North America Gold

2Q Preview: Recent Underperformance Offers Compelling Entry Point for Longer-Dated Investors; Reit. OW-B Top Pick

Metals & Mining

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Since the onset of the Middle East conflict, our NA gold coverage is -39%, in-line with the GDX (-39%) but underperforming gold (-24%) amid hawkish Fed expectations and risk of lagged cost pressures. JPM's Commodities Research team (Greg Shearer – Head of Base and Precious Metals Strategy) recently cut YE26 forecasts 25% to ~$4,500/oz (+12% vs. spot) on gold's re-correlation with US real yields. Dormancy among key demand sectors has resulted in rate-sensitive ETF outflows emerging as the marginal seller, likely capping upside until a material dovish pivot occurs (link). Longer-term, we maintain our constructive outlook, with the team anticipating structural buying re-emerges in 2027 (link) as targeting gold as a share of total central bank reserves embeds a formulaic, self-correcting elasticity—lower gold prices erode existing gold share and require more tonnes to reach the target. While cost inflation is likely to persist amid re-escalation in the Middle East, we feel this is largely reflected in multiples, offering a compelling entry point for longer-dated investors, with our coverage pricing in implied long-term gold of $3,300-3,800/oz, well below ~$4,000/oz spot. Within our coverage, we reiterate **OW-rated B as our top pick** on discounted valuation (4.5x FY27 spot), emerging catalysts (NA IPO), strong shareholder returns and improving execution at NGM setting the stage for future guidance upgrades. **N-rated AEM** has come under pressure (-37% T3M vs. B -18%), but uncertainty around FY27/28 production impacts from recent geotechnical activity at Canadian Malartic likely remains an overhang until there's better line-of-sight bridging the gap to Odyssey's U/G ramp later this decade. On our MtM forward pricing (Figure 13), including FY26/27 gold of $4,430/oz & $4,320/oz (-9%/-14% vs. prior), we cut PTs for OW-rated B and N-rated AEM to $50 (prior $58) and $175 (prior $222).

- **Barrick (OW):** We model 2Q gold production of 768Koz (+7% Q/Q), at the high end of the 730-770Koz guide, driven partly by North America on fewer planned outages (i.e. Carlin/PV) and Africa & ME on improved grades and further progress at LG's ramp. We also assume TCC rise ~9% Q/Q to ~$1,440/oz on lagged cost inflation (i.e. diesel/transportation) more than offsetting royalty deflation. As such, we cut our 2Q EBITDA 5% to $3.6B (+5% vs. BBG) while our FY26/27 EBITDA fall 10%/16% to $14.7B/$15.9B, both below BBG (-1%/-8%) given our lower gold pricing (-2%/-8% vs. BBG). While we model NGM at the high-end of the FY26 guide (JPMe 1.5Moz), it may be early for management to revise upwards, although we could see a narrowing of the range towards the high end, which likely would be welcomed as execution remains a 'show-me story.' Conversely, we anticipate similar upward pressure for cost guidance given re-escalation in the Middle East and lengthier lags for Africa & ME exposure (~3mos vs. NA's ~1mo). In our view, investors will want to gauge the cadence of LG's ramp (and capex implications), including a potential restart of open-pit mining to drive annual production back towards 600Koz. We'll also look for execution of the new $3B buyback authorization (2Q JPMe $750M; link), which is separate from the annual special divy framework, and color around the NA IPO and potential asset sales (i.e. Porgera). On our revised estimates, we cut our Dec-26 PT to $50/C$70 for OW-rated B (prior $58/C$79). Shares trade at 4.5x on FY27 spot with a ~10% FCF

See page 18 for analyst certification and important disclosures.

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yield, in-line with the 4.7x TTM avg, but well below the 5.4x 5yr avg. despite improving shareholder returns and execution at NGM (Figure 10).

