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Operator

Hello, and welcome to Newmont's Fourth Quarter and Full Year 2024 Results Conference Call. [Operator Instructions] Please note, this event is being recorded.

I would now like to turn the conference over to Tom Palmer, President and Chief Executive Officer. Please go ahead.

Tom Palmer

Thank you, operator. Hello, everyone, and thank you for making the time to join our call. Today, I'm joined by Karyn Ovelmen, our Chief Financial Officer; and Natascha Viljoen, our Chief Operating Officer; along with the rest of my executive leadership team, and we'll all be available to answer your questions at the end of the call.

Please note of our cautionary statement and refer to our SEC filings, which can be found on our website.

I would like to start by taking a moment to provide an update on our safety performance.

Newmont is a values-driven organization, and ensuring the health and safety of our workforce is at the very heart of everything we do.

We are working diligently to strengthen our safety performance and have been reviewing and refreshing key safety programs across our global business centered around three key areas: culture, systems and skill development.

Maintaining and improving our culture of keeping everyone who works at Newmont always safe relies on having simple, well-governed systems and standards to guide safe operations, along with a process to identify and then implement ongoing improvements. We're also enhancing our frontline leadership capabilities by strengthening our hazard management, team leadership and task assignment training, and supporting it with a fair, consistent accountability framework. This improvement work will empower everyone at Newmont to confidently make decisions to drive safe, productive work each and every day.

Turning now to our operational and financial performance last year. 2024 was a transformational year for Newmont. We took some very important steps to unlock the value of everything we have done so far on our journey to build a world-class company with an outstanding portfolio of assets that will generate value and long-term success for decades to come. In 2024, we focused on 3 areas: first, to complete the integration of the acquired assets; second, the rationalization of our portfolio; and third, the stabilization of our business, both operationally and financially, at a time when there is excitement of the demand dynamics we are witnessing, especially in the gold markets, but also at a time when Newmont and the broader mining industry have some challenges to work through.

Let me start with the integration of our new operations.

As with any acquisition, this is large and complex work.

We have run into a few specific hurdles that we will need to clear before the true potential of these assets becomes evident in both our production and financial results. Two challenges have been at Cadia and Lihir, and we are addressing them in a way that will position these assets to thrive and deliver on their underlying multi-decade potential.

As we address the challenges at both these assets, we are ensuring that we have robust operational and technical plans sitting behind the sustaining capital spend needed to get them up to a Newmont and Tier 1 level. We acquired these assets with a view to creating value over a period of decades, and the investments that we're making now will set us up to deliver on that objective.

We are putting this work in motion with focus and confidence. And over the next 12 to 24 months, we are deploying the full force of our operational and technical experience, including our sustainability leadership, with a view to preserving and optimizing value for the long term.

Turning now to rationalization.

Our divestment program over the last 12 months has been a resounding success.

We have sold or reached definitive agreements to sell all 6 of our noncore operations as part of the program we announced last February. And we have the potential to deliver up to $4.3 billion in pretax proceeds from this divestment program, which is expected to result in around $2.5 billion in cash proceeds in the first half of this year after taxes and closing costs.

Importantly, the transactions announced so far, including Telfer, are also expected to remove approximately $1.8 billion in closure liabilities from our balance sheet. This rationalization work is now positioning Newmont with a core set of Tier 1 assets that we see as being capable of capitalizing on the gold and copper cycles for several decades.

In tandem with our work to integrate and rationalize our portfolio, we've also been working to stabilize production.

As a result, we were able to exceed our production guidance by delivering 6.8 million ounces of gold and over 150,000 tonnes of copper last year, of which around 85% was produced from our go-forward core portfolio. We generated $2.9 billion in free cash flow last year and record free cash flow for the fourth quarter of $1.6 billion driven by strong gold prices, higher sales volumes and positive working capital movements. It is also worth pausing for a moment to acknowledge that our fourth quarter reflects the true financial performance potential that our go-forward core portfolio can achieve and the positive effect it can have on our all-in sustaining costs.

Building on the 3 focus areas I've just covered, we also continued to advance our capital allocation priorities in 2024. We returned $2.3 billion through regular dividends and share repurchases, demonstrating our commitment to rewarding our shareholders. And we maintained a strong and flexible investment-grade balance sheet, ending the year with more than $3.6 billion in cash and $7.7 billion in liquidity.

In addition to shareholder returns, over the last 12 months, we further improved our financial position by retiring $1.4 billion in debt, reaching our target balance of below $8 billion.

As we move forward, we still have plenty of work ahead of us to capture the returns and margin potential we see as possible from our go-forward portfolio. And while we do not speculate on where gold prices are heading, we do continue to see robust demand and strong pricing given the geopolitical environment and gold's place as a long-term store of value, not only for individuals and professional investors, but for central banks as well.

