

financing. The key factors impacting our credit rating include the following: our market capitalization; the strength of our balance sheet, including the amount of net debt and our debt-to-equity ratio; our net cash flow, including cash generated by operating activities and expected capital expenditure requirements; the quantity of our gold reserves; and our geo-political risk profile.

Off Balance Sheet Arrangements

Financial Instruments

We use a mixture of cash and long-term debt to maintain an efficient capital structure and ensure adequate liquidity exists to meet the cash needs of our business. A discussion of our liquidity and capital structure can be found on pages 32 to 33. We use interest rate contracts to mitigate interest rate risk that is implicit in our cash

balances and outstanding long-term debt. In the normal course of business, we are inherently exposed to currency and commodity price risk. We use currency and commodity hedging instruments to mitigate these inherent business risks. We also hold certain derivative instruments that do not qualify for hedge accounting treatment. These non-hedge derivatives are described in note 20 to our Financial Statements. For a discussion of certain risks and assumptions that relate to the use of derivatives, including market risk, market liquidity risk and credit risk, refer to notes 2 and 20 to our Financial Statements. For a discussion of the methods used to value financial instruments, as well as any significant assumptions, refer to note 20 to our Financial Statements.

Summary of Financial Instruments¹ As at and for the year ended December 31, 2007

Financial Instrument	Principal/Notional Amount	Associated Risks	Amounts Recorded in Earnings	Amounts Recorded in OCI
Cash and equivalents	\$ 2,207 million	<ul style="list-style-type: none"> • Interest rate • Credit 	\$ 138 million	-
Investments in available-for-sale securities	\$ 142 million	<ul style="list-style-type: none"> • Market 	\$ 71 million	\$ 41 million
Long-term debt	\$ 3,255 million	<ul style="list-style-type: none"> • Interest rate 	\$ 113 million	-
Hedging instruments - currency contracts	C \$450 million A \$4,518 million CLP 42 million	<ul style="list-style-type: none"> • Market/liquidity 	\$ 190 million	\$ 264 million
Copper hedges	444 million lbs	<ul style="list-style-type: none"> • Market/liquidity • Credit 	\$ (32) million	\$ 14 million
Acquired Placer Dome Gold hedges		<ul style="list-style-type: none"> • Market/liquidity • Credit 	\$ 2 million	\$ 15 million
Hedging instruments - fuel and propane contracts	4.5 million bbls	<ul style="list-style-type: none"> • Market/liquidity • Credit 	\$ 29 million	\$ 79 million
Debt hedging instruments - interest rate contracts	-	<ul style="list-style-type: none"> • Market/liquidity • Credit 	-	\$ (17) million
Cash hedging instruments - interest rate contracts	-	<ul style="list-style-type: none"> • Market/liquidity • Credit 	\$ (3) million	-
Non-hedge derivatives	various	<ul style="list-style-type: none"> • Market/liquidity • Credit 	\$ 41 million	-

¹ Refer to pages 34 to 36 for information on gold and silver sales contracts.

At December 31, 2006, Barrick's Corporate Gold Sales Contracts totaled 2.5 million ounces. In 2007, we reduced the Corporate Gold Sales Contract book to zero.

Project Gold Sales Contracts

In anticipation of building our projects, and in support of any related financing, we have 9.5 million¹ ounces of existing gold sales contracts specifically allocated to these projects. The allocation of these contracts will help reduce gold price risk at the projects and are expected to

¹ Includes floating spot-price gold contracts under which we are committed to deliver 1.7 million ounces of gold at spot prices less an average fixed-price adjustment of \$456 per ounce.

help secure financing for construction. We expect that the allocation of these contracts will eliminate any requirement by lenders to add any incremental gold sales contracts in the future to support any financing requirements. The contracting parties are bullion banks whose business includes entering into contracts to purchase gold from mining companies. The terms of our gold and silver sales contracts enable us to deliver gold and silver whenever we choose over the primarily ten-year term of the contracts. The forward sales prices on our Project Gold Sales Contracts have not been fully fixed, and thus remain sensitive to long-term interest rates. As part of our Master Trading Agreements ("MTAs"), Project Gold Sales Contracts are not subject to

any provisions regarding any financial go-ahead decisions with construction, or any possible delay or change in the project.

