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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by. This is the conference operator. Welcome to the Barrick 2019 Fourth 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. February 12, 2020.

I would now like to turn you over to the room where Mark Bristow, Chief Executive Officer, who will in the meeting momentarily. Thank you for your patience.

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

We're linked up, are we? So very good morning to everyone. Thank you for coming. Nice and cold outside. Appreciate you're risking the weather. And again, another year. And it's a pleasure for me to share, as I look back over the last 13 months, with you today. As you know, this is the full set of results that Barrick is publishing since its transformational merger with Randgold Resources. And it's gratifying to report not only that we have delivered a strong performance, but also that we have made significant progress towards our goal of becoming the world's most valued gold company.

Achieving this, obviously, requires technical excellence, but even more than that, it demands a long-term strategy, one which recognizes that we operate in a changing world, where business is expected to meet new standards of behavior and where ethical issues have become commercial considerations with serious consequences.

One of these is ESG, which rates how well a company manages its environment, sustainability and governance. And right now, I think there's a little bit too much focus on the E part of the ESG. The S is as important and so is the G. That is, in other words, something that's been very dear to my heart and was the basis of the Randgold Resources strategy, and that is social license or license to operate. And it definitely calls on that full ESG vision.

To Barrick, securing and maintaining its operations, social license is a strategic comparative, a core part of our business and just not another box to tick. With major investors now placing ESG at the heart of their decision-making, the rest of the industry will have to follow our lead.

Just kidding. So this is a cautionary statement. Please take note of it. And for those slow readers, that is on our website so you can go and study it in your own time.

Moving on. Carrying for the well-being of our employees is a key component of our ESG program. Our health and safety record improved last year, but it is still some distance short of where I would like it to be. At the time of the merger, all the Randgold mines held ISO 45001 health and safety certification, but all of Barrick operations did not. We are addressing this, and by the end of 2021, we are planning for all our sites to be certified.



Another challenge has been getting all the Nevada gold mine sites up to their required safety standards following the establishment of the JV last year. We also still have some work to do to align the legacy Newmont operations with our safety program. And it's worth noting that in our organization, AME, Africa & Middle East, is a standout on safety statistics compared to the rest of the organization. So we have quite a lot to do to get us up to where we're -- I believe. And we've launched a focused program of 0 harm, and we mean it.

So just to give you an idea, in Barrick, you break the safety rules, you don't have a job. That's how important we take safety. First, for a long time, there were no major environmental incidents in 2019. All but 4 of our mines have the ISO 49000 and an environmental management certification. And by the end of this year, there will be no exceptions. 3 of those are actually the Tanzanian assets, which we've just acquired.

All the operations, apart from the recently consolidated Tanzanian mines, have community development programs. And you would have seen, there's a very real requirement to engage with the community in Tanzania, and we are working on that. It's, again, a key building block of our license to operate is to have that open and formal structure to be able to talk to one of our key stakeholders, which are our host communities. And we expect that we will have, again, our entire portfolio working under community development committees.

In addition, biodiversity action plans are being rolled out to those sites in the group that do not already have them. And there are also some legacy issues, although Mark and his team have gone a very long way to address that sitting in our South American assets. And again, we've made a lot of progress in transferring many of those risks and liabilities to opportunities, but still some way to go.

These are the highlights of the year. And as you can see, we delivered on all our promises and then some. I would also just point out that our results are currently unaudited, although we expect to file our financial statements in the next couple of days. We met or exceeded in copper production goals and controlled costs. We also halved the net debt, and that's a key component of this performance. We set out to really address a number of things, focus on Tier 1 assets, deal with the debt, which is something that really crippled Barrick, and then deliver a runway where U.S. analysts, and of course, our shareholders, can be able to invest in our company with comfort that we've got a long-term plan. And so we -- having that net debt down, we've got to deal with the long-term debt, but that's an expensive exercise. We're going to have to take some time and look for opportunities to reduce that. So right now, what I'm focusing on is the net debt and the liquidity available for us to run our business. And certainly, I can honestly say, today, we are independent of the capital markets. As Barrick, we are able to run our businesses with our own resources.

Adjusted net earnings per share was up 46% compared to 2018, and we ended the year with another quarterly dividend increase. The third increase of the year. And again, really, you must look at it as -- this is what we said we would do. There was a lot of squealing and people wanted more dividends from Randgold, we said, we did pay a big dividend in Randgold, remember. But we -- I refuse to pay a dividend that wasn't supported by the P&L earnings. I'm not going to pay dividends that we haven't earned yet. And likewise, Barrick gave a commitment and upped its dividend right at the deal, and then we adjusted the dividend again in quarter 3 on the back of good performance and a higher gold price. We're comfortable about where our dividend is today. And the key part of a dividend, as you know me, we don't want to go backwards, we're only going forward. So we feel we're well positioned with our current dividend for the foreseeable future.

The Nevada merger gave us our sixth Tier 1 gold mine, and we continued our portfolio rationalization by consolidating the Tanzanian mines and disposing of our stake in Kalgoorlie in Australia and agreeing to a sale of the Massawa project in Senegal. We settled Acacia's long-running dispute with the Tanzanian government and entered into a framework agreement with the state, which takes our partnership concept, something that we are very comfortable about, to a new level.

Pueblo Viejo expansion project, which I'll tell you more about later, heads our organic growth to-do list for this year. And our reinvigorated exploration programs are planned to full our future pipeline as well as extend the lives of our existing mines.

