BARRICK

SECOND QUARTER REPORT 2002

Based on US GAAP and expressed in US dollars.

# Barrick Earns $59 Million in Second Quarter

## Organic Growth Pipeline Enhanced; Expects higher production and lower costs in second half

### Second Quarter in Brief

- Net income totals $59 million, or 11 cents per share
- Production totals 1.35 million ounces of gold at $178 an ounce
- Cash and short-term investments increase to $916 million
- Hedge commitments decline by 3.1 million ounces – Further reductions expected in second half
- Alto Chicama resource estimate doubles to 7.3 million ounces of gold – further increase expected in second half of year – Discovery enhances Company's organic growth pipeline
- Higher production and lower costs expected in second half of year

Barrick Gold Corporation today reported earnings of $59 million and operating cash flow of $177 million for the second quarter of 2002, compared to earnings of $58 million and operating cash flow of $196 million in the prior-year period. During the quarter, the Company benefited from solid contributions from the Pierina and Eskay Creek mines, currency related gains and rising gold prices. However, overall production was lower and cash costs higher than the year-before quarter, reflecting lower than planned performances at the Hemlo, Kalgoorlie and Meikle operations and declining production from a group of mines being phased out this year.

During the quarter, the Company continued to simplify its hedge program by reducing its hedge commitments by 3.1 million ounces, ahead of its initial year-end target. The Company also further enhanced its organic growth pipeline with the July 10th announcement that it has doubled the gold resource at its grassroots exploration discovery on the Alto Chicama Property in Peru. With this discovery, Barrick has four major development projects in the pipeline at a time of rising gold prices.

"In the second quarter we announced our best grassroots exploration discovery in Company history," said Randall Oliphant, President and Chief Executive Officer. "At the same time, we also had some operations performing below our expectations. We've been aggressive in making operational improvements at each of these sites that put us on track for better results in the second half of the year." For the year, production is on track to meet plan at 5.7 million ounces at marginally higher cash costs of $172 an ounce.

Net income for the second quarter was $59 million, or 11 cents per share, compared to $58 million, or 11 cents per share, for second quarter 2001, while net income before non-hedge-related adjustments, was $48 million (9 cents per share) compared to $72 million (13 cents per share) in the year earlier period[1]. Operating cash flow, before previously accrued Homestake merger costs, was $187 million, or 35 cents per share, for the second quarter 2002, compared to $196 million, or 36 cents per share in the prior year period. After paying the previously accrued merger costs, the Company recorded operating cash flow of $177 million, or 33 cents per share, for the second quarter of 2002. The Company reported free cash flow of $87 million[1] during the quarter, after capital expenditures, up from $56 million in the prior year period.

For the first half of 2002, net income was $105 million (20 cents per share) compared to $145 million (27 cents per share) in the first half of 2001. Net income before non-hedge-related adjustments was $95 million or 18 cents per share, compared to $121 million, or 22 cents per share, in the prior year period. Operating cash flow, before previously accrued Homestake merger costs, was $366 million, or 68 cents per share, for first half 2002, compared to $398 million, or 74 cents per share in the prior year period. After paying the previously accrued $38 million in merger costs, the Company recorded operating cash flow of $328 million, or 61 cents per share, for the first half of 2002.

## REDUCED AND SIMPLIFIED HEDGE PROGRAM

"As we stated at our Annual Meeting in May, a simple spot deferred program makes more sense in today's environment," said Jamie Sokalsky, Senior Vice President and Chief Financial Officer. "With the changes we made during the quarter, our overall Program has become smaller and simpler while continuing to give us the confidence of more secure and predictable cash flows."

During the second quarter, the Company reduced its variable price sales contracts and call options under the Premium Gold Sales Program from 6.1 million ounces to 3.1 million ounces, as 3 million ounces expired, were converted to spot deferred contracts, restructured or closed out. The spot deferred position was 17.9 million ounces at June 30, 2002.

"In the current market environment our total position should decline by a further 1 million ounces by year-end, bringing the total reduction to 4 million ounces for the year, or 17% of the Program," added Mr. Sokalsky.

## HIGHER PRODUCTION AND LOWER COSTS EXPECTED IN SECOND HALF OF YEAR

Total production for the second quarter was marginally lower (2%) than plan at 1.35 million ounces of gold at total cash costs of $178 per ounce, generating cash margins of $163 an ounce. Last year's production for the second quarter was 1.6 million ounces of gold at total cash costs of $163 per ounce, resulting in cash margins of $157 per ounce. As announced earlier this year, lower production and higher cash costs in 2002 relate to the phasing out of several mines, planned lower grades processed at several operations (Goldstrike and Pierina). As well, they relate to lower than planned performances at Hemlo, Kalgoorlie and Meikle.

"We expect a better second half, with higher production and lower costs, as we believe we've resolved most of the operating challenges we had in the first half," said John Carrington, Vice Chairman and Chief Operating Officer.

The Company expects second half production to rise to 3 million ounces compared to 2.7 million ounces in the first half. At the same time, total cash costs are expected to decline to $168 per ounce from $177 per ounce achieved in the first half of the year, as operational improvements and higher grades at several operations contribute to better performance.

## DISCOVERY FURTHER ENHANCES ORGANIC GROWTH PIPELINE

As a result of an intensified drilling program at the Alto Chicama Property's Lagunas Norte deposit between April and June, the Company announced on July 10th, an

[1] For an explanation of non-GAAP performance measures refer to pages 14-15 of the management's discussion and analysis.

updated inferred resource estimate of 135 million tons, grading 0.054 ounces per ton, for a total of 7.3 million ounces of gold. Early stage results suggest the gold find is similar to the Pierina mine, 175 km away, in terms of grades and gold-rich surface outcroppings. Significant potential for expanding the resource exists.

"We expect the resource to continue to expand over the next few quarters, and in the meantime mine development planning is underway," said John Carrington. "With Alto Chicama included, we're looking at an unmatched pipeline of potential new production, at even lower costs than our existing production base."