- **Agnico Eagle (N):** We model 2Q gold production of 844Koz (+2% Q/Q), in-line with the pre-release, driven partly by improved grades/productivity in Ontario (i.e. Detour Lake/ Macassa). We also assume TCC rise ~7% Q/Q to ~$1,170/oz on lagged cost inflation more than offsetting royalty deflation (link). As such, we cut our 2Q EBITDA 7% to $2.6B (-3% vs. BBG). Early July's geotechnical activity at the Canadian Malartic's Barnat pit (link) likely impacts 2H production by 60-80Koz and FY27/28 production by "up to" 150Koz/yr, implying FY26-28 at or below the low-end of guidance (3.3Moz). As such, we cut our FY26/27 EBITDA 15%/24% to $10.1B/$9.5B, both well below BBG (-12%/-22%) given our lower gold pricing (-6%/-12% vs. BBG), assumed AISC cost inflation (+15%/+4% Y/Y) and conservative Canadian Malartic assumptions (full 150Koz/yr impact). While implied out-year guidance downgrades (-4%) could prove conservative, we suspect management has limited visibility at this time, and investors will want to gauge cost implications and bridging the gap to Odyssey's full U/G ramp later this decade. We think investors will want to also gauge implications on upside to shareholder returns, something hinted at by management at our recent Natural Resources conference (link), and appetite for M&A with the Finland land consolidation since closed (link) and ongoing developments at Northern Star (covered by Jonathon Sharpe). On our revised modeling, which now incorporates Hope Bay, we cut our Dec-26 PT to $175/C $246 for N-rated AEM (prior $222/C$302), now using 8.5x on FY27 (prior 9.0x) to reflect overhang from Canadian Malartic's outlook, at least until there's better line-of-sight on FY27 production and longer-dated growth opportunities (i.e. second shaft/ satellite mines), both of which could still be a few quarters away. While our PT implies decent upside, this is largely embedded in longer-dated NAV, with shares trading at 7.7x on FY27 spot with a ~4% FCF yield, in-line with the 7.9x TTM avg. and slightly above the 7.5x 5yr avg. (Figure 9).

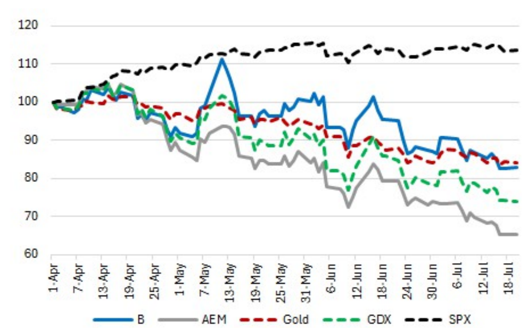
Figure 1: JPMe New vs. Old Estimates

Conditional formatting indication of change to JPMe New vs. Prior.

	EBITDA ($M)															
	2Q26E			JPMe vs.	3Q26E			JPMe vs.	2026E			JPMe vs.	2027E			JPMe vs.
Ticker	Prior	New	BBG	BBG	Prior	New	BBG	BBG	Prior	New	BBG	BBG	Prior	New	BBG	BBG
AEM	2,842	2,645	2,715	▼-2.6%	3,069	2,267	2,872	▼-21.1%	11,919	10,114	11,490	▼-12.0%	12,535	9,491	12,135	▼-21.8%
B	3,827	3,623	3,460	▲4.7%	4,249	3,518	3,735	▼-5.8%	16,349	14,682	14,846	▼-1.1%	18,938	15,943	17,408	▼-8.4%

Source: J.P. Morgan estimates, Bloomberg Finance L.P.

Figure 2: Indexed NA Gold Miners vs. Gold & Indices



Source: Bloomberg Finance L.P.

