# North America

## Regional Business Unit

# 46

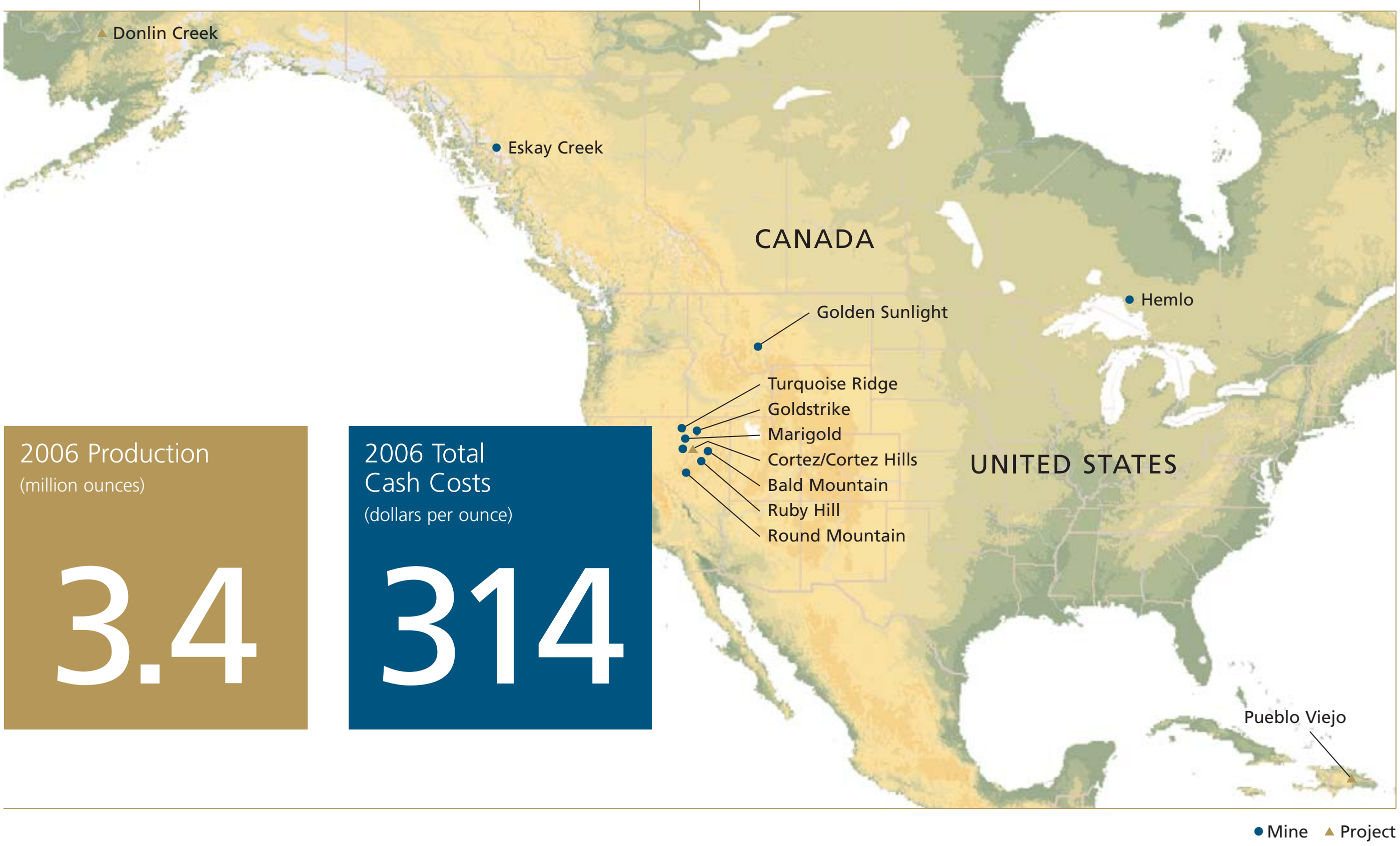
million ounces of proven and probable reserves

