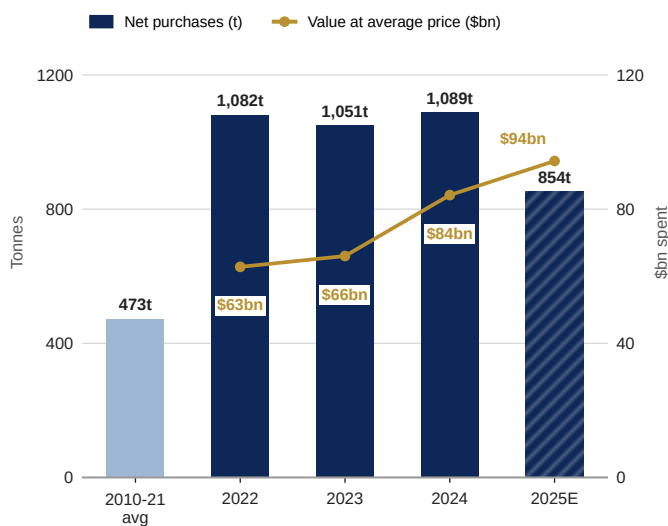
From 2006 to 2021, 10-year real yields explained 86% of the level of gold. That relationship implies \$836 at today's 1.92% real yield. Gold has not stopped reacting to rates: monthly changes still move ~8% per 100bp, with a correlation of -0.52. What changed is the drift. In 2010-21 gold rose ~1.1% a year with real yields unchanged; since 2022 it has risen ~27%. We attribute that step change to official buying.

Exhibit 1 - Gold vs. What Real Yields Imply



Source: Yahoo Finance (COMEX front month, monthly average), FRED (10-year TIPS yield), K2 Capital. Model: log gold on real yield, 2006-21 (R^2 0.86). December 2025 to the 19th.

Exhibit 2 - Central Banks: Fewer Tonnes, More Dollars



Source: World Gold Council (Gold Demand Trends; latest revisions), K2 Capital. 2025E: 1Q-3Q actual plus 4Q at the 3Q pace. Value at the average COMEX price of each year.

Exhibit 3 - Central Banks Set the Floor; ETFs Set the Pace

Who bought gold, and what it did to the price	2022	2023	2024	2025
Central banks (t)	1,082	1,051	1,089	854E
Gold ETFs (t)	(110)	(244)	(7)	+700 (to Nov)
Bar and coin (t)	1,223	1,190	1,186	947 (1Q-3Q)
Central-bank spend (\$bn)	63	66	84	94
Average gold price (\$/oz)	1,805	1,955	2,405	3,438
Change in 10y real yield (bp)	+262	+14	+52	-32
Gold return	(0.1%)	13.4%	27.5%	66.1%
K2 model return	4.4%	18.6%	29.3%	66.1%

2025: central banks 1Q-3Q actual plus K2 4Q25E at the 3Q pace; ETFs "more than 700t" to end-November (WGC); bar and coin 1Q-3Q. Gold return: COMEX front month, year-end to year-end (2025 to 19 Dec; spot +65%). K2 model: drift from central-bank tonnes, plus ETF flows, plus real-yield change. 2025 fits exactly by construction: it calibrates the ETF coefficient.

Source: World Gold Council (Gold Demand Trends FY2023, FY2024, Q3 2025; ETF flows November 2025), Yahoo Finance, FRED, K2 Capital.

Exhibit 4 - The 2025 Buyers

2025 YTD to Oct	t	Holdings	Note
National Bank of Poland	83	531t; 26% of reserves	Target raised to 30% (10 Sep)
National Bank of Kazakhstan	41	324t (3Q)	Largest 3Q buyer
Azerbaijan oil fund (SOFAZ)	38	Jan-Sep	Front-loaded in 1H
Central Bank of Brazil	31	161t	First buying since 2021
Turkey (CBRT and Treasury)	~27	641t (3Q)	Steady monthly
People's Bank of China	~26	2,305t	13 straight months
Czech National Bank	~18	~68t	Target 100t by 2028
Reserve Bank of India	~4	880t	Resumed Sep; none in Oct
Russia	Seller	2,327t	Small sales (coin programme)

Source: World Gold Council monthly statistics (to Oct), PBoC (to Nov), RBI, WGC via Informist and Kitco, K2 Capital. ~ = derived.