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Equity Ratings and Price Targets

Company	Ticker	Mkt Cap ($ mn)	Price CCY	Price	Rating Cur	Rating Prev	Price Target Cur	Price Target End Date	Price Target Prev	Price Target End Date
Agnico Eagle Mines	AEM US	68,405.73	USD	136.34	N	n/c	175.00	Dec-26	222.00	n/c
Agnico Eagle (CN)	AEM CN	68,979.69	CAD	192.78	N	n/c	246.00	Dec-26	302.00	n/c
Barrick Mining	B US	58,440.75	USD	34.89	OW	n/c	50.00	Dec-26	58.00	n/c
Barrick Mining (CN)	ABX CN	58,951.11	CAD	49.35	OW	n/c	70.00	Dec-26	79.00	n/c

Source: Company data, Bloomberg Finance L.P., J.P. Morgan estimates. n/c = no change.All prices as of 20 Jul 26.

Adj. EBITDA Estimate Changes

$ in millions		FY26E			FY27E		
Company	BBG Ticker	Prev	Cur	Δ	Prev	Cur	Δ
Agnico Eagle Mines	AEM US	11,919	10,114	(15.15%)	12,535	9,491	(24.29%)
Agnico Eagle (CN)	AEM CN	11,919	10,114	(15.15%)	12,535	9,491	(24.29%)
Barrick Mining	B US	16,349	14,682	(10.19%)	18,938	15,943	(15.81%)
Barrick Mining (CN)	ABX CN	16,349	14,682	(10.19%)	18,938	15,943	(15.81%)

Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Adj. EPS Estimate Changes

$		FY26E			FY27E		
Company	BBG Ticker	Prev	Cur	Δ	Prev	Cur	Δ
Agnico Eagle Mines	AEM US	13.35	10.99	(17.64%)	14.21	10.25	(27.86%)
Agnico Eagle (CN)	AEM CN	13.35	10.99	(17.64%)	14.21	10.25	(27.86%)
Barrick Mining	B US	3.67	3.22	(12.16%)	4.31	3.49	(18.97%)
Barrick Mining (CN)	ABX CN	3.67	3.22	(12.16%)	4.31	3.49	(18.97%)

Source: Bloomberg Finance L.P., J.P. Morgan estimates.

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Recent factors weighing on gold price

JPM's Commodities Research team (Greg Shearer – Head of Base and Precious Metals Strategy) flags that since the onset of the Middle East conflict, gold has re-established an inverse correlation with US real yields (Figure 4) amid sluggish demand, resulting in rate-sensitive ETF flows as the marginal seller (Figure 3), which could persist in the coming quarters. Gold temporarily found support last month with the short-lived MOU between US-Iran, but has since come under pressure as hawkish Fed expectations have gained momentum. Physical demand has softened in parallel — elevated Indian import duties and restrictions curbing volumes, subdued Chinese onshore premiums pointing to weak retail appetite, and central bank buying resuming at a more measured pace. Against this softer demand backdrop, the team now forecast ~50 tonnes of gold ETF outflows this year, well below ~400 tonnes of inflows previously forecast, and have also lowered forecasted central bank net purchases this year to 600 tonnes (prior 640 tonnes) and bar & coin demand growth to +4% Y/Y (prior +10%), underpinning a more range-bound near-term path of $4,300/oz in Q326 and $4,500/oz in Q426. Longer term, the team remains bullish on the outlook for gold and sees further recovery in prices next year as structural central bank and physical buying eventually re-strengthens.