2006 Production
(million ounces)

**3.4**

2006 Total Cash Costs
(dollars per ounce)

**314**




- Goldstrike celebrated 10 years of underground mining, 20 years of open pit mining, and 30 million ounces of gold production
- Exploration at Pueblo Viejo increased reserves on a 100% basis from 13 million ounces to 18 million ounces, and R&D shows potential to significantly increase recoveries of copper, silver and zinc
- Ruby Hill mine in Nevada poured first gold in February, 2007
- Exploration drilling at Cortez Hills underground expanded proven and probable reserves to 5.1 million ounces

### Regional Overview

With the acquisition of Placer Dome, our North America region now consists of 10 operating mines and three large projects. It is our largest region by production and reserve measures, with 46 million ounces of proven and probable reserves and 15 million ounces of measured and indicated resources. The region is expected to produce about 3.15 to 3.25 million ounces of gold in 2007, at total cash costs of about $370 to $385 per ounce.

In Nevada, the region's largest cluster of operations, we moved quickly to integrate the acquired assets and began realizing the financial and operational benefits of our larger, stronger portfolio.

2006 marked a major anniversary for Goldstrike: 10 years of underground mining, 20 years of open pit mining, and cumulative production of 30 million ounces of gold. It is our flagship operation, and our single largest mine. In 2007, Goldstrike will produce about 20% of our total gold production, and it hosts 16 million ounces of proven and probable reserves.

This property, with its world-class mining and processing facilities, is the Company's center of operating excellence. We often transfer experience and lessons learned here to our other sites. For example, Cortez and other mines are now benefiting from knowledge gained in the Goldstrike tire management program, which has had the dual result of saving money and improving equipment availability. The Western 102 Power Plant at Goldstrike met all expectations in 2006, its first full year of operation, and reduced total cash costs at the property by $9 per ounce of gold produced.

Our most advanced project is Cortez Hills, located 60 miles from Goldstrike in Nevada and in which we have 60% ownership. This project is part of the Cortez property, which covers 1,080 square miles on one of the world's most highly prospective mineral trends. Capital costs on a 100% basis are estimated at about $480–$500 million, including the development of two open pits and twin exploration declines to delineate the underground potential. Ore from the two pits will be conveyed across the valley to be processed at existing facilities.

We made significant progress at our 60%-owned Pueblo Viejo project in the Dominican Republic, which has a large, world-class reserve of 18.1 million ounces on a 100% basis. This project took a major step forward in early 2007 when the Dominican Republic government officially approved its Environmental Impact Assessment. We have used Barrick expertise to review and update the 2005 Placer Dome feasibility study for this project. While capital costs have risen to about $2.1–$2.3 billion (100% basis) due to inflation and changes in project scope, design changes are expected to result in the recovery of significant amounts of zinc, silver and copper.

The Ruby Hill mine in Nevada poured gold in the first quarter of 2007. This is the fifth mine Barrick has commissioned in the last two years, and demonstrates the Company's ability to develop projects successfully.

## Exploration

North America remains our key exploration focus, with $69 million of the total 2007 exploration budget of about $170 million to be spent in this region, most of it in Nevada. The Placer Dome acquisition greatly expanded our opportunities, by adding Cortez, Bald Mountain and Turquoise Ridge/Getchell to the Barrick portfolio. Our 2007 exploration programs will follow up on the positive results returned this year.

In Nevada, the main focus for 2007 will be to add resources around our existing operations, and to prioritize and test new targets on our extensive land holdings on the state's three most prospective trends.

As an example, at the Cortez joint-venture property, the exploration group is testing for extensions of known mineralization along strike and at depth, and also looking for new mineralization. At the Cortez Hills Lower Zone, where known mineralization has been expanded significantly, in-fill and extension drilling will continue through 2007.

Successful drill programs were also completed at Bald Mountain and at Dee-South Arturo, where mineralization was upgraded and expanded.

At Pueblo Viejo in the Dominican Republic, we will conduct drilling to expand mineralization between the Moore and Monte Negro pits, and follow up with infill and extension drilling to test regional targets.

