



# A Finance Executive's Path to Leadership in Mining

(an industry that society really needs by the way)

Keynote address by David Garofalo, President & Chief Executive Officer, Goldcorp Inc.

FEI Canada – AGM June 2017

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More than half of the world's public mining companies are listed on the TSX and TSX-Venture Exchanges.

- The two exchanges accounted for 53% of the global equity capital for mining in 2015, totaling \$6.8 billion.

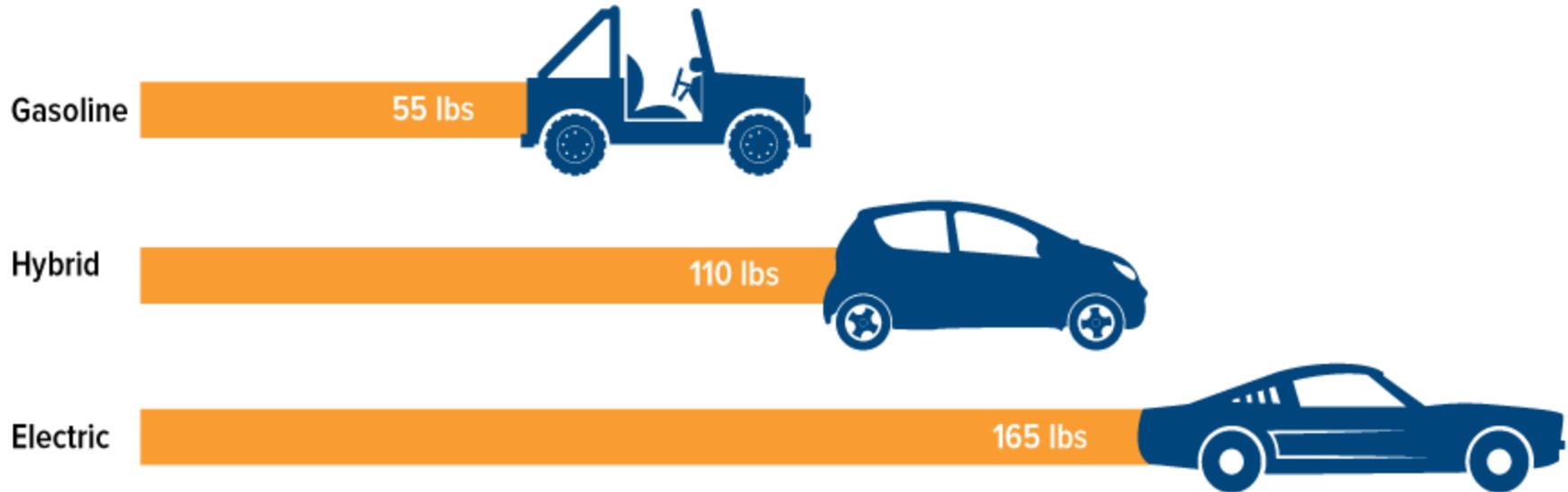


Here are just a few examples:

- Electronics – mobile phones, computers
- Green economy – wind energy, bio-energy, solar power
- Utilities – water, electricity, natural gas
- Pharmaceuticals – cancer drugs
- Transportation – cars, trucks, traffic lights



