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## Barrick sells 50% of its stake in Papua New Guinea gold mine

Shares of Barrick Gold (TSE:ABX) (NYSE:ABX) were trading about 3.4 percent lower today, after the company announced has sold 50% of its stake in the Porgera joint venture that operates a gold mine in Papua New Guinea to China's Zijin Mining Group.

Barrick, the world's largest gold producer and 95% owner of the Porgera through the company Barrick Niugini, obtained US\$298 million in cash for its stake. The government of the Papuan province of Enga and local owners hold the remaining 5%.

"Our partnership with Zijin is the first step in a long-term strategic relationship with one of China's leading mining companies—a multi-faceted partnership that will provide significant opportunities to work together on an ongoing basis as we continue to create value for our respective owners," said Barrick's chairman John Thornton in a statement.

In 2014, the mine yielded 493,000 ounces of gold.

Barrick's sale is part of a plan to divest a dozen of what it considers as secondary assets, such that it can operate on a leaner basis, preserving only the richest and most profitable deposits, concentrating its activity in the Americas.

The group also intends to use the proceeds of this sale to reduce debt, which exceeds US\$20 billion. Yesterday, Barrick said it sold another gold mine in Australia to a local company for US\$550 million.

Barrick, which suffered consecutive losses in 2013 and 2014 with respective losses of 10.4 and 2.9 billion USD, is pursuing a US\$3 billion debt reduction strategy this year.

Barrick also signed a long term strategic cooperation agreement with Zijin Mining, which could see the two participate in other mining projects, according to a joint statement.

Under the agreement, Barrick and Zijin will each appoint three directors to the board of Barrick Niugini, which holds 95% of the Porgera Joint Venture. One party will appoint the general manager of the mine while the other will name his deputy and the chairman of the board.

Greg Walker, Porgera's current and Barrick appointed director, will remain in office, but it is understood that Zijin's role in Porgera will expand as its managers gain experience in Papua New Guinea.

**Price:** C\$22.77

**Market Cap:** C\$39892.63M

### 1 Year Share Price Graph



### Share Information

**Code:** ABX

**Listing:** TSX

**52 week High Low**  
C\$22.84 C\$12.54

**Sector:** General Mining - Gold

**Website:** www.barrick.com

### Company Synopsis:

On 1 January 2019 a new Barrick was born out of the merger between Barrick Gold Corporation and Randgold Resources. Shares in the new company trade on the NYSE (GOLD) and the TSX (ABX).

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