In addition to the recent discovery at the Alto Chicama Property, Barrick's growth pipeline includes: the 25-million ounce Pascua/Veladero Project in Chile and Argentina; the 3-million-ounce Cowal Project in Australia; and the growing reserve and resource base in Tanzania. Over the next few months, Barrick plans updates on these projects, further confirming and quantifying the extent of the Company's new growth outlook.

## 58TH CONSECUTIVE QUARTER EXCEEDING SPOT GOLD PRICE

For the second quarter, 50 percent of production was sold at an average price of $365 per ounce under the Company's Premium Gold Sales Program, a premium of $52 per ounce over the average spot price. Barrick's realized price under the Program has now exceeded the spot price for 58 consecutive quarters. The balance, (50 percent) of production, was sold at an average price of $317 per ounce, $4 higher than the average spot gold price for the quarter. Overall, the Company realized an average price of $341 per ounce on its gold sales, $28 per ounce higher than the average spot price for the quarter, generating $40 million in additional revenue. At the end of the quarter the Program consisted of 17.9 million ounces of spot deferred contracts and 3.1 million ounces of variable price sales contracts and call options. The spot deferred contracts are deliverable over the next 15 years at an average minimum price of $344 per ounce.

The additional revenue generated by the Premium Gold Sales Program further strengthens the financial position of the Company, which has the strongest balance sheet in the gold mining industry with the industry's only A-rating, cash and short-term investments of $916 million, working capital of $695 million, and no net debt at the end of the quarter. The financial position of the Company was further enhanced on April 29th, with the renewal of its undrawn $1-billion unsecured credit facility for a further five years at attractive terms.

## IMPROVED FINANCIAL RESULTS IN SECOND HALF OF YEAR

With higher production and lower costs expected in the second half, full year production should total 5.7 million ounces of gold at an average total cash cost of $172 per ounce. The $5 per ounce by which cash costs are expected to exceed plan for the year reflect higher royalties due to higher gold prices and a lower than planned performance at some operations. Given the success of the exploration effort at the Alto Chicama Property, the Company increased its estimate for exploration and development spending by a further $10 million in the quarter, resulting in a total of $95 million to be expensed in 2002, up from the $55 million estimated at the beginning of the year. As a result of higher cash costs and exploration and development expenses, the Company expects its 2002 earnings (excluding non-hedge-related adjustments) to be at the lower end of its earlier earnings guidance of 42 to 47 cents, provided that spot gold prices average $315 per ounce for the balance of the year.

Barrick's shares are traded under the ticker symbol ABX on the Toronto, New York, London and Swiss Stock Exchanges and the Paris Bourse.

# Key Statistics

| (in United States dollars, US GAAP basis) | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| (Unaudited) | 2002 | 2001 | 2002 | 2001 |
| **Operating Results** | | | | |
| Gold production (thousands of ounces) | 1,349 | 1,602 | 2,722 | 3,088 |
| Gold sold (thousands of ounces) | 1,437 | 1,620 | 2,881 | 3,180 |
| **Per Ounce Data** | | | | |
| Average spot gold price | $ 313 | $ 268 | $ 302 | $ 266 |
| Average realized gold price | 341 | 320 | 335 | 320 |
| Cash operating costs (3) | 171 | 155 | 170 | 154 |
| Total cash costs (1) (3) | 178 | 163 | 177 | 161 |
| Total production costs (3) | 268 | 236 | 265 | 240 |
| **Financial Results** (millions) | | | | |
| Gold sales | $ 490 | $ 518 | $ 968 | $ 1,017 |
| Net income before non-hedge derivative gains (losses) (3) | 48 | 72 | 95 | 121 |
| Net income | 59 | 58 | 105 | 145 |
| Operating cash flow excluding payments of previously accrued merger related costs (3) | 187 | 196 | 366 | 398 |
| Operating cash flow | 177 | 196 | 328 | 398 |
| **Per Share Data** (dollars) | | | | |
| Net income before non-hedge derivative gains (losses) (3) | 0.09 | 0.13 | 0.18 | 0.22 |
| Net income (basic and diluted) | 0.11 | 0.11 | 0.20 | 0.27 |
| Operating cash flow excluding payments of previously accrued merger related costs (3) | 0.35 | 0.36 | 0.68 | 0.74 |
| Operating cash flow | 0.33 | 0.36 | 0.61 | 0.74 |
| Common shares outstanding (as at June 30) (millions)(2) | 542 | 536 | 542 | 536 |

| | As at June 30, | As at Dec. 31, |
|---|---|---|
| | 2002 | 2001 |
| **Financial Position** (millions) | | |
| Cash and short-term investments | $ 916 | $ 733 |
| Working capital | 695 | 484 |
| Long-term debt | 781 | 793 |
| Shareholders' equity | 3,319 | 3,192 |

[1] Includes royalties and production taxes.

[2] Includes shares issuable upon exchange of HCI (Homestake Canada Inc.) exchangeable shares.

[3] For an explanation of non-GAAP performance measures refer to pages 14-15 of managements' discussion and analysis.