## Each New Generation of Car Needs More Copper Wiring

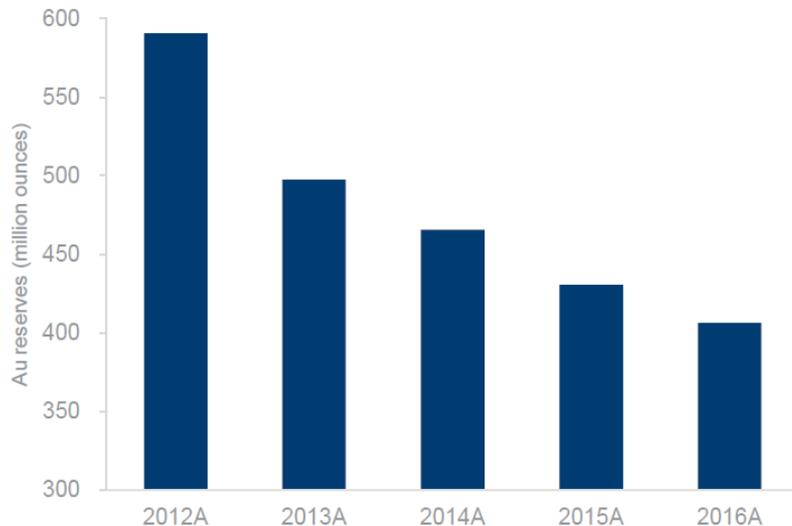


Source: Visual Capitalist, U.S. Global Investors

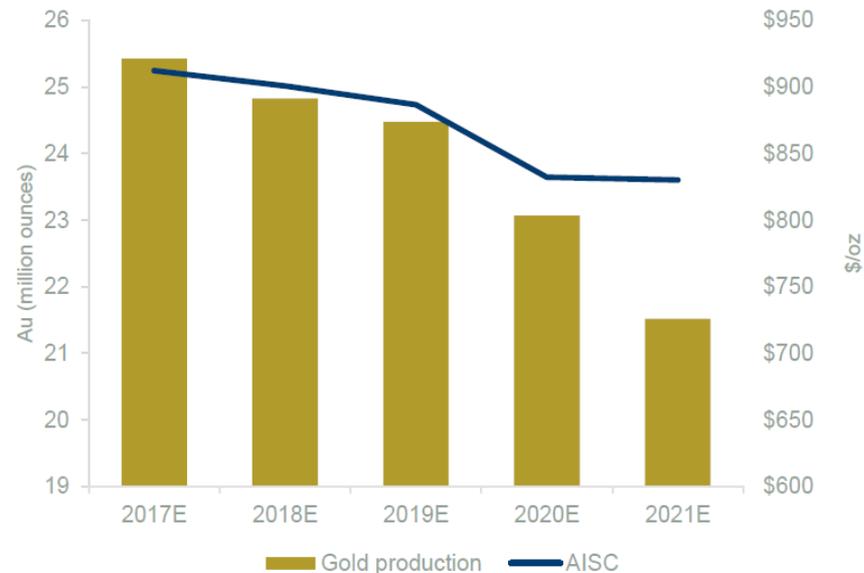
All of the gold mined in human history is dwarfed by the Statue of Liberty.



### Gold Reserves Over Past Five Years<sup>1,2</sup>



### Production & All-In Sustaining Costs<sup>1,2</sup>



(1) Company reports (including Barrick, Newmont, Newcrest, Agnico-Eagle, Kinross, Yamana, AngloGold, Goldfields & Harmony)

(2) RBC 'Street consensus' (including Barrick, Newmont, Newcrest, Agnico-Eagle, Kinross, Yamana, AngloGold, Goldfields & Harmony)

## Fed goes from hawkish to dovish to hawkish

- Economic growth lower than expected
- Tightening cycle underway

## Deteriorating global economic outlook

- Negative real and nominal rates
- Deflation
- Brexit
- China

Gold Price vs Real Interest Rates<sup>1</sup>



<sup>(1)</sup>Source: Bloomberg as of May 2, 2017

Despite gold's intrinsic value to society, challenges remain to its production:

- NIMBYism
- Indigenous Issues
- Water scarcity
- Cybersecurity



## Things we don't control

- **Product pricing**
- **Product differentiation**
- **Jurisdiction of ore bodies**
- **Geology**
- **Geopolitical stability**
- **Regulatory burden**
- **Water supply**
- **Social license**
- **Land tenure**
- **Local labour readiness**
- **Aging workforce**

## Things we can control

- **Quality of assets in portfolio**
- **Production costs**
- **Reputation**

From initial discovery to 'shovels in the ground', it takes an average of 18 years.

