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## PRESENTATION

### Operator

Ladies and gentlemen, thank you for standing by. This is the conference operator. Welcome to the Barrick 2019 Third Quarter Results Conference Call. (Operator Instructions) As a reminder this conference call is being recorded and a replay will be available on Barrick's website later today, November 6, 2019. You will now be connected to the conference room where the presentation will begin momentarily. You may hear silence until it begins.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

Good morning, ladies and gentlemen, to everyone particularly who have dialed in here today, and of course a very good afternoon to all of you who have made the effort to come out here. I did explain when we announced the potential merger between Randgold and Barrick that we would come back to London and present to you our progress. And you'll be pleased to know that yesterday we had the formal Barrick Board Meeting here in London as well, so we did keep our word.

So it's now just over 10 months since the big merger between Barrick and Randgold Resources went live. That stated name of the new Barrick was to create the world's most valued mining company, and in the process, to set an example of a modern mining business for an industry in need of invigoration. There's no better time to talk about this because really, everyone dislikes mining, but it's an absolute core component of everyday life. And we as miners have a big challenge to get accepted by the communities and the investors as well. We at Barrick are absolutely committed to make sure that we change the way we do business on a day to day basis. It's very pleasing today as we report on our results for the third quarter since the merger to share with the progress that we've made and where we're going to achieve exactly that goal. Before we go any further, please take note of the cautionary notice which is also on our website for those slow readers or anybody who wants to sort of delve deeper into the statement.



This is our scorecard that we shared with the world back on the 23rd of September, 2018 when we announced the merger. As you can see, when you compare what we said we would do with what we have done, every box has been checked. Most significantly, we've reengineered Barrick's corporate structure and strengthened every team. On the Nevada joint venture, in line with our focus on tier one and strategic assets, reevaluated and optimized our orebodies by getting back to the geological basics. And improved our operational performance to generate strong cash flows for funding further investments, growth and returns to shareholders.

Health and safety of our workers is a key concern in all that we do and its management is delivering positive results. Lost time injuries have decreased for the third quarter in a row. The slight increase in total injury frequency rate that you see on the slide is a key leading indicator which results from our increased focus on recording every single safety incident, no matter how small it is. Our ultimate aim of course is to achieve a zero-injury work environment.

Life safety, care for the environment and the community is a core component of Barrick's business philosophy. And certainly for us, not just another governance exercise. I've often spoken about the need for mining companies to earn a social life and still operate, and this is becoming more pressing for us as miners as I indicated in my introduction. The recent worldwide extinction rebellion protests are a further demonstration that society at large is demanding fundamental changes from our industry. Although everyone wants our products, mining is particularly unloved. And if we are to survive in the longer term, as I pointed out, we will have to align our practices with these expectations, and that is our intention at Barrick.

These are the highlights of our third quarter and as you can see, they show that Barrick has become a very different company. Operational performance has improved across the board. Earnings have significantly exceeded the consensus. Debt has been further reduced such that we now boast one of the strongest balance sheets in the industry. And the dividend has been increased by 25%. We are well on track to end the year at the higher end of our production and lower end of our cost guidance ranges for 2019.

When you get it right, the results are measurable in the numbers. Driven by positive contribution from Nevada Goldmines, and with all our assets positioned to take advantage of the higher gold price, adjusted earnings per share increased by 67% quarter-on-quarter and 88% year-on-year. I should point out that in line with the appropriate accounting treatment for the recent formation of the Nevada joint venture, there has been some fair value adjustments that have impacted the net earnings. As well as a notable write-up at Lumwana where improved plant availability and significant cost reductions contributed to a \$947 million increase in its value.

The operating results reflect the progress we've made in driving improvements across the portfolio. With the goldmines in line with or ahead of their production guidance ranges and copper production increased by 15% from the second quarter, mainly due to record throughput and higher grades at Lumwana, driven by the same fundamental and sustainable improvements that have enabled us to write up its value.

Turning now to the specific operations and starting in Nevada with Cortez, I must first start by paying tribute to the Nevada joint venture leadership who have done an outstanding job in integrating large and complex operations into a single business in a very short time. Looking at these operations, Cortez achieved the top end of its target. And when you look at these results, the apparent drop in production is due to the fact that the Nevada joint venture reduced Barrick's interest in Cortez to 61.5% from 100%. Costs were contained despite the depletion of the Cortez Hills open pit as we guided at the beginning of the year, and the transition to a higher proportion of the double refractory underground ore. The deep south project has completed its permitting process, has now received its record of decision, and is scheduled to start contributing to production next year.

Production at Carlin, the former Newmont Goldcorp mine, which now also includes Barrick's Goldstrike, was in line with targets. A combination of a lower cutoff grade, step outs, and the initial optimization of the underground mining operations is expected to add significant additional answers to reserves at this complex. There's lots more to build on at Carlin with brownfields potential around both mines, including the greater Leeville underground extensions and the prospect of a significant inventory increase in an underexplored Little Boulder Basin prospect.

Turquoise Ridge now combined with Twin Creeks as an integrated mining and processing operation is a standout example of the benefits of the Nevada joint venture. Production was up 26% from the second quarter. The cost impact of lower grade open pit ore from Twin Creeks was partially offset by more tons processed from Turquoise Ridge underground, and increased throughput rates at the plant. The sinking hoist for the third



shaft project is on track for commissioning in the fourth quarter of this year. The shaft will significantly improve the ventilation and that is the big holdup in expanding the underground production at the moment. The efficiencies and synergies brought about from the combination of the two operations has already allowed the reduction in the cutoff grade as again we forecast. This is expected to increase reserves significantly, in fact by more than 1 million ounces.

Phoenix and Long Canyon make up the full picture of the mines in the Nevada Goldmine portfolio, albeit they are smaller contributors to the joint venture. At Phoenix, the timing of copper sales impacted costs while at Long Canyon, the mine had a strong performance with costs noticeably lower than our guidance. And a review is underway to extend the life of mine with the phase 2 expansion.

At the time of announcing the Nevada Goldmines joint venture, we indicated to the market, rather controversially I might add, that the Nevada joint venture would deliver synergies to the value of \$450 million to \$500 million per year over the first 5 years of the full production of the project. And I am pleased to say we are well on track to achieve that. These are the key projects in the synergy pipeline and so far, we have clipped the coupons for a total value of \$311 million. And we expect to get to our guidance by the beginning of next year. There are still more opportunities in addition to the synergies that we identified in the longer term, and some of these would include particularly the boundaries that were sterilized between the two companies. And then the big focus for us is about a million ounces of significant grade ore along the boundary between Carlin and Goldstrike. And in particular, the portions of the mines we refer to as Deep Post, Tara and the NorthStar Frontier boundary for those who know Nevada at all.

Some of the key projects we are working on at Nevada Goldmines include the Turquoise Ridge third shaft that I've already referred to, the Cortez Deep South Project. Again, we've just received the record of decision. Robertson, [Wren], [Ritika], which is an underground block in Carlin. The Levo underground extension which we are very excited about. And the exploration potential across the portfolio which includes, as I referred to earlier, the Little Boulder Basin where we've got two bore holes, legacy boreholes that are significant in their intersections.

