



## This Precious Metals Miner Has Huge Long-Term Potential

### Description

Precious metals have long been [considered](#) as a safe store of wealth thanks to their high demand, limited supply, and what has been, for the most part, a steady increase in value.

Investors looking to diversify their portfolios with a precious metal investment are often left trying to figure out which company is the best fit for their portfolios and goals. One miner that is often considered for investment is **Barrick Gold Corp.** ([TSX:ABX](#))(NYSE:ABX).

Here's a look at Barrick and whether or not the miner is a good investment opportunity.

### Meet Barrick Gold Corp.

Barrick is the largest miner in the world, with operations scattered across 10 countries on five continents. Despite a steady improvement in gold prices this year, Barrick has largely missed the rally on gold prices, which has lifted several precious metal companies by nearly 20% year to date. By comparison, Barrick has dropped nearly 18% in the same period.

That drop can largely be attributed to weaker than expected production across several mines, which translated into much weaker results than expected. In the most recent quarter, Barrick posted a US\$11 million net loss, which was a complete turnaround from the US\$175 million net profit the company posted in the same quarter last year. That weaker production also resulted in Barrick providing an updated production guidance for the rest of the year, with the target coming in 400,000 ounces lower.

The weaker results and, by extension, a surge in the company's all-in-sustaining costs to US\$772 all had an impact on driving the stock lower.

Investors considering Barrick should be looking firmly at the long term. Barrick is still a great investment option thanks to three key reasons.

### Is Barrick a good investment?

First, despite the weaker-than-expected results, Barrick continues to chip away at its debt, reducing it

by an impressive US\$1.5 billion year to date. This will provide a lift to results in future quarters, as Barrick continues down the path towards becoming debt free.

Second, production levels at existing mines will recover from their temporary setbacks, which is often not immediately apparent to investors looking just at the most recent results. In all, seven different mines experienced weaker-than-expected production, which is rare. Some of these, such as the **Acacia** mining venture in Tanzania, are disputes that have since been resolved, and others, such as the Pueblo Viejo mine, are simply temporary matters. In both cases, production should return to better levels.

Finally, Barrick is working on developing several of its existing facilities to further boost production. Barrick's mines in Nevada are a perfect example of this, and efforts there should result in a boost to production levels by one million gold ounces, while simultaneously bringing all-in-sustaining costs down to under US\$700 per ounce.

For these reasons, investors looking firmly at the long term will no doubt see the [potential](#) that the stock holds, and the recent pullback in prices makes for an excellent buying opportunity to buy at a discounted rate.

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2. Metals and Mining Stocks

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