



# Barrick Mining Corporation

**B**

**EQUITY RESEARCH REPORT**

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May 06, 2026

## B — Barrick Mining Corporation

**Report Date:** 2026-05-06

**Analyst:** Moschovakis Capital Research

**Current Price:** \$38.72 USD (live, as of 2026-05-06)

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### EXECUTIVE SUMMARY

Metric	Value
**Recommendation**	**AVOID**
Current Price	\$38.72
Fair Value (Base Case)	\$42.00
Margin of Safety	8.5% (insufficient)
Target Entry (if HOLD)	\$30.00

Return Profile	Value
Dividend Yield	~1.7% (base \$0.175/qtr + variable; ~\$0.65 annualized recent run-rate)
Expected Dividend Growth	3-5% (volatile, tied to FCF)
Expected Price Appreciation	3.5% CAGR
Total Expected Return (Base)	5.2% CAGR
Bear Case Total Return	-6.0% CAGR
Bull Case Total Return	14.0% CAGR
Probability-Weighted Return	4.6% CAGR

Risk Assessment	Value
Wealth Preservation Score	48 / 100
Downside Protection Score	42 / 100
Quality Score	56 / 100
Risk Level	ELEVATED
Probability of >50% Loss	12-15%
Recession Profile	SENSITIVE

**One-Line Thesis:** Barrick owns world-class mining assets and a fortress balance sheet, but its returns depend on commodity prices and concentrated geopolitical jurisdictions, which together produce a risk profile that fails

the wealth preservation mandate.

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## INVESTMENT THESIS

You are looking at a \$50B gold and copper miner with Tier One assets, a CEO with a credible owner-operator culture, and a balance sheet that can survive almost any commodity cycle. That is the bull case. The bear case is that you are buying a leveraged bet on the gold price wrapped around mines in Mali, Pakistan, Zambia, Tanzania, and Papua New Guinea, where the host governments have already demonstrated they will renegotiate contracts when commodity prices spike. This is not a wealth preservation asset. It is a cyclical commodity producer that happens to have good operators running it.

The base case math does not clear our hurdle. At \$38.72, you are paying ~13x trailing earnings on a record gold-price year and ~10-11x forward earnings that assume gold stays elevated. Free cash flow yield is roughly 3-4%, dividend yield is ~1.7%, and earnings growth requires either higher gold or successful execution at Reko Diq, which has already slipped to mid-2027 review for security reasons. Strip out cyclical tailwinds and normalized earnings imply \$4-4.50 in price appreciation per year — total return of 5-6% before considering downside scenarios. That is below our 7% inflation-plus hurdle and indistinguishable from a 4% HYSA after risk adjustment.

The downside scenarios are what disqualify the position. Gold producers carry multi-axis risk: commodity prices, AISC inflation (Q3 2024 hit \$1,507/oz vs. peer Agnico at \$1,286), jurisdictional expropriation, and project-specific execution. Reko Diq's \$7B+ commitment in Balochistan is the most acute red flag — analysts have already flagged "unawareness" by management of the security situation. A 30% gold-price decline combined with an AISC squeeze and a Mali or Pakistan stumble could cut earnings by 60-70% and the share price by 40-50%. The dividend would follow because it is now formula-linked at 50% of FCF. Bear case total return of -6% annualized over 10 years is an unacceptable downside for capital you want to preserve.

There are better wealth-preservation alternatives. If you want gold exposure, physical gold ETFs avoid jurisdictional and operational risk. If you want a miner, Agnico Eagle (lower AISC, Canada/Finland/Mexico jurisdictions) is the higher-quality alternative. If you want commodity-linked income with downside protection, regulated utilities and mid-stream energy infrastructure offer better risk/reward. **AVOID at current price.**

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## 1. BUSINESS QUALITY ASSESSMENT

**Sector Verdict (Stage 1):** PROCEED WITH CAUTION. Gold and copper mining is highly cyclical, fails the "defensive sector" preference, and requires fortress balance sheet plus valuation discount to qualify. Sector currently trades near historical averages on EV/EBITDA but well above on absolute share prices owing to the gold rally.

**Business Model:** Tier One asset owner-operator. Six Tier One gold mines plus emerging copper platform (Lumwana expansion, Reko Diq). Nevada Gold Mines JV (61.5% stake, Newmont partnership) is the operational backbone at ~50% of output. The decentralized model with central capital allocation under CEO Bristow has produced a credible track record since the 2019 Randgold merger.

**Competitive Moat:** Cost and scale advantage from Tier One geology and integrated clusters, particularly Nevada. This moat is real but commodity-cycle dependent — when gold trades at \$1,200/oz, even Tier One

assets struggle.

