



## 1 Growth Stock That Could Make You a Millionaire

### Description

**Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) is a turnaround stock. In 2016, the company suffered due to a [high debt load](#) but has since turned operations around and is now well on a path to recovery. At the time of Barrick's merger with the Hemlo asset, the market doubted whether Hemlo was a viable asset. However, Barrick unpacked the geology and rebuilt the models and, in the process, found many opportunities not only to turn it into an efficient underground operation, but also to expand the asset's reserves and to extend the asset's life.

### Abundance of opportunities

In the field of gold mining, Latin America and Asia Pacific are regions with many challenges, mainly legacy issues that impact Barrick's social licence to operate, but they also host an abundance of opportunities. Barrick has put a great deal of work into fixing the company's businesses and relationships there, and a new exploration team is looking to increase the company's footprint.

In the Dominican Republic, Barrick's Pueblo Viejo expansion project is expected to realize the operation's full potential by unlocking just over nine million ounces of measured and indicated gold resources currently excluded from reserves due to the lack of adequate tailings storage capacity. The plant is being upgraded to handle an [annual throughput](#) of 14 million tonnes, and negotiations to secure land for the proposed new tailings storage facility are underway.

### Impact of COVID-19

During COVID-19, Veladero in Argentina was the only Barrick mine where production was impacted by a government-imposed pandemic quarantine and movement restrictions. This also temporarily delayed the mine's transition to a new heap leach facility, which is now scheduled for completion by mid-2021, after which the mine's performance is expected to improve. Veladero's connection to the Chilean power grid was similarly delayed, but Barrick expects that this should be completed by the end of 2021.

In the El Indio region, it appears to Barrick that combining the company's Lama mine with Veladero

mine and looking at the Pascua mine separately may make more sense. The company has indicated that it is looking closely at this option. In Papua New Guinea, an in-principle agreement with the government on the reopening and future operation of the Porgera mine, which has been on care and maintenance since April of fiscal 2020 year when the renewal of its special mining lease was refused, was reached in the fourth quarter of 2020.

## Opportunities to drive superior performance

Teams from both sides continue to work on the details of a mutually acceptable settlement agreement. This appears to have been a long and difficult negotiation for Barrick, but the company has advised that it will reach an agreement and get the mine reopened this year.

In addition, Africa and the Middle East appear to have largely driven the post-merger repositioning and reinvigoration of Barrick. Barrick's five-year plan in capital expenditures remains intact, with production steady while costs and capital expenditures are expected to come down, and there appears to be plenty of opportunities to drive this performance into the longer term. Realizing operational opportunities could lead to a higher stock price.

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nikhilwaterloo

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