Nevada Goldmines also has a future growth opportunity at the Goldrush complex where twin exploration declines are being developed to improve access to the orebody and enable further drilling for resource conversion. Notably, we successfully submitted a plan of operations during the quarter to commence permitting for the project and we expect approval for that project in 2 years' time. This follows the successful receipt, as I pointed out, of the record of decision for the Deep South project in September of this year.

Fourmile and Goldrush are now being treated as a single project, although Fourmile has not yet been included in the Nevada Goldmines joint venture. Drilling in the southern part of Fourmile has recently returned the best yet intercepts. In fact, in literally 3 quarters, we've had best yet intercepts in the Fourmile project. And the boundary between Goldrush and Fourmile has reduced to just 100 meters. You'll see the intercept there that FM19-46D is a significant intercept. Remnants of the original Goldstrike intercepts for some of you sort of more bleached hair people will remember, like me.

Also, about a kilometer to the north of the Fourmile resource we announced at Denver a new discovery borehole and that is very significant. You'll see it on the inset down on the bottom left of the screen. And we expect that we will continue to add to the resources and we are guiding to a significant increase in resources when we come out with our annual reserve and resource statements next year.

Moving North to Canada and to Hemlo, which as you would have seen from the recent press releases, is being reengineered and refocused as a modern underground operation like Barrick's African mines. At the time of the Barrick Randgold merger, there was some debate about Hemlo's viability. But the anticipated performance improvements are now expected to secure its future.

In Latin America, Pueblo Viejo, which laps the Nevada Goldmines, is a joint venture between Barrick and Newmont Goldcorp. It had a very good quarter with production tending to the top end of its guidance and costs down.

The plant expansion project at Pueblo Viejo is one of Barrick's most exciting growth prospects. The project is designed to improve throughput significantly, allowing the mine to maintain annual gold production of some 800,000 ounces, well beyond the next decade. The prefeasibility study of the plant expansion project is scheduled for completion by the end of this year and the combined feasibility study for the plant expansion and the new TSF site is forecast for next year. Pueblo Viejo's enormous resource space is in a class of its own and just being able to demonstrate the

viability of the expansion project and secure the permitting for the new TSF facility, we estimate will add an additional 11 million ounces of resources to its minable reserves with still more likely to come from the ongoing drilling programs at that project.

The Dominican Republic is one of Barrick's go-to destinations and the dedicated exploration team is also building a portfolio of opportunities there outside the joint venture.

Further south in Argentina, Veladero was one of our biggest initial challenges on the closure of the transaction. And the team there has done a really good job in driving down costs, improving efficiencies, addressing some mainly environmental legacy issues, and rebuilding the relationships with the community, the province and the country. In conjunction with our partners at Shandong, we are working towards restoring that mine to its prior Tier One status. In the meantime, connection Veladero to the cheaper power available from Pascua across the border in Chile, will also reduce operating costs further as well as reduce our carbon footprint materially.

Staying in the region, we have identified lots of opportunity in and around Veladero, but outside the current mine plan. Latest results indicate the potential to extend the mine's life to the end of next decade. We are also relooking at the Pascua-Lama project, as well as advancing the Rojo Grande and Alturas targets along the highly prospective El-Indio belt. We now have dedicated exploration groups in Argentina, Peru and Chile, all focused on evaluating our current portfolio which is not unsubstantial, as well as securing more opportunities along the Andean Trend.

Moving now across the Pacific and into Papua New Guinea, Porgera represents both an opportunity and a challenge. In a different operating environment, a very difficult operating environment, the mine increased gold production by 23% quarter-on-quarter on the back of higher throughput and slightly better grades. At the same time, Porgera has been negotiating with the government for a 20-year extension to its recently expired special mining license. Although our negotiations are directly with the government, there are many interest groups in this process like least of which are the local landowners and provincial government. So you can imagine the environment is quite dynamic and it's probably going to increase until we get final resolution on the terms of the renewal.

Barrick's new geological focus at Porgera has identified a multi-million-ounce potential based on extensions to the known orebodies and associated structures. This have the potential to extend Porgera's life of mine significantly.

Across to Africa then, where the Loulo-Gounkoto complex delivered its usual solid performance with gold production up 4% on the previous quarter. Loulo is currently in the process of commissioning the group's first major solar power plant which will help to curb costs as well as to reduce its carbon footprint. This is in line with Barrick's policy of switching to lower emission energy sources wherever it can. Brownfields exploration at Loulo and Gounkoto continue to replenish the asset base, ensuring that we will sustain the complex' 10-year production plan.

Across the border in Senegal, Barrick's Massawa project is currently being permitted. The Mali-Senegal border region, for those who are not aware, already hosts a large number of goldmining operations with the district mineral inventory estimated at a plus 6 million ounces. And it remains highly prospective and we continue to hold a big position in that region and our geologists are always on the hunt for that next world class discovery. Having delivered Massawa, our geologists' focus has shifted to the Bambadji joint venture. Three very interesting corridors have already been defined there and some significant targets have been scheduled for drilling when the dry season starts.

Barrick's new emphasis on exploration is expanding its African footprint. From its original base in West Africa, Randgold moved into the DRC with Kibali. And following the Acacia buyout, Barrick is now expanding its portfolio across the Congolese and Tanzanian Cratons which we believe hold the potential for more Tier One discoveries.

Operationally, Kibali is trending well and like Loulo, has a solid mine plan for producing plus 600,000 ounces per year for at least 10 years. The lower income for the quarter I would just point out on the slide, is attributable to the higher depreciation following the merger fair value adjustments. It's not really particular for the actual performance this last quarter.

As at Loulo, brownfields exploration continues to deliver good results, identifying multiple open pit opportunities along the [Kazid] zone as well as extending the underground reserve base. We are also working on project to evaluate the potential for more underground orebodies, similar to the current KCD underground orebodies that made Kibali the giant it is today.



Tanzania's Lake Victoria gold district has long been in our sights and the rollup of Acacia has opened up the country for us. You are familiar with the Acacia story, and I don't want to dwell on it again, but it would be remiss of me not to say that the way the business and operations were previously managed, left a lot to be desired. After agreeing with the government on a settlement of its disputes with the company, our focus now is on fixing the operations and managing out the legacy liabilities.

I believe the agreement we reached with the Tanzanian government is a groundbreaking model for partnerships between mining companies and their hosts in Africa at a time when the industry is facing a rising tide of resource nationalization. It provides for the 50/50 sharing of the economic benefits created by our operations in Tanzania which will be managed by a company jointly owned by the government in a fully transparent manner. Known as Twiga, the Swahili name for Tanzania's national animal, the giraffe, this company recently had its inaugural meeting which was attended by all parties. We expect the transaction to formally close during this current quarter.

Operationally, Tanzania struggled during the quarter with the suspension of mining operations at North Mara for most of the quarter and the results reflect this disruption. As you know, operations resumed near the end of quarter 3 and we expect a more normal quarter for quarter 4.