It's worth noting that in 2019, Josh, we succeeded in replacing all the reserves depleted by mining and at a higher grade. And this is net of all changes that included the Randgold merger; Nevada gold mines JV; Acacia acquisition; disposal of KCGM; reclassification of Lagunas Norte to mineral resources, as we wrestle with its future; correction of some open pit ounces at Hemlo and gold quarry; and probably most importantly, the removal of all leach pad and plant -- in plant gold and circuit inventory from our reserve statement. So we have a nice, clean reserve statement on which we can go forward. And we are very comfortable that we can plan all those ounces as passing our filter and investment at \$1,200 gold.



Behind the scenes, we reshaped the business by flattening the corporate structure, further reducing the G&A, establishing empowered regional executive management teams and moving responsibility for the ore bodies back to the operations. We've introduced a strong geological and mineral resource management capacity throughout the organization to ensure that we optimize our existing assets.

The operating results support what I've just explained, and show a robust performance across the group. Kibali, Veladero and Porgera all beat their guidance. And North America, Loulo-Gounkoto and PV performed well against their guidance, all within their guidance. The only exceptions were Tongon, which just missed its guidance; Kalgoorlie in Australia, which, as you know, didn't achieve its guidance set all through the year, which we've now sold, so that's not relevant anymore; and Lagunas Norte in Peru, which has been put into care and maintenance, while we consider its future, as I said earlier.

All the copper assets beat production guidance, and costs were at the lower end of guidance for copper as well. And copper made a significant contribution to our bottom line earnings last year. The numbers on the financial results demonstrate the progress we've made over the last year towards our most valued company goal. And just for those who get a little confused on what most valued gold company is, is we want to be valuable. In other words, we want people to buy us because we give our shareholders' returns. We want people who want to work for our organization, and we want countries to want to invite us in to operate as partners with them. And that, in our mind, is the description of what a most valued company is.

The EBITDA margin. Remember, when we talked in September, we said we would like to lift the EBITDA margin. We've done it materially in the last 12 months. Debt, as I said earlier, has been reduced to its lowest point since 2007, and the free cash flow increased from \$365 million to \$1.1 billion.

As indicated, we increased the quarterly dividend, again, on the back of the free cash flow forecast, that's 1; a strong balance sheet, that's 2; and more importantly, our 5-year outlook. So this is not just a response to a windfall, it is a genuine considered commitment that we promised to the market back in September of 2018.

You should note in all these results that I'm going to present now that the comparisons have been impacted by the Nevada joint venture, which came into effect on the 1st of July, so I'll try and explain it. But if you look at these tiny little things at the bottom of the slide, you'll see how we've presented the results.

So we'll start. And again, to the analysts here in Toronto, feel free to get hold of David or [Lois] and give some input on how we present the results. Our objective is to give you the numbers you need. But we thought with Nevada complex on a 100% basis. That's -- why, because I can't run a company with 61.5%. As I look at it, collected in afterwards, we'll give you the individual assets in the attributable form.

So we start our tour, of course, of the operations with Nevada, our real foundation of value in this organization. And as I pointed out, it's a 100% basis. This is the second set of numbers since the JV was formed. So there's only a quarterly comparison, as shown here. Production was in line with plan, and costs were well contained despite the lower grade. Putting together and integrating these complex operations to deliver within our guidance of 1.8 million ounces to 1.9 million ounces for the half of the year so effectively was an enormous achievement by Catherine Raw, who's here today; and Greg Walker, who is chiseling away back down to Nevada and their teams. It really, I must say, it has been in the standing achievement by anyone's means.

The ultimate measure of an enterprise's success is financial. So how our Nevada Gold Mines is -- this is how Nevada Gold Mines stacked up for the first 6 months on synergies. As the free cash flow chart shows, we're well on our way to delivering the \$450 million in annual synergies, with some work in progress relating to supply chain, and we've put the detail in there. And this is -- this includes, if you look at it, we've got \$95 million identified. We're still going through the contracts to get supply chain, and it's all to do with consumables. But with that, we get to \$444 million, and that's net of some of the savings that we've wrapped back into the Nevada plan. For instance, dropping the cutoff grade, so you don't see that benefit because we've used it. And so that's why I put in the NPV graph on the right because that's added life. And so we're comfortable that we've achieved that objective of delivering on those benefits. And more importantly, we've still got significant opportunities as far as life-of-mine goes, and I'll touch on that as we progress with the individual operations in Nevada.



Let's start with Carlin. I need to point out that, again, going forward, the tables will show attributable numbers now. Following the merger, Carlin was combined with Goldstrike, Q4 production was in line with previous quarters and total cash cost per ounce were brought down by a higher proportion of underground ore in the feed mix. Year-on-year comparison shows an increase in Barrick's attributable 61.5% share in gold production, primarily because of the combining of the Goldstrike and Carlin operations, and the operations were -- I mean, the costs were steady.

Benefiting from the discovery successes at Fourmile, the Carlin trend will be the most active exploration area in the Barrick portfolio this year. There are exciting opportunities for reserve and resource additions in the Carlin complex, mainly clustered around Ren, Greater Leeville, which is a very exciting life-of-mine extension for Carlin and Rita K, which is immediately accessible. We are just doing some water compartment drilling, and then we'll be able to put it into our life-of-mine plans.

We have also made good progress in our remediation work relating to the gold quarry wall failure and subsequent redesign work. And the potential for extending the mine's life is absolutely real. And although we've got a little bit of work to do, but we certainly have the framework and the confidence that this complex has significant opportunities to retain its Tier 1 status well into the future.