Exhibit 5 - K2 Gold Scenarios

Dec-26 scenarios	Bull	Base	Bear
Central-bank spend, 2026 (\$bn)	130	100	55
Implied central-bank tonnes	786	661	441
Gold ETF flows (t)	+300	+100	-500
Change in 10y real yield (bp)	-35	-15	+40
Average gold, 2026 (\$/oz)	5,142	4,707	3,876
Gold, Dec-26 (\$/oz)	5,936	5,067	3,406
vs. spot	+37%	+17%	(22%)
Probability	25%	50%	25%
K2 Dec-26 target (weighted)	\$4,850		

Central-bank tonnes are solved from the dollar budget at each scenario's average 2026 price. Probability-weighted Dec-26 value \$4,869, rounded to \$4,850. Spot \$4,347.07 at 2:17pm ET on 19 Dec (Reuters).

Source: K2 Capital estimates.

How our gold model works

We split gold's annual move into three parts. **Official drift:** regressing monthly gold changes on real-yield changes gives an intercept of ~1.1% a year in 2010-21 (central banks ~473t a year) and ~27% in 2022-25 (~1,019t); we interpolate between the two by tonnes. **Private flows:** after drift and rates, 2025's extra return implies ~4.2% per 100t of ETF buying. **Rates:** -8% per 100bp change in the 10-year real yield. This is not an out-of-sample test: 2025 fits exactly because it sets the ETF coefficient, and the 2022-25 drift is the average of the same years. The model overstates 2022 and 2023 by 4-5pp. On our target, each \$10bn of official spend is worth ~\$130, each 100t of ETF flow ~\$180 and each 25bp on real yields ~\$80. Treat the scenarios as a map of what has to happen, not a forecast to the dollar.

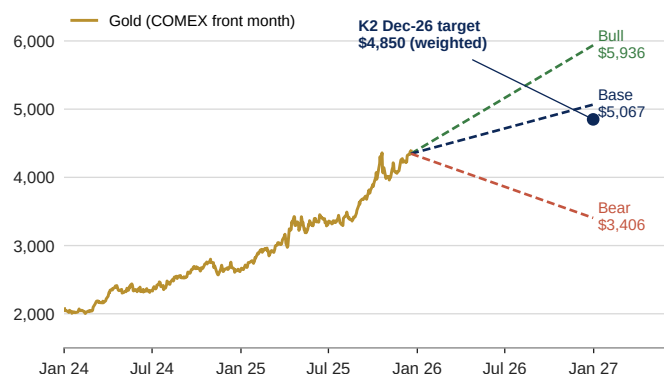
Exhibit 6 - Model Calibration: the Drift Changed

Regime	2010-21	2022-25
Annual drift, ex real yields	1.1%	26.8%
Gold per +100bp real yield	(14.0%)	(8.0%)
Correlation of monthly changes	-0.61	-0.52
Months	144	47
Central-bank buying (t/yr)	473	1,019
ETF effect (per 100t)	-	+4.2%

Source: Yahoo Finance, FRED, World Gold Council, K2 Capital. Regressions of monthly log changes in gold on changes in the 10-year TIPS yield; drift annualised. ETF effect set so that 2025 fits exactly.

What it takes to break \$4,000

With official spend of \$100bn and real yields unchanged, our model needs ~530t of ETF selling to take gold below \$4,000 by December 2026; if official spend falls to \$70bn, ~280t. For comparison, ETFs bought ~700t in 2025. A break below \$4,000 needs private investors to reverse most of this year's buying.

Exhibit 7 - Gold and K2 Scenarios to December 2026


Source: Yahoo Finance, K2 Capital estimates.

Exhibit 9 - The Street Clusters Around \$4,500-5,000

Forecaster	Gold	Horizon	Date
J.P. Morgan	\$5,055	4Q26 average	23 Oct
Bank of America	\$5,000	2026 (avg ~\$4,400)	13 Oct
Societe Generale	\$5,000	End-2026	15 Dec
Goldman Sachs	\$4,900	Dec-26	6 Oct; 18 Dec
K2 Capital	\$4,850	Dec-26	22 Dec
Morgan Stanley	\$4,800	4Q26	16 Dec
HSBC	\$4,600	2026 average	17 Oct
UBS	\$4,500	Mid-2026	20 Nov
Deutsche Bank	\$4,450	2026	26 Nov
Reuters poll	\$4,275	2026 median	27 Oct

Forecast horizons differ (point targets, quarterly and annual averages). Dates are the latest in-window publication; all are 2025.

