

Come and talk deals: Barrick

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BARRICK Gold has reiterated its message to Australia's junior mining sector that the company is "open for business", with Barrick Asia-Pacific president Gary Halverson again inviting delegates to this week's Diggers & Dealers conference to talk to the company about projects.

Halverson said the company was interested in talking to companies with projects as well as those seeking projects, as Barrick seeks to rationalise its greenfields exploration portfolio in Australia and add on more near-term projects to grow its gold production base.

While Barrick spent just over a third of its \$US175 million exploration budget in Australia last year, the overwhelming majority of that went on brownfields exploration.

The company remains engaged in a tenement rationalisation program for its Australian exploration project.

Barrick has offloaded three significant sections of its local portfolio recently, agreeing to the sale of the Osborne copper-gold project in Queensland to Ivanhoe, the sale of the historic Bullant gold mine and associated exploration tenements to Argent Minerals, and the sale of 700 square kilometres worth of tenements around its Plutonic operation to Dampier Gold, which currently uses the tenement package as the centrepiece of its initial public offering.

Halverson said Barrick has had such a large tenement package locally that it has been difficult to keep focused.

"We've had such a large tenement package that was being tied up, we were looking too far afield for what we are trying to do from a drilling point of view. So we took the tack that we have greater opportunities by working with the juniors to actually develop some of this potential," he said.

"And we have several toll purchase agreements and toll milling agreements have resulted out of us turning over some of our tenement package that aren't strategic for our business, but still make money."

He said the company has also been prepared to divest working assets, as well as tenement packages.

"As we look at operations such as the Osborne copper-gold mine in Queensland, it was getting to the tail end of its life, and there's still a potential resource there – but from our perspective that marginality is not really where we're wanting to put our attention."

He said the company needed to focus on the best assets to grow Barrick's business worldwide, and the company was prepared to divest smaller assets in order to keep its attention on more significant assets in its portfolio – either through straight sales, joint venture agreements, or by taking equity stakes in purchasers, as it did with both Argent and Dampier recently.

"It's actually better for us to allow other people to pick up those assets, either through joint ventures or through purchases where both they benefit and we benefit," he said.

"Having something sit in the ground to us isn't value, it's actually turning things into production and cash."

Papua New Guinea a key focus

Halverson said Barrick would continue to focus on Papua New Guinea, where it has the Porgera Mine.

While he did not put a figure on its exploration spend in the country, Halverson said the bulk of Barrick's greenfield exploration spend was going on PNG, a situation he expected to continue for some time.

While the majority of the company's exploration dollars are being spent in Australia Barrick is committed to expanding its assets in PNG.

"There's real good untapped potential there, and obviously our experience with Porgera gives good insight into the cultural dynamics of dealing in PNG."



The processing plant at Barrick Gold's Kainantu operation in PNG