This is a quick look at the rest of our goldmines which did not -- all did reasonably well with the exception of Kalgoorlie. As previously highlighted, the sales process for Kalgoorlie has been initiated in line with our policy of disposing of noncore assets which we expect to advance in quarter 4. We continue to expect to realize in excess of \$1.5 billion in value from our asset disposals by the end of next year. As I noted earlier, Lumwana was the standout achiever in our copper portfolio, achieving record throughput and increasing production by 33% quarter-on-quarter. Sales were impacted at Lumwana by the refurbishment of one of the smelters that processes the mine's concentrate, and we expect this situation to be resolved by the end of this year.

With the integration of geology and great control into our mine planning and our first bash at optimized life of mine plans, as promised, there is 5-year outlook for the group. We have transferred responsibility for orebody, ore reserves and resource modeling, as well as mine planning back to the operations as we said we would at the time of the merger. We are also working on a 10-year plan to serve as the group's foundation for capital allocation, budgeting and forecasting. This will be supported by the rollout of new information management systems designed to drive real time decision making through the availability of real time data. We expect to share the 10-year production plan with the market in our 2019 annual report next year. As you can see, the group 5-year plan is very consistent with our previous 5-year guidance of 5.1 million to 6.1 million ounces, showing a steady and slightly increasing production profile with costs declining over the period.

Looking at the underlying regions in more detail, the North American region now includes our interest in the newly formed Nevada Goldmine joint venture which has had a significant impact on the group's profile. Higher cost assets contributed from Newmont combined with the significant synergies we have identified, and its effect on lowering cutoff grades, have all impacted the blended cost profile of the business. As I mentioned earlier, this is our very first effort at putting this complex business together. But I have no doubt the team will further refine this profile as we go forward.

The Lat Am and Asia Pacific profile includes our first estimates for the expansion of Pueblo Viejo in Dominican Republic which has had a significant impact on capital and all in sustaining costs, albeit the real benefits from this project will materialize beyond the 5-year window. We are also making further investments at our Veladero mine to access prospective ground as we strive to return this asset back to Tier One status. And in Africa and the Middle East region, the profile remains relatively consistent with previous guidance given with the exception of course of Tanzania where we have included our bid model as the base case. You'll remember the argument we had with Acacia and we presented our bid model. In particular, this includes as of today about \$200 million of capital for [Buly] in 2020 which in all reality is likely to be smooth over this next year and the year thereafter. And is still dependent on the feasibility work we are undertaking as we aim at the restart of underground operations by quarter 4, 2020.

The copper profile shows the improvements that are ongoing and the improvement as well in efficiencies and cost reduction initiatives at Lumwana specifically. And really, this has kept our production profile relatively steady and certainly a viable business, even at these lower copper prices that we're experiencing at the moment.



I started with our scorecard for the 9 months to September and pointed out that we have checked all the boxes. So here is our to-do list going forward. And I have no doubt that our team will be able to deliver on these and again, this time next year, I'll be checking those boxes as well. And I'm sure we will find a few more to add as we go through this yearend into next year.

I end this presentation as usual with a look at how Barrick stacks up in the market against the gold equities and the gold price. As you can see from the chart, we have been clear outperformers versus both the GDX and the gold price since the announcement of the value creating merger with Randgold. While much has been achieved, there's no doubt in my mind that much remains to be done. I hope today's presentation, ladies and gentlemen, has given you an insight into the many internal and external opportunities for sustainable profit and profitable growth that are within our reach at Barrick. I thank you for your attention and we'll be happy to take questions. We've actually got quite a big contingency of Barrick people here in the audience, so we can take pretty much, deal with any questions you can come up with. We're going to start with the call people first and then we'll come back to you people here in London.

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) Our first question comes from Chris Terry of Deutsche Bank.

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### Christopher Michael Terry - Deutsche Bank AG, Research Division - Research Analyst

Hi, Mark and team, and thanks for taking my questions. I have a few. I just wonder if you can start with the 5-year guidance and if you can make some comments on the conservatism or what you've actually baked into it. For example, the Nevada synergies that you're still going through and made great progress on, I just wondered whether you are putting the full number in for that, for example, just other areas of improvement and whether you have just at this point, put in projects that are fully approved. Just getting an idea given you've aimed towards the top end in 2019 of that guidance, if it's potentially conservative or a mid-case. Thanks.

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### Dennis Mark Bristow - Barrick Gold Corporation - President, CEO & Director

As you know, I'm never one who sort of under promises to overdeliver. So this is our best business case based on what we believe we can deliver. There are opportunities, some of them that I'll point to are for instance how we can bring PV expansion on and whether we can improve efficiencies. But as we stand, this is our first bash at a scoping study. We've got the pre-feasibility running now with the processing plant. We haven't quite finalized the detail in the flowsheet, so there is, I would say there is some upside opportunity there. Of course, there's ongoing drilling between the 2 current bits, and that has some opportunity. But as far as our current reserves and our current orebody models are, we've included all of that. Veladero has some opportunities that we don't have sort of visibility on yet because there's still quite a bit of drilling to be done to be able to lift the life of mine. We know that it looks very prospective. But again, that will come out in the 10-year plan rather than the current 5-year plan. Nevada, we have baked in the synergies that we can see and that we've identified. We've got no doubt that there will be improvements. Those improvements are largely expected to come from the continued optimization of our orebodies. And also, we need to do some work on the Carlin processing facilities, in particular the mill 6, the roaster, which at the moment is quite expensive. Its operating costs are high. It's a single bed roaster and we are going to be expanding that because it's an important facility for Goldrush. And we'll be improving both its ability to scrub mercury out of the ore and also to take a bigger throughput, so it will drop the costs. Goldstrike roaster is one of the most efficient roasters on this planet when it comes to running it at just over \$20 an ounce. \$20 a ton, sorry. John corrected me there. And Carlin is running in upper \$30s, so we've got some opportunity in that process. And then it's just what we can find. And I'd remind you why do we do this, and there is no other company that does it. And we did it in Randgold, is that this is, it's always fascinated me that the mining industry allocates capital on the long term, tells you about their development and the life of mines and they don't give you the detail. When you have a detailed plan, you can see the road, the speedbumps, you can identify opportunities, and we've always shared that with our stakeholders in a transparent manner. That holds us accountable to deliver against it. If you go back in the 23 years of Randgold, we delivered long term deliverables even out to our first big dividend. We said we would do it at the end of that particular year, and we did. So it's an important part of being a modern company is to tell people where you're going. So can we improve on





that? I'm confident we will. Exactly what it is that we're going to improve on, that's a string of opportunities that we will disclose as and when we make them.