Source: Reuters, Bloomberg and Kitco as reported; K2 Capital.

Exhibit 8 - Dec-26 Gold (\$/oz) by Central-Bank Spend and ETF Flows

CB spend (\$bn) / ETF flows (t)	-500	-250	+0	+100	+300	+500
55	3,545	3,900	4,290	4,457	4,810	5,192
70	3,726	4,090	4,490	4,661	5,021	5,410
85	3,908	4,281	4,690	4,864	5,232	5,628
100	4,090	4,472	4,889	5,067	5,442	5,845
115	4,273	4,662	5,088	5,269	5,651	6,061
130	4,455	4,853	5,286	5,471	5,859	6,276

Source: K2 Capital estimates. Base-case real-yield change (-15bp). Blue: base case; green: above spot; amber: \$4,000 to spot; red: below \$4,000.

Where we differ

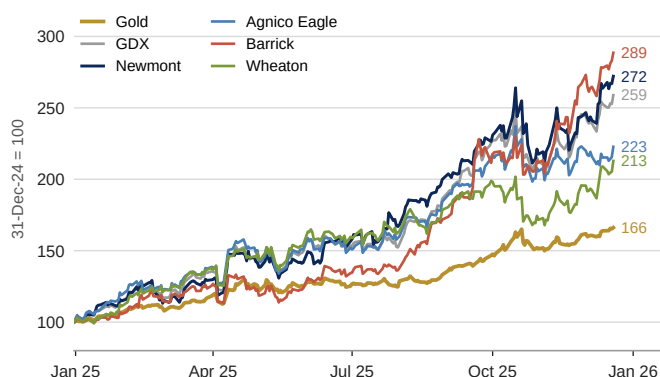
Our \$4,850 Dec-26 gold target weights a base case of \$5,067 (50%), a bull case of \$5,936 (25%) and a bear case of \$3,406 (25%). The base needs official buying of ~\$100bn (661t), ETF inflows of 100t and a 15bp fall in real yields as the Fed cuts once more (median 2026 dot 3.4%). The bull case adds a Fed-independence shock and \$130bn of official buying (~786t); the bear case is an ETF unwind of 500t (2013 saw ~880t) with official spend of \$55bn (~441t, near the 2010s pace) and real yields 40bp higher.

Our target sits in the upper half of the Street range (Exhibit 9), for a different reason. Most forecasts build up from investment demand and Fed cuts; we start from a dollar budget for central banks, which has risen every year since 2022, and ask what private flows would have to do to overwhelm it. On our grid (Exhibit 8), official spend of \$85bn or more leaves gold above today's spot unless ETFs sell more than ~210t. The risk is concentrated in private flows, and a reversal of 2025's ETF buying is also what would hurt the miners most (Exhibit 15).

The miners: more leverage than the market is paying for

Gold miners have beaten gold this year: GDX is up 159%, Barrick 189% and Newmont 172%, against 65% for gold. Daily, the four names move ~1.2-1.4x gold. Margins explain the outperformance: 3Q25 all-in sustaining costs were \$1,370-1,570/oz for our three producers against realised prices near \$3,500, and spot is now \$4,347. At a flat spot deck the producers trade on 6.6-7.8x FY26E EBITDA. At those multiples all four hold their value to December 2026 as long as gold stays above ~\$4,000-4,100 (Exhibit 11), 5-8% below spot, because a year of free cash flow accrues. That cushion is not a market forecast of lower gold. It means the shares do not need our gold call to work, and with it they gear 1.1-1.3x.

Exhibit 10 - Miners vs. Gold in 2025



Source: Yahoo Finance, K2 Capital. Price only.

