

Operations



The Goldstrike mine in Nevada continued to be a significant contributor in 2009 with gold production of 1.36 million ounces.

In 2009, Barrick produced 7.4 million ounces of gold. This represents the industry's highest production in a year of record highs for the gold price. Once again, the Company was within its production and cost targets. The strength of our 26-mine portfolio allows Barrick to absorb unplanned disruptions at certain sites, while continuing to meet expectations.

Barrick's operational structure is another key strength for the Company. Our operations are organized in regional business units (RBUs), allowing local management to customize corporate strategies to meet the unique conditions of each region. Each RBU draws on the strengths of other regions as well as the corporate head office.

In February 2010, Barrick announced the creation of African Barrick Gold (ABG), a new company whose equity it will seek to list with the United Kingdom Listing Authority and to admit to trading on the London Stock Exchange, subject to market conditions. ABG also intends to seek a future listing on the Dar es Salaam Stock Exchange in Tanzania. African Barrick Gold will hold Barrick's African gold mines and exploration properties. ABG will offer approximately 25% of its equity in an initial public offering (IPO) and Barrick will retain the remaining interest. This return of capital to Barrick is expected to provide increased financial capacity to fund the Company's pipeline of development projects.

African Barrick Gold is expected to produce approximately 800,000–850,000 ounces of gold in 2010 and had total reserves of 16.8 million ounces (100% basis) as of December 31, 2009. As an Africa-focused public company, Barrick expects that ABG will be better positioned to generate shareholder value from its operating platform and that its range of growth options and ability to finance those options will be expanded and the intensity with which these options will be pursued will be improved. ABG will have an incentivized management team and an experienced Board of Directors. In addition, Barrick expects that listing on the Dar es Salaam Stock Exchange will enhance the profile of the new company in Tanzania and allow for local participation in this national champion.

Barrick expects production to grow to 7.6–8.0 million ounces in 2010, net of the ABG IPO, at lower total cash costs of \$425–\$455 per ounce or net cash costs of \$345–\$375 per ounce. Higher production is driven by the start-up of Cortez Hills, a full year of operations at our new Buzwagi mine in Tanzania and higher production from the Veladero mine in Argentina as a result of access to higher grades and increased throughput from a crusher expansion completed in the latter half of 2009.

The North America business unit continued to be our largest contributor, delivering 2.8 million ounces of gold in 2009. Nevada drives the region and is home to seven of its 10 mines including the flagship

Goldstrike operation. Goldstrike produced about 1.4 million ounces of gold in 2009, while entering a high waste stripping phase in the latter half of the year; this is expected to be complete in mid-2010.

The Cortez mine in Nevada produced about 518,000 ounces of gold in 2009. The Cortez property is expected to produce 1.08–1.12 million ounces at low total cash costs of \$295–\$315 per ounce in 2010. We have continued to add new reserves and resources since acquiring this highly prospective asset.



The Veladero mine in Argentina is expected to increase production to 1.09–1.16 million ounces in 2010 as a result of increased throughput from a crusher expansion completed in 2009 and access to higher grades.

South America remains our lowest cash cost region, producing 1.9 million ounces in 2009. Lagunas Norte in Peru produced just over 1.0 million ounces for the fourth year in a row at low cash costs below \$140 per ounce. At the Pierina mine, also in Peru, successful in-fill drilling results have extended its expected life to mid-2013.

Production from the Veladero mine in Argentina benefited from access to higher grades in the Amable and Federico pits, as well as from a crusher expansion completed in the latter half of 2009, which increased throughput from 50,000 to 85,000 tons per day. Veladero’s production



Peter Kinver, Executive Vice President and Chief Operating Officer

“In 2009, our portfolio of operations continued its track record of achieving operating targets. These results demonstrate one of the key strengths of our diversified asset portfolio – dependability.”



The Buzwagi mine in Tanzania was commissioned in May 2009 on time and on budget – another example of Barrick’s successful track record of mine development.

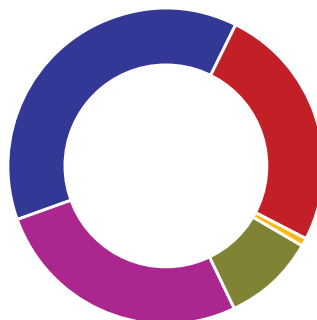
is expected to grow significantly to 1.09–1.16 million ounces in 2010.

The Australia Pacific business unit produced about 2.0 million ounces of gold in 2009. The Porgera mine in Papua New Guinea remains the largest contributor to the region with production of about 551,000 ounces. Our extensive land position in the highly prospective country of Papua New Guinea will be a key focus of our exploration programs in the Australia Pacific RBU, with about 15% of our total global exploration budget allocated to this country. We believe Papua New Guinea will provide opportunities for longer-term growth.

The Africa business unit produced about 716,000 ounces and benefited from the start-up of our new Buzwagi mine in Tanzania in

May 2009, on schedule and on budget. Buzwagi successfully ramped up by the end of 2009 and is expected to produce 240,000–260,000 ounces in 2010 at low total cash costs of \$310–\$350 per ounce to Barrick’s account.

2009 PRODUCTION
(thousands of ounces)



- North America **2,810**
- Australia Pacific **1,977**
- South America **1,889**
- Africa **716**
- Other **31**

Our copper business continued to generate significant cash flow for reinvestment in our core gold business. Production from our two copper mines, the Zaldívar operation in Chile and the Osborne mine in Australia, was 393 million pounds in 2009. Copper cash margins per ounce were robust at about 63% of the average realized price as the Company benefited from its copper hedge position. The average realized price of \$3.16 was \$0.82 per pound higher than the average spot price for the year.

Utilizing option collar strategies, the Company has put in place floor protection on approximately 80% of expected copper production for 2010 at an average price of \$2.19 per pound, but can fully participate in copper price upside on approximately 100% of 2010 production up to a maximum average price of \$3.63 per pound.

Barrick continues to look for opportunities to increase the value of its portfolio of operations. In 2009, we acquired the remaining 50% interest in the Hemlo operation in Ontario, and have subsequently increased the expected mine life of this operation. In our key region of Nevada, reserves grew at a number of operations including Cortez, South Arturo (located on the Goldstrike property) and Bald Mountain, where the Company plans to increase production capacity in the future.