

# Beyond Borders



A BARRICK GOLD QUARTERLY REPORT ON RESPONSIBLE MINING • DECEMBER 2007



**FOCUS** Improving Education in Tanzania PAGE 6

## Featured in this edition

A six-year educational partnership with CARE Tanzania has more than doubled secondary school enrolment in a district suffering from limited access to education and poor student test scores. CARE documents a dramatic turn-around in the region, as the benefits of new classrooms and better trained teachers take hold in the communities.

For the first time, the Dow Jones Sustainability Index ranked Barrick among North America's leading companies for corporate social responsibility. Responding to the news, Greg Wilkins, Barrick President and CEO remarked, "We are convinced that our global commitment to responsible mining is making us a stronger and more successful business."

Barrick also stepped up its investments in renewable energy, announcing the company will build a solar farm in Nevada and a large wind farm in Chile. The company is also investing in new infrastructure to bring electricity to people living near its remote North Mara mine in Tanzania for the first time.

Mine rescue and safety issues were also prominent last quarter, as the company's emergency response teams in South America took part in rescue efforts following the devastating earthquake in Peru. In September, the company's top safety and emergency response experts from nine countries gathered in Elko, Nevada for the first-ever Global Mine Rescue Summit.

Some of the communities near Barrick's mines in South America are also represented in this report. In Chile's Huasco Valley near the Pascua-Lama project, community associations representing mothers, seniors, civic leaders and others express in their own words why they support the project. In Peru, local people from five communities took part in water quality monitoring to ensure the company is meeting its public safety commitments. Finally, in this edition, read an update on Barrick's plans to certify its mines worldwide under the International Cyanide Management Code by 2008.

Welcome to the inaugural edition of *Beyond Borders*. The name of this quarterly report captures Barrick's vision as a truly global company. It also describes our ongoing efforts to meet the highest international standards for Responsible Mining, regardless of geographic boundaries. We recognize our responsibility to protect the environment and contribute to the welfare of people and the development of sustainable communities, wherever we do business. We will always strive to continuously improve, applying lessons learned from our operations and partners around the globe.

Greg Wilkins.  
President and CEO, Barrick Gold Corporation

## NEWS HIGHLIGHTS

- CARE partnership in Tanzania doubles high school enrolment
- Dow Jones Sustainability Index ranks Barrick as leader
- Barrick responds to Peru earthquake, employees assist with reconstruction
- US\$10 million innovation challenge to unlock the silver at Veladero mine in Argentina
- Global Reporting: Why and where Barrick is investing in education
- Barrick to certify its mines under Cyanide Code
- Global Mine Rescue Summit marks industry first
- Barrick to build solar energy farm in Nevada, increase renewable energy use
- US\$68 million in clean energy projects in Chile and Tanzania
- Communities near Pascua-Lama project issue open letter of support
- Local residents participate in water quality monitoring in Peru



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# Beyond Borders News

## Barrick named to Dow Jones Sustainability Index

Barrick Gold Corporation has been added to the annual Dow Jones Sustainability Index (DJSI) - North America for the first time, ranking the company as best-in-class for its ongoing commitment to sustainability.

One of the world's foremost indices of corporate social responsibility, DJSI is based on a comprehensive review of sustainability practices by companies. Independent research conducted for DJSI focuses on a broad range of economic, social and environmental performance criteria, using both general and industry-specific measures.

"We are very pleased that Dow Jones has recognized Barrick as a leader in corporate social responsibility," said Greg Wilkins, Barrick President and CEO. "I know that our employees are committed to responsible mining practices every day and have made this significant recognition possible." Established in 1999, DJSI is used by investors and asset managers as a benchmark and is considered influential in investment decision-making for socially responsible investors.



A family living near North Mara mine in Tanzania benefits from a livestock improvement program. Pictured with them is Bill MacNevin, the mine's general manager.

## Increasing renewable energy use in Nevada

Barrick has announced plans to build a one megawatt solar farm in Nevada, reflecting the company's growing investment in clean power. The 10-acre energy farm will be built next to the company's 115-megawatt natural gas power plant east of Reno and is expected to be in operation in December. The solar farm will supply renewable energy to the power plant, which services Goldstrike, the company's flagship mine, and other mines in the region. This new source of solar power will help Barrick to meet Nevada state targets for renewable energy use.