# Production and Cost Summary

| (Unaudited) | Production (attributable ounces) 3 months ended 06/30, 2002 | 2001 | 6 months ended 06/30, 2002 | 2001 | Total Cash Costs (US$/oz) 3 months ended 06/30, 2002 | 2001 | 6 months ended 06/30, 2002 | 2001 |
|---|---|---|---|---|---|---|---|---|
| North America | | | | | | | | |
| Betze-Post | 328,577 | 403,688 | 670,015 | 855,334 | $ 228 | $ 214 | $ 223 | $ 203 |
| Meikle | 155,058 | 186,804 | 297,673 | 348,636 | 192 | 147 | 201 | 134 |
| Goldstrike Property Total | 483,635 | 590,492 | 967,688 | 1,203,970 | 217 | 193 | 217 | 183 |
| Eskay Creek | 91,614 | 82,323 | 176,896 | 159,371 | 32 | 50 | 32 | 48 |
| Round Mountain | 95,498 | 97,770 | 189,070 | 198,139 | 177 | 167 | 183 | 177 |
| Hemlo | 61,552 | 78,706 | 122,532 | 149,542 | 249 | 209 | 241 | 211 |
| Holt-McDermott | 21,243 | 20,037 | 43,097 | 36,484 | 191 | 185 | 163 | 189 |
| | 753,542 | 869,328 | 1,499,283 | 1,747,506 | 187 | 177 | 193 | 172 |
| South America | | | | | | | | |
| Pierina | 183,324 | 221,517 | 397,973 | 427,283 | 80 | 39 | 72 | 41 |
| Australia | | | | | | | | |
| Plutonic | 79,710 | 94,526 | 141,937 | 150,427 | 174 | 151 | 180 | 166 |
| Darlot | 32,297 | 31,749 | 67,865 | 63,589 | 179 | 177 | 171 | 168 |
| Lawlers | 28,842 | 21,604 | 54,553 | 46,541 | 172 | 228 | 180 | 213 |
| Yilgarn District Total | 140,849 | 147,879 | 264,355 | 260,557 | 172 | 169 | 178 | 176 |
| Kalgoorlie | 80,780 | 108,957 | 167,598 | 207,128 | 213 | 176 | 216 | 186 |
| | 221,629 | 256,836 | 431,953 | 467,685 | 189 | 172 | 193 | 181 |
| Africa | | | | | | | | |
| Bulyanhulu [1] | 84,165 | 63,579 | 169,199 | 63,579 | 203 | 206 | 205 | 206 |
| Other/Mines closing in 2002 | 106,132 | 190,902 | 223,447 | 381,775 | 192 | 198 | 192 | 202 |
| Total | 1,348,792 | 1,602,162 | 2,721,855 | 3,087,828 | $ 178 | $ 163 | $ 177 | $ 161 |

[1] Commenced production April 2001

# Management's Discussion and Analysis of Financial and Operating Results

What follows is a discussion and analysis of the factors contributing to the results of operations in second quarter 2002. The accompanying unaudited consolidated financial statements and related notes, which are presented in accordance with United States generally accepted accounting principles ("US GAAP"), together with the following information, are intended to provide investors with a reasonable basis for assessing our operations, but should not serve as the only basis for predicting our future performance.

## OVERVIEW

For second quarter 2002, we produced 1.35 million ounces of gold at total cash costs of $178 per ounce, compared to 1.6 million ounces of gold at $163 per ounce in second quarter 2001. Net income was $59 million ($0.11 per share), compared to $58 million ($0.11 per share) for second quarter 2001. Before non-hedge derivative transactions, net income was $48 million[1] ($0.09 per share), compared to $72 million ($0.13 per share) for the year earlier period. In second quarter 2002, operating cash flows – excluding payments of previously accrued merger costs – totaled $187 million[1] ($0.35 per share), compared to $196 million ($0.36 per share) for second quarter 2001[1]. Including payments of previously accrued merger costs, operating cash flows totaled $177 million[1] ($0.33 per share).

## GOLD SALES

Revenue for second quarter 2002 reached $490 million on gold sales of 1.4 million ounces, down from $518 million in revenue on 1.6 million ounces for second quarter 2001. Lower revenue for the 2002 quarter resulted from an 11 percent decrease in gold sales, partially offset by a $21 per ounce, or 7 percent, increase in the average realized price. The increase in our average realized price is due principally to higher spot gold prices, which averaged $313 per ounce for the second quarter, compared to $268 per ounce in the year earlier period. In the quarter, 50 percent of production was sold through the Premium Gold Sales Program at $365 per ounce, generating a $52 per ounce premium over the average spot price. We sold the balance of production at spot gold prices, at an average price for the quarter of $317 per ounce. Overall, we realized an average price of $341 per ounce, $28 higher than the average spot price for the period, generating an additional $40 million in revenue.

Future gold production committed under spot deferred contracts in our Premium Gold Sales Program totaled 17.9 million ounces at quarter's end. This represents approximately 22 percent of our proven and probable reserves, deliverable over the next 15 years at an average price of $344 per ounce. For the balance of the year, 50 percent of planned production is expected to be sold at an average price of $365 per ounce, while the remaining 50 percent of production will be sold at prevailing spot gold prices.

## REVIEW OF OPERATIONS AND EXPLORATION AND DEVELOPMENT PROJECTS

Total operating costs for second quarter 2002 were $262 million, down from $284 million for the year earlier period. On a per ounce basis, total cash costs for the quarter were $178 compared to $163 in second quarter 2001. Pierina and Eskay Creek reported solid results, while lower production from a group of mines being phased out by year-end and planned lower grades at Goldstrike and Pierina combined with lower than planned performance at several other mines lead to lower production and higher costs compared to the year earlier quarter.

[1] For an explanation of non-GAAP performance measures refer to pages 14-15 of the management's discussion and analysis.

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 1,348,792 | 1,602,162 | 5,700,000 |
| Total cash cost | $ 178 | $ 163 | $ 172 |

The quarter saw significant growth of the recent discovery at Alto Chicama in north-central Peru, enhancing the potential of the Company's pipeline of growth projects. In addition to the discovery our exploration and development effort focused on a feasibility study for the Veladero project in Argentina, with encouraging drilling and metallurgical results during second quarter 2002. At the Cowal project in Australia, drilling resumed in the second quarter in an effort to optimize the scale and economics of the project.

Goldstrike Property (Nevada)

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 483,635 | 590,492 | 2,064,000 |
| Total cash cost | $ 217 | $ 193 | $ 210 |

- Production and cash costs for the Property were in line with plan for second quarter 2002, with better than plan performance from Betze-Post offsetting lower than plan results at Meikle.
- Lower production and higher costs compared to the year earlier quarter relate to lower grades processed (off 26%). This reflects the completion of mining of higher-grade areas in both the open pit and underground, partially offset by higher processing rates (up 13%). Higher mining and processing rates increased total costs at the Property, along with higher power costs, which were up $10 per ounce over 2001.
- While production remains on track to surpass 2 million ounces, production and cash costs for the 2002 year are expected to be marginally below plan, due to lower first half performance from Meikle.

