

# Project Development Expertise



## Pueblo Viejo – a low cost, long life mine

Construction of the large Pueblo Viejo project was nearly 50% complete as of February 2011. The mine is expected to contribute an average of 625,000–675,000 ounces a year to Barrick in the first full five years of a +25 year mine life.

One of Barrick's distinctive hallmarks is its industry-leading technical expertise and strong track record of commercializing deposits from its pipeline of world-class development projects. Having delivered seven new mines in the past five years, Barrick has a reputation for successful mine development and a history of extracting further value from its assets post discovery or acquisition. This tradition of excellence and value creation is built on decades of experience acquired in building and operating a diverse set of mines in remote

and often challenging operating environments around the globe.

The Cortez Hills project in Nevada is Barrick's newest achievement, completed on time and budget in early 2010.

Our two world-class projects in construction, Pueblo Viejo in the Dominican Republic and Pascua-Lama on the border of Chile and Argentina, are forecast to contribute an average annual total of 1.4 million ounces<sup>1</sup> at low total cash costs when in full production, illustrating the significant impact these mega projects

will have in strengthening the quality of Barrick's portfolio.

As of February 2011, the 24,000 tonne per day Pueblo Viejo project was about 50% complete, with approximately 75% of its pre-production capital budget of about \$3.3–\$3.5 billion (100% basis) committed and first production expected in Q1 2012. All four autoclaves, the gold industry's largest, have been installed and are in the process of being bricklined, and the main columns for the 4,000 tonne per day oxygen plant have been erected. In December

1. Based on average production for both projects in their first full five years once both are at full capacity.

2010, the Environmental Impact Assessment for the 240 kV power transmission line was approved, allowing associated construction activities to commence. Barrick's 60% share of gold production from Pueblo Viejo in the first full five years of operation is expected to average 625,000–675,000 ounces at total cash costs of \$275–\$300 per ounce<sup>2</sup>. Barrick has added considerable value to Pueblo Viejo since acquiring it in the 2006 Placer Dome transaction (see case study), expanding reserves by more than 75% and transforming this asset into a high return project with a mine life of more than 25 years. Applying in-house expertise, Barrick's metallurgists dramatically improved

silver and copper recoveries and the overall flowsheet, creating a significantly more robust project. A circuit to recover about three billion pounds of contained zinc is under evaluation, and the Company continues to explore options for longer term, lower cost power options.

Major progress was made in 2010 on advancing construction of the world-class Pascua-Lama gold-silver project on the border of Chile and Argentina, which is expected to enter production in the first half of 2013. As of February 2011, approximately 40% of the pre-production budget of about \$3.3–\$3.6 billion had been committed. Anticipated average annual production of 750,000–800,000 ounces at



High purity oxygen from the plant will be injected into the Pueblo Viejo autoclaves to release the gold.

## Pueblo Viejo Case Study – Value Added Since Acquisition

2006	2010	Future Value Creation Opportunities
13.4 M oz of reserves <sup>3</sup> Modest economics Technical challenges, low recoveries Au: 92% Ag: 5% Cu: 0%	23.7 M oz of reserves <sup>3</sup> Robust economics Improved flowsheet, increased recoveries Au: 92% Ag: 87% Cu: 79%	Circuit to recover ~three billion pounds of contained zinc Longer term, lower cost power options Reserve/resource upside

2. Based on gold and oil price assumptions of \$1,100 per ounce and \$85 per barrel, respectively.

3. 100% basis. Barrick has a 60% interest in Pueblo Viejo. See page 22 of the 2010 Annual Report for additional information on Barrick's reserves.