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**Christopher Michael Terry** - *Deutsche Bank AG, Research Division - Research Analyst*

Thanks for the color. Just in terms of the balance sheet, you're obviously now below \$3.5 billion net debt. Just wondering if you can comment a little bit on potential use of proceeds from the \$1.5 billion of asset sales you flagged. You've obviously increased a dividend a little bit on this quarter versus last quarter, so just wondering where you're thinking about the use of proceeds. Thanks.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

If your definition of a little bit is 25%, I wonder what you think is a lot? We've got many opportunities to create value for our stakeholders. We said we were doing this because we saw the value in being the standout gold company with the dominant ownership of tier one assets. As you've seen almost surprisingly, it's now three quarters into our project and we've been able to wind down the debt, increase the cash positions. We rolled over our revolver facility and dropped it to \$3 billion because we're comfortable about where we are. We came out with an early dividend because, again, as you point out, and when you look at our 5-year plan, what's clear is there is some investment we need to make in 2020 to sort of tidy up the organization, but then if you look at the 5-year plan, the costs are coming down, capital is coming down, we've got a real focus on sustaining capital, and of course when costs come down and capital comes down, cash flows go up. So that's the whole objective of doing business. What we do with those proceeds, again, something that I really believe in is that in mining you should deliver returns to your shareholders and in particular the best way is dividends. There are other mechanisms that we can consider and will consider like buying back shares as we change our asset portfolio sort of color. But at the same time, I believe we are going to replace some of the assets that we are going to sell with better looking assets. Not that the ones we are selling are bad, they just don't fit our specific investment focus. We have now really much, very much depleted our debt, our short-term debt payouts, so we've got a little bit more to do, but not much. And the remaining debt in the organization is long dated debt, it's very expensive to settle. We will look at ways to do that on an opportunistic basis, but that means our cash will hold up and we and Randgold moved to a position where it's thought to have available cash of a certain amount, then it would pay the rest out. That's something we look forward to being able to debate with our board going forward. Right now, we are cleaning up the balance sheet and we've done it consecutively every quarter. We expect to continue to attain to that. And dividends we've said is going to be a driver of this business. Again, we're mindful, for not one for special dividends or fancy ways to return cash to shareholders, we'll do it in a structured way. We've debated share buybacks many times in my career with my respective board colleagues and I'm sure that debate will continue to be had going forward. The positive message is we're going to have all those debates because we generate cash and they are good debates to have.

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**Christopher Michael Terry** - *Deutsche Bank AG, Research Division - Research Analyst*

Thanks, Mark. Just the last one for me, what's the timing you're thinking for the potential inclusion of Fourmile into the JV? Thanks, that's it.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

We want to bank that properly. Right now, with that new discovery hole way out a kilometer from any of our resource estimates, it really does open up that opportunity substantially. And we've got a lot of comfort that Goldrush is at a stage where it's a matter of process to bank it. And then it's about access to the Fourmile deposit whether we do it via Goldrush infrastructure, we come in where there's an opportunity to come in from an old pit on the other side of the trend. There's a couple of things that we still want to do and I think first of all, let's build the portfolio. We've only got, where's Roger, a couple of hundred thousand ounces there now, 250 -- 700,000 ounces. So we are expecting a substantial increase in inventory with our annual declarations early next year, but I would say it's a couple of years before we are comfortable that we've got the critical mass to warrant moving that to a feasibility stage project. What I would add, and it's something that we've had great debates over, is Rod is starting, as head of Projects & Evaluations, is starting to take a much bigger focus on this project now because it's reasonably well framed. And so a lot of process rather than exploration endeavor. And we've encouraged Rod and his, I mean Rob Krcmarov and his team, to move away and find the next one and not get bogged down by ongoing drilling in this project. Rod, do you want to add anything to that?





**Rod Quick**

(Inaudible - microphone inaccessible) I'll just repeat that because the mic wasn't on. That base toll that we reported this quarter (inaudible) is opportunity on the western side as well. Within Fourmile as well. The westernmost edge of that current Fourmile resource is very much open. Quite a bunch of drilling to be done in the coming next 12 months to actually find out how big the Fourmile resource is.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

Just for those here, and I don't know if you can see my pointed, but what Rod is taking about that this trend, which there is the greater Goldrush Fourmile trend, what we're seeing is on the western side, that's this side, there tends to be a plunge to the orebody there and there and there and so on in Goldrush. And so we haven't drilled that western edge of the mineralization and we are expecting to be able to extend the mineralization to the west. So we've still got quite a bit of work to do to close off those trends. The big thing for me is, there's more to find. We've got [Bleasdale] trend which is subparallel to the Goldrush Fourmile trend to the west of the trend as you see on that slide. And then we've got another couple of outlier intersections, positive intersections, to the east. And so are there subparallel trends to this main mineralized trend going forward.

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**Operator**

Our next question comes from Matthew Murphy of Barclays.

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**Matthew Murphy** - *Barclays Bank PLC, Research Division - Analyst*

Just chewing through some of the 5-year guidance here and looking at North America. The Turquoise Ridge production looks fairly steady through 2024 despite that third shaft coming on. So I guess should we be reading from that that cutoff grades are going to get dropped further in the 2022, 2023 timeframe?

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

Absolutely. That's one of our biggest issues that when we took over Barrick, Barrick was absolutely obsessed with high grading its orebodies. And it was appropriate for that phase in its life because it was dealing with some massive debt coming from \$12 billion of debt. But we said at the time that we would re-optimize the orebody and allow the orebodies to manage the life of mine. And that's critical because when you have tier one assets, there's 2 components of value that you have for your shareholders. One is the margin and the gold price. The other is the cyclicity of the gold industry. And with a tier one asset plus 10 years, you get that cycle. And so you don't want to go and overmine your orebody, you want to optimize it for the long term. And that's what we have done and we will continue to do. I mean Turquoise Ridge has got significant upside opportunity in the brownfields extensions of the known reserves. Remember the reserves are significant at Turquoise Ridge and we've still got more. We've got the old schedule extensions to open pit opportunities and the tradeoff of whether we go underground or come back and take a bigger lower grade rate cut. But right now, we've brought the cutoff grades down from over 12 grams a ton and our target is to get down to about 6.5 is the target. Do you want to add to that?

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**Rod Quick**

(Inaudible) very much work in progress. We've just now seen debottleneck (inaudible) That's out of the way now. Pushing on to the plant, you would have seen the initial increases coming through this quarter, but obviously that's work in progress. You would have seen how hard we can push that with the various feeds. And then (inaudible) is more of the same. How big is the orebody and then reoptimize the hole (inaudible). Fill that pond with the best grade we can with the long-term view. So a lot of work still to come.

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**Matthew Murphy** - Barclays Bank PLC, Research Division - Analyst

Gotcha. Okay. And then just as it relates to that, the near-term synergies show you've already done \$73 million executed or advancing there. Do you see upside to that near-term synergy number?

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

Of course we do. So one of them is, as Rod says, the plant expansion. And again, just bear in mind, we've just changed the whole management structure at Turquoise Ridge. In fact, for the Barrick Group, I think there are only 2 people in senior management and the operations that were there when we arrived. The rest is all new. We've just changed the leadership on the processing plant at Twin Creeks and we jacked up the throughput. So there's a lot more work to do on efficiencies. I think John and his team have already shown that just even in the standard operating procedures when it comes to autoclaves, how we manage the fuel in the autoclaves and the temperature and the ability to treat higher energy, higher fuel ore, we've got a lot of work to do right across the group. But at Turquoise Ridge in particular. John, do you want to add something to that? You've got to push the button over there, you'll go red.