Betze-Post (Goldstrike Property)

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 328,577 | 403,688 | 1,387,000 |
| Total cash cost | $ 228 | $ 214 | $ 221 |

- Production and cash costs were marginally better than plan for second quarter 2002, due to higher grades mined (up 8%), higher throughput (up 5%) and lower unit costs, partially offset by lower recovery rates (off by 3%).
- Lower production and higher costs compared to the year earlier quarter relate to lower grades processed (off 38%), with the completion of mining in a high-grade zone of the 7th West Layback, plus higher power costs (up $10 per ounce over 2001).
- The Mine is on track to produce 20,000 ounces more than plan at cash costs in line with plan, as higher grades and throughput are expected to offset the continued low recovery rates (84.5%), due to the processing of difficult ores.
- Due to lower mining and processing costs, the North Betze deposit is expected to be mined as an additional layback in the open pit, rather than through the underground, adding additional ounces to Property production over the remaining mine life.

Meikle (Goldstrike Property)

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 155,058 | 186,804 | 677,000 |
| Total cash cost | $ 192 | $ 147 | $ 186 |

- Production was lower than plan and cash costs higher than plan for second quarter 2002, due to delays in mining higher-grade stopes and higher mining costs due to higher ground support costs.
- However, cash costs declined (by 9%) from first quarter 2002, due to higher grades (up 6%) and lower ground support costs.
- Lower production and higher costs compared to the year earlier quarter are due in large part to lower grades processed (off 24%) with the completion of mining in higher-grade stopes of the Meikle deposit, higher ground support costs and higher power costs (up $5 per ounce).
- Production in the second half of 2002 is expected to rise to 379,000 ounces with cash costs declining to

$172 per ounce, due to mining higher grades and lower ground support costs.

- Overall, production is expected to be lower than plan (off 4%) and cash costs higher than plan (up 8%) for the year.
- A drill program is underway to better define mineralization at the Banshee target, with a decision on a Meikle-to-Banshee access drift due by year-end.

Eskay Creek (British Columbia)

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 91,614 | 82,323 | 378,000 |
| Total cash cost | $ 32 | $ 50 | $ 22 |

- Production was better than plan for second quarter 2002, while cash costs were significantly lower than plan due to higher silver by-product credits.
- Higher production and lower costs compared to the year earlier quarter relate to higher mining and processing rates, combined with the larger silver credit to costs.
- The Mine is on track to exceed its production target (by 3%) at lower cash costs (down 50%) for the year. Whether the property meets those targets depends on the timely settlement of a strike at one of the two smelters that treat the Mine's ore.
- A $2 million drill program is underway to follow up on encouraging results from late last year and the first half of this year.

Round Mountain (Nevada) (50% share)

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 95,498 | 97,770 | 365,500 |
| Total cash cost | $ 177 | $ 167 | $ 200 |

- For second quarter 2002, production was in line with plan, while cash costs were lower than plan, due to deferral of certain activities to the second half of the year.
- Lower production and higher costs compared to the year earlier quarter relate to lower recovery rates and higher rehandling costs.
- The Mine is on track to meet its production and cash cost targets for the year.
- The second phase exploration drill program on Gold Hill (5 miles from Round Mountain deposit) was completed during second quarter 2002. The program focused on shallow mineralization to assess the economics of a smaller starter pit.

Hemlo (Ontario) (50% share)

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 61,552 | 78,706 | 290,000 |
| Total cash cost | $ 249 | $ 209 | $ 207 |

- Production in second quarter 2002 was lower than plan (off 25%), while cash costs were higher than plan (up 38%), due to geotechnical issues that forced a revision of the mine plan, deferring access to higher-grade stopes until the second half of the year.
- Lower production and higher costs compared to the year earlier quarter relate to changes to the mine plan resulting in lower grades processed (off 17%).
- Production in the second half of 2002 is expected to rise to 167,000 ounces, with cash costs declining to $180 per ounce with the mining of the higher-grade stopes deferred from the first half of the year.
- Overall, forecast production is expected to be lower than plan (by 5%) with cash costs higher than plan (up 7%) for 2002.

Holt-McDermott (Ontario)

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 21,243 | 20,037 | 91,000 |
| Total cash cost | $ 191 | $ 185 | $ 155 |

- Production was marginally lower than plan for second quarter 2002, while cash costs were above plan, due to higher mining and processing rates (up 7%) and lower grades processed (off 13%).
- Production and cash costs were marginally higher than the year earlier quarter, due to marginally higher grades (up 2%) and mining and processing rates (up 5%).

- For the year, production is expected to be marginally higher than plan (by 1%), with cash costs also higher than plan (by 5%), due to lower grades processed.

Pierina (Peru)

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 183,324 | 221,517 | 845,000 |
| Total cash cost | $ 80 | $ 39 | $ 78 |

- Production and cash costs were in line with plan for second quarter 2002.
- Lower production and higher costs compared to the year earlier quarter relate to lower grades processed (off 47%) and the first year of amortization of deferred mining costs.
- The Mine is on track to exceed its production target (by 3%) at similar cash costs, due to higher mining and processing rates.

Yilgarn District (Western Australia)

Plutonic

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 79,710 | 94,526 | 310,000 |
| Total cash cost | $ 174 | $ 151 | $ 178 |

- Production in second quarter 2002 was lower than plan (off 13%), while cash costs were higher than plan (up 14%), due to lower grades processed. The lower grades resulted from slower access to the higher-grade Timor stopes, and lower mining rates in the open pit, due to changes in mine sequencing, which forced a processing shift to low-grade stockpile ore.
- Lower production and higher costs compared to the year earlier quarter primarily relate to lower grades processed (off 14%).
- Production in the second half of 2002 is expected to rise to 168,000 ounces, as cash costs decline to $171 per ounce with the mining of the higher-grade stopes in the Timor zone and a return to a higher open pit mining rate.

- As a result, forecast production is expected to be lower than plan (by 5%) with cash costs higher than plan (by 14%) for the year.

Darlot

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 32,297 | 31,749 | 142,500 |
| Total cash cost | $ 179 | $ 177 | $ 166 |

- Production was in line with plan for second quarter 2002, while cash costs were higher than plan due to accelerated development work to access higher-grade stopes.
- Production and cash costs were similar to the year earlier quarter.
- For the year, production is expected to be marginally higher than plan (by 2%) with cash costs higher than plan (by 7%) due to increased development costs.