Still in Nevada. Cortez was one of our standout performers for the quarter as it continued its transition to a mainly underground operation. If you remember, we came to the end of the very high grade, what we called, chop Cortez Hills open pit operation. And this quarter, we only processed the lower grade stockpile out of that. But it's really, for all intents and purposes, now complete. The Deep South Project, however, is on track to contribute and continue to contribute higher tonnes at higher grade as the Cortez complex moves more towards underground.

The year-on-year comparison, although I say it was a stellar year, is impacted by Barrick's attributable share reducing to 61.5%, as a result of the NGM JV.

The raw source model for Goldrush project was completed, with the final feasibility study due in the first quarter of next year. In the meantime, Goldrush is now reported as part of Cortez. We've put Goldrush under Cortez structure management. We expect it to be operated from the Cortez management structure. And so the project is reporting in there as well. And likewise, the resources have been combined with the Cortez reserve and resource statements. Updated mine and feed schedules are expected towards the end of this year, and a feasibility study in early '21 is due out in early 2021.

I think a couple of things that you would have picked up, and we'll touch on it in the reserves, is that you'll see the grades come down. Ounces are okay. We've taken out a few of the ounces as part of our rationalization. We don't want soon-to-be-discovered ounces in our plans. We'll put them in when we actually firm them up. So some of the resources was very widely-spaced drill holes. But the resources that you see there, again, the grades come down. Why? Because we've gone to proper mining shapes rather than geo-statistical blocks, the block estimates. And what happens is we want to mine this ore body. So you can go and mine little blocks all over the place theoretically, but at the end of the day, you've got to join them up into mine schedules and that's what Rod and his team are doing. And that's part of our commitment to rationalize the ore bodies and optimize them for the long-term returns so that we know they're going to meet our investment filters.

Moving back to Barrick's 100% owned Fourmile pre-feasibility project, step-out drilling has significantly increased the resource, and we reported, at the EMVA, you'll recall, a new discovery about a kilometer away from the current defined resource inventory. And we are confident that this project is pointing to a multimillion ounce high-grade opportunity.

Fourmile was not, as you will recall, included in the Nevada merger, but it is expected to eventually form part of the Cortez Goldrush complex. And it will, no doubt, maintain that Cortez Goldrush complex as a Tier 1 status well into the future.

Turquoise Ridge has been a big driver of the Nevada Gold Mines performance. And in some aspect, it was the real driver to get there in the first place. It has offered significant synergy savings, more than \$90 million of cost benefits in the first 6 months alone, primarily driven by the termination of the toll milling agreement and synergies of combining adjoining operations.

Year-on-year -- and I would point out that we've already dropped the cutoff grade. So this is after that optimization. And so a year-on-year increase in gold production at lower all-in sustaining costs resulted from increased high-grade underground ore feed. So although we've dropped the cutoff grade, we did increase the throughput so that the feed from the underground so we delivered more gold to the processing plant.

And construction of the third shaft at Barrick's legacy Turquoise Ridge underground is on schedule and within budget and is expected to deliver additional value. What value does it deliver? At the moment, we are mining constrained in Turquoise Ridge underground. And once we get the ventilation done, we'll be able to mine more, feed higher, more higher grade ore, the whole Turquoise Ridge -- Twin Creeks, which we now call Turquoise Ridge, has a much better gold production profile.

Do I have to listen to myself? These cost reductions saw an immediate impact on the year-end reserves, where the lower costs enable us, as I pointed out earlier, to drop the cutoff grade and add about 1.65 million ounces of reserves. Realizing the mine's full potential still needs, as I point out, a lot of work, since its plan is now mine-constrained, and we are working to debottleneck the mine, which will allow us -- and the shaft is one way. But we're also trialing, as we speak, some electric equipment underground to be able to allow us to mine more. We are doing -- we've really focused in on the road heading, auto-mining, mechanical mining rather than blasting. We're trialing out some haul trucks, underground haul trucks. So a lot's happening because our real -- I mean, this is the effort with the return is the best value proposition that we have in Nevada Gold Mines today. That's not saying that we don't have other opportunities. This is just one of those real easy ones.

The other Nevada mines delivered at the top end of their guidance ranges and showed increases in production and reductions in costs quarter-on-quarter. And I'm pleased to share with you that Long Canyon, which is one of those assets that we have bought at a very high cost, is making good progress with its expansion, a big pushback, which will result in about 4 years life-of-mine extension, and we've still got the underground to look at following that. And we're busy with that permitting.

As I mentioned earlier, the Carlin trend is really our primary -- or it's going to be our primary hunting ground this year and, of course, beyond. It's the most significant ore-controlling fault corridor in Nevada, with open mineralization at numerous locations. Our fresh geological-focused approach of integrating exploration and mineral resource management on the mines has been a resounding success in this context. It has led directly to the identification of a host of target areas, some of which are very close to existing operations and are shown on this long section.

Further afield, we have already identified new areas of interest from workup drill targets to large areas that are known to contain prospective stratigraphy and geological features but have no or little drilling. Clearly, Nevada Gold Mines has the capacity to replenish its assets base going forward.

Before I leave the U.S., a quick comment on Donlin, Donlin Creek in Alaska. It offers a huge optionality to the gold price across multiple gold price cycles in an excellent jurisdiction. But it faces some challenges that we and our joint venture partners, NovaGold, intend to address.