Figure 3: Weekly global gold ETF flows

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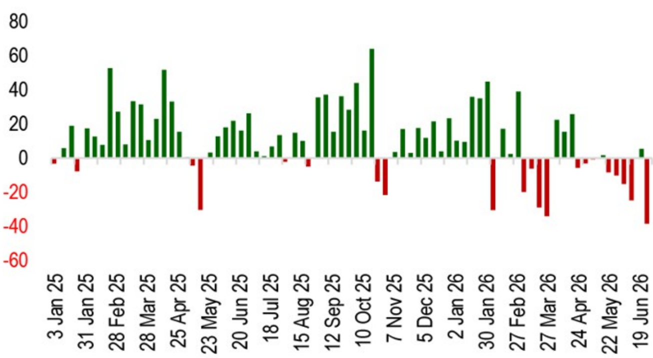
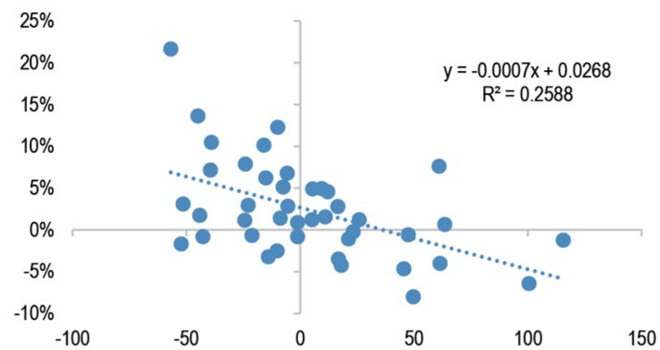


Source: World Gold Council.

Figure 4: Changes in global gold ETF holdings vs. changes in US 10yr real yields, quarterly

X-axis: QoQ change in US 10yr real yields (bp); Y-axis: QoQ change in global gold ETF holdings (%). Data since 2016.



Source: World Gold Council, Bloomberg Finance L.P., J.P. Morgan Commodities Research.

Trends in central bank buying

After a jump in more idiosyncratic and concentrated selling in March, CBs have returned as net marginal buyers of gold since April, with reported net buying rebounding to 41 tonnes in May (Figure 5), though buying has narrowed in breadth somewhat (China/Poland 70% share). Despite the multi-year push higher in prices inflating gold's share of reserves (EM CBs ~20% as of 1Q26), a significant portion of both EM (~60%; Figure 7) and DM (~45%; Figure 8) CBs still hold less than 10% share of gold in reserves, and by the JPM Commodities Research's estimates, the 14% fall in prices over the last quarter curbed the share of existing EM gold holdings by 2%-pt. With the long-term, structural motivations for increased EM CB diversification into gold unchanged, the team still sees a good amount of dry powder for additional elevated buying, albeit this may take time. In essence, targeting gold as a share of total reserves embeds a formulaic, self-correcting elasticity—lower gold prices erode existing gold share, underpinning a re-intensification of CB demand down the road to reach gold reserve share targets.

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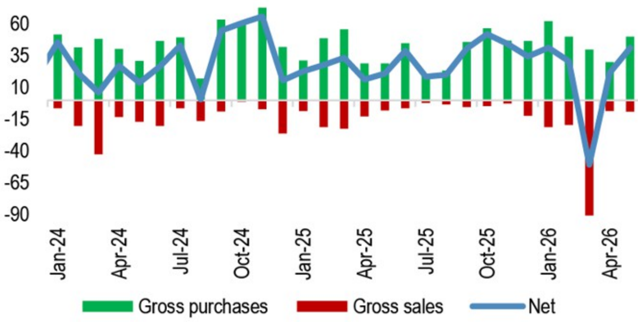
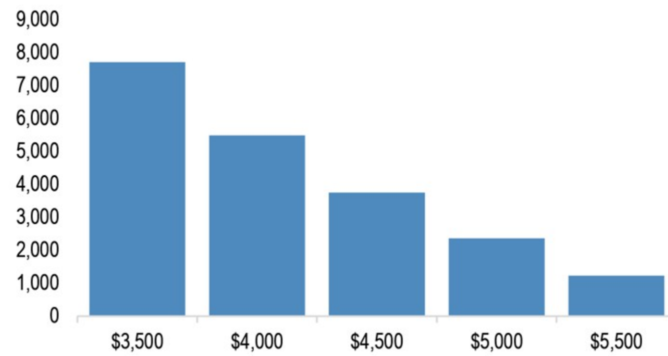
Figure 5: Reported central bank gold purchases and sales, monthly



Note: State Oil Fund of the Republic of Azerbaijan (SOFAZ) only reports quarterly data, its reported 1Q26 sales are accounted for in March '26 in this chart.
Source: World Gold Council, IMF, ECB, National Sources, J.P. Morgan Commodities Research.