Lawlers

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 28,842 | 21,604 | 111,500 |
| Total cash cost | $ 172 | $ 228 | $ 181 |

- Production in second quarter 2002 was better than plan, while cash costs were lower than plan as a result of higher grades and recovery rates at the property.
- Higher production and lower costs compared to the year earlier quarter relate to higher grades (up 36%) and higher recovery rates (up by 5%).
- For the year, the Mine is on track to exceed its production target (by 3%) at similar cash costs.

Kalgoorlie – Super Pit (Western Australia) (50% share)

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 80,780 | 108,957 | 366,500 |
| Total cash cost | $ 213 | $ 176 | $ 218 |

- Production in second quarter 2002 was lower than plan (by 4%), due to lower grades processed (off 5%), while cash costs were lower than plan (by 8%), as a result of lower operating costs, which more than offset the lower production.
- Lower production and higher costs compared to the year earlier quarter relate to lower grades processed (off 18%), lower recovery rates (off 3%) and higher unit mining and processing costs.
- Production in the second half of 2002 is expected to rise to 198,000 ounces, with cash costs rising to $222 per ounce, as higher mining rates in the open pit result in higher grades processed.
- As a result, for the year, production is expected to be in line with plan, while cash costs are expected to be higher than plan (by 6%).
- A joint venture committee has been formed to explore operating initiatives that will improve Kalgoorlie's cost structure and operating system.

Bulyanhulu (Tanzania)

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 84,165 | 63,579 | 362,000 |
| Total cash cost | $ 203 | $ 206 | $ 191 |

- For second quarter 2002, production was in line with plan, with higher mining and processing rates offsetting lower grades processed as more development ore was processed versus higher-grade open-stope ore. Cash costs were higher than plan (by 9%), due to lower grades processed, as well as, higher transportation and refining costs (up $13 per ounce).
- Higher production compared to the year earlier quarter is a consequence of higher processing rates (up 22%) and higher recovery rates (up by 7%), while cash costs were similar.
- Production in the second half of 2002 is expected to rise to 193,000 ounces as cash costs decline to $177 per ounce, as a result of improved grades mined, higher recovery rates and lower transportation and refining costs realized through modifications to the process facilities completed in June 2002.
- With the modifications complete, recovery rates have increased from the 86% average for second quarter 2002 to 88% in early July. With the processing of higher-grade ore, the recovery rates are expected to reach design of 89%.
- For the year, production is expected to be in line with plan, while cash costs are expected to be higher than plan (by 10%).

Other Properties

| | Q2 2002 | Q2 2001 | 2002E |
|---|---|---|---|
| Production | 106,132 | 190,902 | 365,000 |
| Total cash cost | $ 192 | $ 198 | $ 188 |

- Lower production during the quarter is due to the closure of 2 mines since the second quarter of last year and the winding down of 4 more.
- By year's end, all of the mines in this group are expected to have ceased operations due to the depletion of reserves, with the exception of Marigold, which produces about 30,000 ounces per year.

## DEVELOPMENT AND EXPLORATION UPDATE

### Alto Chicama (Peru)

On July 10th we announced the doubling of the inferred gold resource at this recent grassroots exploration discovery. As a result of an intensified drilling program at the property's Lagunas Norte deposit during second quarter 2002, we calculated an inferred resource of 135 million tons, grading 0.054 ounces per ton for a total of 7.3 million ounces of gold. This compares to an inferred resource of 3.5 million ounces of gold, as initially announced on April 23, 2002. Preliminary metallurgical results on the oxide material indicate the ore is amenable to heap leaching. The resource remains open to the south and southeast.

During second quarter 2002, 112 drill holes were completed and assayed, bringing the total to date to 172. We are planning an additional 200 drill holes on the discovery, to bring drill spacing to reserve status density by year-end. Exploration in the second half of 2002 will focus on step out drilling at Lagunas Norte in order to continue to expand the resource. An additional exploration drill program is due to commence in third quarter 2002, targeted on gold showings identified during fieldwork within a 15 km radius of the deposit.

For the balance of the year, our objectives include metallurgical test work and mine and process planning for completion of a feasibility study in 2003. We will also begin the permitting process for the Lagunas Norte deposit.

Based on the encouraging results, the 2002 exploration and development program was increased from $5 million to $20 million in the first quarter, and a further $15 million in second quarter 2002 to a total of $35 million for the year. These costs are expected to be expensed in 2002.

### Pascua/Veladero District (Chile and Argentina)

The 25 million-ounce Pascua/Veladero district is one of the largest undeveloped gold districts in the world. With the completion of the Homestake merger, we are taking a unified approach to development, which is expected to entail two large open pit mines located five miles from one another, sharing infrastructure, administration and service functions. The Veladero deposit is expected to be developed first, followed by the larger Pascua-Lama deposit.

The program for 2002 at Veladero includes: detailed definition drilling to expand the resource; continued bulk metallurgical test work for optimization purposes; and drifting into the ore body for bulk sampling and geotechnical investigation. Approximately 825 tons of ore grade material have been removed from the tunnel and tested on leach pads set up on site to provide optimal design criteria. An updated feasibility study is scheduled for completion in third quarter 2002. At this point, the study envisions a valley fill heap leach with two-stage crushing and a Merrill-Crowe recovery system. Infill drill results and heap leach testing during the first half of 2002 were very encouraging; those results will be supplemented by an additional column test scheduled for third quarter 2002.

The recent devaluation of the Argentinean peso also effects development costs at Pascua/Veladero. As in the case of other mining operations around the world in countries experiencing devaluation, the Argentinean devaluation should have a positive impact on both capital and operating costs for Veladero and Pascua-Lama. For the year, an additional $15 million of exploration and development is expected to be incurred for Veladero, above the previous $9 million budget for the Pascua/Veladero district.

At Pascua-Lama, the focus is on the evaluation of synergies with Veladero, the impact of the peso devaluation on the project's economics, as well as advancing optimization work and the permitting process.

### Tanzania (East Africa)

In Tanzania, drill programs are underway on seven properties, testing targets outlined during last year's program. With positive initial results, airborne geophysical surveys and ground surveys are underway on other earlier stage properties and are identifying new targets for drill testing later in 2002. A 6 kilometer-long gold-bearing structure is being delineated on the Kirondatal property, located 240 kilometers southeast of Bulyanhulu. Two mineralized zones were intersected that extend from surface to a depth of at least 65 meters, while a feasibility study for the Tulawaka project is expected in the fourth quarter 2002.

