



Barrick Gold Stock: These Factors Make it a Great Buy Today

Description

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) engages in the exploration, mine development, production, and sale of gold and copper properties. In 2020, the company achieved Barrick Gold's production guidance, delivered strong operating cash flow of \$5.4 billion, and set a new annual record of \$3.4 billion for free cash flow, which has increased more than nine-fold over the last two years.

The company's focus on strategic assets has unlocked [material synergies and opportunities](#) as well as realized \$1.5 billion from the sale of non-core interests. The Barrick-led establishment of the Nevada gold mines joint venture created the world's largest gold mining complex under the company's operatorship and added a sixth tier-one mine to the company's portfolio in the form of the combined Turquoise Ridge and Twin Creeks operation.

Operational efficiencies

In Tanzania, Barrick solved numerous [production problems](#) and is now building a potential tier-one complex there. The company established Lumwana as a profitable long-life copper mine in Zambia. In Canada, Barrick is working on transforming a previously precarious operating mine into a robust tier-two operation.

None of this could have been achieved without a robust management philosophy, proven on a global scale, based on a fit-for-purpose organizational structure with lean regional management teams. Barrick's decentralized structure, one of the fittest in the extractive industry relative to size, promotes high performance and agile, effective decision-making, provides the corporate executive with direct access to line operations and empowers the regional management teams to meet departmental business objectives.

Multi-generational workforce

Barrick has more than 20,000 employees and 23,000 contractors at the company's operations in 13 countries across the world. The company seeks to make an individual employee's work safer and more

rewarding every day. Barrick's board of directors believes that a modern mining business needs people who share the company's vision and values, are entrepreneurial and profit-orientated, and alive to technological and societal advances. Through Barrick's talent development framework, the company is building an effective multicultural and multi-generational workforce capable of leading Barrick into the future.

For most companies, environmental, social, and governance (ESG) is an issue that has only recently moved from the margins to the core of investment decision-making and hence operational management. For Barrick, however, sustainability has long been an integral part of the way it does business. In fact, ESG principles are deeply embedded in the organizational culture.

Focused on sustainability

The effectiveness of Barrick's ESG strategy, which is powered at all levels by a long-established partnership philosophy and the close relationship with all stakeholders from investors to host communities, was a key factor in Barrick's past year performance. This was particularly evident in the company's successful COVID-19 containment programs, which buffered the impact of the pandemic on the company's business and people and enabled it to provide much-needed and -welcomed support to Barrick's host countries.

Overall, Barrick has a clear roadmap for the reduction of greenhouse gas emissions, which is based on climate science and operational realities rather than aspirations. All of the company's operations are transitioning to cleaner and more efficient energy sources.

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