Exhibit 11 - What the Shares Need from Gold

	Price	Breakeven gold	Consensus PT	Px vs PT	YTD	Beta
Newmont	\$101.29	\$4,039	\$104.53 (5 Dec)	(3%)	+172%	1.36
Agnico Eagle	\$174.21	\$4,112	~\$195 (8 Dec)	(11%)	+123%	1.33
Barrick	\$44.73	\$4,103	\$45.20 (10 Dec)	(1%)	+189%	1.23
Wheaton	\$119.70	\$3,990	\$132.61 (4 Dec)	(10%)	+113%	1.24

Breakeven gold: the Dec-26 gold price at which our valuation, at each stock's current EV/EBITDA, equals today's price; below spot because a year of FCF accrues. At our target multiples: NEM \$3,918, AEM \$4,248, B \$4,082, WPM \$3,990. Beta: daily returns vs gold, 2025.

Source: Simply Wall St (consensus PTs; TSX listings converted at 19-Dec USD/CAD), Yahoo Finance, K2 Capital.

Exhibit 12 - Valuation at Today's Gold Price

At spot gold (\$4,347)	Mkt cap \$bn	EV \$bn	EBITDA 26E \$bn	EV/EBITDA	FCF yield	EBITDA/+\$100	Gearing	Div. yield
Newmont	110.5	111.0	16.9	6.6x	8.4%	504	1.29x	1.0%
Agnico Eagle	87.5	85.3	10.9	7.8x	7.5%	320	1.27x	0.9%
Barrick Mining	75.5	74.3	10.6	7.0x	6.1%	279	1.15x	1.6%
Wheaton Precious Metals	54.5	53.7	2.5	21.4x	2.8%	63	1.09x	0.6%

EV with 30-Sep-25 net debt (Barrick and Wheaton adjusted for closed transactions). Barrick: attributable EBITDA against consolidated net cash, which includes partners' share of joint-venture cash and slightly flattens it. FCF yield on market cap. Gold gearing: % change in FY26E EBITDA for a 1% change in gold.

Source: Company filings, Yahoo Finance, K2 Capital estimates.

Exhibit 13 - Price Target Methodology

Dec-26 PT methodology	Newmont (NEM)	Agnico Eagle (AEM)	Barrick (B)	Wheaton (WPM)
FY27E EBITDA, base (\$m)	20,711	13,077	12,835	3,181
x Target EV/EBITDA (base)	6.85x	7.49x	7.09x	21.39x
Plus: YE26E net cash (\$m)	9,176	9,615	5,132	2,324
Shares, YE26E (m)	1,072	499	1,665	455
Value per share: bull (25%)	\$154.98	\$235.85	\$62.48	\$165.04
Value per share: base (50%)	\$141.01	\$215.63	\$57.77	\$154.57
Value per share: bear (25%)	\$91.38	\$143.22	\$38.38	\$110.43
Dec-26 PT (weighted)	\$132.00	\$203.00	\$54.00	\$146.00
Price, 19-Dec-25	\$101.29	\$174.21	\$44.73	\$119.70
Total return incl. dividend	+31%	+17%	+22%	+23%
vs. coverage average	+8pp	-6pp	-1pp	-1pp
Memo: vs. coverage at current multiples	+3pp	-1pp	-1pp	0pp
Rating	Overweight	Underweight	Neutral	Neutral

EBITDA: production x (gold price x (1 - royalty/tax drag) - cash cost net of by-products), calibrated to 3Q25 results; cash costs +4% a year. Producers' target multiples close half the gap to the producer average (7.1x); Wheaton keeps its own. Bull and bear multiples are 10% lower and higher. On current multiples AEM would rate Neutral (-1pp) and NEM sit just above the Overweight line (+3.1pp). Net debt rolls forward with FCF, dividends and buybacks from 4Q25 (gold \$4,098); Barrick pro forma for the Hemlo and Tongon proceeds, less the ~\$255m Mali payment still due in cash.

Source: K2 Capital estimates.

Ratings, Price Targets and Key Risks

Newmont Corporation (NEM) (Overweight; PT \$132.00)

What we think

Newmont is the cheapest way to own our gold call. At spot it trades on 6.6x FY26E EBITDA and an 8% FCF yield, with net debt of ~\$0.5bn (incl. leases) after \$3.4bn of debt repaid this year and ~\$2.7bn left on a \$6bn buyback. 3Q25 FCF was a third-quarter record \$1.6bn at a \$3,539/oz realised price; 4Q gold has averaged around \$4,100. The 2026 dip in output and higher capex are known, and the 1 January CEO change is internal.