### Australia

In Australia, metallurgical test work is underway, aimed at optimizing the scope and economics of the Cowal project. The 20,000-meter drill program, which began during first quarter 2002, was halted on March 22, when a New South Wales court granted an interim injunction over the protection of relics. That injunction has since been lifted, and we have resumed our inspection, clearance and preservation of artifacts in accordance with its

Section 87 permit. Currently there are four drills at work on cleared areas of the Cowal property.

Additional exploration drill programs are underway elsewhere in Australia, including the testing of targets for Plutonic-style mineralization on the extensive Plutonic Mine property. The field program at the Tanami joint venture began in second quarter 2002.

United States

Ten targets will be tested on the Dee and Rossi properties with a 29,000-foot drill program during the second half of 2002. At Ren, 18,000 feet of drilling was completed during the first half of the year, with positive results. The 2002 Ren drill program calls for six more targets to be tested during the third and fourth quarters.

## AMORTIZATION

Amortization totaled $126 million, or $82 per ounce in second quarter 2002, compared to $119 million, or $71 per ounce in the year earlier quarter. The increase in amortization per ounce is due to higher amortization at Goldstrike with the completion of construction of Rodeo in 2001 and the reduction of reserves at Meikle.

## ADMINISTRATION

In second quarter 2002, administration costs were $16 million, a decrease of $7 million, or 30 percent lower than the year earlier period, reflecting the effect of integrating Barrick and Homestake and the associated administrative synergies.

## INTEREST AND OTHER INCOME

The principal component of interest and other income is interest received on cash and short-term investments. Interest Income totaled $5 million in the second quarter 2002 compared to $8 million in the year earlier quarter. The higher second quarter 2001 amount also reflects gains totaling $10 million on foreign currency translation and pension plan curtailments related to certain Homestake operations.

## INTEREST ON LONG-TERM DEBT

We incurred $16 million in interest costs in both second quarter 2002 and 2001 related primarily to our $500 million of debentures, and the $200 million Bulyanhulu project financing. In second quarter 2001, $10 million of interest costs were capitalized at Rodeo, Bulyanhulu and Pascua, whereas none of these projects qualified for capitalization of interest in 2002, as a result of completion or deferral of construction.

## NON-HEDGE DERIVATIVE GAINS (LOSSES)

During second quarter 2002, we announced a two-tier simplification of our Premium Gold Sales Program. First, we announced that we will reduce the number of written call options and variable price sales contracts outstanding by 3 million ounces through the expiry or conversion of call options to spot deferred contracts and deliveries under variable price sales contracts which we accomplished in the second quarter. Second, we announced that we would eliminate the notional amount of our spot deferred contracts invested in corporate bond funds through total return swaps. During the quarter, this position was reduced by $358 million, or 47% of the notional amount.

The overall Program will be smaller, simpler and better positioned to take greater advantage of rising gold prices. At the same time, we expect that the Program will continue to provide secure and predictable cash flows. These changes follow our previously announced decision to sell 50 percent of our production at the spot price, for the first time in 14 years. In prior years, 100 percent of our annual production was delivered against the Premium Gold Sales Program.

The total mark-to-market gain on the non-hedge derivative positions that were included in earnings was $12 million in second quarter 2002, compared to a mark-to-market loss of $19 million on non-hedge derivative positions in the year earlier period.

The principal components of the mark-to-market gains and losses are disclosed in note 5F to our interim financial statements.

During the quarter, we added C$441 million and A$387 million of foreign currency hedges to protect our Canadian and Australian dollar operating costs with the recent weakness of the U.S. dollar. With these positions we now have 100 percent of our Canadian dollar operating costs through 2004 hedged and 50 percent of our Australian dollar costs hedged through 2006.

## INCOME TAXES

The decline in the effective rate compared to the year earlier period is primarily due to a higher portion of earnings being realized in lower tax rate jurisdictions, and the benefit of tax synergies associated with the Homestake merger, primarily related to integrating our North American operations. Should spot gold prices remain at current levels, we expect the effective tax rate to remain at approximately the present level throughout the balance of 2002. If gold prices were to rise substantially, we would expect the effective tax rate to rise, with a higher portion of earnings being earned in the United States, Canada, Australia, Peru and Tanzania where tax rates are higher.

## LIQUIDITY AND CAPITAL RESOURCES

We believe our ability to generate cash flow from operations to reinvest in our business is one of our fundamental financial strengths. Combined with our large cash and short-term investment balance of $916 million at June 30, 2002, and our $1 billion undrawn bank facility, which we renewed on April 29, 2002 for another five-year term, we have sufficient access to capital resources if required. We anticipate that our operating activities in 2002 will continue to provide us with cash flows necessary for us to continue developing our internal projects and to utilize for potential acquisitions.

We generated operating cash flow of $177 million in second quarter 2002, compared to $196 million in the year earlier period. The lower cash flow in second quarter 2002 is due in large part to $10 million in merger related payments that had been accrued at December 31, 2001 and were paid in the second quarter. With 50 percent of our gold expected to be sold at spot market prices for the balance of 2002, the volatility of gold prices will affect the amount of our operating cash flow through the remainder this year.

## INVESTING ACTIVITIES

Our principal investing activities are for sustaining capital at our existing operating properties, new mine development and property and company acquisitions.

### Capital Expenditures

Capital expenditures for the second quarter 2002 totaled $90 million, compared to $140 million in the same period in 2001. The decline is principally due to $35 million being spent in 2001 to complete the construction of the Bulyanhulu mine, and $18 million spent on development activities at Pascua-Lama. Principal expenditures in the second quarter of 2002 included $49 million in North America, comprised primarily of deferred stripping and underground development at Goldstrike. In Tanzania, capital expenditures included $16 million spent at the Bulyanhulu Mine on underground development. In Australia, capital expenditures were $10 million to cover underground development and new mining equipment, while in South America capital expenditures were $8 million, primarily for Pierina ($5 million) and engineering and development work at Pascua-Lama ($3 million).

