



Peter Munk, Founder and Chairman (right)  
Aaron Regent, President and Chief Executive Officer

## Message from the Chairman

Fellow shareholders,

If we look back over the past decade, gold's performance has been quite exceptional. Virtually no other asset class can claim such a remarkable record and, as such, we have seen gold reassert itself as an increasingly important asset for global investors. In all but one of the past 10 years, gold closed higher than it did the previous year. Over the same period, gold has significantly outpaced the S&P 500.

Buyers of all stripes, be they institutional funds, retail investors or even coin collectors poured new money into gold. They were joined by a smattering of central banks, and above all, an international group of professional wealth managers, seeking to

protect the value of their assets, thus pushing investment demand for gold to ever-higher levels.

After last year's business failures, which were followed by even more dramatic government bailouts for global banks and insurance companies, we now see sovereign states exposed to the dangers of financial implosion, further undermining confidence in the world's leading currencies.

Governments could only counter the unprecedented economic upheaval of recent years by pumping enormous sums of "rescue" money into their systems – leaving the critical question of repayments to an even more uncertain future. These debt levels, arguably unsustainable, further explain why many informed

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people are questioning the wisdom of holding their assets in currencies exposed to a risk of significant devaluation. Their uncertainty has led to an ever-growing bias towards asset diversification, with a clear preference for gold. The enormous growth in exchange traded funds that hold pure, physical gold is a clear manifestation of this trend.

When we consider the nearly universal and continuing concern about the global economy and its prospects, it is difficult not to be optimistic about gold. Whereas some investors, particularly the perennial gold bugs, predict a doubling, or even a tripling, of the current gold price, we at Barrick are expecting more realistic increases, similar to those we experienced over the past decade. While daily trading activities and unforeseen political and economic factors will undoubtedly cause short-term swings in the gold market, the fundamental trend is relatively predictable. This is because, in both of the two most likely economic scenarios – a steady, universal recovery, or a sluggish and deteriorating global economy – the fundamental reasons to buy gold remain valid. In the first case, concerns about inflation will likely emerge, spurring gold buying to higher levels; in the second, concerns about currencies will increasingly encourage more purchasing of gold.

In both scenarios, the memory of recent events (talk of major economic upheaval and informed comments referring to the near collapse of the financial system), will remain longer with those whose occupation is to conserve wealth (whether their own or as managers) than in any of the previous post-war recessions. Likewise, the fact that gold performed so strongly in all major currencies during an entire decade, and outperformed virtually all other asset classes, will not be forgotten quickly.

Of course gold, like any other commodity, depends on supply as well as demand. And the supply side of the equation also encourages an optimistic outlook. In contrast to growing investment demand, gold supply from mines peaked in 2001, and has since experienced a declining trend. This reflects the increasing difficulty of finding, permitting and building mines. Moreover, the same financial market upheaval that is driving gold prices higher is also making it more difficult to finance new mine developments, especially considering the substantially higher costs of new projects today.

While, on balance, I remain somewhat pessimistic about the short-term health of the global economy, I am optimistic about Barrick's prospects. In the midst of a new era for gold, we are the gold industry leader. In 2009, we translated our bullish outlook into action, by eliminating all of our remaining Gold Hedges. As a result, Barrick offers shareholders unique leverage to gold with both the largest production and largest reserves in the industry.

We continue to believe that our shares offer investors an exceptional opportunity to participate in the gold market relative to our peers or to the gold exchange traded funds. Over the long term, Barrick management – with an excellent track record of acquisition-led growth and major new mine development – has proven its ability to ensure Barrick shares outperform spot gold.

Despite the multi-billion dollar cost of fully eliminating our Gold Hedges during 2009, we have maintained our 'A' rated balance sheet, the only one in our industry. Conservative fiscal management has always contributed to our financial strength and has defined Barrick since its inception. Our financial capacity is that much more

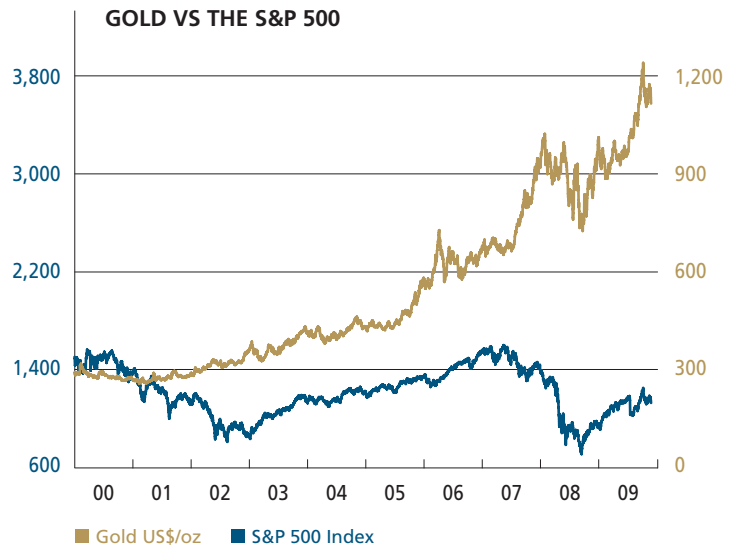
## Message from the Chairman

important, considering we have a large pipeline of economically viable projects to provide us with organic growth – projects that will continue to lower our cash cost profile. Two of these projects, Buzwagi in Tanzania and Cortez Hills in Nevada, are now in production. Equally, both the Pueblo Viejo project in the Dominican Republic, and the Pascua-Lama project in Chile and Argentina, are in construction and remain on track and on budget. When complete, these world-class, long-life mines will add low cost production to our portfolio.

On a personal and sombre level, our optimism for the future, evolving during 2009, was cruelly tempered late last year by a personal tragedy for all of us at Barrick. In December 2009, Greg Wilkins, my dear friend and colleague of over 25 years, passed away following a courageous battle with cancer. As our President and CEO, Greg, with his bold leadership, strategic vision and an unyielding passion for success, helped to cement Barrick's position as the global leader in our industry. Since the day we started Barrick, Greg remained focused on our primary commitment: to deliver strong performance and returns for our shareholders. As Barrick's Founder and Chairman, I can assure you that we shall carry on this tradition.

I would also like to extend my gratitude and appreciation to Peter Godsoe, who retires from our Board of Directors this year. Peter has been a member of the Board since 2004 and his wise and level-headed counsel will be greatly missed.

Equally, I wish to thank Barrick's talented and dedicated team of more than 20,000 employees on virtually every continent of the globe, who every day contribute to the success of this great Company in so many ways. Your passion for Barrick and your



commitment to the Company are fully recognized by us and greatly appreciated.

In conclusion, I must acknowledge and congratulate Aaron Regent on his first year as our new President and Chief Executive Officer. Over the past year, he has consistently demonstrated the creativity and keen strategic insight we were looking for in a chief executive. As Barrick's first CEO appointed from outside the Company, Aaron continues to introduce ideas that are creative, innovative and invigorating. He also adds a new and dynamic dimension to our strategic decision-making process. I am absolutely confident that, matched with Barrick's track record of excellence and our tradition of integrity, Aaron will build exceptional value for shareholders, now and well into the future.

**Peter Munk**  
Founder and Chairman