**Moat Durability:** MEDIUM. The geological assets are irreplaceable, but the moat does not protect against the two largest risks: commodity prices and host-government action. A wide moat that does not insulate against the primary risk drivers is a narrow moat for our purposes.

**Verdict:** GOOD operating business, but the underlying economics are not the kind we want to own for capital preservation.

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## 2. FINANCIAL FORTRESS ANALYSIS (Stage 2.1)

Metric	Value	Threshold	Pass/Fail
Debt/Equity	~0.20-0.25x	<0.5x	PASS
Interest Coverage	>15x	>5x	PASS
Current Ratio	~3.5x	>1.5x	PASS
FCF Positive (5 of 5 years)	Yes	4 of 5	PASS
Net Debt	~\$0.5-1B	low	PASS
Cash / Debt	>40%	>20%	PASS

**Stress Test:** If gold drops 30% for two years (to ~\$1,850/oz), Barrick remains solvent with comfortable interest coverage. The dividend would compress materially under the 50%-of-FCF formula but the company would not need to raise equity.

**Solvency Assessment: FORTRESS.** This is the strongest part of the thesis. Net debt of ~\$0.5B against \$7B+ EBITDA is the kind of balance sheet you want in a cyclical business.

**The Catch:** Solvency is necessary but not sufficient. A solvent company can still see its share price decline 50% in a commodity downturn — that is permanent capital loss for an investor who needed the money during that window.

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## 3. DIVIDEND ANALYSIS

Metric	Value	Assessment
Current Yield	~1.7% (annualized, blended base + variable)	Low preservation sweet spot
Base Floor	\$0.175/qtr (\$0.70/yr)	~1.8% floor yield
Recent Quarterly	\$0.42	Tied to high gold prices
Payout Policy	50% of attributable FCF	Variable by design
FCF Coverage	~1.4x at current	Adequate at strong prices

Metric	Value	Assessment
Years of Consecutive Dividend	>20	Long history
Dividend Cut History	Yes (2015-2016, 2020 framework changes)	Concerning

**Stress Test:** Under the formula-linked policy, a 40% earnings decline would produce a roughly 40% dividend cut. The base floor of \$0.175/qtr (\$0.70/yr) would hold, giving a ~1.8% floor yield at current price.

**Dividend Sustainability: AT RISK** for the variable component. The base floor is sustainable but produces sub-2% yield, which is insufficient income cushion for a wealth preservation position. Income-focused investors should look elsewhere.

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## 4. VALUATION ANALYSIS

Metric	Current	5Y Avg	vs. History	Assessment
P/E (Trailing)	13-20x	~25x (volatile)	Below	Fair to attractive
Forward P/E	10-11x	~15x	Discount	Attractive if estimates hold
EV/EBITDA	8.8x	~9-10x	In line	Fair
P/FCF	31-32x	~25x	Premium	Expensive
P/B	1.6-1.7x	~1.7x	In line	Fair
Dividend Yield	1.7%	1.5-2.0%	In line	Fair

**The valuation question that matters:** What earnings should we capitalize? At spot gold (\$2,650+/oz), trailing earnings of \$4.99B make the stock cheap. At normalized gold (\$2,000-2,200/oz), earnings would be roughly \$2.5-3.0B and the trailing P/E would be 22-26x — full to expensive.

### Normalized Fair Value Calculation:

- Normalized EPS: ~\$1.75 (mid-cycle gold \$2,200/oz, AISC \$1,200/oz)
- Fair multiple: 15x (cyclical, geopolitical risk)
- Normalized fair value: ~\$26
- Bull-case fair value (gold stays high): ~\$50

**Margin of Safety to mid-cycle fair value: NEGATIVE 33%.** You are paying a premium for cyclical earnings.

**Valuation Verdict: FAIR on optimistic assumptions, EXPENSIVE on normalized.**

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## 5. SCENARIO ANALYSIS (10-Year Horizon)

### BEAR CASE (25% weight)

- Gold reverts to \$1,800-2,000/oz; AISC inflation to \$1,400/oz

- Reko Diq delayed/impaired; one African asset suffers contract renegotiation
- Multiple compresses to 12x on \$1.20 normalized EPS
- 10-year price target: ~\$22
- Dividend reverts toward floor (~\$0.70)
- **Bear Case Total Return: -6.0% CAGR**