## FINANCING ACTIVITIES

During the second quarter 2002, our cash outflow from financing activities was $14 million, compared with an outflow of $21 million in the second quarter of 2001.
In the second quarter of 2002, we generated cash of $46 million from the exercise of stock options, offset by dividend payments totaling $60 million. In the second quarter of 2001 the outflow principally related to dividends payments of $44 million was offset by the final drawdown on our Bulyanhulu project financing facility ($22 million).

## OUTLOOK

We believe considerable opportunities exist within our existing asset base for profitable growth, not only from our new pipeline of projects but from our operating mines as well. We believe that consolidation and rationalization of the gold industry will continue, and that – given our strong balance sheet and substantial cash flows – we are well positioned to participate in the consolidation in ways that add value to our Company.

For the second half of 2002, 50 percent of the projected production of 3 million ounces of gold is expected to be sold at $365 per ounce, with the balance sold at spot gold prices bringing total production for the year to 5.7 million ounces, in line with plan. Total cash costs are expected to average $172 per ounce, $5 higher than plan due to higher royalties and lower than planned performance at several operations during the first half of the year. Total production costs are expected to total $262 per ounce, 3% higher than plan. In addition, the Company expects exploration expenses to be
$95 million, up from $55 million at the beginning of the year. The higher exploration and development expenses are due to increased activity at Alto Chicama and expensing more costs at Veladero. Based on the higher cash and exploration and development costs, we expect earnings at the bottom end of our earlier earnings guidance of 42 to 47 cents, based on spot gold prices averaging $315 for the balance of the year. Capital spending is expected to total $228 million (excluding deferred stripping costs of $126 million). This would be the lowest level in 14 years which, based on current gold prices, would result in the highest free cash flows in our history.

We enter the second half of 2002 with the strongest balance sheet in the gold mining industry, a portfolio of high-quality low-cost, long-life properties, a promising growth pipeline, a cash and short-term investment position of $916 million and no net debt.

## NON-GAAP MEASURES

We have included measures of earnings before non-hedge derivative gains and losses and operating cash flow excluding payments of previously accrued merger related costs, because we believe that this information will assist investors' understanding of the level of our core earnings and to assess our performance in 2002 compared to the prior year. We believe that conventional measures of performance prepared in accordance with United States generally accepted accounting principles ("GAAP") do not fully illustrate our core earnings. These non-GAAP performance measures do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Below is a reconciliation of these non-GAAP performance measures.

### Reconciliation of Net Income Before Derivative Transactions to GAAP Net Income

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| (in millions of United States dollars) | 2002 | 2001 | 2002 | 2001 |
| Net income before non-hedge derivative gains and losses | $ 48 | $ 72 | $ 95 | $ 121 |
| Non-hedge derivative gains (losses) (net of tax effects) | 11 | (14) | 10 | 24 |
| Net income for the period | $ 59 | $ 58 | $ 105 | $ 145 |

### Reconciliation of Free Cash Flow to Operating Cash Flow

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| (in millions of United States dollars) | 2002 | 2001 | 2002 | 2001 |
| Free Cash Flow | $ 87 | $ 56 | $ 160 | $ 68 |
| Capital Expenditures and Mine Development Costs | 90 | 140 | 168 | 330 |
| Operating cash flow | $ 177 | $ 196 | $328 | $ 398 |

### Reconciliation of Operating Cash Flow Excluding Payments of Previously Accrued Merger Related Costs to Operating Cash Flow

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| (in millions of United States dollars) | 2002 | 2001 | 2002 | 2001 |
| Operating cash flow excluding payments of previously accrued merger related costs | $ 187 | $ 196 | $ 366 | $ 398 |
| Payments of previously accrued merger related costs | (10) | - | (38) | - |
| Operating cash flow | $ 177 | $ 196 | $ 328 | $ 398 |

We have included cash costs per ounce data because we understand that certain investors use this information to determine the Company's ability to generate cash flow for use in investing and other activities. We also make reference to the term "free cash flow", which we define as cash flow from operations less cash used in the purchase of property, plant and equipment. This cash is available to reinvest in our business or to return to shareholders, either through dividends or share repurchases.

We believe that conventional measures of performance prepared in accordance with GAAP do not fully illustrate the ability of the operating mines to generate cash flow. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP.

### Reconciliation of Total Cash Costs Per Ounce to Financial Statements

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| (in millions of United States dollars except per ounce amounts) | 2002 | 2001 | 2002 | 2001 |
| Operating costs per financial statements | $ 262 | $ 284 | $ 528 | $ 549 |
| Reclamation and closure costs | (7) | (20) | (18) | (34) |
| Operating costs for per ounce calculation | $ 255 | $ 264 | $ 510 | $ 515 |
| Ounces sold (thousands) | 1,437 | 1,620 | 2,881 | 3,180 |
| Total cash costs per ounce | $ 178 | $ 163 | $ 177 | $ 161 |

Total cash costs per ounce data is calculated in accordance with The Gold Institute Production Cost Standard (the "Standard"). The Gold Institute is a worldwide association of suppliers of gold and gold products and includes leading North American gold producers. Adoption of the Standard is voluntary, and the data presented may not be comparable to data presented by other gold producers. Cash costs per ounce are derived from amounts included in the Statements of Income and include mine site operating costs such as mining, processing, administration, royalties and production taxes, but exclude amortization, reclamation costs, financing costs, and capital, development and exploration.

