

### *Financial Strength to Support Growth*

“Barrick’s ‘A’ rating reflects its leading cost profile, strong pipeline of development projects, solid reserve base, conservative financial policy, and low geopolitical risk.”

- Standard & Poor’s Rating Services, November 2004

Our financial strategy is designed to provide the sound foundation and resources needed to bring our development pipeline into production over the next five years, fund one of the largest exploration programs in the industry, and continue to grow our business on a global basis. This strategy, coupled with our positive outlook on the gold price, positions us well for the future.

The cornerstone of this financial strategy is strength. With the industry’s highest-rated balance sheet, \$1.4 billion of cash, excellent access to liquidity, and growing operating cash flows, Barrick has the ability to execute the industry’s most aggressive growth plan without the need to issue a single share of new equity.

#### *Laying the Groundwork in 2004*

In 2004, Barrick was focused on laying the groundwork for our growth program.

In August, we signed a \$250 million, nine-year project financing for our Veladero project. While this financing was being negotiated and executed, Argentina was going through a financial crisis and facing substantial challenges in attracting new foreign direct investment. Despite this situation, Barrick was able to gain the support of key OECD governmental and commercial bank investors, and finance the project on a limited recourse basis. It was the first limited recourse project financing executed in Argentina since the crisis.

Being able to finance the project under these conditions is a reflection not only of the quality of the project, but also of the operational and financial strength of the sponsor. Barrick has the financial capability to get our current projects built and the flexibility to source and develop gold, even in difficult economic environments.

In November, Barrick issued a total of \$750 million of long-term debt in the US capital markets (\$350 million of 10-year debt and \$400 million of 30-year debt). We are building world-class mines that will be in production for decades. The issuance of this long-term debt reflects the Company’s ability to raise long-term core capital, at very attractive yields, consistent with the Company’s strategy of building and developing these long-lived world-class properties.

#### *Risk Mitigation and Cost Control*

Another important element of Barrick’s financial strategy is to work with our operations and supply chain management teams to identify exposures and to implement strategies aimed at controlling risk – and, where possible, to reduce costs.

In 2004, this effort helped Barrick reduce costs in equipment, currencies, oil, interest rates and a host of other areas. As a result, Barrick maintained its position as the lowest cash-cost senior producer in the industry.

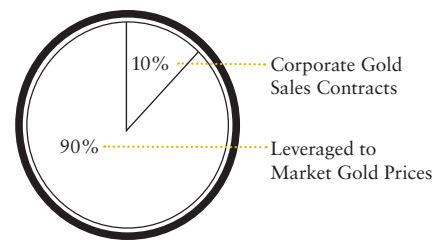
### *Gold Sales Contracts*

Barrick historically entered into fixed price sales contracts as part of a gold hedging program designed to manage exposure to market gold prices and protect the earnings and cash flow from declining gold prices. Given the strength of our balance sheet, we no longer need to add any new gold sales contracts, and we are opportunistically reducing the remaining position. Barrick believes the long-term fundamentals for gold will remain strong, and we will benefit directly in a stronger gold price environment – both immediately, and in the long term.

In July 2004, we announced the decision to proceed with the Pascua-Lama project (subject to receiving required permits and clarification of the applicable fiscal regimes from the governments of Argentina and Chile). We expect to put in place third-party financing for up to \$750 million of the expected \$1.4-\$1.5 billion construction cost of Pascua-Lama. In anticipation of building the mine, and in support of any related financing, we allocated 6.5 million ounces of existing gold sales contracts

specifically to the Pascua-Lama project in the fourth quarter of 2004. The allocation of these contracts will reduce gold price risk and provide an acceptable return on the Pascua-Lama capital, while representing only about one-third of current Pascua-Lama gold reserves (and leaving the 643 million ounces of silver contained in gold reserves unhedged).

Our remaining 70 million ounces of gold sales contracts (the “Corporate Gold Sales Contracts”) represent just over one year of planned production and about 10% of non-Pascua-Lama reserves.



**fig. 3 Corporate Gold Sales Position**

*With approximately 90% of our non-Pascua-Lama reserves unhedged, Barrick has significant leverage to the gold price.*

“...although closed for routine financing transactions in Argentina, Ex-Im Bank is open to consider specially structured deals [like Veladero] that externalize the risk and provide reasonable assurance of repayment. It is Ex-Im Bank’s first project financing in the mining sector since 1997.”

- Washington D.C.-based Export-Import Bank of the United States (Ex-Im Bank), which provided \$80 million of the Veladero financing, April 2004