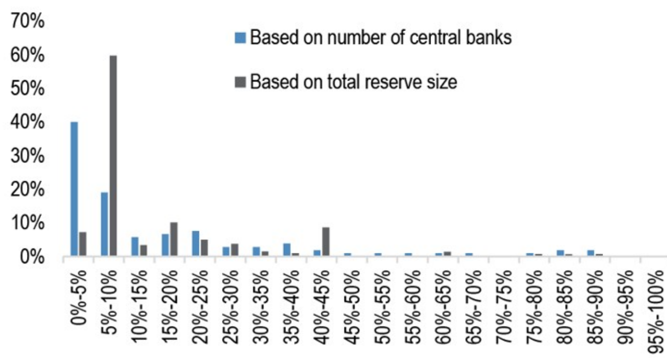
Figure 6: Amount of additional gold holdings required to result in an aggregated 25% gold share for EM central banks, flexed for different price levels of gold



Note: Analysis starts from 1Q26 EM gold holdings in tonnes (inclusive of unreported purchases since 2022) and flexes both existing holdings and required buying by the various price levels. For simplicity, the heuristic assumes a constant price.
Source: IMF, World Gold Council, Metals Focus, J.P. Morgan Commodities Research.

Figure 7: Distribution of the percent of total reported reserves invested in gold for EM CBs as of 1Q26

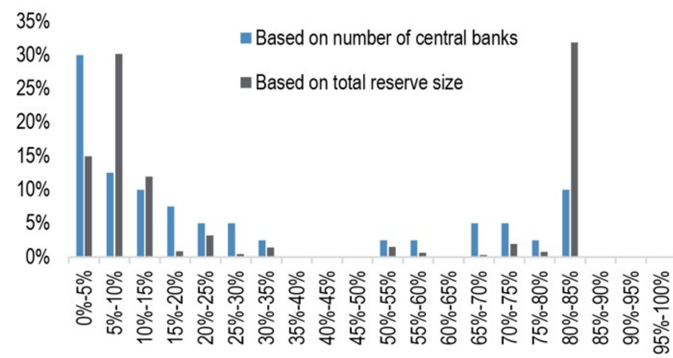
X-axis: gold holding share; Y-axis: Percent of total



Source: IMF, World Gold Council, J.P. Morgan Commodities Research.

Figure 8: Distribution of the percent of total reported reserves invested in gold for DM CBs as of 1Q26

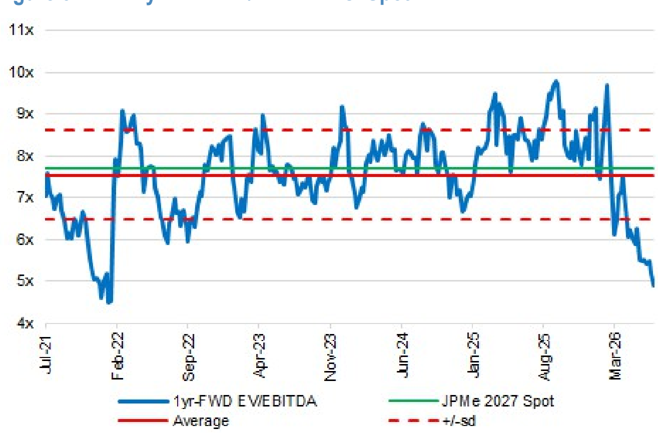
X-axis: gold holding share; Y-axis: Percent of total



Source: IMF, World Gold Council, J.P. Morgan Commodities Research.