## 2007 Opportunities

We anticipate steady operations at our existing sites, where we focus on operational excellence and cost containment. We will continue to look for ways to optimize use of our processing facilities at Goldstrike so that we can expand their range of profitable operations – with toll milling of ore, for example – and leverage our investment in that infrastructure.

At Cortez Hills, we plan to complete the Environmental Impact Study this year and expect to receive a Record of Decision enabling the start of pre-production waste stripping in 2008.

At Pueblo Viejo, our 2007 goals are to optimize the mine plan, update the EIS, conduct detailed engineering to facilitate sectoral permits, and finalize government negotiations in advance of providing a Notice to Proceed by February 2008.

At Donlin Creek in Alaska, our focus is to deliver a feasibility study to our joint-venture partner and fulfill the back-in requirements to earn a 70% interest. We will continue drilling to increase and upgrade the 20 million ounces of measured and indicated resources.

# South America

## Regional Business Unit

# 38

million ounces of proven and probable reserves


● Mine ▲ Project

- Lagunas Norte (Peru) exceeded expectations, producing 1.1 million ounces of gold at total cash costs of $100 per ounce
- Veladero (Argentina) produced 511,000 ounces at total cash costs of $168 per ounce, achieving the target for its first full year of operation
- Zaldívar (Chile) produced 308 million pounds of copper at total cash costs of $0.62 per pound
- Pascua-Lama received environmental approvals from Chile and Argentina

2006 Production
(million ounces)

**2.1**

2006 Total Cash Costs
(dollars per ounce)

**147**

### Regional Overview

The start-up of our new generation of mines in 2005 paid off in 2006, with the region producing more ounces, at very low total cash costs. We saw this strength in all our mines – established, newly built, and newly acquired. The region is expected to produce approximately 1.85 to 1.93 million ounces of gold in 2007, at total cash costs of about $230 to $245 per ounce and approximately 315 million pounds of copper at total cash costs of about $0.80 per pound.

Lagunas Norte and Veladero both had excellent performances in their first full year of operation. Zaldívar, our newly acquired copper mine from Placer Dome, proved a powerful addition to our portfolio, allowing the Company to take advantage of robust copper prices throughout the year to generate significant cash flow and earnings. Pierina (Peru) continues to be a success, producing more than one-half million ounces of gold at lower total cash costs per ounce than anticipated.

In December, our Pascua-Lama project received environmental approval from the Argentinean government, after a thorough, intensive two-year review that included detailed examination by a commission of independent scientific professionals. With environmental approvals from both Chile and Argentina now in place, we are developing detailed engineering plans and

**Pascua-Lama:** Its development will benefit from our decade of experience in South America, strong local and regional community support, and existing infrastructure (including roads, water, camps, and power supply) at Veladero, just 6 kilometers away. The Veladero pit is visible, center-right above.

have begun submission of documentation to obtain the sectoral approvals and permits that are required prior to initiating construction in either country. The Pascua-Lama project has strong support from local citizens and regional stakeholders in both countries. Pascua-Lama's approval in Chile, for example, has some 400 conditions that will ensure it is an environmentally responsible project. One of our objectives is to help the people in the region find ways to grow their economy, skills and infrastructure for long-term benefit. As a result, this large, long-life mine will not only contribute low cost ounces to Company production, it will also offer jobs and community development in the region for many years to come. We believe Pascua-Lama will be a model for sustainable, meaningful development.

### Exploration

With the environmental permitting of Pascua-Lama completed, the Company intends to resume exploration in the Frontera district in 2007 with a budget of about $30 million. New gold and copper-gold targets which were outlined by early stage exploration in 2006 will be drill-tested in 2007.

### 2007 Opportunities

Over the years, we have done extensive engineering and permitting for one of the most significant development projects in our history: Pascua-Lama. Now, in 2007, we expect to make further progress toward construction permits.

The timing is excellent. We now have 10 years of experience in South America; we operate four mines in the region, three of which we built ourselves; and we have an excellent track record in responsible mining. We will use the power of all these resources to unlock the value of this world-class gold-silver deposit, which already has 17 million ounces of proven and probable gold reserves, and a further 689 million ounces of silver contained within those reserves.