Key Aspects of Project Gold Sales Contracts

(as of December 31, 2007)

Expected delivery dates. ¹	2011-2019, the approximate terms of expected financing
Future estimated average realizable selling price ²	\$ 435/ounce
Mark-to-market value at December 31, 2007 (millions) ³	\$ (4,626)

¹ The contract termination dates are in 2017 in most cases, but we currently expect to deliver production against these contracts starting in 2011, subject to production commencing at certain projects which is dependant on the timing of receipt of approvals of the environmental impact assessments, as well as the resolution of other external issues, both of which are largely beyond our control.

² Upon delivery of production from 2011-2019, the term of expected financing. Approximate estimated value based on current market US dollar interest rates and on an average lease rate assumption of 0.75%.

³ At a spot gold price of \$834 per ounce and market interest rates. Based on closing spot price of \$913 per ounce on February 15, 2008, the mark-to-market liability is \$(5,095).

The allocation of gold sales contracts to projects involves: (i) the identification of contracts in quantities and for terms that mitigate gold price risk for the project during the term of the expected financing (contracts were chosen where the existing termination dates are spread between the targeted first year of production and the expected retirement of financing for the project); and (ii) the eventual settlement of proceeds from these contracts for the benefit of production.

Through allocation of these gold sales contracts to these projects, we reduce capital risk. It protects the gold price during the term of the forecasted financing, while leaving the remaining reserves fully levered to spot gold prices.

Under the Project Gold Sales Contracts, we have an obligation to deliver gold by the termination date (currently 2017 in most cases). However, because we typically fix the price of gold under our gold sales contracts to a date that is earlier than the termination date of the contract (referred to as the "interim price-setting date"), the actual realized price on the contract termination date depends upon the actual gold market forward premium ("contango") between the interim price-setting date and the termination date. Therefore, the \$435/oz price estimate could change over time due to a number of factors, including, but not limited to: US dollar interest rates, gold lease rates, spot gold prices and extensions of the termination date. This price estimate, which is an average for the total Project Gold Sales Contract position, is not necessarily representative of the prices that may be realized for actual deliveries

into gold sales contracts, in particular, if we choose to settle any gold sales contract in advance of the termination date (which we have the right to do at our discretion). If we choose to accelerate gold deliveries, this would likely lead to reduced contango that would otherwise have built up over time (and therefore a lower realized price).

Contango is typically closely correlated with the difference between US dollar interest rates and gold lease rates. An increase or decrease in US dollar interest rates would generally lead to a corresponding increase or decrease in contango, and therefore an increase or decrease in the estimated future price of the contract at the termination date. Furthermore, the greater the time period between the interim price-setting date and the termination date, the greater the sensitivity of the final realized price to US dollar interest rates.

A short-term spike in gold lease rates would not have a material negative impact on us because we are not significantly exposed under our Project Gold Sales Contracts to short-term gold lease rate variations. A prolonged rise in gold lease rates could result in lower contango (or negative contango, i.e. "backwardation"). Gold lease rates have historically tended to be low, and any spikes short-lived, because of the large amount of gold available for lending relative to demand.

Fixed-Price Silver Sales Contracts

(as of December 31, 2007)

Millions of silver ounces	10.5
Current termination date of silver sales contracts	2017 in most cases
Average estimated realizable selling price at 2017 termination date ¹	\$ 9.04
Mark-to-market value at December 31, 2007 ²	\$ (80)

¹ Approximate estimated value based on current market contango of 2.50%. Accelerating silver deliveries could potentially lead to reduced contango that would otherwise have built up over time. Barrick may choose to settle any silver sales contract in advance of this termination date at any time, at its discretion. Historically, delivery has occurred in advance of the contractual termination date.

² At a spot silver price of \$14.76 per ounce.

We also have floating spot-price silver sales contracts under which we are committed to deliver 7.65 million ounces of silver over the next ten years at spot prices, less an average fixed-price adjustment, of \$4.06 per ounce. These floating spot-price contracts were previously fixed-price contracts, for which, under the price-setting mechanisms of the MTAs, we elected to receive a price based on the market silver spot price at the time of delivery, adjusted by the difference between the spot price and the contract price at the time of such election.