Base case and PT

5.6Moz in 2026 and 5.7Moz in 2027; base gold \$4,707 (FY26E) and \$5,067 (FY27E). 6.85x FY27E EBITDA of \$20.7bn plus YE26E net cash of \$9.2bn: \$141. Bull \$155, bear \$91; weighted PT \$132 (+30%).

Risks

Downside: (1) February 2026 guidance below 5.5Moz or AISC above \$1,900/oz; (2) fiscal or community disruption in Ghana, Peru or Papua New Guinea; (3) block-cave cost inflation; (4) a fall in gold.

Barrick Mining Corporation (B) (Neutral; PT \$54.00)

What we think

Barrick has the most moving parts. Mali was settled on 24 November (Loulo-Goukoto returned; ~\$255m of a reported ~\$430m payment still due in cash), and the Hemlo and Tongon sales brought in ~\$1.07bn. On 1 December the board authorised work on a possible minority IPO of its Nevada, Pueblo Viejo and Fourmile interests, which could crystallise a higher multiple. Against that, collars on the ~800koz remaining cap gold at \$4,310/oz to August 2028, the CEO role is interim and Reko Diq is a large, early build.

Base case and PT

3.25Moz in 2026 and 3.35Moz in 2027 (attributable, with Loulo-Goukoto back); collars cost ~\$227m a year at our FY27E deck. 7.09x FY27E attributable EBITDA of \$12.8bn: \$58. Bull \$62, bear \$38; weighted PT \$54 (+21%).

Risks

Upside: a premium-multiple North American IPO; a faster Loulo-Goukoto restart. Downside: Mali or Pakistan risk; collar losses as gold rises.

Agnico Eagle Mines Limited (AEM) (Underweight; PT \$203.00)

What we think

Agnico is the highest-quality major: 3Q25 AISC of \$1,373/oz, mines in Canada, Australia, Finland and Mexico, and \$2.2bn of net cash. The market knows it: at spot the shares trade on 7.8x FY26E EBITDA against 6.6x for Newmont and 7.0x for Barrick. Output is guided flat at 3.3-3.5Moz a year to 2027, and royalties push AISC to the top of guidance as gold rises. Our Underweight is relative and assumes half the premium to the producer average (7.1x) closes; if it holds, the shares rate Neutral (-1pp vs coverage).

Base case and PT

3.4Moz a year; 7.49x FY27E EBITDA of \$13.1bn plus YE26E net cash of \$9.6bn: \$216. Bull \$236, bear \$143; weighted PT \$203 (+17%).

Risks to our rating

Upside: a plan to lift output above 3.5Moz; generalists paying up for quality; East Gouldie (2H26) delivering early.

Wheaton Precious Metals Corp. (WPM) (Neutral; PT \$146.00)

What we think

Wheaton's model is excellent: no mine capex, cash costs of ~\$530 per gold-equivalent ounce, no debt and growth to ~870k GEOs by 2029. Most of its streams pay a fixed price per ounce set by contract; newer ones pay a share of spot (Hemlo 20%). Fitting 2024 and 3Q25 costs, ~\$227/GEO is fixed and the rest ~9% of price, so EBITDA gears 1.09x to gold against 1.29x for Newmont. At 21x FY26E EBITDA and a 2.8% FCF yield, it is the defensive way into gold: worth paying for in our bear case, fully priced in our base case.

Base case and PT

690k and 740k GEOs in 2026 and 2027 at today's silver/gold ratio (Hemlo and the 2025 streams ramping); 21.4x FY27E EBITDA of \$3.2bn plus YE26E net cash of \$2.3bn: \$155. Bull \$165, bear \$110; weighted PT \$146 (+22%).

Risks to our rating

Upside: silver outperforming gold (~40% of revenue; +132% this year); a large accretive stream. Downside: problems at large partner mines (Salobo, Peñasquito); a lower multiple if gold stalls.

What Would Make Us Wrong?