The pre-production capital cost estimate at Pascua-Lama has been updated from $1.4–$1.5 billion to about $2.3–$2.4 billion, reflecting inflationary pressures affecting the mining industry as well as design improvements and scope changes. Once in operation, Pascua-Lama is expected to produce an average of about 750,000–775,000 ounces of gold and about 35 million ounces of silver a year in the first five years of an estimated 23-year mine life at total cash costs of about $40–$50 per ounce of gold (including silver credits). These cash costs are expected to be near the bottom of the operating cost curve for the industry. Pascua-Lama will benefit from existing infrastructure, processing, staffing and experience from the Veladero mine, located less than 10 kilometers away.

# Australia-Pacific

## Regional Business Unit


22

million ounces of proven and probable reserves

- Cowal mine started operations in April 2006
- Porgera expected to be a solid producer for years to come
- Osborne copper production expected to increase by over 40% in 2007 to about 85 million pounds

2006 Production
(million ounces)

2.2

2006 Total Cash Costs
(dollars per ounce)

353

### Regional Overview

The Australia-Pacific region grew in size and strength in 2006. We now have 10 operating mines, which are expected to produce 2.2 to 2.3 million ounces of gold in 2007, at total cash costs of $385 to $400 per ounce.

The Cowal mine entered production in late April, and is expected to produce approximately 240,000 ounces of gold in 2007, at total cash costs of about $315 per ounce.

In Papua New Guinea, remediation work is being completed on the West Wall at Porgera. Production levels were affected by this work in 2006, and are expected now to rise again. Barrick owns a 75% interest in this joint venture and operates the mine. We expect Porgera to be a solid producer for many years to come. Our share of reserves and resources stands at seven million ounces of proven and probable reserves, and two million ounces of measured and indicated resources.

Our Osborne mine, benefiting from higher copper prices, commissioned its first satellite project in October. This project will supplement ore from the mine's underground operations. Osborne is expected to produce about 85 million pounds of copper in 2007, at total cash costs of approximately $1.35 per pound.


**Cowal:** Entered production in April 2006, the fourth in Barrick's new generation of mines announced for development in 2004, and the ninth we have built in the last 10 years.

In 2006, our Australian business unit, in conjunction with our Corporate office, identified an opportunity that led us to partner with Antofagasta plc to purchase Tethyan Copper Company. We acquired a 37.5% interest in the Reko Diq copper-gold project on the highly prospective – and largely unexplored – Tethyan gold belt in Pakistan. The project as a whole has an indicated resource of 15 billion pounds of copper and 10 million ounces of gold plus an inferred resource of 12 billion pounds of copper and 12 million ounces of gold. We are currently working with Antofagasta to advance the infill drilling program and complete a scoping study for the project in 2007.

### Exploration

Exploration in this region is focused primarily around our mine sites, where we can add value at existing operations. We have also begun initial exploration for iron-oxide copper-gold targets in South Australia.

Drilling at Porgera shows excellent potential for reserve additions at depth, and further laybacks to the existing pit are also being contemplated. This potential, and the existing strong production, make Porgera a valuable part of our portfolio.

At Reko Diq in Pakistan, a 95,000 meter drill program, which commenced in the second half of 2006, will continue through 2007. The focus of this program is to confirm and upgrade resources previously defined at the Western Porphyries and Tanjeel areas, with the objective of preparing a new resource statement.

### 2007 Opportunities

Overall, the Australia-Pacific region provides Barrick with strong, steady production from a group of stable mines. We expect production to rise in 2007, mainly because of higher contributions from both Cowal and Porgera. In total, this region represents over 25% of our 2007 production base.

We are starting to see some stabilization of cash costs in Australia, which have been subject to upward pressure over the last few years because of the country's base metals mining boom and resulting competition for labor. This pressure has begun to abate, and in addition we are starting to feel the benefits of the employee retention programs that we put in place to help address the issue.

Our continued exploration programs and higher gold prices are helping to extend the life of a number of our mines in the region.