Asset Information

For the years ended Dec.31	Segment long-lived assets			Amortization			Segment capital expenditures ¹		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
Gold									
North America	\$4,305	\$ 3,572	\$ 1,744	\$ 314	\$ 247	\$ 213	\$ 236	\$ 226	\$ 218
South America	1,922	1,829	1,652	234	127	101	343	343	525
Australia Pacific	2,310	2,434	815	239	186	46	208	313	308
Africa	1,336	993	669	78	88	49	240	93	45
Copper									
South America	1,282	1,276	-	80	51	-	27	17	-
Australia Pacific	116	146	-	39	17	-	11	22	-
Segment total	11,271	10,250	4,880	984	716	409	1,065	1,014	1,096
Cash and equivalents	2,207	3,043	1,037	-	-	-	-	-	-
Other current assets	2,081	1,753	711	-	-	-	-	-	-
Intangible assets	68	75	-	-	-	-	-	-	-
Goodwill	5,847	5,855	-	-	-	-	-	-	-
Other items not allocated to segments	477	534	301	20	19	18	25	17	8
Enterprise total	\$21,951	\$ 21,510	\$ 6,929	\$ 1,004	\$ 735	\$ 427	\$ 1,090	\$ 1,031	\$ 1,104

¹ Segment capital expenditures are presented on an accrual basis. Capital expenditures in the Consolidated Statements of Cash Flows are presented on a cash basis. In 2007, cash expenditures were \$1,046 million (2006: \$1,087 million; 2005: \$1,104 million) and the increase in accrued expenditures were \$44 million (2006: \$(56) million; 2005: nil).

5 > REVENUE AND GOLD SALES CONTRACTS

For the years ended Dec.31	2007	2006	2005
Gold bullion sales¹			
Spot market sales	\$ 3,823	\$ 3,957	\$ 1,938
Gold sales contracts	1,026	369	300
	4,849	4,326	2,238
Concentrate sales ²	178	167	110
	\$ 5,027	\$ 4,493	\$ 2,348
Copper sales^{1,3}			
Copper cathode sales	\$ 1,063	\$ 937	\$ -
Concentrate sales	242	200	-
	\$ 1,305	\$ 1,137	\$ -

¹ Revenues include amounts transferred from OCI to earnings for commodity cash flow hedges (see note 20C and 25).

² Gold sales include gains and losses on gold derivative contracts which have been economically offset, but not yet settled, and on embedded derivatives in smelting contracts: 2007: \$4 million loss (2006: \$4 million gain; 2005: \$3 million gain).

³ Copper sales include gains and losses on economic copper hedges that do not qualify for hedge accounting treatment and on embedded derivatives in copper smelting contracts: 2007: \$53 million gain (2006: \$14 million loss; 2005: \$nil).

Principal Products

All of our gold mining operations produce gold in doré form, except Eskay Creek, which produces gold concentrate and gold doré; Bulyanhulu which produces both gold doré and gold concentrate; and Osborne which produces a concentrate that contains both gold and copper. Gold doré is unrefined gold bullion bars usually consisting of 90% gold that is refined to pure gold bullion prior to sale to our customers. Gold concentrate

is a processing product containing the valuable ore mineral (gold) from which most of the waste mineral has been eliminated, that undergoes a smelting process to convert it into gold bullion. Gold bullion is sold primarily in the London spot market or under gold sales contracts. Gold concentrate is sold to third-party smelters. At our Zaldívar mine we produce pure copper cathode, which consists of 99.9% copper, a form that is deliverable for sale in world metals exchanges.

Revenue Recognition

We record revenue when the following conditions are met: persuasive evidence of an arrangement exists; delivery and transfer of title (gold revenue only) have occurred under the terms of the arrangement; the price is fixed or determinable; and collectability is reasonably assured. Revenue in 2007 is presented net of direct sales taxes of \$15 million (2006: \$16 million; 2005: \$nil).

Gold Bullion Sales

We record revenue from gold and silver bullion sales at the time of physical delivery, which is also the date that title to the gold or silver passes. The sales price is fixed at the delivery date based on either the terms of gold sales contracts or the gold spot price. Incidental revenues from the sale of by-products such as silver are classified within cost of sales.