In 2019, alongside progressing permitting, which you've seen updated over the last 12 months, the joint venture's focus was on getting a much more robust interpretation of the ore body. To this end, we have updated the geological and resource models which have identified areas of higher grade that could improve returns for the overall project. And importantly as well, we need to frame that to those geological ore bodies properly because that will set the rate in which we can mine, which will set the ounces that we can theoretically produce, which will then govern what ounces, what capital will we have to spend to deliver the return on a back-to-front way. And so that -- and you know that's been our focus since I started in the industry, is let's get the geology right, and then we'll be able to make decisions on the other critical items into the future.

And so we are busy with a phased program this year. It will be looking to validate that geological model. So it needs to be iterative. We'll drill it up, remodel it, check out changes, drill it again. We'll do a couple of those through the year or certainly through the summer.

We now move south across the border to Hemlo, where at the time of the merger, you would remember there was some debate about this mine's viability. In the end, we decided that it could have the potential to be upgraded to the strategic category by modernizing and refocusing the operation, phasing out the open pit and transitioning to underground contract miners, which is exactly what is happening. As you can see, there's been a very encouraging turnaround in its performance, and there are indications, subject to some additional drilling and royalty discussions, that we could extend the life-of-mine beyond 10 years. And with our tax shield, it actually is a Tier 2 asset. Not the sentiment -- not that sentiment, I

would add, played a part in our decision. But Hemlo is our only Canadian operation at this stage. And considering our heritage, as I've said many times before, I believe we are under-invested in Canada.

So leaving the Americas -- or Canada and the U.S., we now move to Latin America, and we'll start with the Dominican Republic, where Pueblo Viejo provided us with some pleasant surprises and ended this year with a very strong quarter, that is without -- we need to recognize that the management team really unlocked those opportunities. Increased throughput and better grade control delivered a commendable year on a year-on-year production performance. And focus on efficiencies, contract reviews and cost controls kept the costs in line with plan. In particular, the throughput run rate augers really well for our expansion plans. Mark's here today. I mean, I think we've had throughput record after throughput record in the last -- from the back half of last year and actually in January, again, Mark. So it's an exciting project.

Looking at the geology and the mine plan, we see enormous upside for this mine. The problem, however, was that a significant chunk of the mine's inventory had effectively been sterilized by its limited tailing storage capacity. And so that's why PV's ambitious plant expansion project is being twinned with the expansion of its tailings capacity to support the increased throughput.

A new optimization study has shown that throughput increase can be achieved without adding additional autoclaves, which will simplify flow sheet and make sure that we have less disruptions as we introduce the expansion project. PV is already one of the world's largest gold mines, and the plant expansion will enable us to transfer about 11 million ounces from measured and indicated, to reserve. Today, we can't do that because we don't have anywhere to put the tailings down. But once we clear that, then we'll be able to do that and keep production well above 800,000 ounces a year beyond 2040.

Environmental impact studies and community and social engagement are underway, as we speak. And I would just add that a long life PV is obviously good for Barrick, and of course, our partners, Newmont. And it's even better for the Dominican Republic. The mine contributes more than 20% of the country's corporate tax.

Further south in Argentina. Veladero had a great 2019 after struggling for years. It exceeded its production guidance and it kept a tight grip on costs. We've put a lot of work into redesigning and replanning the operation, and its life has been extended by pushback on Cuatro Esquinas, which will start soon. This is the pit, we just drilled it out a bit more, and we're going to expand it. And that really does take us along with the residual lease out another 12 years.

And I would just point out that when we started last year, we had a short loss, and it wasn't possible to make profits in a \$1,200 gold. And now, it passes that \$1,200 gold filter. So a big step change for this operation. There's still more opportunities that could extend the life-of-mine out beyond 2030. And in the meantime, we're focused on cost now because of the low-grade operation. And the big mix cost saving is going to be when we link up the power line to the clean power grid out of Chile, which is very significant for Veladero, and that will drop our cutoff grades, and it will give us a whole lot new more opportunity to expand. Upon commissioning, in the second half of this year, it will have a significant impact on Veladero's costs, as I point out.

And then we've also permitted all the -- so we've really worked hard at -- or Mark and his team, at our license to operate. As you know, Argentina came with a lot of baggage, and we now are very pleased to say we have all our permits approved in Argentina and Veladero. And we're now working -- we've just got the Phase 6 pad expansion done, and it will start producing in Q4 of this year. And the next focus now is permitting Phase 7 pad expansion. We have 7, 8 and 9 in the plan, and we now have reserves and resources to support that progress with the permitting to ensure that we've got the expansions in place.

A renewed focus on integrating junky and mineral resource management with planning and infill drilling has added, as I pointed out earlier, additional 3 years. This is before residual leaching, which including residual leaching, as I said, will extend us by 12 -- extend our operation by 12 years.

In the Veladero District, drilling programs are being developed to evaluate new conceptual targets, which, if validated, have the potential to unlock and rejuvenate this whole district. And we've got a lot of investment in the infrastructure in this region. Recent mapping and sampling in geophysics surveys, physical surveys at the Carlin project, along with other Brownfields -- satellites, as you can see here on this slide, offer further potential for



reserve and resource opportunities. And we're also looking at some of the ore bodies that were originally included in the Lama project, which is right adjacent to Veladero, to see if there's any of those assets that would leach, and that is another opportunity to add not only life but also some higher grade to the feed for Veladero.