We would revisit our gold target and ratings if any of the following occur:

- 1. Central banks step back.** WGC-reported net purchases below 20t a month for three consecutive months in 1H26, or official demand below 150t in a quarter of Gold Demand Trends (220t in 3Q25).
- 2. The ETF bid reverses.** Global gold ETF holdings fall more than 300t from November's record 3,932t. Our model says ~530t of selling takes gold back below \$4,000 even with official buying intact.
- 3. Real yields jump.** The 10-year TIPS yield rises above 2.50% (1.92% on 19 December), for example if inflation stays above 3% and the Fed stops cutting.
- 4. Newmont disappoints in February.** 2026 guidance below 5.5Moz or AISC above \$1,900/oz, or capital spending above \$4bn, would cut our FY26E-FY27E EBITDA and erode its valuation discount.
- 5. Agnico re-rates on growth.** A credible plan to lift output well above 3.5Moz by 2027-28 would justify more of its premium and we would move to Neutral.

Signposts

Early January: PBoC December reserves; WGC central-bank statistics for November. January: US Supreme Court hearing on the removal of a Fed governor; 27-28 January FOMC; expected nomination of the next Fed chair (the current chair's term ends in May). Late January to February: WGC Gold Demand Trends for 2025; 4Q25 results and 2026 guidance from Newmont, Agnico Eagle, Barrick (including the North American IPO update) and Wheaton. Mid-2026: the WGC's annual central-bank survey.

Exhibit 14 - Popular Claims About Gold, Checked at Friday's Close

Claim	Verdict	Evidence at 19 Dec
Gold is above \$4,000	Confirmed	First traded above \$4,000 on 8 Oct; spot \$4,347 on 19 Dec, +65% YTD.
Gold is at a record	Not quite	The spot record is still \$4,381.21 (20 Oct). Futures closed higher on 19 Dec only because of the roll to February.
Central banks are behind it	Partly	They set the floor (~1,000t a year since 2022), but 2025's surge came with ~700t of ETF buying while official tonnes fell ~22%.
Goldman's 18 December forecast of \$4,900	Reiterated	Set on 6 Oct (from \$4,300) and reaffirmed on 18 Dec; assumes 70t a month of official buying and 50bp of Fed cuts.
Central banks now hold more gold than Treasuries	Unverified	Began as a social-media post in August that cited no data. The answer depends on whose gold and which custody data are counted; on most measures the two are of similar size.
Real yields no longer matter for gold	Wrong	Monthly gold still moves ~8% per 100bp; what broke is the level relationship.
China buys only ~1-2t a month	Understated	Reported +26t in 2025; Goldman estimates ~15t in September alone against 1.24t reported.

Source: World Gold Council, Reuters, Bloomberg, Kitco, FXStreet, PBoC, Yahoo Finance, FRED, K2 Capital.

Exhibit 15 - Our Valuations at Different Gold Prices

Dec-26 gold (\$/oz)	3,600	4,000	4,400	4,800	5,200	5,600	6,000
Newmont (\$101.29)	\$90	\$104	\$118	\$132	\$146	\$159	\$173
Agnico Eagle (\$174.21)	\$141	\$162	\$182	\$202	\$222	\$243	\$263
Barrick (\$44.73)	\$38	\$44	\$49	\$54	\$59	\$65	\$70
Wheaton (\$119.70)	\$107	\$120	\$133	\$146	\$159	\$172	\$185

Red: below today's price; amber: up to 20% above; green: more than 20% above.

Source: K2 Capital estimates. Base-case target multiples; FY26E gold at the average of spot and the Dec-26 price.

Important Disclosures

Analyst Certification

The research analysts of K2 Capital Limited responsible for this report certify that (1) the views expressed in this report accurately reflect their personal views about the subject companies and their securities, and (2) no part of their compensation was, is or will be directly or indirectly related to the specific ratings or views expressed in this report.

Rating Definitions

Overweight: over the duration of the price target, we expect the stock to outperform the total return of the relevant benchmark, which in this report is the unweighted expected total return of our gold coverage (Newmont, Agnico Eagle, Barrick and Wheaton) by more than 3 percentage points. **Neutral:** we expect the stock to perform within 3 percentage points of it. **Underweight:** we expect the stock to underperform it by more than 3 percentage points. Price targets are set for the period stated and are based on the methodology and risks described in this report. The Dec-26 gold target is a commodity price forecast, not a rating.