The criteria for meeting those targets were recently clarified, when the Nevada legislature approved Assembly Bill 1, renewable energy legislation which encourages geothermal energy use through incentives, in order to reduce electricity and fossil fuel consumption. The bill also promotes additional energy efficiency measures by larger power users in the state such as Barrick.

The legislation was supported by Barrick and environmental groups such as the Sierra Club of Nevada and the League of Conservation Voters. Barrick worked closely with renewable energy advocates to support the measure's approval. The company also plans to use a combination of solar and geothermal energy at its new Elko, Nevada administration building.

## Barrick emergency response teams assist in Peru

When a 7.9-magnitude earthquake left at least 500 people dead and thousands homeless in Peru, 40 emergency response personnel from Barrick's mines in South America were immediately sent to be part of rescue operations in the quake-affected areas. In Pisco, the most devastated city in the region, Barrick teams from Peru, Argentina and Chile searched for victims buried under the rubble of destroyed buildings. The company also donated and provided air transport for critical medicine to the Pisco hospital for 300 trauma patients.

Barrick is continuing to respond to the earthquake's devastating aftermath. The company's community development team is working with government officials, NGOs and the Canadian embassy in Lima to ensure a well-coordinated response. Barrick's geotechnical and construction experts are contributing their skills and experience to support reconstruction efforts.



Most of the worst affected are the region's poorest residents who live in substandard housing. Barrick is donating 100 quake resistant homes, working in partnership with the non-profit organization Un Techo para mi Pais (A Roof for My Country). Many Barrick employees are personally donating their time to build the new homes. The company has also supported the vital relief efforts provided by World Vision.

In total, over 10,000 families were affected by the earthquake.



## Water infrastructure in Tanzania gets boost

Barrick recently announced an additional US\$100,000 investment in water projects for communities surrounding its Bulyanhulu mine in Tanzania. This latest investment builds on the company's successful water infrastructure program that is already serving more than 10,000 people in villages surrounding the mine. A scarcity of clean and reliable drinking water in the region often forces villagers to walk long distances to find water, sometimes up to eight kilometers.

The Bulyanhulu mine has completed a number of water projects in local communities, including the construction of 23 boreholes and wells at a cost of approximately US\$555,000. The most recent donation will be used to drill more boreholes for nearby villages, particularly at schools and medical clinics. These upgrades will significantly improve water access for local residents.



## Barrick offers US\$10 million to unlock silver at mine in Argentina



Greg Wilkins, Barrick's President and CEO, announces the Unlock the Silver challenge at a news conference in Toronto, Canada.

Barrick is challenging scientists and inventors worldwide, offering US\$10 million to anyone who can come up with a process to recover silver at its Veladero gold mine in Argentina.

Barrick's Unlock the Value program is calling for proposals for an economically viable and environmentally responsible way to increase silver recovery. Barrick currently recovers about 80 per cent of gold from the ore, however just 6.7 per cent of the silver at Veladero. The silver deposit is encapsulated in silica which resists conventional processing methods.

For proposals judged to have merit, Barrick will fund research and development. For a technology that is successfully implemented, the company will pay a performance bonus of US\$10 million.

"We are looking for innovation and new approaches," said Greg Wilkins, Barrick's President and CEO. He also emphasized that any solution must adhere to the company's high standards for environmental protection and social responsibility. Like all Barrick mines, Veladero is committed to responsible environmental stewardship; the mine recently achieved ISO 14001 registration for its environmental management system.

Proposals must be submitted through a special website at [www.unlockthevalue.com](http://www.unlockthevalue.com) with preliminary proposals due by Jan. 21, 2008.

## Community monitors water at Lagunas Norte

Barrick's Lagunas Norte mine in Peru invites members of the public to participate in the operation's water monitoring activities, giving communities an opportunity to see for themselves how the mine is working to protect the environment.

Most recently, representatives from five communities joined mine employees and environmental authorities to conduct water monitoring on the Perejil and Chuyuhual Rivers near the mine. The community members themselves took the samples and the containers were taken to a laboratory for analysis and evaluation. Local residents were allowed to select the laboratory of their choice from a list of qualified testing facilities.

All of the community participants received training in advance regarding water sampling. They then traveled to the laboratory to receive the results in-person, from technicians who explained their analysis, as well as acceptable standards for water quality. The results showed Barrick is meeting all of the requirements for water quality. This initiative is part of Barrick's efforts to build trust with local communities by offering a transparent view of the company's environmental management practices.