#### BASE CASE (50% weight)

- Gold \$2,200-2,400/oz mid-cycle; AISC stable at \$1,200/oz
- Reko Diq comes online by 2029; copper grows to ~20% of revenue
- NewCo IPO unlocks modest value
- 10-year price target: ~\$54 with \$9 cumulative dividends
- **Base Case Total Return: 5.2% CAGR**

#### BULL CASE (25% weight)

- Gold \$2,800+/oz sustained; copper \$5/lb on electrification
- Successful execution at Reko Diq, Lumwana, Fourmile
- Multiple re-rates to 18x; NewCo unlocks 20%+ value
- 10-year price target: ~\$110 with \$20 cumulative dividends
- **Bull Case Total Return: 14.0% CAGR**

#### Probability-Weighted Expected Return: 4.6% CAGR

Scenario	Price Target	Total CAGR	Weight	Contribution
Bear	\$22	-6.0%	25%	-1.5%
Base	\$54	5.2%	50%	2.6%
Bull	\$110	14.0%	25%	3.5%
**Expected**		**4.6%**		

**Critical observation: Bear case is negative.** This fails the wealth preservation absolute requirement that bear case total return must be  $\geq 0\%$ .

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## 6. RISK ASSESSMENT

### Jurisdictional Concentration (PRIMARY RISK)

Region	Asset	Risk Level	Recent Action
Nevada (US)	NGM 61.5%	LOW	Stable
Mali	Loulo-Gounkoto	HIGH	2024 contract renegotiation; ongoing over
Tanzania	North Mara, Bunyanhulu	HIGH	Past extended shutdowns; renegotiated t

Region	Asset	Risk Level	Recent Action
Pakistan	Reko Diq	VERY HIGH	Mid-2027 review extension; security pause
Zambia	Lumwana	MEDIUM	Resource nationalism risk
Papua New Guinea	Porgera	HIGH	Political instability flagged
Dominican Republic	Pueblo Viejo	MEDIUM	Stable but disclosed risks

Roughly 40-50% of production sits in jurisdictions where governments have demonstrated willingness to renegotiate contracts when commodity prices spike. This is the asymmetric risk that disqualifies the name.

### Commodity Price Risk

Gold prices are at multi-decade highs. Mean reversion risk is real even if the current setup remains supportive. A 25-30% gold price decline from here is well within historical norms.

### Operational Risk

AISC at \$1,507/oz (Q3 2024) was meaningfully above peers. Cost discipline has improved, but the Reko Diq capex commitment (\$7B+) creates a multi-year FCF drag.

### Recession Profile: SENSITIVE

Gold often performs well during recessions, but gold equities behave like equities — they sell off in broad risk-off moves. 2008 saw GOLD/B decline ~70% peak to trough. 2020 saw a milder ~25% drawdown. The historical max drawdown is incompatible with wealth preservation.

### Probability of >50% Permanent Loss: 12-15%

This exceeds our 10% threshold and is a hard disqualifier even in isolation.

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## 7. MANAGEMENT & GOVERNANCE

**CEO Mark Bristow:** Strong operator. Built Randgold, drove the 2019 merger, instilled owner-operator culture, executed disciplined capital allocation. Tenure >7 years. Track record on cost discipline and asset divestiture is solid.

### Capital Allocation (5Y Review):

- Buybacks: \$1.5B in 2025 — at elevated prices in a strong gold cycle. Concerning timing.
- Dividends: New 50%-of-FCF formula increases variability
- M&A: Hemlo divestiture (\$1.09B) at fair terms — disciplined
- CapEx: Reko Diq commitment is the controversial item — analysts have questioned the risk-adjusted return

### Red Flags:

- Buying back stock at \$38+ on record-year earnings raises capital-allocation concerns
- Reko Diq capital commitment in escalating-security jurisdiction
- Pending CEO succession discussion noted by analysts
- Pending NewCo IPO — potential value unlock, but execution risk and signaling risk

**Verdict:** GOOD management on operations. ACCEPTABLE on capital allocation with recent reservations.

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## 8. PEER COMPARISON

Dimension	Barrick (B)	Newmont (NEM)	Agnico Eagle (AEM)	Best for Preservation
AISC	\$1,050-1,500/oz	~\$1,611/oz	~\$1,286/oz	AEM
Jurisdictional Risk	HIGH	MEDIUM	LOW	AEM
Debt/Equity	~0.22x	~0.32x	~0.10x	AEM
Forward P/E	10-11x	~12x	~22x	B (cheapest)
Dividend Yield	~1.7%	~2.5%	~1.5%	NEM
Recession Drawdown (2008)	-78%	-65%	-50%	AEM

**Conclusion:** Agnico Eagle is the higher-quality wealth-preservation candidate among gold miners. Barrick is cheaper for a reason — the geopolitical discount is justified.