Turning to the next slide.

As the world's leading gold producer, it is our responsibility to maximize the full value of the unique combination of our people, our assets, our projects and our culture to generate long-term shareholder value. With this in mind, combined with a clear line of sight of our go-forward portfolio, we are committed to making meaningful improvements to our safety, cost and productivity performance. The results of these efforts will drive stable and predictable production, allow us to better manage costs on a gold equivalent ounce basis, and capture the incremental margins and cash flows we are seeing as a result of strong gold prices.

But to explain where we are going, it is important to first appreciate where we are today.

Newmont's high-quality portfolio is a great platform for investors to gain exposure to gold and copper fundamentals while benefiting from the improvements we are making to drive operational performance.

Our portfolio includes more than half of the world's Tier 1 gold operations.

We have the largest scale, longest life and highest quality combination of assets with the capacity to perform for decades and through commodity cycles.

Another key characteristic of our business is the quality of the jurisdictions in which we operate. This is an advantage that helps reduce some of the geopolitical risks inherent in our industry.

So with the right mix of assets, we now have a laser focus on safely improving costs and productivity at each of our managed operations so that our go-forward portfolio of Tier 1 assets operate with a Tier 1 cost structure.

Turning to the next slide. In our go-forward portfolio, we have 11 managed operations and 3 key projects in execution, strategically diversified across the world's most favorable mining jurisdictions. But it's what we will deliver from this portfolio that will truly set us apart from our peers.

Over the next decade, we expect that Newmont will produce roughly 6 million ounces of gold and around 150,000 tonnes of copper on average each year. The investment cycle that we are currently in, combined with the cost and productivity improvement we are doing, will help us maximize our margins, not only in a strong gold market like we see today, but also future commodity cycles, enabling us to generate the highest possible margins.

As is typical with large long-life mines, there will naturally be some periods with lower production and some with higher production. But overall, this unique combination of assets sets us up to deliver robust and sustainable production for the foreseeable future. And underpinning this portfolio is more than 40 years of high-confidence reserves and resources with decades of upside from mineral inventory and our ongoing exploration of endowment.

As announced today, our gold reserve base now sits at 134 million ounces and is supported by 170 million ounces of gold resources.

In addition to the largest gold reserve/resource base in the industry, we also have significant copper reserves and resources, providing organic opportunities to further diversify into the future.

Our gold reserves for 2024 were declared using a $1,700 an ounce gold price, which was increased from $1,400 an ounce. This increase was paid following our standard annual review process that takes into consideration the 3-year trailing average price, analyst forecast and current economic conditions.

With the long-life nature of our assets, combined with the maturity of our governance processes, we have full confidence that we will continue to develop optimal mine plans at these price assumptions as demonstrated by no material reduction in the reserve gold grade due to the increased price.

I'd also like to briefly note revisions we made to the reserves for 2 of our new assets, Lihir and Brucejack. These revisions were a result of applying Newmont governance and technical rigor and include appropriate updates to the final pit shell design at Lihir as well as updates to the resource model at Brucejack to appropriately increase grade reliability.

I'll now step through each of the large long-life operations in our portfolio and the expectations for the year ahead, starting with Cadia. Cadia is one of Australia's largest gold copper mines and an industry leader in both block caving and automation. Block or panel caves cycle through natural periods of harvest and investment. When we assumed ownership, Cadia was just coming out of a harvest phase and Panel Cave 2 was beginning to ramp down from peak production. Today, we are transitioning to our next panel cave, PC2-3, building Panel Cave 1-2, and also catching up on a historical underinvestment in both tailings remediation and storage capacity.

As we progress this work, we are ensuring that we are optimizing capital intensity and the balance between tailings storage capacity and the mine and processing plant run rates.

Moving to the next slide, I'll cover another of the new assets in our portfolio. At Lihir, the focus remains on creating stability in both the mine and processing plant by addressing the critical issues that we have identified in both systems.

We have optimized the mine plan, taking into consideration the significant cultural heritage site within the mine, the mine layout and sequence and equipment reliability to deliver a more sustainable long-term mine plan.

We have also established a run-of-mine stockpile decoupling the mine and processing plant and ensuring that we can deliver stable and quality feed to the mill where asset reliability is our key focus. This work will result in stable production in '25 through to 2027 as we move waste in the Phase 14a layback in order to access higher grades. This will then result in an estimated 30% lift in production in 2028 and beyond.

Touching briefly on Brucejack. The underground development and drilling work to improve our knowledge of this nuggety ore body and reduce grade variability is progressing very well. And we are applying the lessons we learned a dozen years ago at Tanami with a similar ore body, by tightening our drilling density in order to improve the resource model and deliver steady and lasting value over the long term.

