

INVESTMENT

Reserve and Resource Development

Well-chosen investments will work to sustain our position as the gold industry leader. Building a strong foundation for the future requires innovation and consistent investment in our portfolio of mines, our project pipeline, and exploration. It also requires ongoing investment in people, both employees and members of the communities where we live and work, for they are equally important to our future.

Barrick has the financial strength and the strategic vision to invest in each of these vital aspects of the business, for the benefit of all its stakeholders.



Exploration drilling at Cortez Hills extended the deposit by more than 800 meters, upgraded the Lower Zone resource to inferred, and by year-end was encountering mineralization as it tested the southern extension beyond the Silver Fault.

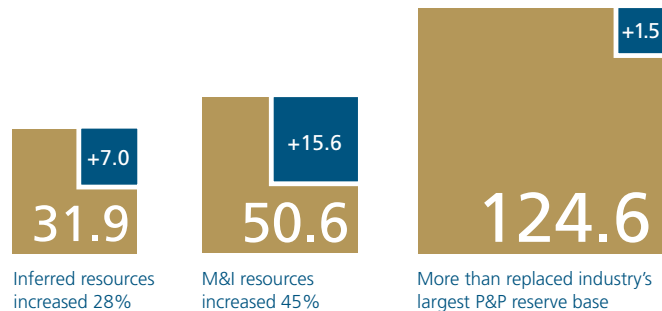
Reserve and Resource Development

Reserves are the cornerstone of our business and, whether by exploration¹ or acquisition, reserve replacement is a critical component of sustainable success. There has been a dearth of exploration discoveries in the industry over the last decade. Nevertheless, Barrick has a track record of consistently replacing reserves, including in the years following the Homestake and Placer Dome acquisitions. We hold the world's largest gold reserves, and in 2007 more than replaced proven and probable reserves to 124.6 million ounces and increased measured and indicated resources 45% or nearly 16 million ounces to 50.6 million ounces.

GROWING GOLD RESERVES AND RESOURCES

Millions of ounces at December 31, 2007

■ 2007 additions



1. See page 23 of the 2007 Annual Review.

Exploration's unified geological modeling led to the 2007 discovery of the Monte Oculito deposit at Pueblo Viejo, plus a number of other excellent targets in the near-mine area.



Barrick also has significant copper reserves and resources. Reserves are 6.2 billion pounds; measured and indicated resources are 5.4 billion pounds; and inferred resources are 15.4 billion pounds. The highlights in 2007, resulting from exploration efforts, include a 341 million pound increase to reserves at the Zaldívar mine in Chile and an increase in inferred resources at Reko Diq by 9.1 billion pounds.

Much of our success can be attributed to our practice of consistent investment in exploration and in acquisitions of properties with early stage potential such as the Kainantu property and the large, highly prospective exploration package that came with it in Papua New Guinea. With these assets, Barrick will have access to over 5,300 square kilometers of contiguous ground for exploration in one of the world's most highly endowed, under-explored gold and copper regions, which is also home to the world-class Porgera mine.

The consolidation of our interest in the Cortez property in early 2008 further demonstrates our commitment to disciplined acquisitions focusing on our core districts with tremendous exploration potential. Barrick's share of proven and probable reserves at year-end 2007 for the Cortez property was 6.9 million ounces. The acquisition will increase Barrick's share of reserves by 4.6 million ounces to 11.5 million ounces. Measured and indicated resources will increase by 1.4 million ounces on the same basis.

Even during the years of low gold prices, when most of the industry retrenched, we maintained our program – and found Lagunas Norte. It was one of the few major discoveries of the decade, and to date, no larger asset has been discovered and put into production. We have now amassed an extensive portfolio of operating mines and exploration properties in what we believe to be some of the best and most prospective regions in the world. Much of that exploration potential lies near existing infrastructure, where the likelihood of reserve replacement is enhanced and the cost of proving up ounces is reduced.

In 2007, we strengthened our commitment to investment in exploration. We increased our budget and spent a total of \$179 million, building on the success of our work at Cortez Hills, Pueblo Viejo, Reko Diq and a number of other projects.

Highlights of 2007

Nevada continues to be a key focus for our program. We have an extensive land position on the key trends in this highly prospective region. Work at Cortez Hills and Goldstrike was particularly significant during the year.

- Exploration drilling at Cortez Hills upgraded the Lower Zone resource to the inferred category. Drilling further to the south extended the deposit by at least 800 meters. By year-end, directional drilling scout holes were testing the southern extension beyond the Silver Fault, and in several cases encountered mineralization. The zone still remains open to the south.
- At Goldstrike, deep drilling from Banshee and Deep North Post continues to demonstrate higher grades and continuity, and late in the year we began work on an exploration drift to access the Deep North Post area. We also continued infill drilling and engineering at South Arturo.

At Reko Diq, intensive drilling on the Western Porphyries resulted in a large inferred resource increase. Inferred gold resources grew 6.1 million ounces to 10.5 million ounces and inferred copper resources increased by 9.1 billion pounds to 13.4 billion pounds. A scoping study was also completed for the Western Porphyries and approval given to proceed with a feasibility study to evaluate a 72,000 tonnes-per-day operation. In parallel, we are proceeding with a pre-feasibility study to evaluate expansion options.

We had another very rewarding year at Pueblo Viejo, where our team developed and applied a unified geological model based on our extensive experience with highly sulfidized deposits (such as at Lagunas Norte). Drilling led to the discovery of Monte Oculito, a blind deposit located between the Monte Negro and Moore ore deposits. It's a remarkable discovery, in what had been thought to be a well defined deposit – and a demonstration of the way our Exploration group's systematic approach and technical expertise add value and identify new opportunities. The new model, in conjunction with a review of regional data, has identified a number of excellent targets in the near-mine area for drilling in 2008.