

Barrick and Placer Dome

The Combined Company: Value for Shareholders



Barrick's overriding objective is to create shareholder value – value over time, even as the times change and new opportunities and challenges arise. This objective shapes our corporate culture and organization, our financial approach, the priorities for our operations, our consistent investment in exploration, and our strategy for acquisitions.

We have been assessing various acquisition possibilities, weighing them against our value-creation criteria for the environment in which gold companies must now operate. Placer Dome met those criteria, and we realized the company would be an excellent fit with our own assets, people and projects.

We announced our offer in late October 2005. In late December, we negotiated a final price that allowed us to complete the deal on a friendly basis with the support of Placer Dome's Board of Directors, management and employees. With this acquisition, we have acquired 12 operating mines and three projects, exploration properties all over the world, and a rich pool of talented people. We expect the transaction to be accretive to earnings and cash flow on a per-share basis in 2007 and beyond.

The combined Company is an industry leader, operating with the strength and scale that the times demand. We go forward in this environment with:

- significantly increased reserves, resources and production;
- low-cost production relative to our peer group;
- clusters of operating assets in close proximity to each other, on the world's most prospective gold belts;
- an unrivalled pipeline of projects, to which we can apply our development expertise;
- a world-class team with proven exploration success and project-development expertise; and
- the strongest financial position in the industry.

The quality and geographic fit of the assets, combined with the skills of our people and our decentralized business platform, give us confidence that we will capture an anticipated \$200 million in annual synergies, as of 2007.

Value from Projects and Project-Development Expertise

Barrick has the industry's best suite of projects and properties through 2009 and beyond – and the skills and financial strength to realize these value-creation opportunities to the full.

The combined assets will mesh in time, as well as geographic proximity, to assure continuing growth. The three acquired projects – Cortez Hills (Nevada), Donlin Creek (Alaska), and Pueblo Viejo (Dominican Republic) – overlap with our existing ones, to extend the pipeline and provide lucrative growth opportunities for Barrick into the future.

All these projects will be managed by one highly skilled and experienced team, in a Company that has brought seven new mines into production in the last ten years. No other gold mining company has this track record of speed, efficiency and success, backed by the industry's strongest balance sheet.

Experience has taught us how to handle the challenges associated with designing, permitting, financing and building projects in today's demanding environment. All these skills are now focused on creating value for shareholders from our larger, longer pipeline of quality projects and the opportunities that it presents.

Value from Exploration

Exploration is one of Barrick's core strengths. We have a track record of consistent exploration, and

considerable success. Lagunas Norte, for example, now a producing mine in Peru, was the largest greenfield discovery in the industry in a decade. The result of our exploration program has been a strong, geographically diversified package of quality land positions, which create value through additional reserves, resources and, ultimately, production.

Now we are integrating a complementary suite of exploration properties, focused on the same multi-million-ounce gold districts in Nevada, Frontera (Chile/Argentina), Tanzania and Australia. The combined assets give us a significant position on the most prospective ground in all four regions.

Barrick in Nevada:

- interests in six operating mines;
- interests in two development projects, East Archimedes and Cortez Hills;
- over 34 million ounces of proven and probable gold reserves and almost 10 million ounces of measured and indicated gold resources; and
- strong land positions on the region's three major trends – Carlin, Getchell, and Battle Mountain-Eureka.



Crushing and processing facilities at the Zaldívar open-pit copper mine in Chile, one of the quality assets gained through the Placer Dome acquisition. Zaldívar has 5.9 billion pounds of proven and probable copper reserves and an expected mine life of around 20 years.

Barrick in the Frontera District:

- one operating mine (Veladero) and one development project (Pascua-Lama);
- over 30 million ounces of proven and probable gold reserves and 2 million ounces of measured and indicated gold resources;
- a 3,000-square-kilometer position on this highly prospective district straddling the Chile/Argentina border; and
- a first-class exploration team, which is familiar with the area and combines Barrick and Placer Dome expertise in high-sulphidation and porphyry deposits.

Barrick in Tanzania:

- three mines and two projects;
- nearly 18 million ounces of proven and probable gold reserves and over 3 million ounces of measured and indicated gold resources;
- an extensive suite of quality exploration properties in the highly prospective Lake Victoria Gold Belt; and
- Tanzania's best team of exploration geologists.

Barrick in Australia:

- eight mines, six of them clustered in Western Australia;
- over 14 million ounces of proven and probable gold reserves and 8 million ounces of measured and indicated gold resources;

- commanding land positions in the Kalgoorlie, Laverton, Agnew and southern Yandal gold belts; and
- a strong, well-established team of exploration personnel, positioned to deliver value from all parts of Australasia.

We are combining our skills and our best practices in exploration systems and technology, as well. We are using this strength to prioritize and streamline projects already in the exploration pipeline in order to add ounces more effectively around existing operations and development projects, and to enhance our success in finding new ounces in emerging regions.

We are also combining R&D expertise, which will lead to advances we can apply in underground and open-pit mining, mineral processing, and environmental management.

Value from Financial Strength

Barrick has the financial strength to continually invest in exploration, develop new mines, and run its operations both profitably and responsibly.

With the strongest balance sheet in the industry and access to over \$2 billion in capital resources through existing cash and credit resources, we are able to develop all our projects on the scale and with the timelines they require – and to do so without equity dilution.



The North Mara Mine lies on Tanzania's rich Lake Victoria Gold Belt, which also hosts Bulyanhulu, Tulawaka and Buzwagi.



A view of the ore conveyor at the Kanowna asset, which is located close to the joint-venture Kalgoorlie Mine in Western Australia.

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Value from Synergies

We see the opportunities for \$200 million in annual synergies, and we have the business platform and the management capability to capture that value in full as of 2007.

These synergies are anticipated in five key areas: Operations, Exploration, Procurement, General and Administrative (G&A), and Finance and Tax. In Operations, we will optimize and share mining and processing infrastructure in Nevada, Australia and Tanzania; reduce energy costs and inventory levels through joint infrastructure; and implement combined best practices at all locations.

In Exploration, we will consolidate our land positions on the most prospective belts and prioritize our pipeline of exploration projects. In Procurement, we expect to generate significant savings from our improved purchasing power as deployed by our worldwide supply management group. The savings in G&A will come from shared business practices, and the elimination of duplication in offices and overheads in all regions. With Finance and Tax, we will realize jurisdictional tax synergies and enjoy both debt optimization and a lower overall cost of capital.

Finally, in addition to the areas factored into the \$200-million calculation above, we can expect capital synergies. Through the sequential development of our project pipeline, we will be able to transfer development teams, equipment and a comprehensive knowledge base from one project to the next. This pipeline also allows for in-house management of engineering, procurement and contract management (“EPCM”) contracts.



The Placer Dome acquisition strengthens Barrick’s Nevada footprint with three new mines (above, Cortez) and a development project.

Barrick has the management capability, enriched by our experience with the Homestake acquisition, to optimize the value of our combined assets, people and projects. We also have the appropriate organizational structure: an existing decentralized platform of Regional Business Units, which allows us to integrate the assets and welcome the people, quickly and well.

Value Now

The increased strength of this powerful combination is already being felt. Throughout the integration period, there has been a parallel emphasis on “business as usual.” Our teams have continued to focus on their exploration, development and production targets, steadily generating value for the Company and its shareholders.

With the completion of the integration process – to be largely accomplished by mid-2006 – our people will fully concentrate on the opportunities we now have the strength and scale to seize.

In addressing our overriding corporate objective – to create shareholder value – Barrick goes forward with greater financial strength, greater depth of talent, and a pre-eminent suite of operating mines, projects, and exploration properties.