Moving then to our legacy Newmont operations and starting with our large polymetallic mine, Peñasquito.

Following the successful stripping campaign in 2024, we will deliver higher gold grades from the Penasco pit this year, resulting in a 30% increase in gold production compared to last year. 2026 will then see a higher proportion of silver, lead and zinc content due to higher production from the Chile Colorado pit as per our normal mining sequence.

At Boddington, our large gold and copper mine in Western Australia, the investment in stripping of planned laybacks in both the North and South pits progresses well, paving the way for higher grades to be accessed, 30% more gold to be delivered starting in 2027.

At our Ahafo complex, 2024 was a record production year in the 20-year life of our Ahafo South operation. This strong performance will continue through the first half of this year, at which stage the Subika open pit reaches the end of its economic life and we move across to mining lower-grade ore from the Awonsu open pit, driving a slight reduction in production compared to the record levels of last year. This reduction will be partially offset by our new Ahafo North mine, which comes online in the second half of this year, enabling the Ahafo complex to continue to contribute around 750,000 ounces per year in 2026 and beyond.

At Tanami, we expect production will remain consistent in 2025 but will be weighted around 60% to the second half of the year driven by the higher grade stopes we'll access from both the Auron and Liberator ore bodies.

We continue to advance the expansion project at Tanami, which will provide a meaningful reduction in operating costs and increase gold production by around 35% beginning in 2028.

Finally, we expect that our production in 2025 will be further enhanced by around 1.4 million ounces of gold from our non-managed joint ventures. And in the medium term, our managing partner has indicated that they will deliver approximately 20% more gold in 2027 compared to last year.

So as we look beyond 2025, we expect to add more than 10% of annual gold production by 2028 as we bring forward the high-quality, low-cost ounces from the laybacks and projects that I've just described.

Turning to the next slide. The 3 key projects we currently have in execution advanced substantially in 2024, and I have full confidence that we'll continue building on that momentum this year. Beginning with Ahafo North, we made a notable shift from land access and clearing activities in 2023 to the construction of the mine and processing infrastructure, progressing the highway diversion and commencing stripping last year. With this solid progress, we remain on track to pour first gold in the second half of 2025 and declare commercial production towards the end of this year.

Turning to the second expansion at Tanami. We made really solid progress last year, achieving two important milestones. We completed the concrete lining of the top 1.3 kilometers of this 1.5 kilometer-deep shaft, pouring over 30,000 tonnes of concrete. And we successfully backfilled with concrete the 160-meter section of overbreak at the very bottom of the shaft, and it is now ready to be raise bore. In 2025, our focus shifts to equipping the top 1.3-kilometer section with services whilst we raise bore that bottom 160 meters in parallel. In conjunction with this critical path work, we'll also be progressing the construction of the underground crushing and materials handling infrastructure, along with the surface infrastructure.

We continue to expect to declare commercial production in the second half of 2027 and significantly reduce operating costs in 2028, underpinning Tanami's future as a long-life, low-cost producer.

Moving to the panel caves at Cadia, which I touched upon earlier. We reached some important milestones last year. At Panel Cave2-3, we achieved cave establishment and have now delivered more than 1 million tonnes of ore from this new cave to our processing plant. At Panel Cave1-2, we completed more than 12 kilometers of underground development. Combined, these 2 caves are expected to deliver more than 5 million ounces of gold and 1 million tonnes of copper and will position Cadia to continue operating to the middle of this century.

Turning now to the impact from our investment cycle and the current gold price dynamics on our costs. 2025 has already proven to be an exciting year for a variety of reasons. Current gold prices are at near-record levels, surpassing $2,900 an ounce, more than $500 higher than the price we realized in 2024.

While higher gold prices contribute to our free cash flow generation and will continue benefiting our shareholders, I also want to be very transparent about the impact of both our current investment cycle and higher gold prices have on our unit costs.

All-in sustaining costs for our core portfolio are expected to be around $1,620 an ounce in 2025. This increase is the result of a variety of factors that can be split into two major drivers: higher sustaining capital investment and macroeconomic factors.

First, we are estimating a $40 an ounce increase tied to the elevated sustaining capital spend at Cadia associated with the investment in both tailings remediation and storage capacity that I described earlier.

Next, we are estimating a $35 an ounce increase from a higher proportion of the costs at our 4 polymetallic mines being allocated to gold over other metals. This noncash impact to our gold all-in sustaining cost is due to the way we categorize co-product costs under U.S. GAAP and driven by the increase in our gold reserve price compared to our reserve prices for copper, silver, lead and zinc.