This successful program has already been exported to Barrick's Veladero mine in Argentina.



Local community representatives are invited to participate in water monitoring in Peru, near the company's Lagunas Norte mine.



## Investing in innovative energy projects

20 megawatts of energy to Chile's national power grid. Once built, it will be the country's largest source of wind-generated power, consistent with the Chilean government's efforts to promote the development of renewable energy sources. "The Punta Colorada wind farm project is an investment in the power of innovation," said President and CEO Greg Wilkins. "As part of Barrick's efforts to reduce greenhouse gas emissions, we are working on innovative energy strategies, while improving the efficiency of our mine sites."

In Tanzania, Barrick is financing a US\$28 million project to bring electricity to parts of the remote Mara region where the company's North Mara mine is located. The project, a partnership between Barrick and the Tanzanian government, is in line with the government's plan to bring electricity to 25 per cent of the population by 2010. Currently only 10 per cent of the country has access to electricity, largely in urban areas. This initiative will benefit both people and businesses in the area which currently have no access to electricity. Sourced primarily from hydro-electric power, the project will supply energy to a

region that currently relies on diesel-generated electricity.

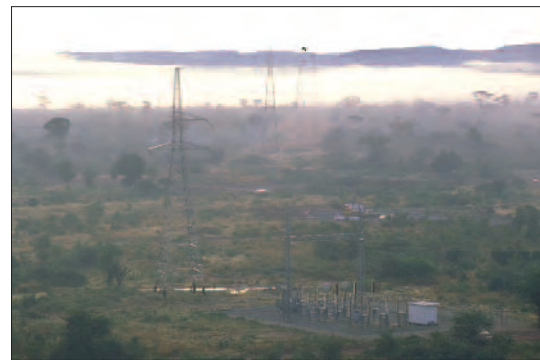
"Bringing electricity to people and businesses in the region will be a tremendous catalyst for community development, while ensuring a cost-effective electricity supply for our business," said Wilkins.

Under the plan, Barrick will finance the construction of transmission lines to the Mara region, which will connect the area to the national power grid by early 2009. The power lines will be operated and maintained by the country's national utility, the Tanzania Electric Supply Company (TANESCO).

This vital electricity infrastructure will be in place long after the mine closes, ensuring lasting benefits to the community.

Barrick will invest approximately US\$68 million in projects that will harness the advantages of clean energy and enhance existing power infrastructure in Chile and Tanzania.

In Chile, Barrick has received approval from national environmental authorities to build a US\$40 million wind farm, located in the Punta Colorada area of La Higuera, Coquimbo Region. The Punta Colorada wind farm project will feature 10 state-of-the-art wind turbines and contribute up to



## Supporting local farmers

Emmanuel Sundir, a farmer near Barrick's Bulyanhulu mine in Tanzania, is confident he will have buyers for his produce and a reliable source of household income for his family. The former subsistence farmer is now selling fruit and vegetables directly to Sodexho, Barrick's catering service provider. Barrick is working in partnership with Sodexho, providing support to over 100 local farmers like Sundir, enabling them and their workers to tap into the demand for fresh produce at the mine. This local procurement program is enabling villages in the area that once existed on subsistence farming activities to generate as much as \$50,000 per year in income. Overall, community purchasing from these villages has grown from 12 per cent to 21 per cent.

## Barrick adopts supplier code of ethics

Barrick has adopted a Supplier Code of Ethics that requires all suppliers to conduct their business operations in a socially responsible and ethical manner. The new policy reflects Barrick's Responsible Mining approach and formalizes the long-standing practice of doing business with suppliers that share a commitment to observe the highest ethical standards and contribute to sustainable economic and social development.

The policy has been designed to help suppliers understand the company's expectations for standards of business conduct in their dealings with or on behalf of Barrick. The company will begin asking suppliers to confirm their commitment to global social responsibility initiatives. This includes the principles set out in the UN Global Compact, one of the world's preeminent global corporate citizenship initiatives. The Global Compact provides a framework for business in the areas of human rights, labor, the environment and anti-corruption. Barrick joined the Global Compact in 2005.