Now the India belt, of which Veladero is part extends from Pascua-Lama and Veladero in the north to Alturas in the south and straddles the border between Argentina and Chile. And it is particularly well endowed with gold, legacy mines and opportunities. It has yielded more than -- yielded more than 50 million ounces in 4 decades of discovery and development. And I don't know if everyone understands this, but Barrick is -- was the leader in that development. And also, when you go back to India, the mine, it was the first mine in Chile that was properly closed under international closure -- what's the right word, conditions. And so Barrick has a long history there. It's got a great memory. It's got a few bad memories. We're going to get rid of those bad memories, we'll focus on the good ones.

And we control 100 kilometers of strike along our India trend with significant targets that include Pascua-Lama, which you'll see we've restarted. We've given up the current plan, and we're going to do this properly. And we also have the 9 million ounce Alturas-Del Carmen project, as you can see in the south of the trend, and many more. I was there just the other day with the team, and we flew down this Indian trend, and it's just amazing. I mean, you -- one place where, geologically, you could actually see the mineralization showing its nose up in this desert.

So while Nevada is Barrick's value foundation, Latin America offers growth at PV and opportunities at Veladero, and along the Indian trend. Our regional portfolio holds the potential for further world-class discoveries. And our exploration teams, which are now fully employed, are hard at work in Argentina, Chile and Peru as well as the Dominican Republic, where we have our own Barrick exploration team, in addition to the PV joint venture.

Over to the Asia Pacific region, where Porgera and Papua New Guinea has the potential also to become a Tier 1 mine that faces many challenges, mainly in the form of legacy issues and an unruly neighborhood. Despite these, it posted a standout performance in quarter 4, boosting production and cutting costs, which contributed to its exceeding production guidance for the year. Given all the challenges and interruptions, cost control was commendable, although still a lot to improve on.

It is worth noting that in 2019, Porgera paid more tax than it has in the previous 5 years combined. We're confident that the mine, in partnership with the government and landowners, is capable of making a meaningful contribution to PNG and Barrick-Zijin partnership for years to come. And it is because of that, that we have applied and are negotiating a 20-year extension to the special mining lease with PNG government. We also need to point out that PNG, we believe in it. And we are a committed investment in that country -- a committed investor in that country.

As at our other operations, we've brought a strong geological and structural modeling focus to bear on Porgera, and this has already identified a significant upside in the life-of-mine potential. For example, at Wangima zone, just outside of the open pit, historical, but fast drilling, combined with geophysics and surface sampling, indicates the possibility of a continuation of mineralization within an intrusive corridor. And drilling is already underway on some of these targets.

With that, now across to Africa and the Middle East region, which was not an insignificant contributor to Barrick's cash flow in 2019. Incidentally, this region is led by a very competent team, which took the challenge of Tanzania in their stride and whose performance is a tribute to the Randgold resources succession planning. Because we wouldn't have been able to do what we did in Barrick if we couldn't leave Africa because we all moved to the center in competent hands. And that was the trained next tier of management in Randgold.

We start, of course, at Loulo-Gounkoto complex in Mali, which as usual, did very well, exceeding its production guidance for the year, despite some challenges with the mill girth gear this past quarter. Costs were well contained, and the complex also replaced reserves depleted from mining for the year. Its solar power project, Barrick's first, is on track to add 20 megawatts to its grid, this is the mine grid, reducing operating costs and estimated to cut carbon emissions by about 40,000 tonnes per year, and it will reduce our requirement for heavy fuel and diesel by 10 million liters.

Development of the complex third underground mine at Gounkoto, is scheduled to start in the fourth quarter of this year. And I'm happy to report that we have made significant progress in resolving our tax disputes with the Malian government. And that's another attestation to our relationships, our license to operate in some of these more challenging environments.

Pointing further to growth in the complex's asset-base, step-out drilling has confirmed the extension of Yalea's high-grade transfer zone in the south. This is the effective extension of what we used to call the purple patch, to over an additional 320 meters, setting the complex up for continued replacement of reserve depletion in 2020.

And on the Goukoto permit, a significant structure, which controls the majority of mineralization in the Goukoto pit, can be observed in the south end of the pit. And it projects down into a region called Faraba, and we've really made progress in understanding this. And this is how these ore bodies are driven, as these big structures where they're interfere, and we're quite excited about the opportunity for Faraba, which is a target that had been around a long time, to add to the Goukoto resources and hopefully, reserves.

Across to Central Africa, where Kibali and the Democratic Republic of Congo continues to shine, with a record-breaking performance for the third consecutive year. Gold production was well above the top end of guidance, and costs were in the lower half of their range. Kibali also replaced the ounces it mined. And as at other operations, the search for additional ounces goes on. The highlight of the past quarter was the completion of a successful pre-feasibility study on the Kalimva-Ikamva project, which will balance the open pit and underground ounces and effectively gives us the opportunity to schedule open pit ounces up 10 years. And you need that in an underground mine, that flexibility that open-pit reserves brings.

At Kibali, total project reserves grew by almost 1 million ounces after depletion in 2019 and improving our understanding of the mineralization controls both within and down the KCD deposits as well as the KZ trend will provide further opportunities. And we actually have a replacement plan ahead of us. And you'll see we've stepped out that DD602 hits the main mineralized bodies, and we've stepped out another 600 meters. We're drilling that hole as we speak. We'll add another significant potential to the mine.

And now to our latest African partnership. In September, we consolidated the Tanzanian mines into the Barrick portfolio, following our buyout of Acacia. Without wishing to bring up old bones, I have to say that Acacia represents a lot of what can be bad about mining. And we have our work, certainly, got our work cut out to repair the operational and reputational damage it inflicted on these miners. The team has made a strong start, however, and we're confident that we can turn them around.