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**John Steele**

Got it. Yeah, I think the first phase at Twin Creeks was really just raising the densities in the feed to the autoclaves to give us additional 15% to 20%. But we're trialing that now, it's going well. It's really a tradeoff, slight tradeoff against recovery, but the key is maximizing the ounce production and the cost per ounce and that's what we're choosing there.

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

And Matt, we've also got a lot of work to do. Right now, we're constrained through the environment, that's why the shaft is so critical, because it changes our entire ventilation protocol. And in the meantime, we are working hard at fully automating the mining in Turquoise Ridge. Its Geotech conditions are challenging, so automated self-miners, which we've got a second one in the steps now, is important. We have already got backfill process fully automated and that's our focus. And of course, electric underground vehicles also help in managing the environment. They've got a lot of stuff to do to be able to pick up the efficiencies there. But this is based on what we can do today.

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**Operator**

Our next question comes from Tanya Jakuscone of Scotiabank.

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**Tanya M. Jakuscone** - Scotiabank Global Banking and Markets, Research Division - Analyst

Good afternoon, everybody, and thanks for taking my questions. I have 2 questions. The first one has to do with the 5-year guidance. Just a bit more clarity. I know you have some footnotes at the end of the presentation, but just wanted to ask first, is Long Canyon Phase 2 included in your forecast?

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

No.

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**Tanya M. Jakuscone** - Scotiabank Global Banking and Markets, Research Division - Analyst

And then maybe, Mark, has something changed at Massawa that you've included into your forecast? I was under the impression it didn't meet your hurdle rate. Maybe something has changed there?



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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

Massawa, if it was in Randgold, we would have developed it. It is busy. We've got a business plan for it, we are applying for the permits, and we will deal with it as and when we have secured the permits. Graham wants to say something.

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**Graham Patrick Shuttleworth** - Barrick Gold Corporation - Senior EVP & CFO

I was just going to say that at \$1,200 gold, which is the gold price that we use for investment decisions now, (inaudible).

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**Tanya M. Jakusconeck** - Scotiabank Global Banking and Markets, Research Division - Analyst

Okay, so you've moved. I thought we were still at \$1,000, hurdle rate of 20%. So it's been moved to \$1,200?

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

You clearly haven't read the footnotes.

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**Tanya M. Jakusconeck** - Scotiabank Global Banking and Markets, Research Division - Analyst

Okay, well I think I did, but maybe just coming back to Kibali and I think, Mark, you mentioned plus 600,000 ounces over the next 10 years from that asset. Just a little bit more clarity. Is some of that coming from the open pit, additional open pit material from the drilling that you've been encountering lately?

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

We've got a whole lot of new opportunities. We have got the new [Sesangi] pit, we've got the -- and it will change as we go. [Kalonga] is a pit that's already in the mine plan which is open pit. We've got a number of targets we are evaluating, as I said in the presentation, along the Kazid zone. There's a prospect of a super pit joining the Sesangi and KCD pits. But right now, what that plan entails is only the reserves. We haven't added resources or soon to be discovered ounces. Simon? It's great. Just wait, Simon is going to -- (inaudible - no mic). Simon says the 10-year plan has open cost material for the entire 10 years.

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**Tanya M. Jakusconeck** - Scotiabank Global Banking and Markets, Research Division - Analyst

Okay. I think it was a bit different than --

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

And Tanya, we've got visibility of some significant millions of ounces of potential resources that have every reason for us to consider them to be converted to reserves. Both at Loulo-Goukoto at and at Kibali. And I pointed out that's where we want to get the full group to. That's where we're going. These are legacy Randgold assets, they have a rolling 10-year plan and that's where our objective is for the rest of the group.

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**Tanya M. Jakusconeck** - Scotiabank Global Banking and Markets, Research Division - Analyst

Okay, and similarly with Loulo-Goukoto, longer on the Goukoto side?



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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

The Goukoto, there's 2 things. One is the pit has produced more ounces than our original feasibility. I think the point I would always make on behalf of our team is our feasibility studies have all been delivered against and some. So the Goukoto pit, it is certainly going to beat its plan as original super pit plan. And then we've got a new underground section at Goukoto, so another phase of investments for Goukoto. And again, that 10-year plan doesn't include every, all the potential that we see in extending the high-grade zone of [Vielea] which we referred to in today's results. Which again, has delivered some significant step out results. And so and we've still got Loulo 3 that we've got a lot of work to do and so we're not short of potential in the Loulo-Goukoto district.

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**Tanya M. Jakusconeck** - *Scotiabank Global Banking and Markets, Research Division - Analyst*

Okay, and then maybe just on the copper guidance, the -- you have the chloride leach in for Zaldivar in that plant. Can you remind me, Graham, what the capital is for that?

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**Graham Patrick Shuttleworth** - *Barrick Gold Corporation - Senior EVP & CFO*

Yes, the approximate amount is about \$170 million.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

And we haven't finished that feasibility study, Tanya. We're busy with it.

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**Tanya M. Jakusconeck** - *Scotiabank Global Banking and Markets, Research Division - Analyst*

Okay, and then maybe just my second question is actually for both Rob or Rod. It's got to do with the reserves and resources that are coming out in I guess it's February. And I think you had talked about doing reserves at \$1,200 and resources at \$1,500. And I think Mark, you talked a lot also on the call about areas where you see reserves increasing and resource increasing. So I wanted to circle back with Rob and Rod on a couple of these assets. I think [Levo], I think you said there's multi-ounce potential there. Will that be in the resource category?

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**Robert L. Krcmarov** - *Barrick Gold Corporation - EVP of Exploration & Growth*

Yes, Levo, Tanya, will still take some time to get into resource, but there's a lot of inventory potential there that will be coming. Just looking at sort of reserves at Goldstrike underground and the Carlin underground mines in total will more than replenish depletion. Kibali we've mentioned is going to do well. (Inaudible) is doing pretty well. So those are obviously some of the key assets.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

Veladero will, PV will.

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**Robert L. Krcmarov** - *Barrick Gold Corporation - EVP of Exploration & Growth*

PV not yet. Until the feasibility comes, there's a lot of potential there sitting outside reserve and resource and just waiting for that feasibility to come. But that won't come this year. So there is some good news. Obviously from a Barrick perspective, there will be increases because of acquisitions and the merger with Randgold, coming through. The JV helps us in Nevada obviously. There's quite a big uptick there in ounces coming through that JV, of that 61%, but there's a lot more.



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**Tanya M. Jakusconeck** - Scotiabank Global Banking and Markets, Research Division - Analyst

And Turquoise Ridge, Rod, I think you're going to be changing the cutoff grade there, so there's multi million ounces adding to reserves there?

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**Rod Quick**

Yeah, obviously we're going from 75 down to 61 at Turquoise Ridge in particular, but it's the whole complex that you're looking at. And yeah, obviously dropping the cutoff immediately because of that TMA out of it increases ounces.