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## 9. KEY METRICS SUMMARY

### Wealth Preservation Quality Score: 56 / 100

#### Balance Sheet Fortress: 35/40

- D/E <0.5x: 15
- Interest coverage >8x: 15
- FCF positive 5/5 years: 5 (was 7 due to volatile FCF margins)

#### Income Reliability: 8/30

- Yield 2-4% with sustainable payout: 0 (yield too low)
- Dividend growth: 3 (volatile under formula)
- Dividend history >15 years: 5

#### Capital Efficiency: 8/15

- ROIC 7.8-9.6%: 4
- Trend stable: 4

#### Valuation: 5/15

- Trading mid-range on multiple metrics: 5

### Wealth Preservation Score: 48 / 100

- Downside Protection: 42 (negative bear case, recession-vulnerable equity behavior)
- Return Adequacy: 40 (base case 5.2% below 7% hurdle)

- Quality: 56

**Composite WP Score:  $(42 \times 0.45) + (40 \times 0.30) + (56 \times 0.25) = 18.9 + 12.0 + 14.0 = 44.9 \rightarrow 48$  (rounded with qualitative adjustments)**

### Absolute Requirements Check:

Requirement	Status
Bear case total return $\geq 0\%$	<b>**FAIL**</b> (-6% CAGR)
Base case total return $\geq 7\%$	<b>**FAIL**</b> (5.2% CAGR)
Solvency FORTRESS or ADEQUATE	PASS (FORTRESS)
Dividend sustainability	MARGINAL (variable formula)
Probability of >50% loss <10%	<b>**FAIL**</b> (12-15%)

**Three of five absolute requirements fail. Investment is automatically disqualified.**

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## 10. MONITORING CHECKLIST (If Status Changes)

Conditions that would warrant re-review at a lower price:

Trigger	Action
Stock declines below \$30	Re-run valuation; margin of safety may emerge
Reko Diq permanently impaired/written down	Re-evaluate normalized earnings
Mali/Tanzania contracts finalized with stable terms	Reduce jurisdictional risk weighting
NewCo IPO completes; North American assets standalone	Consider standalone NewCo as preservation candidate
Gold mean-reverts to \$1,800-2,000 and stock holds value	Indicates structural re-rating
Agnico Eagle valuation gap widens to >40% premium	Re-examine relative value

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## EXIT TRIGGERS

Not applicable — recommendation is AVOID. No position to exit.

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## FINAL RECOMMENDATION

**RECOMMENDATION: AVOID at \$38.72**

**Reasons (any one sufficient; multiple present):**

1. Bear case 10-year total return is negative (-6% CAGR)
2. Base case 10-year total return (5.2% CAGR) fails 7% hurdle
3. Probability of >50% permanent capital loss exceeds 10% threshold
4. WP Score of 48 falls below 65 buy threshold

**What Would Change Assessment:**

- Stock price below \$30 (15% MoS to mid-cycle fair value)
- Successful Reko Diq de-risking with first production
- Resolution of Mali/Tanzania contract overhangs
- Exit of one or more high-risk jurisdictions

**Better Alternatives for Wealth Preservation:**

- Physical gold ETF (IAU, GLDM) for gold exposure without operational/jurisdictional risk
- Agnico Eagle (AEM) for gold-miner exposure with superior jurisdictional profile, though valuation is fuller
- Regulated utilities, mid-stream energy infrastructure, or consumer staples for income with downside protection

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**ANALYST NOTES****Key Assumptions:**

- Mid-cycle gold price of \$2,200/oz for normalization (current \$2,650+ treated as cyclical peak)
- AISC normalizes at \$1,200/oz, factoring continued labor/energy inflation
- Reko Diq generates positive NPV but with execution timeline risk
- 50%-of-FCF dividend policy holds; base floor of \$0.175/qtr maintained

**Limitations:**

- Gold price forecasting is inherently low-confidence
- Geopolitical timing in Mali, Pakistan, Tanzania is unpredictable
- NewCo IPO valuation and structure not yet finalized
- Historical dilution and full TSR data not fully reconstructed from provided sources

**Confidence Level:** MEDIUM — The conclusion (AVOID for wealth preservation) is robust to reasonable assumption changes. The investment fails on multiple independent criteria, so even generous assumptions on any single dimension would not change the verdict. A buyer at \$30 or lower should re-run the analysis.

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*Report prepared for Moschovakis Capital. This analysis is for informational purposes only.*

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## IMPORTANT DISCLOSURES

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