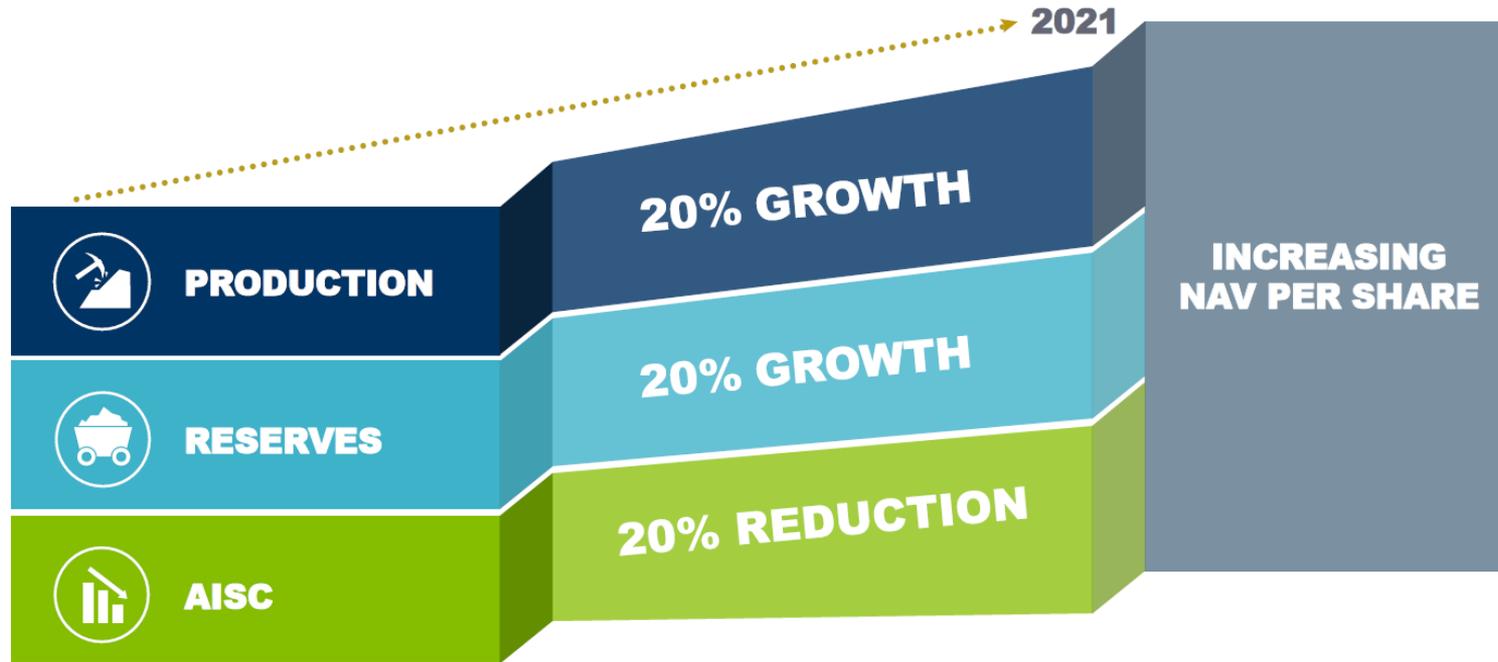


## A Clear Vision

Gold production of 3 to 4 million ounces from six to eight large-scale camps:

- Economies of scale and geological prospectivity are expected to drive low costs and NAVPS growth.
- Coffee and NuevaUnión opportunities represent potential new large-scale camps.
- Continued divestment of non-core assets reflects disciplined portfolio optimization and management focus on scale.