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

So the cutoff grade, if you look, do the math, it's north of a million ounces that it adds. And you look at the depletion for that asset even with the 61%, and that said, it should be better. I think Tanya, one thing I would point out to you is we have used \$1,200 on estimating our life of mines. We will be using \$1,200 and both this \$1,200 long term goal flat and 15% IRR is sort of focus. On PV, you need to know that the conversion Rod refers to is from measured and indicated, so those ounces are there and they're economic at \$1,200. All we need is to prove that we can put the tailing somewhere and they become reserves. So it's important for you to appreciate that there's no extra drilling on the additional 11 million ounces we referred to in the report. There's no extra drilling to be able to convert that into reserves. It's really just the permitting of the TSF.

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**Tanya M. Jakusconeck** - Scotiabank Global Banking and Markets, Research Division - Analyst

Yes, but we're not expecting that at yearend, I think Rob said that.

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

As Rob said it and we've said it, that's through next year.

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**Robert L. Krcmarov** - Barrick Gold Corporation - EVP of Exploration & Growth

Yes, and Tanya, I'd add that the \$1,200, moving from \$1,000 to \$1,200, I mean it's really only affecting the legacy Randgold assets. And both those orebodies, the new Gounkoto orebodies and the Kibali orebody is very geologically constrained. So there's actually, these increases we're talking about are coming from (inaudible) and Kibali are not driven by the \$200 increase. They are orebody extensions that we're bringing in and we've actually brought in very little to that adjustment.

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**Tanya M. Jakusconeck** - Scotiabank Global Banking and Markets, Research Division - Analyst

Okay, I'll leave someone else to ask questions. Thanks a lot, guys.

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**Operator**

Our next question comes from Anita Soni of CIBC.

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**Anita Soni** - CIBC Capital Markets, Research Division - Analyst

Good morning, guys. My question is a little bit more high level. Could you give me a sort of a breakout in 2020 and 2021 what the difference between the sustaining and the project capital expenditure is?



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**Graham Patrick Shuttleworth** - Barrick Gold Corporation - Senior EVP & CFO

I could, but I won't.

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**Anita Soni** - CIBC Capital Markets, Research Division - Analyst

Well that won't help me modeling, but I'll move to my next question. Can you highlight to me then the major drivers for the difference between the current total capital expenditures this year, \$1.4 billion to \$1.7 billion. And then you're moving up towards like a \$1.9 billion or \$2 billion for the next couple of years. What are the if you had to pinpoint 3 things --

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

That's just the next year, 2020. And you can see it on the chart. So as I said to you, \$200 million on Buly which is quite sort of variable at the moment. That's what we used in our bid model. We don't have the ability to schedule that in any detail, that will come with the feasibility study. We've got the additional capital in PV. Again, that's a long-term capital commitment and there's some extra capital in Loulo-Gounkoto on development and the rest is pretty much as per the schedule. There's a bit more capital in Veladero as well.

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**Graham Patrick Shuttleworth** - Barrick Gold Corporation - Senior EVP & CFO

Sorry, Anita, how much did you say the capital was?

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**Anita Soni** - CIBC Capital Markets, Research Division - Analyst

I'm looking at this chart and I'm like maybe my ruler is incorrect or I need better glasses, but the blue line that you have here basically shows that it's sort of pretty flat from 2020 to 2021 for the total capital number, at \$2 billion.

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**Graham Patrick Shuttleworth** - Barrick Gold Corporation - Senior EVP & CFO

As Mark says, a lot of that is to do with the investment that's going in for the development of Veladero, for the development of PV, extra capital to ensure that we've got a 10-year plan. So a lot of this capital is really, as Mark mentioned in his speech, going to give us benefits in the 10-year plan, not in the 5-year plan, because of course we're working towards a long term business here.

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

And I think, Anita, just to soften Graham's undiplomatic response to the split in sustaining and capital is that it's an absolute obsession of mine to bring the sustaining capital down and we've got a lot of focus in that part of our business. Once we get granularity on that, we'll start sharing it with you.

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**Operator**

Our next question comes from Greg Barnes of TD Securities.

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**Greg Barnes** - *TD Securities Equity Research - MD and Head of Mining Research*

Thank you. Mark, given the free cash flow this company should generate, I know we've debated about the dividend in the past, but do you see a model where Barrick would commit to doing something like the major diversifieds do which is paying out 30% to 50% of net profits on an ongoing basis as a dividend?

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

You know, Greg, all I can say is I refer you back to our Randgold business. We paid 13 years of increasing dividends on the back of a long-term plan despite what the gold price did. It went up and down, not necessarily in that order through that period. So I'm more of the view that in any business there's the sort of requirement of cash reserves to ensure that you can deliver the business. And the one thing, I've been in this industry longer than most people on this call or in this room, and the one thing you never want to be is beholden on the market for money. And so that's our business, it's a long-term business, everyone says it, but very few people manage their business on a long-term basis. We do. So we will, as a gold business, our job is to give our owners maximum exposure to the gold price which we and I have done my entire career. And I expect to be able to continue to do that. We have no doubt that we can deliver that 5-year plan and the 10-year plan that we're working on, and the life of mine plan at any conceivable gold price without having to beg any money from anyone. And I have no intention of putting that strength at risk. We've seen through my career, as you have, Greg, people trying to link dividends to gold price, dividends to this. Everyone has a fad. My job is to convert reserves into cash flow, make sure we've got enough to be able to invest in our own future and give the rest to our shareholders and a substantial part of that to our stakeholders like our host countries in the form of profits tax.

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**Operator**

Our next question comes from Andrew Kaip of BMO.

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**Andrew Kaip** - *BMO Capital Markets Equity Research - MD of Mining, Equity Research & Precious Metals Mining Analyst*

Good morning, gentlemen, and congratulations on a good quarter. I've got just 3 quick questions. One of them is, just looking at the Nevada Goldmine near term synergies, it looks like you've reclassified buckets between Turquoise Ridge and regional (inaudible) in direct. Wondering if you can just confirm that.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

Yeah, Andrew, let me answer that first. If you go back to our published presentation on our website for the Nevada Analyst visit, you would have seen that we shifted the shape of the pie a little bit. And we'll continue to do that. So there is strings and roundabouts in this and that's what we are effectively doing. So what you are observing is correct.

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**Andrew Kaip** - *BMO Capital Markets Equity Research - MD of Mining, Equity Research & Precious Metals Mining Analyst*

Thanks. Then look, I'm wondering if somebody can help me understand the scope of the metallurgical test work that's being done at Pueblo Viejo. I notice in the discussion you're also starting to look at flash oxidation and I'm just wondering what the opportunities and the risks are relative to fine-grinding and floatation as a means to expand the operation.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

I think we've gone past that and it's not flash oxidation. It's using flash vessels to cool down and allow the autoclave to process higher energy feed. So the original, if you'll remember before I pass it onto the expert, the original flowsheet was a combination of floatation and then partial leach oxidation using water in a heap. Then it was, when John got there, we looked at vessel oxidation so floatation, more floatation, floating most of



the feed apart from the high grade feed and then ultrafine grinding it and then with oxygen doing partial oxidation of the sulfides and vessels. This way is a much more effective way. It's proven technology in the platinum industry. So it's not new technology at all, it just hasn't been applied in the gold industry because the gold industry doesn't have lots of ore with piles of sulfide. So how did I do, John?