We settled Acacia's stalemate dispute with the government and concluded the formation of a jointly-owned management company as well as a benefit-sharing agreement designed to ensure a genuine partnership going forward. And I might add, we're very comfortable with these sort of partnerships, a bit strange maybe for you, but that's how we operate in Loulo, that's how we operate in the Congo's -- Congo, and that's how we operate in the Ivory Coast.

So it's important to have management that -- I mean, governments in your management structure, on your Board, seeing what you do, you take away that suspicion that you're not doing the right thing. The partnership's first achievement was the swift resumption of the normal operation is -- at North Mara, which is now back on track. And the successful transition from contractor to owner-operator mining has already delivered cost savings. So the team, the AME team, led by Willem has really done a lot of good work immediately to address operational challenges. Quarter-on-quarter and year-on-year comparisons are not really worth much because we've changed -- we started at 63.9% and then went to 100%, and then we did the joint venture at 84:16 ratio with the government.

There's a lot of -- there's absolutely no doubt about the potential at North Mara. Some of the bankers in this audience will know that I've really always had a view that North Mara wasn't optimized at all. And everything we've done so far reinforces that.

And so we're looking forward to building on our geological models. It's short of geology everywhere, short of geology in the reserves. We can't plan long term, we've got a lot of work to do, but we've got new models already out on Gokona and the Gena ore bodies, and we're very excited about the upside around North Mara.

And then elsewhere in Lake Victoria Goldfields, Bulyanhulu, as you know, is riding on tailings retreatment. We're busy. We've appointed a full feasibility team. We've started the drilling, as we said we would when we were arguing with Acacia, get the geotechs right, drill out some of those holes because -- in the deeper high-grade areas because there were no ore hole locks. They were just -- they were [last] core. So we have to get another look at that orebody. We're doing that. We expect to have -- we have a plan to bring it back into production. And once we've got the detailed mine planning done, we expect to have that mine back in production by the end of the year.

Buzwagi, really working towards closure. It's a relatively new processing plant, where John Steele has already got plans, but we would like to use it. So we've got a lot to do in Buzwagi. And as you know, we're -- this is -- we'll proceed our work at Morila, which we're making a lot of progress on and bringing it to closure.

Tongon has about 2.5 years of life left and remains a very strong cash producer. It's got very little sustaining capital, and we are looking at -- we've just finished the drilling on the Djinni deposit. We've got to do a feasibility study, but it has the potential to add another year. And so we are looking at that. Ivory Coast still, a good destination for our exploration team.

And then as I indicated earlier in the introduction, our copper mines had a very good year and exceeded their production guidance. Their performance was led by Lumwana. As you know, we wrote back about \$900 million in Lumwana, and we've dropped the costs. We've increased the feasibility. I mean, we've increased the efficiencies, and we've got a much more Zambian management team running that operation.

And then Zaldivar, we are -- we have now approved with our partners, the chloride leach project scheduled for commissioning and ramp up by 2022. And that will add more value to Zaldivar. I don't believe that our copper assets are properly valued in our NAV, as I would probably suggest most of our assets. But this year, we're going to be focusing on that, sharing that with you and getting you to understand where we're going.

So it's generally expected and I've certainly been viewing this for a while, that the global production for the gold industry will peak this year or next, and then it's downhill all the way. We're forecasting, if you assume, all the announced projects come to fruition, we'll still be 30% short by 2029. So against that backdrop, it's particularly important and rewarding to be able to present a trend going the other way, where we have been able to end the year with higher reserves at higher grade than what we started the year with.

Most importantly, we have replaced depletion on all our key assets except for PV and Cortez, and it's worthwhile just understanding those need feasibility studies, but we've got them measured and indicated resources already in line. So a new feasibility just unlocks that.

And for which we have -- and so I've put this in here because I anticipated somebody -- some analysts would misinterpret our numbers. And if you look, there's the acquisition line, 13.4. The depletion is what we depleted, and the additions, change gains are all replaced ounces through the drill bit. So 6 and 6. And the 4.5 is the cleanup. All the stuff that we couldn't deliver value on, and we put it back to where it is. Some of it, completely at the schedule, some of it as inferred, some of it as measured and indicated like Lagunas Norte. And so you see where we've got to year-on-year.

And the same for copper. And copper -- so Barrick has 71 million ounces at 1.68 grams of reserves that are viable at \$1,200 long-term gold price, no adjustments, current input costs. It has 171 million ounces of resources at 1.55, which is viable and deliverable at \$1,500 gold. It's got -- they've got mine ends attached to them. They're not just some soon-to-be-discovered thought.

And the same with copper, as I show here, we've increased our reserves by 2.2 billion pounds of copper. And just to point out, we don't model the 2, we separate. They are individual reserves and resources. We don't do the gold equivalent debt.

So wrapping all this together, this is our 5-year plan. We've already shown it to you. And in your deck, you'll find the detail of the individual regions. So we just didn't want to waste the time showing it. But we've updated it. And really, there's an improvement in the trend because we've taken out KCGM and Massawa, so that takes out capital.

And why do we do this? Well, it shows you've got a 5 million ounce base. The costs are coming down, you can see why we are comfortable with our dividend. And in March, in the annual report, we will show you the 10-year plan, which doesn't look dissimilar.

And why? Because, as I said in the beginning, we want people to see our runway and understand we're a long-term business. And some of them will be a little bit wobbly, but then we'll talk to you about how we're going to fix them. And we've got -- certainly got organic opportunities that we need to convert and put into this plan. So this is our base plan going forward. And we, as a management team, will now work with you on it. As we have done, as I have done in the market for my entire career.



