

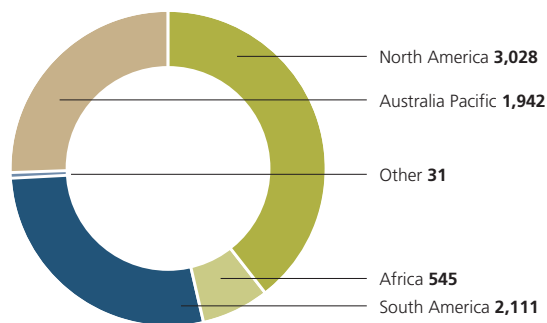


A new underground ramp connecting the Betze-Post pit to the Meikle/Rodeo infrastructure will facilitate underground development of North Post and exploration at Goldstrike.

Operations

- Barrick remained focused on its core gold business in a year when the gold price set record highs. The company poured more ounces than any other gold producer – 7.7 million ounces.
- The Lagunas Norte mine in Peru contributed more than 1.0 million ounces for the third year in a row and is expected to repeat this performance in 2009.

2008 PRODUCTION
(thousands of ounces)



Barrick's 2008 production of 7.7 million ounces emanated from a diversified global portfolio of operations strongly anchored in mining friendly jurisdictions in the U.S., Canada and Australia.

While the overall portfolio produced within our original guidance estimate, we were particularly pleased with the South America region, which contributed 2.1 million ounces as a result of another outstanding year from the world-class Lagunas Norte mine in Peru. This operation continues to exceed expectations and is expected to produce over one million ounces again in 2009, for the fourth year in a row. Production from the Veladero mine in Argentina benefited from access to higher grade ore during the year upon completion of a waste stripping phase. In 2009, performance is expected to be further enhanced by the new overland conveyor and by increased production capacity following completion of a crusher expansion, scheduled for the second half of the year.

Our North America region continues to be the cornerstone of our production and contributed 3.0 million ounces of gold in 2008. Production at the Goldstrike Complex increased in the second half of the year as we completed an extended waste stripping phase in the Betze-Post open pit, allowing processing to shift to higher grade mined ore from lower grade stockpiles in the fourth quarter. With nearly 13 million ounces of proven and probable reserves, this operation will continue to be an important source of production for many years to come. Goldstrike is the company's Centre of Excellence, providing operating and technical expertise to many of our other operations.

Production from the Cortez mine benefited from the additional 40% interest acquired early in the year,

Remote control of Goldstrike processing facilities is tested by Kelli Cantrell an hour away in Elko as part of Barrick's Mine Company of the Future initiative.



giving us full ownership of this promising property. The Cortez Hills expansion project made significant progress, reaching an important milestone in November when the federal Bureau of Land Management issued a Record of Decision, allowing construction to proceed. Cortez Hills is expected to enter production in the first quarter of 2010, transforming the Cortez property into a one-million-ounce per year producer in its first five full years of operation.¹ After consolidating our interest and significantly reducing payable royalties on the property in 2008, Barrick is now in an excellent position to benefit from the significant exploration potential within this extensive land position on the highly prospective Cortez Trend.

Our Australia Pacific region contributed 1.9 million ounces, reflecting a full year of increased ownership at the large Porgera mine in Papua New Guinea. While production targets for the region were achieved, cash costs were adversely affected by the mining boom that

1. See page 42 of the 2008 Financial Report.

increased skilled labor costs and turnover, particularly in Australia. East Wall remediation work at Cowl was completed on schedule in the fourth quarter, allowing access to higher grade ore and resulting in increased production that is expected to continue into 2009.

The Africa region produced 0.5 million ounces of gold in 2008, reflecting some challenges at the Bulyanhulu and North Mara mines. North Mara experienced some civil disturbances and Bulyanhulu was impacted by lower than planned mining rates; however, an anticipated ramp-up of underground development is expected to result in improved performance in 2009.

The Buzwagi project in Tanzania is on track to reach production on schedule in the second quarter of 2009 and within its \$400 million pre-production capital budget. In its first full five years of production, Buzwagi is expected to contribute a quarter of a million ounces of gold annually at lower cash costs than our current average.



Lagunas Norte produced over one million ounces for the third consecutive year and is expected to repeat this performance in 2009.

In addition to our gold business, our copper business contributed strong cash flow in 2008.



Bucket loaders at the Zaldívar copper mine remove leached material from the pad to make room for fresh ore from the conveyor.

Total cash costs of \$443 per ounce for the year reflected unprecedented inflationary pressures in the first half of 2008, before prices subsided in the second half of the year. Peak oil prices were a major driver of energy costs and had a significant ripple effect across our supply chain, impacting costs for other consumables in which oil is a key component. These and other input prices resulted in higher cash costs than anticipated at the start of the year.

Barrick's total cash costs for gold remain competitively positioned within the lower half of the global cost curve, providing strong cash margins. Applying full credit for non-gold sales, our cash costs for 2008 were \$337 per ounce,² lower than 80% of the world's production. With the higher gold prices seen in 2008 and the largest production, Barrick generated the highest operating cash flow in the industry of \$2.2 billion.

Our copper business contributed strong cash flow in 2008, despite a decline in spot prices in response to the economic downturn. Barrick's copper operations at the Zaldívar and Osborne mines in Chile and Australia produced 370 million pounds of copper at total cash costs of \$1.19 per pound.

The company's copper hedge position provided a realized price of \$3.39 per pound in 2008, well above the average market price of \$3.15 per pound.

Zaldívar was adversely affected by a period of high market prices and supply shortages for sulphuric acid, which significantly disrupted production levels and impacted production costs. Production and costs improved as acid levels returned to normal in the latter part of 2008. Cash costs also reflected higher electricity and labor costs for this operation which came into effect at mid-year. Costs for electricity going forward are expected to reflect prevailing oil prices.

2. Non-GAAP measure – see pages 73–74 of the 2008 Financial Report.