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**John Steele**

Pretty good there, Mark, pretty good. Yeah, that's exactly it. We've gone down the route of testing the ultrafine grind and the tank oxidation where we get about 40% of the sulfide oxidized. But we are very familiar, and the operators are very familiar with pressure oxidation. So this proposal to adopt flash recycle or flash thickened recycle is extremely attractive to the operation because it's known technology and our application to oxidize and relieve the heat from a higher sulfide feed is ideal for us. So that's the opportunity for us. It's lower capital, it's lower OpEx in terms of our approach. So that's the number one priority for us at the moment and it now replaces the ultrafine grind tank oxidation as our priority flowsheet, so it will be flash that can recycle is the optimum that we'll be pursuing going forward into the prefeasibility.

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

And it also reduces the footprint as far as the operating footprint goes because you don't have so much infrastructure and space is quite critical at PV for us.

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**Andrew Kaip** - BMO Capital Markets Equity Research - MD of Mining, Equity Research & Precious Metals Mining Analyst

All right. It sounded like that you were moving in that route, so thanks very much. Then one final question, just quickly on Lagunas, it's on care and maintenance. Are you going to continue residual leaching at that operation or are you shutting that down?

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

Again, this is important about having proper plans. It's still got significant potential reserves in the form of sulfide or refractory ore. It got to a point where the oxide ore was running out, it was a very complicated process to try to do it on a heap. And our view is put it on care and maintenance and make sure that we use the cash flow from the residual ongoing leaching to invest in our exploration endeavor around Lagunas. And we have 3 significant oxide targets, one quite well defined, which we will be permitting. Then we've also got 3, in addition to the ongoing drilling we're doing in the current pit to expand the reserve base, we have 3 additional satellites, sulfide satellites that we will also be evaluating. The objective is to lift the reserves to a level where it would warrant, it would support the investment in a refractory style process which for us would probably have to be roasting. Right, John?

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**John Steele**

Yes, given the description of the challenges of the extremely carbonatous material, we'd be supporting a roasting route.

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

Do you want to add anything, Rod? Rod agrees.

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**Operator**

Our next question comes from John Tumazos of John Tumazos Very Independent Research.



**John Tumazos**

Thank you for taking my call and congratulations on all the good work. Could you refresh us as to the reallocation procedure, the 61.5%/38.5% Nevada Gold breakdown? Does it change if the origin of production is one company or the other? Or is it reserves? And as an example, if Fourmile plus the one kilometer north of Fourmile turned out to be 10 million ounces of reserves, what would the new JV stakes be?

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

John, that's easy to answer, so let me answer it. The joint venture here of interest that's what we put in and Newmont put in, that goes to the 61.5%/38.5% split. Fourmile is outside the joint venture. What we have to do is, there's a set formula where we have to demonstrate against sort of a set equation a project that delivers more than 15% IRR assuming a gold price which is estimated on a formula, spot first lookback formula, on the gold price. Once that's done, we have the right to force that into the joint venture and it will be introduced or included in the joint venture at fair market value. And included in addition to the fair market value, we would also add the cost of the feasibility study. And Newmont has 2 options. It either pays us out in cash to keep their 38.5% ratio, or it dilutes. That's how it works.

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**John Tumazos**

Thank you for that explanation. Thank you very much.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

I'm going to move to London now. It's -- or is there one more? One more, okay.

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**Operator**

Our final question from the phone comes from Adam Grath of B. Riley Financial.

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**Adam Grath**

Hey, guys, thanks for taking my question. I just have a couple of quick questions about Nevada. Something you said, Mark, piqued my interest about the sterilized ore that you guys are now examining at Carlin. And I was just curious about that and how that came about. Because I was under the, I had the understanding that previously Newmont and Barrick had a layback agreement. So I'm curious where the sterilized ore is coming from.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

I can assure you that Newmont has kept very few agreements. They might have had the intention to reach an agreement, but there is always there's been a lot of I mean just at Turquoise Ridge Twin Creeks as well, there was opportunities to rationalize the resources across the boundary where it was accessible from one and not the other. And the same goes for Carlin Goldstrike. And the 3 projects that I refer to in my presentation are all along that Carlin Goldstrike trend. There's about a million ounces, small amounts just from the pits and others from underground where it's easily accessible from Goldstrike, but it's in the Carlin side and vice versa. So it's those sort of things. I mean there's lots -- there's ability to use, now that we own all surface building roads, which again, was always made difficult because of the sort of bureaucratic impasse between the corporates. And there's a number of other opportunities for us to unlock synergies because we no longer have a line or a fence that demands some sort of settlement or agreement.



**Adam Grath**

And then just you mentioned the deep drill holes that hit the high-grade ore at Little Boulder Basin, that's 2 kilometers down, and I was curious conceptually with current technology, is that something that's actually, you believe it's actually accessible at this point?

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

I come from South Africa, so 2 kilometers down is like grass roots. These are massive intersections. The debate there, and you can look at it in the section, but the debate is they'll drill through the intrusive and hit the sort of target packages below the intrusive. The question is, is that intrusive stoked out to a large potential resource or will we find it if we carry on drilling it? So right now, we're drilling a single hole to check it out and we'll let you know and decide on once we drill down that hole.

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**Adam Grath**

I thought there were waste dumps that were sitting above it. Are you drilling through the waste dumps to get under there? Or are you able to drill directionally --

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

No, we just drilled through from surface. It's a big area and we just want to get through the intrusive and check the stratigraphy. As you know, you're going to have to get down there underground, so waste dumps are not an important prospect. We're not planning to do an open pit down to 2 kilometers.

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**Adam Grath**

No, certainly not. Then finally in Levo, you guys believe that there's multimillion ounce expansion potential there that you guys can define over time with additional definition drilling?

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

Yeah, there's a pattern drilling in Levo. Again, the approach to Nevada, both even in Barrick, but certainly in Newmont, was more driven by density and pattern and we are much more geocentric in the way we do things. And we've looked at the core and we see continuity of the orebody from one bore hole to the other. And it's about, part of that is down to 150 meters, 400 or 500 foot spacing. And so as an inventory it's definitely very attractive and it's multi, multi million ounces potential there. But we've got some work to do before we can specifically frame it.

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**Adam Grath**

Do you believe that continues north past the old fence line?

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**Dennis Mark Bristow** - Barrick Gold Corporation - President, CEO & Director

The continuation is north. It's north and then southwest, so it's on either side of the main infrastructure, mining infrastructure. And actually, in the middle of that infrastructure is Ritika which is largely evaluated through drilling which again wasn't in the mine plan which we are now moving into our reserve and planning schedule.

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**Adam Grath**

Fantastic. Thank you for answering all my questions.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

We're here, London. I think the guys on the phone did a good job. Just switch your mic on.

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**Unidentified Analyst**

Firstly, thank you for giving the entire presentation without mentioning the World Cup Rugby once, much appreciated.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

You haven't heard my finishing remarks yet.