On an annual basis, Barrick will ask all suppliers to review the Supplier Code of Ethics Policy and complete an online declaration that they have understood the Code and agree to fully comply with its provisions. Each supplier must complete a self-assessment scorecard, which will be monitored on a regular basis. The policy is posted at [www.barrick.com](http://www.barrick.com)

## Barrick holds Global Mine Rescue Summit

Barrick's top safety and emergency response experts from around the world gathered in Elko, Nevada for the first-ever Global Mine Rescue Summit. Seventy-seven of the company's top emergency response professionals from nine countries came together for the summit, believed to be an industry first on such a large scale. They shared best practices and took part in realistic emergency scenarios.

At the University of Nevada Reno Fire Science Academy, participants received specialized training in aircraft rescue and fire-fighting techniques using a burning model aircraft. This training is essential for the company's remote fly-in, fly-out operations. At the University Health Care Burn Centre in Salt Lake City, physicians provided training on treating critical burn injuries.

Barrick Chief Operating Officer Peter Kinver and Vice President of Safety and Health Don Ritz attended the Summit to express thanks to the company's mine rescue teams, who are volunteers from Barrick's workforce.

Kinver has pursued a relentless focus on improving safety, based on his experience in South Africa's mining industry, where he

was responsible for operations at one of the world's largest platinum mines. Since joining Barrick in 2003, he has made safety the company's number one operational priority. "It lets me sleep at night knowing that we have such well trained people to react at a moment's notice. Our emergency response teams demonstrate Barrick values. They all act with a sense of urgency, any time, day or night. They raise the bar with training and competition."

The skills they learn through simulated exercises are often put to the test in real-life situations. In October, only a few days after the Summit, a Barrick mine rescue team responded to a deadly fire at an Empire, Colorado hydro



Emergency rescue team members participate in intense fire rescue drill.

plant. One of the company's rescue teams was in the area for training and acted as back up to more than a dozen agencies and emergency professionals at the scene.

Every Barrick employee and contractor receives mandatory safety training. Since 2004, over 17,000 Barrick employees and contractors have taken the company's Courageous Leadership for Safety course.

## Lake Cowal Conservation Center opens

The official opening of the Lake Cowal Conservation Center in Australia was held in November. The event drew students, local farmers, industry, representatives from state and local governments and the the Indigenous community members.

The Center will serve as a hub for environmental education, where students, landowners and the community can learn about sustainable land management practices within the Lachlan Catchment, located in central western New South Wales (NSW). The Center is the result of a partnership between the Lake Cowal Foundation, West Wyalong High School, Barrick's Cowal gold mine and the Lachlan Catchment Management Authority. Its primary aim will be to give students practical experience in environmental conservation. The Center will also engage and educate community members in Catchment management issues, through workshops and research activities, in order to improve sustainable land and water management. The Lachlan Catchment spans approximately 84,700 kilometers primarily within the Wiradjuri Aboriginal tribal area. The area currently accounts for 14 per cent of NSW's agricultural production.



Barrick is also a major sponsor of the Lake Cowal Foundation, which was established in 2000 to protect and conserve the Lake Cowal area, a nationally recognized wetland ecosystem.

## Giving Tanzania's children a chance to learn gets results

Barrick and CARE International Tanzania have announced the results of a six-year partnership which has dramatically improved education for thousands of children and youth living near the company's Bulyanhulu mine.

CARE is recognized as a leading international organization in the fight against global poverty, and with a strong presence in Tanzania, teaming up with Barrick was a logical choice.

"This has been one of CARE's most successful programs in the country," said Nick Southern, CARE country director. "It is to Barrick's great credit that they are making a long-term investment in this region, enabling us to support children from entry level through to high school. This is creating a strong foundation of learning that is a powerful tool against poverty in this region."

In 2001, Barrick invested US\$2 million to fund a long-term education program in the remote Kahama District, then one of the worst performing areas academically in Tanzania. Since that time, primary school enrolment has increased by 75 per cent to over 7,000 children in 2007. Also, significantly more children are now making the transition to high school, where enrolment has more than doubled, from about 800 students in 2001 to 1,885 today. This year, over 89 per cent of the students who completed primary school passed their final exams, up from just 16 per cent prior to the implementation of the program.