Next, for 2025, we have assumed a $2,500 gold price. And for every $100 increase in gold price, we expect a $10 increase in our all-in sustaining costs due to taxes, royalties and profit sharing payments. And finally, we are forecasting a $44 an ounce increase linked to a 3% assumption for inflation this year compared to 2024.

We recognize that our all-in sustaining costs are not where we want them to be.

So in addition to the work we are doing to bring on new low-cost ounces and normalize our sustaining capital spend over the next 3 years, my team and I are working to reduce costs and improve productivity across our go-forward managed portfolio.

Over the last few years, Newmont has been on a journey to build the world's leading gold and copper company. And after doing the work to rationalize our portfolio, we are now firmly focused on improving costs and productivity across our entire organization. This is key to ensuring that our assets reliably and predictably generate the most profitable 6 million ounces of gold per year over the long term.

The program behind this cost and productivity work has 3 key components.

Our G&A costs are too high for our go-forward portfolio, and we have a laser focus on ensuring that these costs are reduced as we transition from 17 to 11 managed operations over the course of this year.

Second, we are well into the process of evolving our commercial work at Newmont to ensure we have the capability to extract the full benefit of our scale, both in terms of our supply chain spend as well as the revenue we received from doré and concentrate sales.

Third, with the clarity of our go-forward portfolio, we are applying the full force of our operating and technical capability to systematically improve productivity across all 11 of our managed operations, whilst achieving the industry-leading safety record that we demand. And I will provide further updates on this program as we progress and move forward through this year.

Bringing it all together, over the last year, we have developed a much deeper understanding of our go-forward portfolio and the work ahead of us to deliver meaningful improvements to safety, costs and productivity this year. And while we progress this work, we are providing shorter-term and high-confidence guidance for 2025. This year, we expect gold production from our go-forward Tier 1 portfolio to be around 5.6 million ounces at an all-in sustaining cost of $1,620 an ounce.

Our sustaining capital is expected to be $1.8 billion and will remain at this level over the next couple of years as we complete our current investment cycle on the tailings storage facilities at Cadia. And we will continue to maintain discipline with our development capital spend, holding our investment to $1.3 billion for 2025.

We expect the production from our core Tier 1 portfolio will be around 52% weighted to the second half of this year driven mainly by the timing of production from our non-managed operations. Taking this trend into account, in the first quarter, we expect to deliver around 23% of the forecast gold production from our core portfolio. This will then be supplemented by around 250,000 higher cost ounces from our noncore assets held for divestment.

Our unit costs will also be impacted by the timing of sustaining capital spend from both our managed and non-managed operations. And this is currently expected to be around 52% weighted to the first half of this year.

So compared to the rest of the year, we anticipate that our all-in sustaining costs will be highest in the first quarter.

As a consequence, we anticipate a notable decrease in our first quarter free cash flow compared to the fourth quarter of last year. And looking ahead to the remainder of the year, we expect to generate sequentially higher free cash flow each quarter. And with this momentum, we'll be well positioned to deliver on our commitments in 2025, whilst also funding our capital allocation priorities and building a stable future for Newmont.

Our capital allocation strategy remains unchanged and is driven by three key priorities: first, to maintain financial strength and flexibility with cash above $3 billion and debt below $8 billion; second, to steadily reinvest in our business with the goal of generating long-term sustainable free cash flow; and third, to return capital to shareholders through our predictable $1 a share annual dividend and our share repurchase program. In order to maintain consistent cash levels through this year, the timing of share repurchases is likely to be closely correlated with our projected free cash flow, along with the timing of proceeds from our noncore asset divestments.

After a period of integration, rationalization and stabilization, our focus is now on our go-forward portfolio. Last year, we focused on integrating 4 new assets, divesting our 6 noncore assets and laying the foundations for delivering cost productivity improvements for a safe, productive and profitable future. With 2024 now behind us, we move to strengthen our value proposition by leveraging the true potential of our assets and projects to improve our safety, costs and productivity performance, positioning Newmont to focus on margins and growing free cash flow for the benefit of our shareholders.

And with that, I'll thank you for your time today and turn it back over to the operator to open the line for questions.

Operator

[Operator Instructions] The first question is from the line of Hugo Nicolaci with Goldman Sachs.

Hugo Nicolaci

Congrats on the strong finish to 2024, and thanks for all the color already so far in the presentation.

First one, maybe for Karyn.

Just post the recent debt reduction and the divestments to come through, how should the market think about the gearing and debt targets going forward? I appreciate you've talked to the $8 billion of debt and $5 billion of net debt. But with gold prices and cash generation where it is and where you're seeing it going and the number of strong projects able to start to come into that growth pipeline, do you think something like a leverage ratio might be more appropriate in terms of being able to then look at accelerating some of those growth projects?