# Africa

## Regional Business Unit

# 17

million ounces of proven and probable reserves


- Portfolio rationalized with sale of South Deep for $1.5 billion
- Feasibility study completed at 2.6 million-ounce Buzwagi project
- Drilling at Kabanga indicates it is one of world's largest nickel-sulphide deposits
- Pre-feasibility began at Sedibelo platinum project, for completion in 2007

2006 Production
(thousand ounces)
**914**

2006 Total Cash Costs
(dollars per ounce)
**315**

### Regional Overview

Barrick's Africa region, formerly part of the Australia region, became an autonomous business unit during the 2006 integration of Placer Dome assets, strengthening the Company's decade-old presence on this continent. The region is highly prospective, and we are excited about the gold, nickel and platinum group metals opportunities within this portfolio.

Our African business unit contains three operating mines and three projects, with all but the Sedibelo platinum project located in Tanzania. This region is expected to produce about 825,000 to 875,000 ounces of gold in 2007, at total cash costs of about $310 to $325 per ounce.

In December, Barrick sold the South Deep mine to Gold Fields for a full and fair price of $1.5 billion. Its sale provides value to our shareholders, and allows management to focus on key operations and projects.

Tulawaka completed its first full year of operations, producing 98,000 equity ounces of gold at total cash costs of $280 per ounce. It is an excellent example of the value that small projects can add to the bottom line, when they are quickly developed and well-managed.

Our other two operating mines, Bulyanhulu and North Mara, both exceeded their 2006 targets. They are long-life, stable producers, and create value by anchoring


**Tulawaka:** A small but high-return open pit mine that strengthens our presence on Tanzania's highly prospective Lake Victoria greenstone belt. Buzwagi, our new project on the belt, will benefit from experience gained building Tulawaka, plus shared infrastructure and training and manpower opportunities.

our presence in Africa. From this solid base, we have already brought one new mine into production, and are now steadily advancing our other projects.

## Exploration

In 2006, Barrick spent $22 million in this region and focused its efforts in Tanzania with a balanced strategy between minesite activities and grassroots exploration on the Lake Victoria greenstone belt. We advanced our understanding of the underground potential at North Mara and airborne geophysical surveys identified new regional targets that will be tested in 2007.

## 2007 Opportunities

We are encouraged by the potential we see at our three projects in this region.

At Kabanga, our 50% joint-venture partner, Xstrata PLC, will complete the drilling program and pre-feasibility study begun in 2006, as part of an agreement with Barrick. As the operator, Xstrata has already spent $50 million, and is committed to spend an additional $95 million in order to complete a full feasibility study, expected in the latter part of 2008. Results to date indicate that Kabanga is one of the largest and highest grade nickel-sulphide deposits in the world.

This is an excellent example of one of the methods that Barrick uses to realize the value of assets within the portfolio. Initial work by our exploration teams at Kabanga, which was part of the Sutton Resources transaction, demonstrated a significant resource. We then partnered with a leading nickel company, whose expertise will allow us to maximize the opportunity it represents for our investors.

In 2006, we completed a feasibility study and an Environmental Impact Assessment (EIA) at Buzwagi. This gold project, close to the Bulyanhulu mine, has 2.6 million ounces of proven and probable reserves, and an additional 0.4 million ounces of measured and indicated resources. A major milestone was reached in February 2007 when we signed a Mineral Development Agreement (MDA) with the Tanzanian government. In 2007, we expect to complete a detailed construction design and receive EIA approval.

We expect to complete the Sedibelo pre-feasibility study during 2007. Barrick has the right to earn into a 50% interest in this platinum-palladium project in South Africa. The deposit contains measured and indicated resources of 3.8 million ounces of platinum and 1.7 million ounces of palladium. Sedibelo is located in the Bushveld Complex, one of the world's most prolific platinum districts, and has excellent economic potential. Drilling will continue for most of 2007 to confirm additional targets in the lease area. Our partner on this project is a local South African tribe, whose 50% ownership significantly exceeds local requirements for Black Economic Empowerment.