Rating Distribution

(As of December 22)	% of coverage	Companies
Overweight	25.00%	1
Neutral	50.00%	2
Underweight	25.00%	1

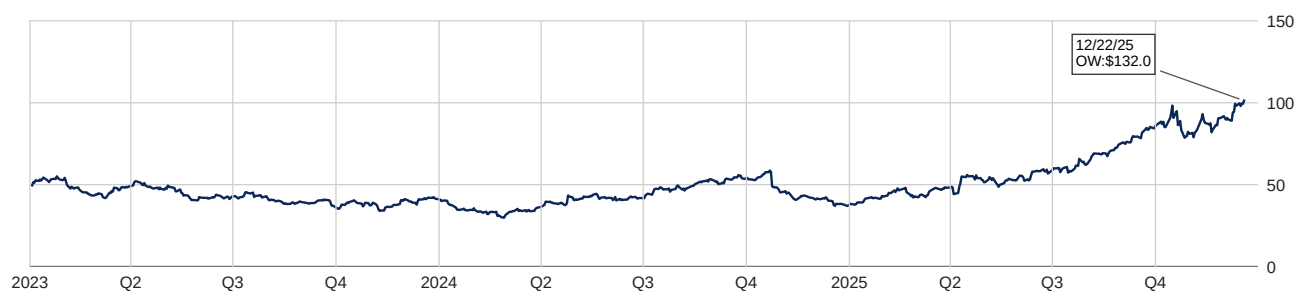
Rating History

Date	Company	Rating	Price (\$)	Price Target (\$)
22-Dec-25	Newmont Corporation (NEM)	Overweight (initiation)	101.29	132.00
22-Dec-25	Agnico Eagle Mines Limited (AEM)	Underweight (initiation)	174.21	203.00
22-Dec-25	Barrick Mining Corporation (B)	Neutral (initiation)	44.73	54.00
22-Dec-25	Wheaton Precious Metals Corp. (WPM)	Neutral (initiation)	119.70	146.00

Positions and Conflicts

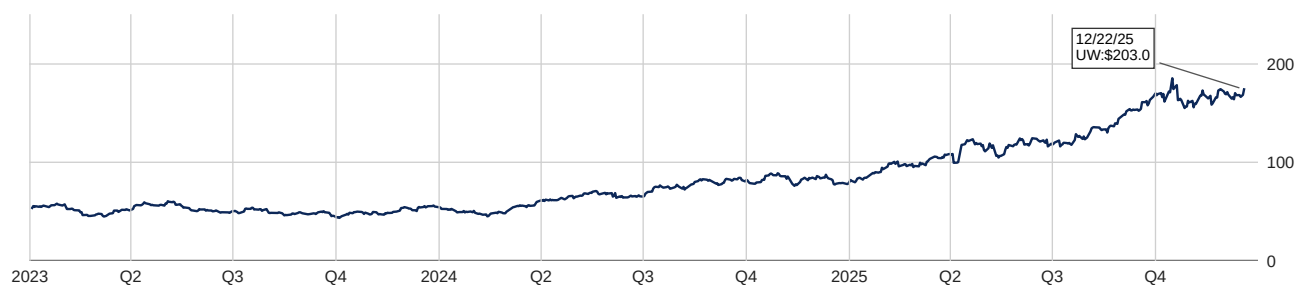
K2 Capital Limited, its principals and employees may hold positions in, and may trade, the securities and commodities discussed in this report or related instruments, including positions inconsistent with its ratings.

Rating and Price Target History for: Newmont Corporation (NEM) as of 12-22-2025



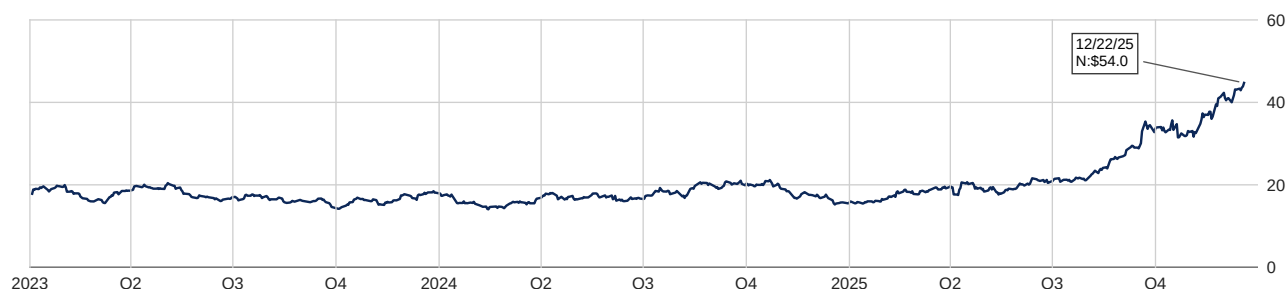
Created by: K2 Capital

Rating and Price Target History for: Agnico Eagle Mines Limited (AEM) as of 12-22-2025



