



A gold pour at the Goldstrike refinery.

Gold Leverage

- We are positive on the outlook for gold. As the gold industry leader with the largest production and reserves, Barrick offers exceptional leverage to higher gold prices.
- 7.7 million ounces of production

138.5

million ounces of proven
and probable reserves

During the unprecedented market turmoil in 2008, gold proved itself as an important asset, appreciating in a year when the financial system all but collapsed and most asset classes suffered severe losses. Gold's performance was all the more impressive in light of the tidal wave of deleveraging which occurred in response to the credit crisis, as investors were forced to sell their best-performing and liquid assets to raise cash and stem further losses.

While bullion prices increased modestly in U.S. dollar terms, they reached record levels in some of the world's major currencies, including British pounds, Australian dollars, Indian rupees and euros, vindicating investor faith in gold's ability to preserve, and in many instances, grow wealth during turbulent financial times.

As we enter 2009, the outlook for gold remains positive. The prospect of a deep global recession has forced governments to resort to a series of extraordinary fiscal and monetary stimulus measures, including steep and coordinated interest rate cuts, and the injection of unprecedented amounts of liquidity into the global economy. We believe investors will begin to focus on the potential for these measures to devalue currencies and raise inflation. Weaker paper currencies are expected to benefit investment demand for gold, which in comparison, cannot be printed.

Mine supply, which represents over 60% of total gold supply, is expected to decline over the next several years as production is challenged by maturing mines, the lack of large discoveries, financing constraints and longer development timelines. Taken together, all of these factors are extremely supportive of higher gold prices in the future.

As the gold industry leader with the largest production and reserves and a competitive cost structure,

Barrick poured more gold than any other producer in 2008. In a strong gold price environment, this means earnings and cash flow leverage.



The Veladero mine produced more than 0.5 million ounces in 2008 and is undergoing a crusher expansion to expand its processing capacity.

Barrick is uniquely placed to offer shareholders compelling leverage to stronger gold prices. We produced 7.7 million ounces in 2008, nearly 50% more than the next largest gold company, and ended the year with 138.5 million ounces of proven and probable reserves, more than 60% higher than our nearest competitor.

What this means is that as the gold price rises, Barrick's earnings and cash flow are expected to benefit. For example, as the largest producer, we generated the highest operating cash flow in the industry in 2008, in contrast to companies with aspirations to grow cash flow from a comparatively smaller base. While these companies may ultimately increase their revenue and earnings leverage, this can take many years to achieve.

At Barrick, we provide investors with this leverage to gold today and expect to continue doing so in the future. Our next generation of mines – Buzwagi, Cortez Hills and Pueblo Viejo – will begin to deliver substantial production over the next three years at cash costs below the average of our current portfolio.

Barrick also has several other earlier stage projects in its inventory that it continues to evaluate. Feasibility studies are expected to be completed on Cerro Casale, Donlin Creek and Reko Diq in 2009.