Financial Strategy

In 2006, we successfully returned to the debt markets with an innovatively structured financing. We issued a $1 billion copper-linked note to take advantage of strong copper prices and attractive market conditions for long-term debt. We issued $400 million in 10-year notes and $600 million in 30-year notes to fund development projects and to pre-finance upcoming debt maturities.

The financing was structured to accomplish two of our goals: to raise $1 billion of long-term liquidity, and to allow us to repay the notes by delivering the dollar equivalent of 324 million pounds of copper over the next three years, at attractive prices.

The market viewed this as one of the most innovative financing deals done to date in the mining industry. As a result of our strong balance sheet, we were able to maintain our credit ratings from Moody's, Dominion Bond Rating Service, and Standard & Poor's for the issuance.

With the Placer Dome acquisition, we decided to increase our existing credit facility from $1 billion to $1.5 billion and to cancel the legacy Placer Dome facility of $750 million. This arrangement provides us with access to short-term liquidity for bridge financing at better pricing than each company was receiving individually.

Also, in 2006, we issued another tranche of $50 million of bonds in the Peruvian capital markets, bringing the total debt issued in this manner to $100 million. The issue was done at very attractive rates and has allowed Peruvian investors to become our partners in Lagunas Norte, a project of great importance to their country.

In 2007, we expect to repay $600 million of debt maturities, in keeping with the Company's conservative financial philosophy. Over the next seven years, Barrick expects to spend $7 to $10 billion in further developing its project pipeline, maintaining its strong exploration program, and funding its sustaining capital requirements.

Barrick has maintained, and is committed to maintaining, a strong balance sheet. We forecast that, at current commodity prices, the Company can finance its project pipeline, without equity dilution, while maintaining its investment grade credit rating.

Reducing the Forward Sales Program

Barrick is positive on the long-term outlook of the gold price and has positioned itself for greater leverage to higher prices.

In 2006, we successfully eliminated Placer Dome's 7.7 million ounce gold hedge book. We completed this action within six months of acquiring the company, to give the newly acquired ounces full exposure to rising gold prices.

We also reduced the Barrick fixed price Corporate Gold Sales Contracts by 1.7 million ounces in 2006, and completely eliminated the fixed price position by February 21, 2007. This has occurred more than two years earlier than our previously stated target, and is consistent with our positive view for higher gold prices.

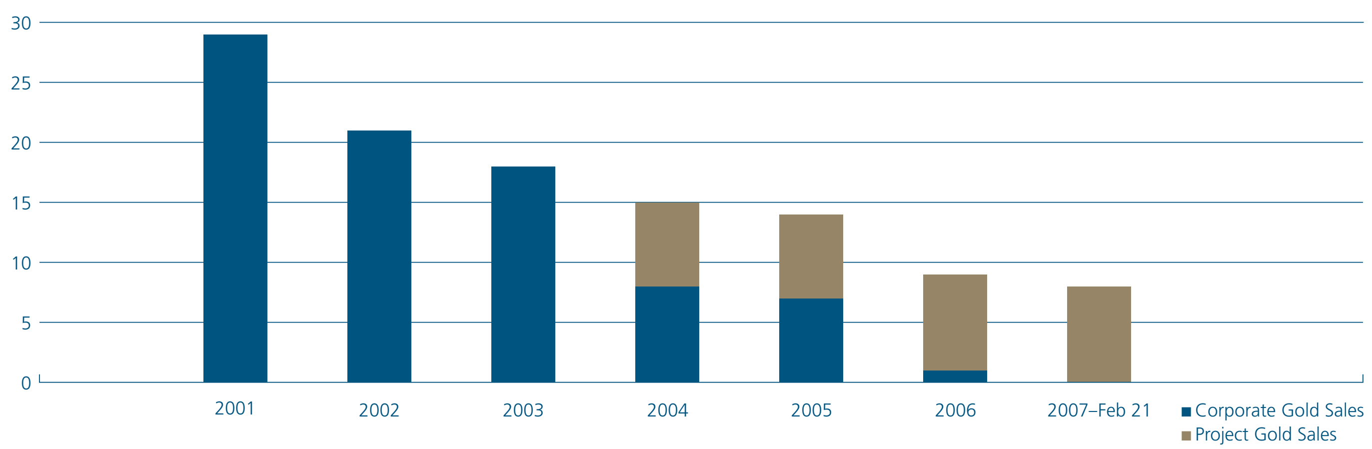
As of February 2007, Barrick has 9.5 million ounces of Project Gold Sales Contracts, which have been allocated to facilitate the financing of our pipeline of projects, including Pascua-Lama, Pueblo Viejo, Donlin Creek, and Reko Diq. These contracts will provide price support for these future financings, and represent about 26% of Barrick's 36 million ounces of undeveloped gold reserves.

Currency and Commodity Risk Management

Barrick has always placed a high priority on cost control and reduction. As our global footprint has grown over the years, our foreign currency exposure now makes up approximately 30% of our total cash costs. Our mine sites are also large consumers of energy such as diesel, gas, oil and propane for equipment and general power use.

As such, we have developed and maintain an active risk management program where we monitor long-term exposures and use appropriate financial instruments to mitigate our currency and commodity risks. This program has generated over $360 million to operating cash flow over the last three years and is expected to continue to contribute as we remain disciplined in controlling costs.

Total Fixed Price Forward Sales as a % of Company Reserves



Internal Controls and Compliance

Management has a framework for the evaluation of internal controls throughout the business supported by a Compliance function as well as an Internal Audit process. The framework includes the review and assessment of controls as envisaged by the Sarbanes-Oxley requirements. The results of our assessment made through the application of this framework enabled us to conclude that the system of internal controls over financial reporting, including disclosure controls and procedures, is effective. The assessment of the legacy Placer Dome sites was not required to be performed as part of the 2006 Sarbanes-Oxley driven process per the Securities and Exchange Commission; however, we did complete substantial preliminary reviews of these operations in 2006, in discharging our commitment to maintain the integrity and reliability of our consolidated financial statements and in preparation for their full inclusion in our 2007 assessment.

We are leveraging the internal controls framework in our business improvement initiative to standardize processes, including financial management procedures, to further improve reporting performance, information quality and capacity utilization in support of our overriding objective of increased shareholder value.