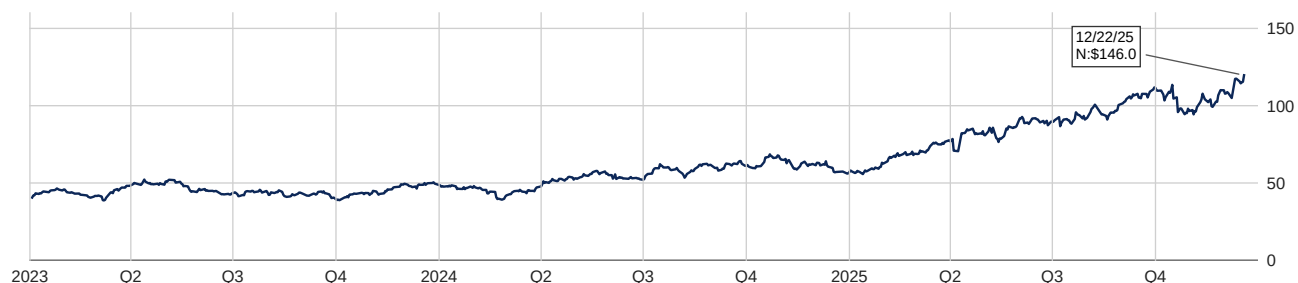
Created by: K2 Capital

Rating and Price Target History for: Barrick Mining Corporation (B) as of 12-22-2025



Created by: K2 Capital

Rating and Price Target History for: Wheaton Precious Metals Corp. (WPM) as of 12-22-2025



Created by: K2 Capital

Sources and Methodology

Prices are as of the close on 19 December 2025 unless stated; spot gold \$4,347.07 at 2:17pm ET (Reuters). Daily prices for COMEX gold, the VanEck Gold Miners ETF, SPDR Gold Shares, Newmont, Agnico Eagle, Barrick, Wheaton and the US Dollar Index are from Yahoo Finance; real and nominal yields, breakevens and the broad dollar from FRED. Gold demand, central-bank and ETF data are from the World Gold Council (Gold Demand Trends full-year 2023, full-year 2024 and Q1-Q3 2025; central-bank statistics to October 2025; ETF flows to November 2025; Central Bank Gold Reserves Survey 2025; Gold Outlook 2026), the PBoC, the ECB (The international role of the euro, June 2025), and the Federal Reserve (10 December 2025 statement and projections). Company data are from 3Q25 results, MD&As, 10-Q/6-K filings and releases of Newmont, Agnico Eagle, Barrick and Wheaton. Bank forecasts are as reported by Reuters, Bloomberg and Kitco on the dates shown. Consensus targets are from Simply Wall St. Other sources include RBC Wealth Management, Metals Focus, Euronews, Mining Weekly, MINING.COM and The Star. The gold flow model, scenarios, EBITDA estimates and price targets are K2 Capital calculations and are subject to change without notice.

General

This report is provided for information only to professional and institutional investors. It is not an offer or solicitation to buy or sell any security or commodity, does not take account of any person's objectives, financial situation or needs, and is not investment, legal, tax or accounting advice. Information has been obtained from sources believed to be reliable, but K2 Capital Limited makes no representation as to its accuracy or completeness. Opinions, estimates and projections reflect our judgement as at the date of publication. Forward-looking statements involve risks and uncertainties, and actual results may differ materially. Past performance is not indicative of future results, and investors may get back less than they invest.

Copyright 2025 K2 Capital Limited. All rights reserved. This material or any portion of it may not be reproduced, sold or redistributed without the written consent of K2 Capital Limited.

Completed 22 Dec 2025

Disseminated 22 Dec 2025