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**Unidentified Analyst**

You mentioned at the start of your presentation the importance of the ESG which is again another battleground that you're going to have to win on the road to (inaudible). And we get currently some safety quarterly data, you present. Is there an opportunity for you to public some environmental quarterly data, CO2 emissions, water withdrawal, something like that on a quarterly basis?

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

Sure, so that's a good question. But the point that I'll make here is that this is a battlefield when it comes to CSR. Because for us, it's not compliance, it's a way of doing business. It's deep in our DNA. I can tell you right now that emissions are down and our carbon footprint is down quarter-on-quarter. And what my challenge to everyone is, fund managers, they get these sort of compliance demands and then they throw it at the mining industry without even thinking about it. Again, we as an industry, all it does is it puts everything at risk. It's about how to we actually work differently? How do we actually allocate long term capital? One of the CSG and not only community but ESR issues, and it's a pet subject of mine which I have the conversation many times. Fund managers almost force the industry to go to the US and mine. North America. Somewhere safe. And our biggest single challenge in this world is poverty. It's bigger, in my mind, it's a bigger challenge than everything else. Because it's the biggest driver to our global what you call warming or pollution. The impact of our ability to survive on our planet. And we neglect that. And I've had this debate going for a long time is when you look at the pools of capital that are invested in mining, we should be encouraging investing in the emerging markets and ensuring that we participate in the upliftment of the people that are left behind by society. And that's one of our, as well as mine, biggest contributions we can make to the whole CSR/ESR challenge. Again, as you can see, we've done it. You want us to structure our pay, you want us to do this, you want us to do that. The mining industry does it. All it does is it tricks the mining industry, it makes people more compliant, you get rid of the entrepreneurs and you get you start attracting janitors to our industry who merely look after the assets as best they can and make sure it's compliant. And mining is a massive engineering endeavor. It's also able to employ people, train people, give people a new lease of life. And on top of that, it has a responsibility to be modern in its approach, to be more than responsible in the way it manages its environment. And it's something that we have, it's -- we are the only company, if not the only one, one of a very few mining companies that have a full executive person on our executive team who is responsible for sustainability. And who has the executive authority to be able to affect that alongside our head of operations, head of project and evaluations, head of capital allocation, CFO, and so on. So Barrick, I can tell you that we see that as a very critical component of doing business. Again too, if you want to be world class and pursue world class assets, you've got to be prepared to and capable of developing world class assets in complex jurisdictions. And in a first world, and not even first world, but in a way that is acceptable for the generation X and Zs of this world. And again, you only have to go to a mining conference and you can see it's like an old age home gathering. And it's our responsibility along with our responsible approach to CSR and ESR is to attract the young folk into our organization and to give them what they want. And that's dynamism, ability to participate in business decisions, a responsibility to the greater good and not just the income statement

performance. So again, we've started out on that, we've spent a lot of time in this last 9 months about human capital, about how do we get to the front of the queue at universities rather than employing the back of the queue which we're really good at. And making sure that we become -- and young people don't want to come to a head office every morning. They want to be much more in the game. And so we've debated that at length and I'm absolutely excited about the fact that before I get to that old age home status, we'll have a lot more young people in our organization. Is that it? One more.

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**Unidentified Analyst**

Hi, Mark. One thing, you talked about earlier kind of replacement of assets. How far down would you think about kind of what's called the quality spectrum? Would you look beyond the tier one assets where you state you have a target in the majority of them? Would you look at tier two assets you think could become tier one? Are you looking at anything below that?

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

Tier two for us is 3 million ounces plus next 20% return, \$1,200. Why? Because it's smaller so your ability to make returns on a longer cycle, so you lose one aspect of making money in the gold industry. So we would look at that, smaller assets, you want a bigger return, of course there's higher risk and less time to fix it when there are problems. I think for us copper is an important component of our business, 15% at the moment. You've seen it make real money, even the ones that we've got which are not necessarily tier one in the copper sense. And so that's our focus. And I don't think you want to try and get caught up in second rate. We would like to be a tier one business. And again, I think this industry needs to focus on something that actually can make returns in good times and in bad. And I've said it before, I'll say it again, if you look at the gold industry, there are too many managers and too few quality assets. The 2 top companies in the industry have led the way in consolidation and this industry needs a lot more of that to be able to bulk up and ensure that we have enough agile competent management stewarding the limited assets we've got and then spend time on finding more. Which is becoming more and more challenging.

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**Unidentified Analyst**

Just one other one. You made a lot of comments earlier about providing investors the greatest exposure to gold which I would say very closely aligns to the Randgold strategy of note that all cash up to a certain point. You seem to have softened on that policy around your views around debt. So how do you in the next 2 to 3 years think about higher dividends right now versus faster repayment of the net debt balance?

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

The data as I said is long term, so we can go and blow out. This is going to cost us twice as much. And it doesn't make -- it's how you make use of the money you make. And again, we're a massive organization. This data is imminently manageable. We will on an opportunistic basis chew away at it. But at the same time, for us to go and pay off expensive debt which we can manage comfortably at the expense of returning dividends to our shareholders, doesn't make a whole lot of sense to us. Our CFO might have something to add.

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**Graham Patrick Shuttleworth** - *Barrick Gold Corporation - Senior EVP & CFO*

I would agree with you. A company of this size with the diversification that we have can certainly sustain gains as part of its capital structure. I think both Mark and I probably are on the conservative end of what that debt looks like, but it's appropriate to have debt.

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**Dennis Mark Bristow** - *Barrick Gold Corporation - President, CEO & Director*

Anymore? (Inaudible - no mic) So the question was any more comment on consolidation? West Africa has been the most prolific producer of new gold mines. And it's growing some very interesting companies there. So is there a sense that consolidation will bring more optimal management

costs? Absolutely. I think we still, if you were to add up the corporate costs of the industry and you just consolidated it, I mean if you just look at the Randgold/Barrick deal. In this modern world, there's no real logic to have big corporate offices. We've proved that's possible at Randgold, we've proved it's possible very quickly in just 9 months at Barrick. And so I think I am a great believer in the requirement for our industry to consolidate. West Africa is a good place for it to start. We have always said in our rationalization of our assets, we are committed to playing a role in that ongoing consolidation which we will do. So, ladies and gentlemen, this brings me to the end of this very interesting debate. I look forward to, I'm not sure when we will be back here, but we will be through here often, and all you guys who are in the broking business, you'll see us and of course our shareholders. It just remains for me to point out that on your way out, there are tickets available for rugby lessons for those English folks who would like to aspire to being in the somewhere around the finals in 4 years' time. And I would end finally by saying thank you very much for beating the all blacks. Again, thanks for coming and I look forward to catching up with you. And again, anyone who is not (inaudible) and comes up with a few questions that you haven't managed to ask this afternoon, please feel free to reach out to us. You know the team. We're all available to take your questions. Thank you again.

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### Operator

This concludes today's conference call. You may disconnect your lines. Should you have any additional questions, please contact the Barrick Investor Relations Department. Thank you for participating and have a pleasant day.

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