Previously, the region suffered from a critical shortage of class-

**Under the program, the first secondary school in Bugarama Ward was built, along with a total of eight new primary schools, complete with teachers' houses and proper sanitary facilities.**

rooms, inadequately trained teachers and a lack of basic learning materials. Overall quality of education in village primary schools was poor and enrolment low. Worse still were transition rates to secondary school. For children of the region's poorest families and orphans, even modest school fees and uniforms were a barrier to entry into the school system.

As Southern recounts, "Many of the schools in the district were dysfunctional. It was like people here had given up." Adopting a grassroots approach, CARE worked in collaboration with Barrick's community



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relations officers, the Kahama District Education Department, the Ministry of Education and parents and community leaders.

Under the program, the first secondary school in Bugarama Ward was built, along with a total of eight new primary schools, complete with teachers' houses and proper sanitary facilities. Professional training was provided to motivate and support teachers in their efforts to help raise academic standards, along with new textbooks and resources.

The company and the community have also attempted to address the exclusion of some economically disadvantaged children from the local school system. Thanks to donations from Bulyanhulu employees and contractors, 150 orphaned students are now attending high school. Village leaders were instrumental in identifying and selecting students from poor families in need of financial assistance. Barrick also funded four highly promising local students to attend the International School in Moshi to ensure these young scholars achieve their full academic potential.

According to Southern, a culture of learning has taken hold in the community that has been embraced by parents and children keen to learn. Barrick and CARE are currently working out the next phase of their successful partnership in the region, building on this promising foundation.

# Global Report: Focus on education



## EDUCATION FOR GIRLS

Barrick's community relations team and CARE workers have identified special educational challenges for girls. In a number of homes, patriarchal traditions mean that girls are often assigned more chores than boys, resulting in less time to study. Reports also indicate some girls have encountered sexual harassment on their way to and from school, affecting their punctuality, attendance and ability to concentrate. Teenage pregnancies and marriages are other reasons for higher female drop-out rates. In Bugarama ward, communities are seeking to dismantle some of the barriers related to gender by planning to raise funds for construction of a hostel for girls.

One female student described changing attitudes toward girls' education: "Now more (girls) have a need to be educated to a higher level compared to the previous time, when they only used to think of being married. They now expect to reach the university." As Samantha Chadwick, Barrick's community relations manager for Tanzania, stated, "We know there is much more work to do to dismantle the barriers girls are encountering both inside and outside the classroom. Nonetheless, the progress we are seeing is very encouraging, as many more girls set their sights on higher learning. We plan to step up our efforts to assist in this area moving forward."

Barrick operates in many different social settings, with varying standards of living. In many places, a lack of essential public funding for education and basic skills training hinders sustainable development and perpetuates the cycle of poverty.

"It is in the company's interest to contribute to socio-economic development," said Greg Wilkins, Barrick President and CEO. "There are distinct business advantages to operating in regions where the population is educated and the company is able to attract and hire locally. In this way, Barrick's business objectives and sustainable community development goals go hand in hand."

In 2006 alone, Barrick invested \$3.1 million on scholarships, for both employees' children and children living in these communities.

**Africa:** Barrick's North Mara mine in Tanzania provides educational support programs for 650 local students and has endowed 22 students with full educational scholarships. For adults, Barrick also offers leadership training programs which enable village council members and others to gain the necessary skills to play a greater role in community development.

Through the Tirisano Mmogo Trust, in South Africa, Barrick is contributing US\$1.2 over a three year period for community development, including HIV/AIDS programs, education and computer upgrades for educational facilities.

**Australia Pacific:** In 2004, a scholarship program was established for Indigenous Wiradjuri students, based on a partnership with the Wiradjuri Condobolin Corporation in New South Wales, Australia. The company's Cowal mine has also funded 31 Endeavour scholar-



Children in Peru near Lagunas Norte mine with school supplies donated by Barrick.

ships since 2006 for local students.

The Kanowna mine and Kalgoorlie Boulder Community High School recently joined forces to help young at-risk girls stay in school, through an innovative basketball and leadership development program. Since the program was implemented, attendance rates have increased from 53 per cent to 90 per cent.

In 2006, Barrick established an adult literacy program for Porgera Valley residents near the company's Porgera mine in Papua New Guinea. This highly successful program is helping to raise literacy rates in the area.

**South America:** This year Barrick established a \$1.3 million partnership with World Vision Canada over five years to develop education, nutrition, and employment skills programs for communities of the Alto Chicama District of northern Peru, near Barrick's Lagunas Norte mine. This project is modeled on the success of an earlier education program underway at Barrick's Pierina mine in Peru.