Karyn Ovelmen

Thanks for the question, Hugo. But yes, right now, our capital allocation strategy remains unchanged.

So maintaining that strong balance sheet with around $3 billion in cash on average over the year, debt below the $8 billion, as you said, and steadily funding those cash-generative capital projects.

So we've got $1.8 billion sustaining capital. That's at an elevated level for the next few years with the Cadia tailings and then $1.3 billion with development capital; and then, of course, returning capital to shareholders.

So the $1 annual dividend, no change there, and then continuing with our share repurchases as part of that $3 billion program that we have. We've executed on $1.2 billion, and we have $1.8 billion remaining on that authorization, so no change to the financial policies.

Hugo Nicolaci

Great. And then second one, maybe for both Tom and Natascha.

Just looking beyond the current growth projects to that next phase of growth, are you able to give us a bit more on what's needed to firm up the sequencing and timing of projects like Red Chris and Yanacocha on the sulfides? And is it studies and permitting, just given where you've already got the significant capital invested in those projects? And when should we expect an update? And then just as a tack-on, how many projects do you think is the right number to be progressing concurrently for the portfolio?

Tom Palmer

Yes. Thanks, Hugo.

Our focus is firmly on delivery of the 3 projects we've got in execution, and $1.3 billion spend for a portfolio of our size is a healthy amount of money to be investing back in the business.

So delivering on those, hitting commercial production, and proving the value from those projects is our firm focus; hitting our milestones this year and then ensuring that they come through. That earns the right to be able to bring anything more through your project pipeline. But we do have some exciting projects sitting there, queuing up, looking to get access to that capital.

Red Chris, we're working through its feasibility study this year, so to a Newmont standard, and ensuring that we have not only the technical work done as part of the feasibility study, but that we've got the permits and the support of the Tahltan for that very, very long-life project. At Yanacocha, the potential at Yanacocha, we've been at Peru for 40 years, at Yanacocha mining for 30 years. We've produced 40 million ounces of gold out at Yanacocha. There's more.

We haven't even passed halfway yet.

So a very long life in front of us at Yanacocha, but we're at an inflection point where we move from oxide operations to sulfides and other deposits that sit there.

The important piece of work for us to do now at Yanacocha is to build the water treatment plants to be able to capture the mine-affected water and treat that and discharge that safely, that then sets us up to be able to go to its next chapter.

We've got Wafi-Golpu in PNG that we continue to work with Harmony and the PNG government on. We've got Nueva Unión and Norte Abierto in Chile.

We continue to understand where they might fit. And we've got Galore Creek up in British Columbia.

So we continue to understand and work those projects.

First and foremost, Hugo, it's delivering on our projects we've got in execution here and now, do that well, then we earn the right to bring on those next projects.

Operator

The next question is from Daniel Morgan with Barrenjoey.

Daniel Morgan

First question, just I know you've increased your reserve price assumption to USD 1,700 an ounce.

Your 2025 all-in sustaining cost guidance is $1,620. At face value, that just strikes a little bit odd. It's an $80 an ounce margin. Does that imply that this year is peak costs and they come down? Or can you just comment on that difference and how you set the reserve price assumption?

Tom Palmer

Yes. Thanks, Daniel. When we look at it, there are two separate things.

Our process for many, many years at Newmont, the team that works through our annual process to assess our reserve pricing is looking at price, looking at the 3-year trailing average, looking at forward estimates, and making a judgment on price as to where our reserve price should be and then how that informs the work we do in and around our mines, mine plans and the like.

Then on the other side of the coin, separate from that, we look at what our unit costs happen to be for '25. They're $1,620 for 2025 because we've got some pretty -- one of the main drivers is we've got some pretty significant investment going back into the Cadia to ensure that we've fixed that tailings facility, to ensure those caves are able to realize their value.

So we separate those two things. $1,620, not happy with that number. It needs to come down.

Our go-forward portfolio is generally Tier 1, and we need to get our cost base down to Tier 1 levels. We need to get after -- we need to get through this investment cycle. We need to bring on those lower-cost ounces, but we also need to improve our cost and productivity. But they are 2 separate streams. We set our pricing for reserve price over here through a rigorous process that's conducted every year, we manage our costs this year, and we need to get after improving those costs going forward.

Daniel Morgan

A separate question on Lihir. I know you've done a reserve update.

You've done some optimization on the pits.

Just curious, how much closer is your team to concluding what the go-forward plan is at that asset? I imagine there would also be a reinvestment plan to upgrade asset integrity and set it up well into the future.

So when might that be concluded? And when might you share that with us?

Tom Palmer

Yes. Thanks, Daniel.

So as you commented on, we've now done a Newmont standard final pit shell, which impacted the reserves.

