



Top Gold Mining Stock for Value Investors

Description

In 2020, the world was profoundly tested by the massive disruption of the COVID-19 pandemic, and **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) was no exception. Across Kinross' [diverse operating jurisdictions](#), the company's employees rose to the challenge by taking early and decisive action to establish rigorous new protocols and operating systems that have protected the health of employees while allowing the company's sites to continue operating.

Demonstrated adaptability and discipline leading to remarkably strong performance

Further, Kinross demonstrated [adaptability and discipline](#) and delivered a year of remarkably strong performance in virtually every area of the company's business in 2020. Kinross finished the year by meeting the original guidance for production, cost of sales, and capital expenditures set before the pandemic began, marking the ninth straight year it has met or exceeded guidance.

Disciplined cost and capital management leading to record free cash flow

Backed by disciplined cost and capital management, and by a strong gold price, Kinross' operations generated record free cash flow of over \$1 billion. With an expectation of strong sustained cash flow in future years, Kinross was also able to return capital to the company's shareholders by instituting a sustainable quarterly dividend.

Longer-term visibility indicates additional upside opportunities

In addition, Kinross confirmed the company's strong outlook by announcing that, over the next three years, it expects production to grow by approximately 20% to 2.9 million gold equivalent ounces (Au eq. oz). Kinross also provided longer-term visibility into the company's business, forecasting average

annual production of 2.5 million Au eq. oz. through the end of the decade, and additional upside opportunities beyond that.

Strong environmental, social, and governance (ESG) performance

Responsible mining is a cornerstone of both Kinross's culture and strategy, and, in 2020, it continued the company's strong ESG performance, with a particular focus on helping host communities deal with the critical public health and economic challenges stemming from COVID-19.

Early implementation of rigorous safety protocols

Additionally, Kinross continued to be ranked in the top quartile of the company's mining group peers by the leading independent ESG rating agencies, reflecting the company's consistent performance on key metrics and history of mutually beneficial relationships with the company's host communities. Kinross mitigated the impact of COVID-19 on employee health and operations through early implementation of rigorous safety protocols while providing significant support to host communities.

Delivering record free cash flow strengthening the company's investment grade balance sheet

Overall, despite the pandemic, Kinross delivered on original annual production, cost of sales, and capital expenditures guidance for the ninth straight year. Kinross also delivered a record free cash flow of over \$1 billion and strengthened the company's investment-grade balance sheet. The company also provided a strong outlook of 20% increase in production over the next three years, and an average annual production of 2.5 million Au eq. oz. through to 2029, with additional upside opportunities.

Highest ranked Canadian mining company in annual governance review

Furthermore, Kinross has outperformed Canada's gold index over the past five years and generated a total shareholder return of 56% in 2020. The company is also the highest-ranked Canadian mining company surveyed in *The Globe and Mail's* annual governance review.

CATEGORY

1. Investing

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