In 2007, 1,200 teachers near Barrick's Lagunas Norte mine in Peru participated in skills training programs, in partnership with local education departments. This marks the third year Barrick has funded this highly successful program.

In Argentina, Barrick has funded workshops in over 35 educational institutions to promote health and oral hygiene among children and youth. The company also supports teacher training programs and scholarships in engineering and technical skills.



# Communities express support for Pascua-Lama project

In a recent open letter to the Government of Huasco Province in Chile, elected community leaders and citizens' groups representing 6,600 families in the province expressed their support for the Pascua-Lama project.

Pascua-Lama is a large gold mining project

located in the Andes Mountains, straddling the border between Chile and Argentina. The project has been criticized by some activists and external groups based on inaccurate and misleading information. Area residents continue to express strong support for Pascua-

Lama and the benefits it will bring to local communities.

The following excerpts are taken from the letter.

For a complete version of the text visit [www.barrick.com/corporateresponsibility](http://www.barrick.com/corporateresponsibility)

Vallenar, Chile  
August, 2007

"For many years we have seen how our families, friends and neighbors have been forced to leave their homes in search of jobs. We have decided to raise our voices, tired of listening to our fellow countrymen who have no knowledge of our reality and, above all, to foreigners who are speaking about our problems. We have seen how our young people are frustrated when they can no longer pursue their dreams. We have seen dozens of families suffer hunger and poverty. We have witnessed for years how the heads of families have had to search and beg for their livelihood. We have been part of a stagnating city, detained, with no future. We have witnessed how hundreds of people, strangers to our reality and living conditions come here to protest against the Pascua-Lama project..."

"We, as democratically elected leaders, have listened to the company and we have seen how they work...we have visited facilities in the project area. We have been able to confirm that the company is a serious and responsible company, not only socially but environmentally as well.

We are certain that with the skills training courses that Barrick has given us, several of our neighbors are now able to apply for better, safer and adequate jobs. Not only is the labor force benefiting with the starting of the Pascua-Lama project, but also our school children who, through initiatives carried out by the company, are improving the quality of their education..."

"...as an organized community who is fighting for the needs of our neighbors, we are developing joint projects with Barrick...that seek to improve the quality of life of the people who live in this province...(New water management facilities) will enable us to improve our irrigation systems, guaranteeing the amount and the quality of water for all of the Huasco Valley farmers."

"They have accused us of selling ourselves to the company, of being careless and liars. However we are one of the most interested parties in making sure that things are done the way they should be..."

"There are many who fight against our people's progress, to keep them living in inadequate conditions, with no aspirations. But it is time for us to raise our voices demanding the same opportunities that others have had. Our people deserve prosperity."

Sincerely yours,

Violeta Godoy  
President  
Community Association of the  
Vallenar Urban Community Citizens

Edgardo Toledo  
President  
Community Association of the  
Vallenar Rural Community Citizens

Adrian Fajardo  
President  
Community Association - Huasco

Norma Torrejon  
President  
Community Association of  
the North Vallenar  
Community Citizens

Mirta Romero  
President  
Community Association of  
the Mothers' Center of the  
Vallenar Community

Victor Quesada Jimenez  
President  
Community Association  
of the Alto del Carmen Citiz

German Gaete  
President  
Community Association of  
the Senior Citizens of the  
Vallenar Community



## Preparing for the Pascua-Lama project

In Chile and Argentina, communities are preparing to take advantage of the economic spin-offs that will be generated by the Pascua-Lama project.

The mine will be situated on mountainous terrain bordering the two countries, on the edge of Chile's Huasco province and San Juan province in Argentina. The mining project will bring much-needed jobs to a region that has witnessed declining prosperity and high unemployment rates. Vallenar, the capital of Huasco province has the highest unemployment rate in all of Chile at as high as 18 per cent.

"Pascua-Lama will maximize local employment by putting training programs in place to ensure that local people and businesses benefit economically. The ultimate goal is to be a catalyst for community development," says Ron Kettles, project director for Pascua-Lama. "And beyond the economics, this is by far and away the safest and most environmentally sensitive project that I've ever built in 40 years in this business."