Gold Sales Contracts

At December 31, 2006, we had 2.5 million ounces of Corporate Gold Sales Contracts. We delivered 2.5 million ounces into the Corporate Gold Sales Contracts at an

average price of \$404 per ounce in the first half of 2007. At December 31, 2007, there were no remaining Corporate Gold Sales Contracts. At December 31, 2007, we had Project Gold Sales Contracts with various customers for a total of 9.5 million ounces of future gold production of which 1.7 million ounces are at floating spot prices.

The terms of gold sales contracts are governed by master trading agreements (MTAs) that we have in place with customers. The contracts have final delivery dates primarily over the next 10 years, but we have the right to settle these contracts at any time over this period. Contract prices are established at inception through to an interim date. If we do not deliver at this interim date, a new interim date is set. The price for the new interim date is determined in accordance with the MTAs which have contractually agreed price adjustment mechanisms based on the market gold price. The MTAs have both fixed and floating price mechanisms. The fixed-price mechanism represents the market price at the start date (or previous interim date) of the contract plus a premium based on the difference between the forward price of gold and the current market price. If at an interim date we opt for a floating price, the floating price represents the spot market price at the time of delivery of gold adjusted based on the difference between the previously fixed price and the market gold price at that interim date. The final realized selling price under a contract primarily depends upon the timing of the actual future delivery date, the market price of gold at the start of the contract and the actual amount of the premium of the forward price of gold over the spot price of gold for the periods that fixed selling prices are set.

Mark-to-Market Value

\$ millions	Total ounces in millions	At Dec.31, 2007 value ¹
Project Gold Sales Contracts	9.5	\$ (4,626)

¹ At a spot gold price of \$834 per ounce.

6 > COST OF SALES

For the years ended Dec.31	Gold			Copper		
	2007	2006	2005	2007	2006	2005
Cost of goods sold ¹	\$ 2,757	\$ 2,294	\$ 1,249	\$ 337	\$ 390	\$ -
By-product revenues ^{2,3}	(105)	(123)	(132)	(2)	(1)	-
Royalty expense	161	150	63	7	4	-
Mining production taxes	29	27	18	-	-	-
	\$ 2,842	\$ 2,348	\$ 1,198	\$ 342	\$ 393	\$ -

¹ Cost of goods sold includes accretion expense at producing mines of \$40 million (2006: \$31 million; 2005: \$11 million). Cost of goods sold includes charges to reduce the cost of inventory to net realizable value as follows: \$13 million in 2007; \$28 million in 2006 and \$15 million in 2005. The cost of inventory sold in the period reflects all components capitalized to inventory, except that, for presentation purposes, the component of inventory cost relating to amortization of property, plant and equipment is classified in the income statement under "amortization". Some companies present this amount under "cost of sales". The amount presented in amortization rather than cost of sales was \$984 million in 2007; \$716 million in 2006 and \$409 million in 2005.

Concentrate Sales

Under the terms of concentrate sales contracts with independent smelting companies, gold and copper sales prices are set on a specified future date after shipment based on market prices. We record revenues under these contracts at the time of shipment, which is also when title passes to the smelting companies, using forward market gold and copper prices on the expected date that final sales prices will be fixed. Variations between the price recorded at the shipment date and the actual final price set under the smelting contracts are caused by changes in market gold and copper prices, and result in an embedded derivative in the accounts receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as a component of revenue. The notional amount outstanding in accounts receivable is typically between ten and fifteen thousand ounces of gold and four and seven million pounds of copper.

Copper Cathode Sales

Under the terms of copper cathode sales contracts, copper sales prices are set on a specified future date based upon market commodity prices plus certain price adjustments. Revenue is recognized at the time of shipment when risk of loss passes to the customer, and collectability is reasonably assured. Revenue is measured using forward market prices on the expected date that final selling prices will be fixed. Variations occur between the price recorded on the date of revenue recognition and the actual final price under the terms of the contracts due to changes in market copper prices, which result in the existence of an embedded derivative in the accounts receivable. This embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as a component of revenue. The notional amount outstanding in accounts receivable is between twenty and thirty million pounds of copper.