The other important work we did was to step out from a lower rock to ensure that we had appropriate offset from that rock and then how we set up that high wall to manage that Phase 14a layback.

So we've done that mine planning work.

Now it's about making sure that the roads are in good nick and then maintained so that we can manage the equipment integrity of the trucks and diggers and other ancillary equipment running around that mine and work through that stripping campaign over the next 2 or 3 years, so we can move into the high-grade ore from that Phase 14a layback.

So that work is underway. Then setting up the skyway and having the ROM stockpile to separate mine and processing plant now allows us to get greater reliability and quality of the feed going into the plant, which admittedly gives you greater confidence through the plant. And that then allows us to have more structure around our corrective and preventative maintenance program through that plant, which is part of a sustaining capital budget you'd have for a mine of that size.

So those pieces are in place. That team is now getting after that. They know what they need to do. We need to deliver on what we said we're going to do this year. And as I indicated in my remarks, that as we work through that layback, get into the 2028 period and Lihir will return to the historical levels that you've seen, and our plan is to maintain that into the future.

So we've got 2 or 3 years of getting that work done. And then Lihir is a long-term asset in the Newmont portfolio. I mean it's got reserves and resources to a Newmont standard north of 30 million ounces. It is, by any measure, a world-class asset. We're setting it up right over the next 2 or 3 years to deliver on the value it's been looking for, for the last 30 years. Very pleased that it's in our portfolio.

Operator

The next question is from Lawson Winder with Bank of America.

Lawson Winder

I just wanted to ask your thinking around the provision of 1-year guidance.

And so I had understood that you had considered maybe doing 3-year. And then as you look forward, is 1-year guidance what you anticipate continuing going forward? Or could we get back to potentially longer-term guidance?

Tom Palmer

Yes. Thanks, Lawson, and good evening. Massive transformation last year. I mean 35 years in the mining industry, worked in many different places, been fortunate enough to be involved in many transactions, I haven't seen much more complicated than the work we've run through successfully last year in terms of integrating assets, divestment program and coming out the other side. What's most important for us now is stabilizing this business and focusing on a high confidence set of guidance that we can get after and safely deliver.

Our focus is on stabilizing this business in '25 and delivering on those numbers that we've committed to in our release today.

As part of that work, we're getting after cost and productivity improvements and understanding what the potential is of this go-forward portfolio. We've had it for a midnight -- a New York minute, rather. We've only had it for a second.

So how do we actually understand what the true potential of this portfolio is? We're getting after that this year. We're going to take all of this year to understand that asset, that portfolio of assets, and build a plan for '26.

So our focus is on '25, delivering on our commitments and understanding what these assets might do as we work with them through the course of this year.

Lawson Winder

Fantastic.

Now just a follow-up on the R&R gold price assumption of $1,700.

You kind of indicated that, that was how you're thinking about the business at least for 2025. In the past, you've thought about the dividend with respect to gold price ranges as well.

So previously, the $1,400 represented the base-level dividend. When we think about the current dividend as it was reset last year, is $1,700 per ounce, the gold price at which that is sustainable? Or is that still at $1,400?

Tom Palmer

Thanks, Lawson. Decoupled.

Our dividend, our common dividend is $1 a share, full stop.

Operator

The next question is from Daniel Major with UBS.

Daniel Major

The first one, maybe another theme on the 3-year guidance.

You're suggesting a 10-year average of 6 million ounces. But when we look at the portfolio and the projects that you've run through and the grade profile at Boddington, et cetera, and the guidance from Barrick, would suggest on the consensus and on kind of our numbers that you would be above that towards the end of the sort of 3- to 5-year period. Is that the wrong assumption? Are we missing something in the portfolio that would go backwards to prevent you getting above 6 million ounces on a 3-year view?

Tom Palmer

Yes. Thanks, Daniel.

You're seeing it correctly.

As we work through bringing on those -- work through those laybacks and bringing on the new low-cost ounces, I think the comment I said was 10% higher over that time frame of what we've guided for our core portfolio of '25. That will certainly push you through and out the other side of 6 million.

Now roll forward, another 3 million, another 4 million, another 5 million. This portfolio goes out decades. And they're big mines. And you'll move through periods of lower grade, you'll move through periods of where you're stripping.

So you will ebb and flow.

So you'll have some years where you're above 6 million.

You'll have some years where you're below 6 million.

But if you get in the time machine and move forward 5, 10, 15 years and look back at this Newmont portfolio, you're going to see on average about 6 million ounces of gold and 150,000 tonnes of copper, you're going to see a management team here that's going to focus on improving the margins in that.

So we're not chasing volume, we're chasing margin. That's what we're going to be focusing on. But we will ebb and flow through the course of that very long-life portfolio.

