



Commodity Boom Stocks: Canada's Top Gold Miner

Description

Kinross Gold ([TSX:K](#))([NYSE:KGC](#)) owns three large mines called Paracatu, Kupol, and Tasiast, which represented 62% of production. In fiscal 2020, these were the [lowest-cost mines](#) in the company's portfolio, with record production and cost performance at Tasiast. All development projects have been advancing on schedule, with the company's Fort Knox Gilmore construction completed on time and under budget.

Sustainable quarterly dividend and increasing mineral reserves

Recently, Kinross instituted a sustainable quarterly dividend of \$0.03 per share. The company also acquired the bolt-on Manh Choh project near Fort Knox and new exploration licences proximal to Kupol and around Chulbatkan. Also, Kinross increased mineral reserves by a 5.7 million ounces and [extended mine life](#) at Kinross's Kupol, Chirano, and Paracatu mines.

Advancing a climate change strategy and enhancing disclosure

Further, Kinross also reached an agreement in principle with the Government of Mauritania to enhance the partnership. Kinross has also maintained top-quartile peer group ranking with all major third-party environmental, social, and governance rating agencies and advanced the company's climate change strategy and disclosure.

Significant contribution to economic benefits

In addition, Kinross contributed approximately \$3 billion in economic benefits through taxes, wages, procurement and community investments to host countries. Despite limitations of COVID-19, it carried out over 100,000 stakeholder interactions and supported programs with over 900,000 beneficiaries in host communities.

Culture of operational excellence and commitment

While fiscal 2020 challenged Kinross, it also affirmed Kinross's culture of operational excellence and commitment to put people first, which unites the company's global workforce and continues to benefit stakeholders.

Strong year of production

Fiscal 2020 was a strong year of production with an outlook for growth in 2021. Kinross's eight operating mines produced approximately 2.4 million gold equivalent ounces (Au eq. oz.) at a production cost of sales of \$723 per Au eq. oz., and an all-in sustaining cost of \$987 per Au eq. oz., which were within the original guidance the company had set at the beginning of the year.

Strong results from the company's three largest mines

Despite pandemic-related impacts, Kinross kept the company's cost of sales and all-in sustaining costs nearly level with 2019. Once again, Kinross's production was driven by strong results from the company's three largest mines, which were also the company's lowest-cost operations. Highlights from the portfolio included another year of record production at Tasiast, which also had the lowest cost of sales in the portfolio, averaging \$584 per Au eq. oz. for the year, and delivered record free cash flow in 2020.

Strong production and low costs

The Paracatu mine was Kinross's largest producer, with output of over 542,000 Au eq. oz. Kupol and Dvoinoye mines had another excellent year with strong production and costs below \$600 per Au eq. oz. The company seems to expect strong production of approximately 2.4 million Au eq. oz. in 2021, which is in line with 2020.

Low-cost producer

In fiscal 2022, Kinross expects production to increase to approximately 2.7 million Au eq. oz., ramping up to approximately 2.9 million Au eq. oz. in 2023, with a downward trend in production cost of sales. Being the low-cost producer should serve the company's shareholders well over the long term.

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