

Barrick Gold Corp.: Set for Success in 2017

Description

Barrick Gold Corp. ([TSX:ABX](#))(NYSE:ABX) is worth taking a look at as the year's gold resurgence has done wonders for the company.

The gold miner is still working hard to reduce debt and streamline its operations. The company has reduced its debt by \$1.4 million so far in 2016 with the figure expected to reach \$2 billion by the year's end. Part of this success comes from the second-half surge in oil prices, which has benefited gold juggernauts such as Barrick.

In its third quarter of 2016., the company raked in \$278.0 million in earnings, more than double of the \$131.0 million it earned the previous year, and the company shows no signs of slowing down. This figure amounted to 24 cents per share, beating the consensus estimate of 21 cents per share that Wall Street was calling for.

Pablo Mercet recently joined Barrick Gold's board of directors, bringing with him a 30-year CV of experience in the mining industry. His knowledge of Latin America could be crucial to the company's efforts in the southern hemisphere, including the Pascua-Lama mine and the Alturas potential in Argentina and Chile.

The Pascua-Lama project borders both countries, and it came to a standstill in 2013 as the project proved to be unprofitable due to a decline in gold prices and rising costs. However, gold's higher prices in 2016 could make the project a reality next year. The move could be profitable for a quarter of a century if the company manages to ink a profitable deal in the area.

There is plenty of other untapped potential in Latin America, including the possibility of a mine in Alturas. The area has more than 5.5 million ounces of gold, making it about a third of the size as Pascua-Lama. Political turmoil also proved to be an obstacle for Barrick during its previous efforts in Argentina and Chile, but having a South American industry veteran could prove to be just what it needs to make the area's mining potential a reality.

George Soros and his investment firm **Soros Fund Management LLC** have acquired 1.78 million shares of ABX stock. The hedge fund now owns 2.85 million shares of the company, bringing his stake up to \$50.5 million. Current-quarter earnings are slated to be 21 cents per share on average, while revenue is expected to come in at \$2.22 billion. Next-quarter growth is at a rate of 100%.

Four analysts covering Barrick rate it a "Strong Buy," nine rate it a "Buy," 11 rate it a "Hold," and two rate it an "Underperform." ABX stock fell 1.4% at day's end on Monday, falling to a price of \$20.10 per share. The stock is up 96.3% year-to-date. The company has a market cap of \$22.73 billion.

Between the company's future projects, George Soros backing the company, and the health of the gold mining industry at the moment, the company could continue its climb. Plus, the sky is the limit if Barrick's South American plans are finally brought to fruition.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/08/02

Date Created

2016/12/13

Author

karlutmohlen

default watermark

default watermark