And the same with copper, and you can see not a bad picture. The picture didn't look so clever when we first started out last year, but we've really turned our copper operations around.

So in conclusion, since the Barrick-Randgold merger was announced, the Barrick's share price has increased by 79%, outperforming its peers, the indices and the spot gold price. And it's clear that the market now believes that what we set out to do was one, plausible; and two, has delivered something that is really an opportunity to continue to build on. And I have no doubt that we will deliver on our most valued gold company ambition.

As I've shown in this presentation, we have achieved much in 2019, but we are under no illusion, as a management team, that there's still -- a lot remains to be done to get to our destination. And I can assure you that we are all -- more importantly, our executive teams in the regions, quite capable of doing it, and we all look forward to the challenge.

So thank you, ladies and gentlemen. I know it was a long presentation, but we've considered it important to walk you through this. And -- so it gives you the foundation on which we will build on going forward. And again, we've got some of the executives here. We're happy to take questions.

And I think Graham is actually on the call because he got caught up with the U.K. weather, and didn't get -- wasn't able to fly across.

Are we going to take questions here first or...?

QUESTIONS AND ANSWERS

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

Mark, it's Greg Barnes from TD. And then maybe jumping again a little bit. But in the 10-year plan, can you sustain that 5 million ounce per year production profile without building a new mine?

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

Sure. Yes. Yes, that's -- certainly, that's every indication where the teams are at the moment. We've got organic growth. So some -- so Nevada has got some upside that we've got to work on. I think Latin America is pretty flat. And -- but no doubt we've got opportunity there, organic-wise. And also, can we get the 800,000 ounces, closer to 1 million ounces out of PV?

And then AME, you'll see in the graphs that you got, it goes from 1.5 to 1.3. But again, that's based on what we've got today. And so it highlights where we can go. But when we stack those 3 stacks together, we get that 5 million ounces for the 5 years, and we've got the same looking at 10 years. And we've got opportunities built into that 10-year plan, organic opportunities, that we'll highlight for you when we deliver it. Because remember, it's a production plan. So it just shows you how we're planning to do, and then we'll roll that 5-year plan and with any luck, we'll continue to roll the 10-year plan. That's the plan.

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

Is there any thinking about growth?

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

Sure. Growth. What is growth? I mean, the best growth I can give you today is this. Sorry, that one. Because if you transfer that into a cash flow number, and you look at different numbers, you grow the cash. So -- and that's what I -- you've watched -- Greg, you've been with me all this time. How many times did people suggest that I should go and buy Durban Deep or this company or that company because everyone was focused on growth being ounces? And we stuck to our numbers. We used the filters, which we very clearly have shared with you back in January last year. And



we will grow this business. First of all, it needs this growth because we need to sweat these assets. And secondly, growth opportunity for us is, we would -- I would change the term growth to investment opportunities. With the new-onset investment means that you intend to get some returns back from your effort rather than just growing ounces.

And as you know, we're not shy of taking on a challenge.

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

Matt Murphy with Barclays. Just wondering, with the reserve update, where you're at now in this MRM transition? Are you where you want to be? Is there a lot more work to do on these geologic models before we start talking about new drilling?

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

So we're drilling -- our budget this year is \$170 million just on -- under Rob's stewardship. So where -- we spent most of our money on very near-term Brownfields work last year, tidying up. Most of our exploration team lived on the mines because we had to redo things. We re-logged all the core in PV, all the core in Veladero. We've redone all the models in Nevada. We re-logged everything in Lumwana. We've -- the one that we didn't do a lot on but -- because we haven't got any more information, is Porgera. But all the rest, we've done a lot. And we're busy with that exercise right now with [Twiga]. But we've got -- there are 2 things. The mineral resource management team and that philosophy is completely entrenched in our organization. I mean, Catherine is a geologist, so that's what's easy. Even my engineering colleague here, he's fully committed on the MRM side.

So -- and Willem, who's an -- a lawyer, he's -- I mean I know we have to put him in the right place, but he's got some very strong MRM people behind him. And so that's what it is, is that philosophy is well entrenched in our organization. The general managers understand that. This year, we did -- these plans have come from the mines. They own the reserves, they own the planning, the geologists are completely integrated in the business of planning. And again, we've got work to do. We are busy reshaping and improving the efficiency of a very complex geological planning program in Nevada because it's a huge organization. So we've got it 90% right, but we need to tidy up a little bit.

We've also moved geologists around to get a little bit of a different view. I think the big change has also been we've now got properly staffed. If anything, the area that needs an additional focus on geology skill is Africa, which we've moved quite a lot of people around. And we've been very focused on the Americas and Porgera.

So -- but I think we've got the framework. I wouldn't say that we are where -- you're never absolutely at utopia in R&D. There's always something more to do. But, I mean, we've got some excellent geologists. And the reason -- I'll just give you an example, Veladero. When we got there, we were -- we didn't really know what the grade was we were putting on the leach pads. We do now. And we've got it drilled -- we haven't got a drill to where we want it to be, but at least we've got it drilled and we're drilling it out.

And there's -- and so Nevada was well drilled in the reserves, but not in the life-of-mine. So we've moved a step out of that. And we identified that in the due diligence. Because it was very focused on cash flow, we've changed that completely. As you see the grades like Turquoise Ridge, Carlin, the grades are down, but the production is there because we've improved the efficiencies in the processing facilities, and we've optimized the ore bodies.

So I would say that we've got the basics where we want them to be.