Daniel, you haven't seen this before in the gold industry. This portfolio is like the likes of which has not been seen before.

Daniel Major

Okay. That's helpful. And then the second question is around the trajectory of your overhead costs to G&A. They've come up a lot, and they're going up even more in 2025. And that comes against you executing on significant synergies as a consequence of the Newcrest deal. Why are they so high in 2025? My feeling would be that a lot of the costs associated with the divestments and the integration would be done, but the G&A is going up further. What's the explanation? And how much might it moderate in the medium term?

Tom Palmer

Yes. Thanks, Daniel. Good call-out. We did see the G&A synergies that come from a transaction like the Newcrest acquisition, where you collapse 2 public companies into 1.

So that element of it comes out. But you're still seeing us carry unacceptably high G&A as we work through the divestment and the rationalization of our portfolio.

So we've closed out Telfer late last year, but we're still carrying 5 assets that are held for divestment, and that, we'll work through closing out those transactions through this quarter and into next. And we're still doing work around integrating systems from bringing the 2 companies together that carries an elevated cost for a fixed period of time.

But the number we're guiding to is an unacceptably high number for our go-forward portfolio. And as we see those assets leave our portfolio, I expect and you should expect to see a glide path of that G&A cost coming down to match a go-forward portfolio of 11 managed operations.

So we guide to the number we have because of the work we're doing, but we're getting after reducing that G&A cost down to a level that is more acceptable for our go-forward portfolio.

Operator

The next question is from Kate McCutcheon with Citi.

Kate McCutcheon

Just again on the Newcrest integration.

So last quarter, you reiterated that the $5 million per annum synergy run rate had been achieved, but I can't see that in the 4Q release, but I may have missed it. Can you just pull out for me where I see those numbers in the financials? If I look, it seems like OpEx and expenses both look higher and not lower, so just trying to reconcile the synergies and where that maybe lives.

Karyn Ovelmen

Yes. Thanks, Kate. Thanks for the question.

So as we went through 2024, we had a run rate expectation coming out of 2024 of those synergies, and we hit that run rate at the end of the year at a much accelerated pace than we had thought we would.

So you'll see these synergies. And again, G&A, although it's high because we had a lot of onetime costs in there as well as additional functional spend and consulting spend associated with some of these efficiency and productivity initiatives that you're seeing, that we will see the benefit in future years.

So we had the synergies in there, but the accelerated costs overwhelmed those synergies that were in G&A.

On the supply chain, we did see the synergies. We captured those, approximately $200 million, and again, that was a run rate at the end of 2025; and then as well as for productivity improvements and full potential across the board, around $200 million in synergies.

All of those, you don't necessarily see in the bottom line.

As we know, our costs were elevated through 2024 and into 2025. And that's where, as Tom was speaking in his prepared notes, we have to get after those costs.

So we saw an acceleration in the cost. Again, some of that is a result of how we're looking at it in terms of gold price and escalation, normal escalation that you see year-over-year. But generally speaking, we had an overall increase in our cost structure, both in direct costs as well in our G&A. And as a result, you don't see those synergies on a net basis in our bottom line.

Kate McCutcheon

Okay. Got it. And then on capital allocation, asset sales and free cash flow this quarter exceeded consensus expectations.

You've got another $1.8 billion authorized under the buyback. It doesn't really look like much stock was repurchased over the past quarter, yet the share price was not a lot higher, so it certainly was not at a high. How do we think about the cadence of that buyback throughout the year?

Karyn Ovelmen

Sure.

So we ended the year with approximately $1.2 billion in buybacks, but at 12/31, the expiration of the 10b5-1.

So as you see, in the beginning of 2025, there was just some effective settlements of some of those buybacks from 2024.

So really no share buybacks at the beginning of 2025. Post the earnings release, we will be in a position where we can begin to execute on share buybacks as we go forward. The timing of those share buybacks, that will be closely correlated with the free cash flow generation and the timing of the proceeds from the noncore divestitures.

So right now, we're expecting net of cash around $2.5 billion in divestiture proceeds, about $1.6 billion in Q1 and $0.9 billion in Q2.

So all expected in the first half of 2025.

Operator

The next question is from Josh Wolfson with RBC Capital Markets.

Joshua Wolfson

I just wanted to go back to this discussion about some of the long-term expectations. I appreciate the disclosures earlier in the call on changes over '26 and '27. But maybe back to some of the comments by Lawson and Daniel. I feel personally like we don't have a lot of information here on the long term or even the short-term outlook beyond 2025 for the company, and there's a large difference in this release versus what the company has issued previously.

Should we expect to receive any substantive information beyond 1 year in future releases maybe in 2026?

