

**Rating Action: Moody's places 12 mining companies rated in Canada on review for downgrade**

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Global Credit Research - 21 Jan 2016

Toronto, January 21, 2016 -- Moody's Investors Service has placed the ratings of 12 mining companies rated in Canada and their rated subsidiaries, on review for downgrade. A complete set of companies and rating actions is listed below.

The actions reflect Moody's effort to recalibrate the ratings in the mining portfolio to align with the fundamental shift in the credit conditions of the global mining sector.

"Slowing growth in China, which consumes and produces at least half of base metals, and is a material player in the precious metals, iron ore and metallurgical coal markets is weakening demand for these commodities and driving prices to multi-year lows," says Jamie Koutsoukis, a Moody's VP - Senior Analyst. "China's outsized influence on the commodities market, coupled with the need for significant recalibration of supply to bring the industry back into balance indicates that this is not a normal cyclical downturn, but a fundamental shift that will place an unprecedented level of stress on mining companies."

On Review for Downgrade:

..Issuer: Alamos Gold Inc.

.... Probability of Default Rating B2-PD, Placed on Review for Downgrade

.... Corporate Family Rating B2, Placed on Review for Downgrade

....Senior Secured Regular Bond/Debenture B3, Placed on Review for Downgrade

..Issuer: Barrick (PD) Australia Finance Pty Ltd

....Senior Unsecured Regular Bond/Debenture Baa3, Placed on Review for Downgrade

..Issuer: Barrick Gold Corporation

....Senior Unsecured Regular Bond/Debenture Baa3, Placed on Review for Downgrade

..Issuer: Barrick International Bank Corp.

....Senior Unsecured Regular Bond/Debenture Baa3, Placed on Review for Downgrade

..Issuer: Barrick North America Finance LLC

....Senior Unsecured Regular Bond/Debenture Baa3, Placed on Review for Downgrade

..Issuer: Barrick Gold Finance Company

....Senior Unsecured Regular Bond/Debenture Baa3, Placed on Review for Downgrade

..Issuer: Placer Dome Inc.

....Senior Unsecured Regular Bond/Debenture Baa3, Placed on Review for Downgrade

..Issuer: Eldorado Gold Corporation

.... Probability of Default Rating Ba3-PD, Placed on Review for Downgrade

.... Corporate Family Rating Ba3 , Placed on Review for Downgrade

....Senior Unsecured Regular Bond/Debenture Ba3 , Placed on Review for Downgrade

..Issuer: Goldcorp Inc.

.... Issuer Rating Baa2, Placed on Review for Downgrade

....Senior Unsecured Regular Bond/Debenture Baa2, Placed on Review for Downgrade

....Senior Unsecured Shelf (P)Baa2, Placed on Review for Downgrade

..Issuer: HudBay Minerals, Inc.

.... Probability of Default Rating B3-PD, Placed on Review for Downgrade

.... Corporate Family Rating B3, Placed on Review for Downgrade

....Senior Unsecured Regular Bond/Debenture B3, Placed on Review for Downgrade

..Issuer: IAMGOLD Corp. (IAG)

.... Probability of Default Rating B2-PD, Placed on Review for Downgrade

.... Corporate Family Rating B2, Placed on Review for Downgrade

....Subordinate Regular Bond/Debenture B3, Placed on Review for Downgrade

..Issuer: Kinross Gold Corporation

.... Probability of Default Rating Ba1-PD, Placed on Review for Downgrade

.... Corporate Family Rating Ba1, Placed on Review for Downgrade

....Senior Unsecured Regular Bond/Debenture Ba1, Placed on Review for Downgrade

..Issuer: Lundin Mining Corporation

.... Probability of Default Rating Ba2-PD, Placed on Review for Downgrade

.... Corporate Family Rating Ba2, Placed on Review for Downgrade

....Senior Secured Regular Bond/Debenture Ba2, Placed on Review for Downgrade

..Issuer: New Gold Inc.

.... Probability of Default Rating B1-PD, Placed on Review for Downgrade

.... Corporate Family Rating B1, Placed on Review for Downgrade

....Senior Unsecured Regular Bond/Debenture B2, Placed on Review for Downgrade

..Issuer: Taseko Mines Limited

.... Probability of Default Rating B3-PD, Placed on Review for Downgrade

.... Corporate Family Rating B3, Placed on Review for Downgrade

....Senior Unsecured Regular Bond/Debenture B3, Placed on Review for Downgrade

....Senior Unsecured Shelf (P)B3 , Placed on Review for Downgrade

..Issuer: Teck Resources Limited

.... Probability of Default Rating Ba3-PD, Placed on Review for Downgrade

.... Corporate Family Rating Ba3, Placed on Review for Downgrade

....Senior Unsecured Regular Bond/Debenture Ba3, Placed on Review for Downgrade

....Senior Unsecured Shelf (P)Ba3, Placed on Review for Downgrade

..Issuer: Yamana Gold, Inc.

....Senior Unsecured Regular Bond/Debenture Baa3, Placed on Review for Downgrade

Outlook Actions:

..Issuer: Alamos Gold Inc.

....Outlook, Changed To Rating Under Review From Positive

..Issuer: Barrick (PD) Australia Finance Pty Ltd

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Barrick Gold Corporation

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Barrick International Bank Corp.

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Barrick North America Finance LLC

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Barrick Gold Finance Company

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Placer Dome Inc.

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Eldorado Gold Corporation

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Goldcorp Inc.

....Outlook, Changed To Rating Under Review From Stable

..Issuer: HudBay Minerals, Inc.

....Outlook, Changed To Rating Under Review From Positive

..Issuer: IAMGOLD Corp. (IAG)

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Kinross Gold Corporation

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Lundin Mining Corporation

....Outlook, Changed To Rating Under Review From Stable

..Issuer: New Gold Inc.

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Taseko Mines Limited

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Teck Resources Limited

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Yamana Gold, Inc.

....Outlook, Changed To Rating Under Review From Stable

## RATINGS RATIONALE

As part of an ongoing assessment of mining companies, Moody's sharply reduced its price sensitivity assumptions on December 8, 2015. Since then, credit conditions in the mining industry have weakened further, with prices continuing to decline. The likelihood has increased that prices for base metals, precious metals, iron ore and metallurgical coal will approach levels closer to Moody's stressed sensitivity scenario. In addition, the strong US dollar is a further factor contributing to weakening demand and driving prices lower since most metals are traded in dollars.

This broad ratings review will consider each mining company's asset base, cost structure, likely cash burn and liquidity, as well as management's strategy for coping with a prolonged downturn and the ability to execute on same. The review will assess each company's cash flow and credit metrics closer to our latest stressed price assumptions and the relative rating positioning. Moody's expects to conclude most reviews within a relatively short timeframe.

Moody's believes that this downturn will mark an unprecedented shift for the mining industry. Whereas previous downturns have been cyclical, the effect of slowing growth in China indicates a fundamental change that will heighten credit risk for mining companies. This review reflects the belief that deteriorating industry fundamentals require a recalibration of the global mining portfolio rated by Moody's. The agency expects that it will downgrade most companies' ratings by at least one notch and believes that many of the issuers ratings could have multi-notch declines. While this review focuses on companies rated in the range from A1 to B3, Moody's will continue to assess the credit metrics of all rated companies in the mining sector.

The principal methodology used in these ratings was Global Mining Industry published in August 2014. Please see the Credit Policy page on [www.moody's.com](http://www.moody's.com) for a copy of this methodology.

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