## World-class Pascua-Lama project in construction

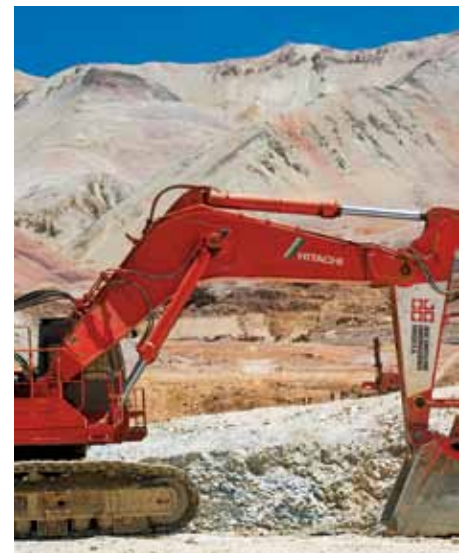
Work is underway to construct the mill building on the Argentina side of the project.

total cash costs of \$20–\$50 per ounce<sup>4</sup> in the first full five years illustrates the positive impact this mega project will have on the Company's overall portfolio. Each \$1 per ounce increase in the price of silver is expected to reduce total cash costs by about \$35 per ounce over this period.

As of February 2011, detailed engineering had been advanced to more than 90% completion. The four kilometer long ore tunnel connecting the mine in Chile with the processing plant in Argentina has been collared from both sides and is expected to

be completed in the second half of 2012. Construction of the power transmission line is underway and the new access road is about 75% complete. With 17.8 million ounces of gold reserves and 671 million ounces of silver contained within the gold reserves, Pascua-Lama is expected to contribute very low cost ounces to Barrick over a mine life in excess of 25 years.

At the large Cerro Casale gold-copper project in Chile's Maricunga district, detailed engineering was about 30% complete as of February 2011.



An excavator preparing the pebble crusher platform frames the tunnel portal in Argentina.

4. Based on gold and oil price assumptions of \$1,100 per ounce and \$85 per barrel, respectively, and applying silver credits assuming a by-product silver price of \$16 per ounce and assuming a Chilean peso f/x rate of 500:1.

The review and timing of additional permitting requirements to accommodate changes to project design before considering a construction decision are being assessed alongside consultation with local communities and indigenous peoples.

A review is currently underway to determine the impact of a stronger Chilean peso and higher labor costs in Chile on expected capital and operating costs. An update will be provided by the end of the second quarter.

### Next Generation of Projects

Barrick's next tier of projects includes the Donlin Creek gold project in Alaska, the Reko Diq project in Pakistan and the Kabanga nickel project in Tanzania, all of which have progressed to the feasibility stage and represent significant option value within our portfolio.

The Donlin Creek 50-50 joint venture is one of the largest undeveloped gold projects in the world, with nearly 39 million ounces of measured and indicated gold resources and the potential to produce more than one

million ounces per year (100% basis). Additional optimization work to evaluate the use of natural gas to reduce operating costs is expected to be completed in the third quarter of 2011.

At the 37.5%-owned Reko Diq copper-gold project in Pakistan, the initial mine development feasibility study and the environmental and social impact assessment are both complete. A copy of the feasibility study has been delivered to the government of Balochistan in accordance with the terms of the joint venture agreement with the government. The project company, Tethyan Copper, made an application for a mining lease on February 15, 2011<sup>1</sup>.

A feasibility study and environmental and social impact assessment for the Kabanga nickel project in Tanzania, one of the world's largest undeveloped nickel sulfide deposits, is expected to be completed in the first half of 2011. Acquired through an earlier gold acquisition, the project is a 50-50 joint venture with operator Xstrata Plc and hosts a measured and indicated resource of 2.2 billion pounds of nickel (100% basis). Barrick will consider how to extract the best value from this high quality asset for its shareholders.



Barrick's 75%-owned Cerro Casale project in Chile is one of the world's largest undeveloped gold-copper deposits and is located in a core region for the Company.

1. As of February 2011, the Supreme Court of Pakistan was hearing several constitutional petitions relating to the Reko Diq project, which, among other things, challenge the government's right to grant a mining lease to Tethyan Copper.