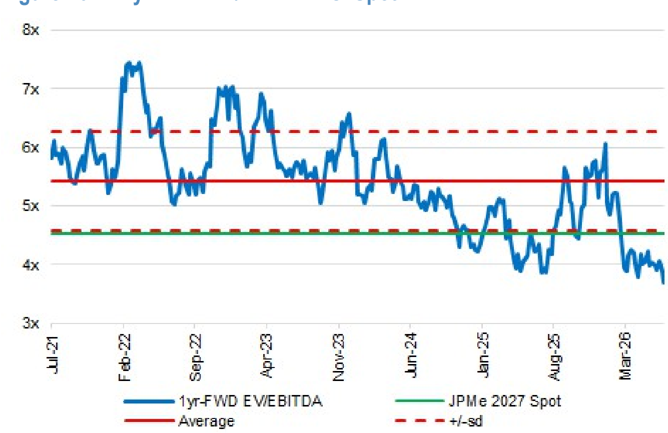
NA Gold Miners 1yr-FWD EV/EBITDA

Figure 9: AEM 1yr-FWD EV/EBITDA vs. Spot



Source: Bloomberg Finance L.P., J.P. Morgan estimates. Note: Spot gold ~$4,000/oz as of COB July 20.

Figure 10: B 1yr-FWD EV/EBITDA vs. Spot



Source: Bloomberg Finance L.P., J.P. Morgan estimates. Note: Spot gold ~$4,000/oz as of COB July 20.

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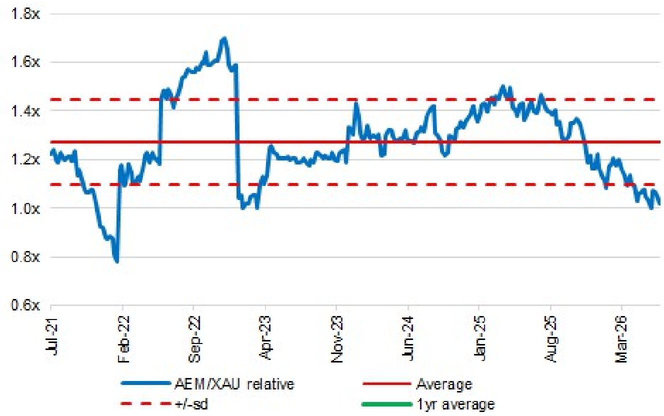
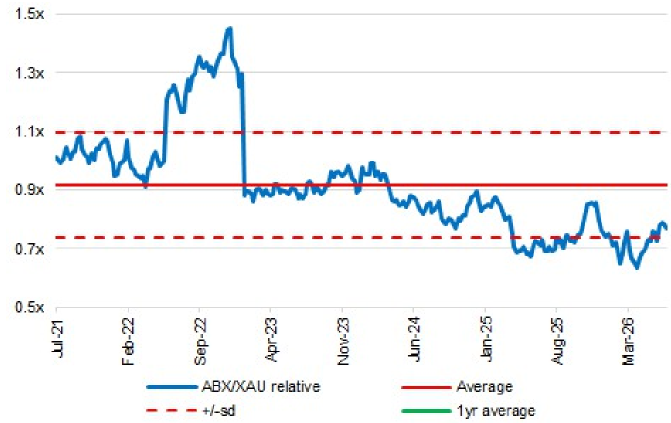
Figure 11: AEM 1yr-FWD Relative EV/EBITDA vs. XAU Index



Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Figure 12: B 1yr-FWD Relative EV/EBITDA vs. XAU Index



Source: Bloomberg Finance L.P., J.P. Morgan estimates.