Tom Palmer

Josh, very deliberate this year -- Josh, I should say, very deliberate after a year of transformation and maybe a year of stabilization to firmly focus this organization on delivering our commitments, safely delivering on commitments, in 2025 with high-confidence guidance. That's our focus, both delivering on safety cost and productivity in the projects. And I think we signaled that well over the last many weeks and months, and that's what we're going to be doing with this release. And we've given you, through the release and the comments today, a view as to how the investments in the laybacks and the investments in those 3 projects and execution will play out over the next 3 or 4 years.

We're going to take every part of 2025 to get after cost and productivity improvements in our go-forward portfolio and understand where we might be able to take this essentially new portfolio for us and build that into a '26 business plan. And we'll come out this time next year with a set of numbers for 2026 that we'll commit to with high confidence, and we'll make some decisions through the course of this year as to whether it's 2026 only or whether, based on the work we do this year, whether we give a bit more color for years 2 or 3. But that work is in front of us, Josh, and we have our head down, tail up getting into it.

Joshua Wolfson

Understood. Maybe with that level of disclosure in our minds, how should investors and analysts assess the success of the Newcrest acquisition, given the impact to production and costs so far as well as reserves and not a lot of perspective as to what the assets look like longer term?

Tom Palmer

Yes.

So Josh, I would look through the work we're doing this year to look at what we're doing to configure and fix Cadia for decades. We're building 2 caves, PC2-3, PC1-2, and we're considering whether PC1-2 extends to pick up PC1-3.

You build those caves, you build the supporting tailings capacity and you've got decades of ore coming out of that mine.

You've got Lihir with a resource base of some 36 million ounces, and we're setting up that mine to deliver on that long-term value.

You've got Red Chris that we're doing the feasibility study on a magnificent underground mine with a huge endowment. And you've got Brucejack, as we get the resource model to a Newmont standard, very long life.

So we're doing the work this year to ensure that those assets configure to deliver on their long-term potential, and we'll share stories on our progress as we go through each quarter.

Another way of answering your question is to look at the fourth quarter and the record free cash flow we generated. That's an insight into what the go-forward portfolio can do as we get into it, fix it up, put it in a position, make sure every asset understands what it needs to do, and we get after it.

So that's another little signal as to the strength of this portfolio.

Operator

The last question for today is from the line of Al Harvey with JPMorgan.

Alistair Harvey

Just wanted to follow up on projects again. I suppose usually, you have 3 in execution at once.

So I think Ahafo North kind of coming towards the end, by the end of the year.

So I guess I'm just wanting to get a sense of whether or not we can expect a fairly rapid transition into the next project. And I suppose I want to get your thinking on which project is the most logical step. I kind of assume it's Red Chris if you've got the study to come later this year. But yes, is that the most likely candidate? Or is there a chance you hold fire on FID-ing that project?

Tom Palmer

I think it's important that we just don't have a conveyor belt of projects.

You've got to watch the space.

And so the fact we have 3 projects in execution, we want to make sure we hit commercial production, we're still going to ramp Ahafo North up and make sure it's delivering on the value we committed.

So that takes you a good chunk into 2026 to get that done.

You've got to watch the space, you got a project execution risk you need to manage, and you've got to make bloody sure you've got a feasibility study that's well understood and it's going to deliver good returns.

So we're doing the feasibility study for Red Chris at the moment. And there's a number of moving parts, not just the technical piece to make sure you got in place. But I would say, as we think about next cab off the rank at Newmont, when we're ready, if the value is there, it's just Red Chris [spot to lose].

Alistair Harvey

Great. And maybe just a quick follow-up, I suppose, just beyond those next projects. I know your comments earlier about the copper options in the portfolio.

So I just wanted to get a sense of how you're thinking about where you might be more inclined to invest on the gold side or the copper side.

Tom Palmer

So I think about copper, 2 big laybacks, North and South pit at Boddington we're going to swing back into high grade. That's gold and copper. We get some nice copper coming back there. PC2-3 as it becomes the main supplier of ore at Cadia get some nice copper coming back up through there. Move across to Red Chris, and that's the one sort of -- it links to your earlier, previous question. That's the one, if it wins the race and it watches its space, then that's as much a copper mine as a gold mine.

So it's the one that can give us not only the pathway to maintain that 150,000 ounces over the long term I'm talking about, but maybe even push through that.

Operator

That concludes the Q&A session. I'd like to turn the conference back over to Tom Palmer for closing remarks.

Tom Palmer

Thank you, operator, and thank you, everyone, for making the time for the call today, and look forward to seeing or speaking to you soon. Thanks, everyone.

Operator

The conference has now concluded. Thank you for attending today's presentation.

You may now disconnect.