

# Operational Excellence



The Cortez Hills open pit was successfully commissioned in Q1 2010

Barrick's newest mine in Nevada was built on schedule and budget. The expanded Cortez operation exceeded its original guidance for the year.

Our high quality, diversified asset base is a key driver that enables us to consistently meet targets and expectations. Barrick produced 7.8 million ounces of gold in 2010 at total cash costs of \$457 per ounce or net cash costs of \$341 per ounce, remaining the industry production leader at competitive cash costs. The Company delivered on its production target and, despite higher royalties and taxes associated with a year of record gold prices, was able to maintain cash costs in line with guidance, illustrating the flexibility of our 25-mine portfolio, the active management of our input costs and another year of strong operating

performance from our regional business units.

Our largest operating region, North America, contributed 3.11 million ounces of gold in 2010, primarily from its cluster of seven mines in Nevada. The expanded Cortez mine had an excellent year, producing 1.14 million ounces of gold at total cash costs of \$312 per ounce with nearly a full year of production from Cortez Hills, which had a smooth ramp-up from both the open pit and underground operations. We expect to receive a Record of Decision in early 2011, allowing the mine to revert to its original scope. Barrick has added significant value to the Cortez



The Cortez Hills underground operation had a smooth ramp-up.

## Cortez Case Study – Value Added Since Acquisition

2006	2010	Future Value Creation Opportunities
6.3 M oz of reserves <sup>1</sup> 60% interest Pipeline: declining, higher cost mine	14.5 M oz of reserves <sup>1</sup> 100% interest Cortez: 1.1 M oz low cost mine generating significant cash flow	Cortez Hills Middle and Lower Zone extensions Significant regional opportunities on underexplored 1,080 square mile property

1. 2006 and 2010 reserves reflect Barrick's 60% and 100% interest, respectively. See page 22 of the 2010 Annual Report for additional information on Barrick's reserves.

property since its acquisition in 2006 (see case study) by consolidating 100% ownership, expanding reserves and resources and bringing the world-class Cortez Hills deposit into production. We expect to create additional value through exploration success on this highly prospective property.

Our low cost South America region contributed 2.12 million ounces in 2010. The Veladero mine in Argentina had an outstanding year, producing more than 1.1 million ounces at total

cash costs of \$256 per ounce on higher grades and expanded throughput, while the Lagunas Norte mine in Peru contributed over 0.8 million ounces at total cash costs of \$182 per ounce after producing more than one million ounces for four straight years. As a result of higher gold prices, the Pierina mine in Peru is now expected to continue operations until the end of 2014.

Led by the Porgera mine in Papua New Guinea, which celebrated its 20th year of production, our Australia

Pacific business unit produced 1.94 million ounces in 2010. As of year-end 2010, the Company is 92% hedged on all of its Australian operating and capital expenditures for 2011 at an average rate of \$0.79, 84% hedged for 2012 at an average rate of \$0.75, and has substantial coverage for the following two years at rates at or below \$0.75.

African Barrick Gold produced 0.56 million equity ounces to Barrick as issues with transitional oxide ore and the impact of actions taken in

“Our diverse portfolio of operations enabled us to meet guidance for the eighth straight year in 2010. We also made excellent progress advancing our high quality projects – Cortez Hills had a successful ramp-up and we expect Pueblo Viejo and Pascua-Lama to contribute significant new low cost ounces in the coming years.”

**Peter Kinver**, Executive Vice President and Chief Operating Officer



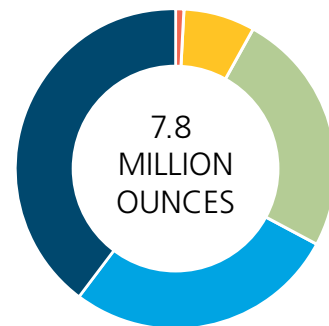
response to the fuel theft at Buzwagi resulted in lower than expected production for the year. The Company was admitted to the benchmark FTSE 100 Index during the year, signaling its stature among the most highly capitalized London-listed companies.

Barrick's core gold business continued to profit from the reinvestment of strong cash flow from our two copper operations in 2010 as copper prices strengthened. Production from the large Zaldívar operation in Chile and the smaller Osborne mine in Australia, which was sold during the year, was 368 million pounds at total cash costs of \$1.11 per pound, generating cash margins of 67%.

For 2011, Barrick forecasts equity production comparable to 2010 in the range of 7.6–8.0 million ounces at total cash costs and net cash costs of \$450–\$480 per ounce and \$340–\$380 per ounce<sup>1</sup>, respectively. The Cortez Hills and Goldstrike mines in Nevada, the Veladero mine in Argentina and Porgera in Papua New Guinea are anticipated to make strong contributions.

Beyond 2011, the Company is targeting organic production growth to nine million ounces within five years and total cash costs to benefit from the start-up of its low cost Pueblo Viejo and Pascua-Lama projects.

2010 PRODUCTION



(thousands of ounces)

- North America 3,110
- South America 2,120
- Australia Pacific 1,939
- Africa 564
- Other 32



A strong year at Veladero

Higher grades and increased throughput from a crusher expansion (left foreground) contributed to an excellent year for the Veladero mine in Argentina. The future processing area for Pascua-Lama is visible in the center of the photo.

1. Net cash costs assume a realized copper price of \$3.75 per pound for 2011.