More than 5,500 direct new jobs will be created during the project's three-year construction phase. Once in production, the mine will employ approximately 1,600 workers over the 23-year life of the mine. To date, the company has received more than 70,000 resumes from local people looking for work. It is also estimated that there will be at least 2.5 indirect jobs created for each permanent job during construction and operation.

### Building Skills and Capacity

For the past two years, Barrick has been offering training courses and workshops in the Huasco Valley to give local residents the skills they will need to work at Pascua-Lama or in a related industry. To date, more than 3,500 people have participated in courses ranging

goods and services to the project and take advantage of pre-construction opportunities.

Many area businesses have seized this opportunity to evaluate their existing capacities and develop sustainable growth plans, identifying competitive synergies and, in some cases, pursuing public-private partnerships.

Barrick is targeting a significant portion of the estimated US \$2.3-2.4 billion capital investment for project-related goods and services to be obtained in Huasco and San Juan provinces.

### Local procurement on the rise

The programs have already had an impact. In 2006, Barrick was able to increase local purchasing for Pascua-Lama, doing \$7.9 million in business with nearly 200 local suppliers.

Barrick has also encouraged public-private partnerships by funding competitive grants for entrepreneurial businesses. Through a joint initiative with local municipalities, government agencies and community service organizations, the grants have supported 71 entrepreneurs to date. The additional resources and training being provided

is enabling companies to take advantage of public and private sector economic opportunities in the Huasco province.

Sustainable development projects have been and will continue to be a priority. Millions of dollars are currently being invested in improving education, health, infrastructure, small business capacity, and local production capabilities. It's all part of a greater commitment to share the benefits of responsible mining at Pascua-Lama.



### MAXIMIZING LOCAL EMPLOYMENT:

**Veladero Mine, Argentina: 94 per cent Argentinean employees.**

**Pierina Mine, Peru: 97 per cent Peruvian employees.**

from basic industrial knowledge to skilled trades, construction and local crafts. Some trainees have learned how to operate light machinery, while others have worked on the expansion of local health infrastructure.

### Encouraging local entrepreneurs

Throughout this period, Barrick has implemented a local supplier development program. The initiative focuses on identifying and preparing local businesses that could potentially supply

# Cyanide Code puts public safety first

Cyanide has been used in the gold mining industry for decades as an effective agent for leaching the yellow metal from rock. However the use of cyanide did not generate a great deal of public concern until 2000. At that time, a cyanide spill from a Romanian gold mine contaminated a tributary that fed into the Danube River basin. The incident, known as the Baia Mare spill, raised international concern, including calls for a ban on cyanide in gold mining.

To address public concerns, a truly unique and unprecedented multi-stakeholder process was set up under the auspices of the United Nations Environmental Program. Its aim was to discuss options for avoiding similar incidents in the future. Barrick assumed an industry leadership role in that group, which included government representatives, mining companies and representatives from non-governmental organizations. The result of the process was the International Cyanide Management Code, which establishes high standards for the responsible manufacture, transportation and use of cyanide.

“Cyanide has been used safely for decades at our operations around the world,” said Rich Haddock, vice-president, Environment. “The Cyanide Code is an opportunity to build on

the leading safety and environmental culture we have created at Barrick.”

The Code is a voluntary initiative based on strict controls and practices for all aspects of the cyanide life-cycle, from manufacturing, transportation, use and disposal. Companies that adopt the Code commit to have their operations audited by a third party and meet all Code requirements to be certified.

When Barrick became a signatory, the company committed to certify all designated mines by 2008. In 2006, Barrick’s Cowal mine in Australia became the first project in the world to achieve a preoperational Code certification. So far this year, a number of Barrick’s mines have achieved operational certification under the Code. In Nevada that includes the company’s flagship Goldstrike mine, along with the Round Mountain and Marigold joint ventures. In Australia, Cowal has now achieved operational certification and the Pierina mine in Peru has become the first site in South America to achieve certification.

So what does the future hold? According to Haddock, Barrick’s other South American mines are making great progress towards certification. The region’s supply chain was recently accepted as fully code compliant, paving the way for mine site certification.

Lagunas Norte in Peru is expected to achieve this milestone very soon, with Veladero in Argentina anticipated shortly.

In North America, Cortez, Ruby Hill and Bald Mountain mines are also expected to be certified this year.