UNITED NATIONS



## H2Zero

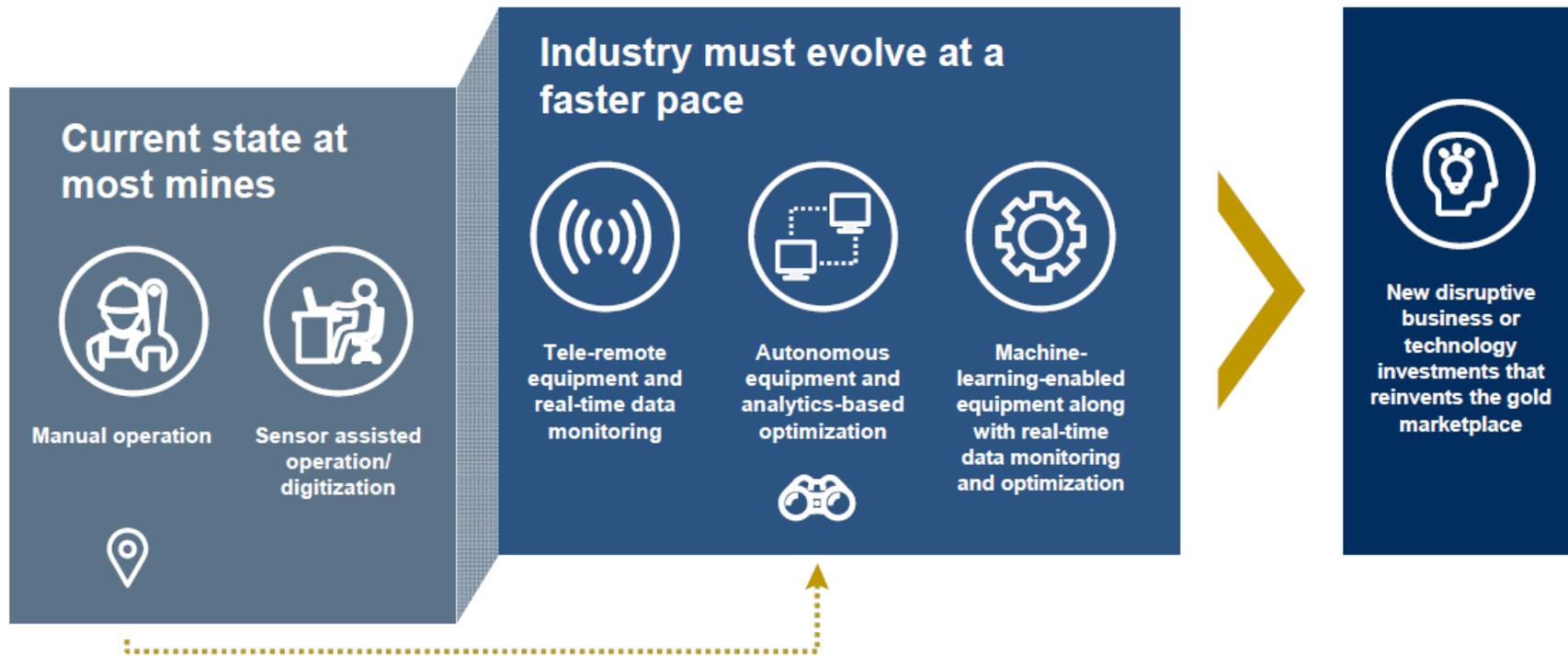
- Reduce Goldcorp's total water consumption
- Eliminate the use of conventional, wet tailings and consume 50% less water in new sites
- Achieve > 80% water reuse/recycle rates in existing operations
- Use substantially less fresh water at more than 80% of our operating sites.



## *Creating Choices*

- Two-day professional development seminar for women
- Skill development and networking builds confidence
- Encourages women to set professional goals and take on leadership roles
- More than 1,700 graduates
- Program success has led to *Growing Choices*, which pairs women with a company mentor





## Borden mine

- World's first all-electric mine in Ontario
- Partnership with Sandvik Mining and MacLean Engineering
- Reducing CO2 emissions and energy costs with battery-operated drilling, blasting and hauling equipment
- Improving worker health by removing particulates (NOX and SO2)
- Saving ~4 million litres of diesel and propane







## Questions?

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