

## Message from the Chairman



This year is a milestone in Barrick's history: it's our 25th anniversary. When we started in the gold business, in 1983, it seemed unimaginable to some that one day we would be the industry leader, with reserves, production, earnings, and a project pipeline unparalleled among our peers. Yet that is exactly what happened.

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Back in 1983, in an established industry dominated by large, multinational corporations, Barrick began with only \$40 million in capital. We were neither gold bugs nor gold miners. We were outsiders, convinced that by shaking up the staid gold industry we could create the Company that Barrick is today.

Over the years, our market value has grown exponentially, from \$69 million to \$42 billion in early 2008. We now have about 20,000 employees on five continents. And yet, looking back, it's clear to me that the essence of Barrick – our vision for the future, our core values, our way of doing business – has never wavered. From the beginning, we have run our company as an entrepreneurial enterprise that just happened to be in the business of gold mining. We have remained nimble and innovative. We have honed in on, even obsessed over, shareholder returns. We believed that if we managed Barrick as if we owned it personally (and to a large degree, in the early years, we did) our shares would beat our competitors' shares (and they did).

In many ways, our approach to risk is what has defined Barrick. Compared to other gold companies, we were aggressive – quick to snap up new mines and mining companies, even as others in the industry were suspicious of growth through acquisitions. In the 1980s, Barrick moved quickly, assembling a portfolio of mines, but the acquisition of Goldstrike in 1987 was a company-defining moment. We bought these assets because the bigger, better-financed gold companies were not interested in acquisitions – or they were just too slow.

Some people mistake an aggressive strategy with a risky one. At Barrick, we've always been aggressive – and at the same time, risk averse. When we entered the gold business, one of our core mandates was to avoid political risk. That is why, in contrast to most of our peers, and counter-intuitively, we focused on North America. As the Company grew we evolved our strategy to match opportunity with risk, paving the way for global expansion. When it came to managing our balance sheet, we were equally prudent. We conceived a range of innovative financial strategies designed to

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# STRATEGY

safeguard our earnings and cash flow. Along the way, we transformed ourselves, from a penny stock mining company to a global mining powerhouse.

There’s something else that made, and makes, Barrick stand out: integrity. We’ve always held ourselves, and those around us, to the highest ethical standards, and we’ve consistently demonstrated a commitment to social responsibility. I feel passionately about that commitment, as do all of my colleagues.

The safety of our employees is paramount to production. Barrick has always treated its people exceptionally well; our salaries are competitive and our benefits are among the best in the industry. Yet we don’t claim to be altruists. Doing right by our employees, and by the communities where we operate is the only path to long-term success.

For all that, what has brought Barrick to where it is today, is perhaps the least tangible quality of all. Some people call it vision, but whatever you choose to call it, this intangible quality is the essential ingredient to corporate success. Without it, no company can make it to the top. Having a shared vision is what enables a company’s employees to move mountains.

Today, 25 years after starting this business, I’m proud to say that having a vision, and believing in that common vision, is in our DNA. It is who we are.



**Peter Munk**  
Founder and Chairman