

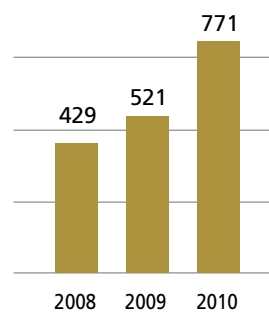
# Financial Strength and Flexibility

In 2010, Barrick successfully grew its production and lowered its cash costs, bucking the industry trend to higher costs. The Company achieved its fifth straight year of margin expansion with record cash margins of \$771 per ounce<sup>1</sup> or \$887 per ounce<sup>1</sup> on a net cash cost basis, reflecting cash margin growth of 48% versus gold's 26% rise. Combined with higher production of 7.8 million ounces, this resulted in record 2010 adjusted earnings and adjusted operating cash flow of \$3.3 billion and \$4.8 billion, respectively, as well as significant free cash flow of \$1.5 billion<sup>1</sup>, despite making substantial investments in our projects. Our 'A' credit rating and robust financial position – including cash of \$4.0 billion, a \$1.5 billion undrawn line of credit and strong operating cash flow – position us to continue executing on our project development plans and give us the flexibility to pursue other high return value creation opportunities within our portfolio.

Our excellent financial results have driven growth in our return on equity to 19% and enabled us to return additional capital to shareholders, while continuing to invest in our high return projects. Barrick has raised its dividend by nearly 120% in the past five years as gold prices have appreciated, including a 20% increase in 2010. This steady dividend growth reflects both the Company's continued financial strength and our favorable outlook for gold.

## CASH MARGINS<sup>1</sup>

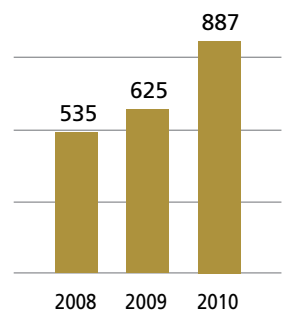
(US dollars per ounce)



Cash margins grew 48% in 2010

## NET CASH MARGINS<sup>1</sup>

(US dollars per ounce)



Net cash margins rose 42% in 2010

Going forward, we expect to increase Barrick's superior leverage to gold as our long life, high quality projects in construction – Pueblo Viejo and Pascua-Lama – begin contributing substantial new low cost production in the coming years. Beyond this, we see tremendous potential in our feasibility stage projects such as Cerro Casale, Donlin Creek and Reko Diq and in value creation opportunities underway at operating mines such as Turquoise Ridge and Zaldívar.

<sup>1</sup> Non-GAAP financial measure – see pages 78–85 of the 2010 Financial Report.

“Barrick generated record earnings and cash flow in 2010 as we increased production at lower cash costs, while continuing to invest in our high return projects. We were also able to return more capital to shareholders, raising the dividend by 20%.”

**Jamie Sokalsky**, Executive Vice President and Chief Financial Officer