NA Gold Miners Valuation Sensitivities – JPMe Base Case vs. Spot Scenarios

Table 1: NA Gold Miners Sensitivities – JPMe 'Base Case' Price Forecast

	Last Price	Implied PT	P/E Ratio			EV/EBITDA			FCF Yield			Dividend Yield			Net Debt/EBITDA		
			2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
AEM	$ 136.34	$ 175.00	12.4x	13.3x	12.5x	6.6x	7.0x	6.7x	5.1%	5.6%	6.7%	1.3%	1.3%	1.3%	-0.3x	-0.3x	-0.3x
B	$ 34.89	$ 50.00	10.9x	10.0x	8.4x	4.6x	4.2x	3.6x	8.3%	11.7%	15.5%	2.7%	4.0%	5.1%	-0.2x	-0.2x	-0.1x
Avg.			**11.7x**	**11.6x**	**10.4x**	**5.6x**	**5.6x**	**5.2x**	**6.7%**	**8.7%**	**11.1%**	**2.0%**	**2.7%**	**3.2%**	**-0.2x**	**-0.2x**	**-0.2x**

Note: Priced as of COB July 20.
Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Table 2: NA Gold Miners Sensitivities – MtM Commodity Prices (Spot Scenario)

	Last Price	Implied PT	P/E Ratio			EV/EBITDA			FCF Yield			Dividend Yield			Net Debt/EBITDA		
			2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
AEM	$ 136.34	$ 151.00	12.7x	14.8x	14.7x	6.7x	7.7x	7.6x	4.9%	4.4%	4.9%	1.3%	1.3%	1.3%	-0.3x	-0.3x	-0.3x
B	$ 34.89	$ 45.00	11.1x	10.9x	9.5x	4.6x	4.5x	4.0x	8.1%	10.4%	13.3%	2.7%	4.0%	4.7%	-0.2x	-0.2x	-0.1x
Avg.			**11.9x**	**12.9x**	**12.1x**	**5.7x**	**6.1x**	**5.8x**	**6.5%**	**7.4%**	**9.1%**	**2.0%**	**2.7%**	**3.0%**	**-0.2x**	**-0.2x**	**-0.2x**

Note: Priced as of COB July 20 (~$4,000/oz gold).
Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Table 3: NA Gold Miners Sensitivities – MtM Commodity Prices (-10% Spot Scenario)

	Last Price	Implied PT	P/E Ratio			EV/EBITDA			FCF Yield			Dividend Yield			Net Debt/EBITDA		
			2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
AEM	$ 136.34	$ 119.00	13.9x	18.9x	18.7x	7.3x	9.3x	9.2x	3.8%	2.2%	2.6%	1.3%	1.3%	1.3%	-0.3x	-0.4x	-0.4x
B	$ 34.89	$ 35.00	12.5x	14.1x	12.2x	5.1x	5.5x	4.9x	6.8%	7.4%	10.0%	2.7%	3.6%	3.7%	-0.2x	-0.2x	-0.2x
Avg.			**13.2x**	**16.5x**	**15.5x**	**6.2x**	**7.4x**	**7.1x**	**5.3%**	**4.8%**	**6.3%**	**2.0%**	**2.5%**	**2.5%**	**-0.2x**	**-0.3x**	**-0.3x**

Note: Priced as of COB July 20 (~$4,000/oz gold).
Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Table 4: NA Gold Miners Sensitivities – MtM Commodity Prices (+10% Spot Scenario)

	Last Price	Implied PT	P/E Ratio			EV/EBITDA			FCF Yield			Dividend Yield			Net Debt/EBITDA		
			2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
AEM	$ 136.34	$ 175.00	11.9x	12.8x	12.6x	6.4x	6.8x	6.8x	5.7%	6.0%	6.5%	1.3%	1.3%	1.3%	-0.3x	-0.3x	-0.3x
B	$ 34.89	$ 53.00	10.2x	9.3x	8.1x	4.4x	4.0x	3.6x	9.0%	12.7%	15.8%	2.7%	4.3%	5.5%	-0.2x	-0.1x	-0.1x
Avg.			**11.1x**	**11.1x**	**10.4x**	**5.4x**	**5.4x**	**5.2x**	**7.3%**	**9.4%**	**11.2%**	**2.0%**	**2.8%**	**3.4%**	**-0.2x**	**-0.2x**	**-0.2x**

Note: Priced as of COB July 20 (~$4,000/oz gold).
Source: Bloomberg Finance L.P., J.P. Morgan estimates.