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

Anita Soni from CIBC. So you talked about adding mineralized envelopes around the resources. If the resources move from inferred M&I into reserves, would you expect additional dilution? Or is that it?

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

No, that's it. Yes. Look, yes, we do -- I mean, we look at standard mining shapes when we model it. And there's very -- I mean, I guess -- let me answer it a different way. So when we looked at \$1,200 from \$1,000 in Kibali, for instance. When we move the mine -- we tried to test the higher gold price, lower cut-off grade, we didn't really change the reserves because the shape of the ore bodies are such that you are in a hard boundary. So a lot of the ore bodies that we have on hard boundaries. And so you can -- when you move them, you really don't change the dilution. And we just continue that process. But on new projects, we make a conscious effort to manage dilution and losses and things like that in our studies and in the reserve calculation. So those sort of new deposits like satellites and that would come up, but they're not in the inventory at the right grade anymore because we're still very widely space drilling.

I think the key, Anita, to -- I mean, if somebody -- one of our shareholders called us the other day and said, can we give you -- can I give him a view of what we'd look like at \$2,000? Well, it's 171 million ounces. And what's exciting about Nevada is when you look at our mine plan, because we're going underground, we're increasing the grade, keeping the production, in fact, rising the production. But what we do is we open up capacity. We actually closed down some of the facilities.

So in a high-grade gold -- because high grade doesn't help if you haven't got processing capacity. Nevada has that significant opportunity of being able to grow goals because we'll, at a higher gold price, lower cutoff grade, we access, again, more upside ore, we have more flexibility for the capacity, so we've got capacity. The same with some of our big mines, where we've got leach -- with leach pads. You can increase your capacity quickly, whereas in Kibali, for instance -- I mean, Kibali has still got capacity, we don't use all the capacity. So that's a bad example.

Loulo has got full capacity. So you add reserves, you just add life. You don't really add extra gold. Does that make sense?

Can we move -- Josh, you were going to say something? Come on. You're always a pool of wisdom. So should we go to the -- is there any questions from the phone inside?

Operator

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

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

I just had two quick ones. Just in terms of the overall asset optimization, you've talked a little bit about projects where you can unlock value. Now that you've completed the asset sales at Kalgoorlie and Massawa, from here, if you can't get the value you're looking for in any other assets, are you comfortable that the portfolio is what it is? Or is that still something you're working on around the edges on a couple of the assets?

That was my first question. And then just with the 10-year plan, just to prepare for that a little bit. Is the idea that you showed the production plan over the 10 years, but you're also going to give -- should we expect a lot of detail on some of the assets like Donlin, et cetera? Or is it just focused really on the production side?

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

Okay. Thanks. So we're not going to put Donlin in because we manage at \$1,200. So we're not changing the rules in this. We're showing you that we've got visibility on the runway for our 10-year program, and there might well be opportunities that we will highlight, but there wouldn't need to be opportunities that make it at \$1,200 gold price.

So that's -- the optionality is what it is, and we'll leave it there. And that's why it's important. So we've redone all our resources. We can assure you, Rod signed off on them. There are proper mining shapes in a proper mining plan. So it's not just geological resources. Even the inferred, we look -- so if you look, we also changed the grade at Fourmile.

Initially, Fourmile, it's a bridge here. It's a classic Carlin bridge, so it's very high grade. But very awkward shapes, not mineable at all. So we put in the mine stopes, the plan -- and sort of conceptual stopes, and then we diluted it properly so that we know we can mine it, provided that we -- our drilling continues to deliver. All those ounces are in third, aren't they, Rob? So there's work to do but at least -- that's how we've always done things. So that's why you don't get big surprises when you do it properly.

So I think for me, this is -- right now is to really sweat the assets we've got with the management team, and it's another major of whether we really understand mineral resource and reserve base as a management group, and then we'll look at other opportunities.

The second question was? What's your second question?

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

The other question was just on the overall, the portfolio assets overall and whether you want to keep -- whether there's anything else you're targeting. Just talk through that.

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

So right now, all our assets are producing, making a bottom line contribution after everything. So -- but they're not all Tier 1, as you can imagine. And we are very focused on building an ice cream company. And so -- but the market is a bit oversupplied at the moment with sale options. So again, as I've always said, we're -- first of all, we don't do this publicly. We are very mindful, and that's why we were able to really build a transformational transaction with Teranga. It was a lot of work because we really see our host countries as an integral stakeholder of our assets. And so we'll continue to work with them and seek or respond. In most cases now, it's a response to interest rather than active marketing.

And as you say, we don't have to sell anything. I mean, the copper assets are -- they produce -- they contributed about 10% of our bottom line this last year. But they're not -- I mean, in any way you look at it, they're not Tier 1 assets, but they are profitable assets. So -- and we'll work with those. A lot of them are just pure copper assets rather than gold-copper assets, too.

So in the fullness of time, we'll get there. Right now, we've had a phase of alignment reinvention. And really, I would describe 2020 as a year of delivery. We've got a lot to do to build on the foundation that we've set. It's much harder work in the next 12 months than the sort of more flashy work that we did last year.

Operator

There are no more questions from the conference call.

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

Thank you. Anybody else want a question? Cup of tea is quite a borrowing process. Listen, back in London we used to have a glass of wine. We're working on it. But join us for a cup of coffee or tea or glass of orange juice.

And anybody who wants to ask questions, you've got, as you can see, some of the executives here to take those questions. Thanks again for coming and for your diligence in listening through this presentation.



Operator

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

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