The Tulawaka mine in Tanzania was largely built with Cyanide Code compliance in mind and is expected to be certified in early 2008. Although not currently designated because cyanide was only recently introduced into the operation, nearby Bulyanhulu mine will seek future certification.

Australia and Papua New Guinea are also making good progress, working toward certification of all designated mines by 2008. Regions have also embarked on public education campaigns to communicate the practices Barrick uses in cyanide management and to address any public concerns.

## ISO 14001 registration for South American operations

Barrick’s Veladero mine in Argentina has received ISO 14001 registration for its environmental management system, following a successful compliance audit by SGS, one of the world’s major ISO registrars. The certification was effective August 24, 2007.

Veladero joins three other Barrick operations that have achieved ISO 14001 certification — Pierina, Lagunas Norte and Zaldivar. All of Barrick’s producing operations in South America are now certified.

Introduced in 1996, ISO 14000 standards are voluntary, internationally recognized standards for environmental management issued under the auspices of the International Organization for Standardization. To receive this recognition, a company’s environmental management system must be formally audited by a third party and meet all the requirements of the ISO standard.

The Code is a voluntary initiative based on strict controls and practices for all aspects of the cyanide life-cycle, from manufacturing, transportation, use and disposal.



# Mataquita: A case study in community development

A successful partnership with the community of Mataquita created Peru's first rural technical school, improving access to education and opportunities for young people in the area. At the same time, Barrick worked with local residents to improve the quality of life for everyone in the community through a complete urban redevelopment.

It all started in 2002, when Barrick conducted a socio-economic study in the community, located near the company's Pierina mine in north-central Peru. The purpose was to identify needs and priorities, with the goal of improving the quality of life for local residents. Using that study, Barrick worked with community representatives to develop a plan for fostering sustainable development in the area.

The study found that the dispersed structure of the community, with homes scattered along the mountainside, was presenting serious barriers to sustainable community development and hindering Mataquita's education system.

## Collaborating with the community

To address these challenges, Barrick established a partnership with local contractors and community leaders to develop clear goals. Together, the working group recommended a centralized urban infrastructure. They also resolved to construct a rural technical school, combat illiteracy and improve overall access to education in the community. Barrick offered to provide financial support, along with building supplies and technical guidance.

## Effective urban planning

By the end of 2006, Mataquita had its first urban center. Sixty-five houses were built using local engineering expertise around what

would become the settlement's core. These simple yet modern homes replaced the community's traditional, one-room houses, most of which lacked basic sanitation and electricity. As part of the community-building project, roads to Mataquita were improved and the town was connected to the local electricity grid. A communal laundry facility was con-

with the community to build Peru's first rural technical school, located within the new urban development at Mataquita. The company also facilitated technical training for its teachers. The new urban development allowed students to live within a short walking distance of their classrooms, and the school offers both primary and higher education.

Local children, some of whom would have previously begun working at the age of eight or nine, are now able to continue their studies, with courses in carpentry, computers and clothing manufacturing. Fifteen computers have also been installed and this year the school will open two additional workshops for electrical studies and mechanics.

The results thus far are very promising. Already the student population has jumped from just 30 students to 154. The program has established the school as an important center for children and it is now accepting students from other nearby communities.

## Project highlights

- 65 houses were replaced by modern, concrete homes with sanitary facilities, electricity and reservoirs for drinking water
- Mataquita school was renovated and expanded with a new two-story building
- Significant increase occurred in student enrolment and improved attendance
- 15 teachers were trained in 2006
- 50 students were trained in carpentry, textile manufacturing and computers in 2006
- Barrick provided equipment, including sewing machines and computers, for these programs

## Pierina Mine Quick Facts

- Location: 10 kilometers northwest of the city of Huaraz in the Andes Mountains in north-central Peru, at an altitude of approximately 4,100 meters.
- Operation: Began production in 1998
- Jobs: 500 direct and more than 2,000 indirect



Community members and Darrell Wagner, Barrick's general manager in Peru, take part in a ceremony to celebrate the completion of the Mataquita Project.

structured, along with a dining hall for children and senior citizens. The new houses were also built with sanitary facilities and reservoirs for drinking water.

## Creating opportunities in education

Students from the Mataquita community previously faced two major challenges. Many lived great distances from the local school, which led to high absentee rates. Plus, there was no access to education above a grade three level. To address these issues, Barrick worked



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