# Consolidated Statements of Income

| (in millions of United States dollars, except per share data, US GAAP basis) | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| (Unaudited) | 2002 | 2001 | 2002 | 2001 |
| Gold sales | $ 490 | $ 518 | $ 968 | $ 1,017 |
| Costs and expenses | | | | |
| Operating | 262 | 284 | 528 | 549 |
| Amortization | 126 | 119 | 249 | 237 |
| Administration | 16 | 23 | 33 | 45 |
| Exploration and business development | 27 | 25 | 47 | 54 |
| | 431 | 451 | 857 | 885 |
| Interest and other income | 7 | 21 | 16 | 23 |
| Interest on long-term debt | (16) | (6) | (29) | (10) |
| Non-hedge derivative gains (losses) (note 5F) | 12 | (19) | 11 | 33 |
| Income before income taxes and other item | 62 | 63 | 109 | 178 |
| Income taxes | (3) | (5) | (4) | (32) |
| Income before cumulative effect of change in accounting principle | 59 | 58 | 105 | 146 |
| Cumulative effect of change in accounting principle | - | - | - | (1) |
| Net income | $ 59 | $ 58 | $ 105 | $ 145 |
| Comprehensive income (note 8) | $ 66 | $ 76 | $ 103 | $ 128 |
| Per share data (note 3A) | | | | |
| Income before cumulative effect of change in accounting principle | | | | |
| Basic and diluted | $ 0.11 | $ 0.11 | $ 0.20 | $ 0.27 |
| Net income | | | | |
| Basic and diluted | $ 0.11 | $ 0.11 | $ 0.20 | $ 0.27 |

See accompanying notes to interim unaudited consolidated financial statements.

# Consolidated Statements of Cash Flow

| (in millions of United States dollars, US GAAP basis) | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| (Unaudited) | 2002 | 2001 | 2002 | 2001 |
| Cash provided by operating activities (note 9) | $ 177 | $ 196 | $ 328 | $ 398 |
| Cash provided by (used in) investing activities | | | | |
| Property, plant and equipment | (90) | (140) | (168) | (330) |
| Short-term investments | 58 | (200) | 130 | (318) |
| Other | 3 | (1) | 3 | (7) |
| Cash (used in) investing activities | (29) | (341) | (35) | (655) |
| Cash provided by (used in) financing activities | | | | |
| Capital stock (note 3) | 46 | 6 | 81 | 6 |
| Long-term debt | | | | |
| Proceeds | - | 22 | - | 54 |
| Repayments | - | (5) | (1) | (6) |
| Dividends (note 3C) | (60) | (44) | (60) | (44) |
| Cash provided by (used in) financing activities | (14) | (21) | 20 | 10 |
| Effect of exchange rate changes on cash and equivalents | - | 2 | - | 1 |
| Increase (decrease) in cash and equivalents | 134 | (164) | 313 | (246) |
| Cash and equivalents at beginning of period | 753 | 734 | 574 | 816 |
| Cash and equivalents at end of period | $ 887 | $ 570 | $ 887 | $ 570 |

See accompanying notes to interim unaudited consolidated financial statements.

# Consolidated Balance Sheets

| (in millions of United States dollars, US GAAP basis)<br>(Unaudited) | As at June 30,<br>2002 | As at Dec. 31,<br>2001 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and equivalents | $ 887 | $ 574 |
| Short-term investments | 29 | 159 |
| Accounts receivable | 63 | 58 |
| Inventories and other current assets (note 4) | 192 | 223 |
| | 1,171 | 1,014 |
| Property, plant and equipment | 3,766 | 3,912 |
| Other assets | 281 | 276 |
| | $ 5,218 | $ 5,202 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | $ 456 | $ 521 |
| Current portion of long-term debt | 20 | 9 |
| | 476 | 530 |
| Long-term debt | 781 | 793 |
| Other long-term obligations | 410 | 443 |
| Deferred income taxes | 232 | 244 |
| | 1,899 | 2,010 |
| Shareholders' equity | | |
| Capital stock (note 3) | 4,146 | 4,062 |
| Deficit | (718) | (763) |
| Accumulated other comprehensive loss | (109) | (107) |
| | 3,319 | 3,192 |
| | $ 5,218 | $ 5,202 |

See accompanying notes to interim unaudited consolidated financial statements.

Contingencies (note 6)

# Consolidated Statement of Changes in Shareholders' Equity

| (in millions of United States dollars, US GAAP basis) (Unaudited) | Capital stock | | | Accumulated other comprehensive income (loss) | | | |
|---|---|---|---|---|---|---|---|
| | Shares (millions) | Amount | (Deficit) | Cumulative foreign currency translation adjustments | Derivative instruments | Other | Total share-holders' equity |
| Balance December 31, 2001 | 536 | $ 4,062 | $ (763) | $ (123) | $ 24 | $ (8) | $ 3,192 |
| Capital stock (note 3) | 6 | 84 | | | | | 84 |
| Net income | | | 105 | | | | 105 |
| Dividends paid (note 3C) | | | (60) | | | | (60) |
| Other comprehensive income (loss) (note 8) | | | | (12) | 13 | (3) | (2) |
| Balance June 30, 2002 | 542 | $ 4,146 | $ (718) | $ (135) | $ 37 | $ (11) | $ 3,319 |

See accompanying notes to interim unaudited consolidated financial statements.

# Notes to Unaudited Interim Consolidated Financial Statements (US GAAP)

Tabular dollar amounts in millions of United States dollars, unless otherwise indicated, US GAAP basis. References to C$ and A$ are Canadian and Australian dollars, respectively.

## 1 BASIS OF PREPARATION

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with the rules and regulations of the United States Securities and Exchange Commission for the preparation of interim financial information. Accordingly, they do not include all of the information and disclosures required by United States generally accepted accounting principles ("GAAP") for annual consolidated financial statements. Except as disclosed in note 2, the accounting policies used in the preparation of the accompanying unaudited interim consolidated financial statements are as those described in our audited consolidated financial statements and the notes thereto for the three years ended December 31, 2001.

In the opinion of management, all adjustments considered necessary for fair presentation of results for the periods presented have been reflected in these financial statements. Operating results for the period ended June 30, 2002 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2002. These unaudited interim consolidated financial statements should be read in conjunction with the audited annual financial statements and the notes thereto for the three years ended December 31, 2001.

The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

On December 14, 2001, a wholly owned subsidiary of Barrick merged with Homestake Mining Company ("Homestake"). The merger was accounted for as a pooling-of-interests. The unaudited interim financial statements give retroactive effect to the merger, with all periods presented as if Barrick and Homestake had always been combined. Certain reclassifications have been made to conform the presentation of Barrick and Homestake.

## 2 ACCOUNTING CHANGES

### A Goodwill and Other Intangible Assets

We adopted FASB Statement No. 142, Goodwill and Other Intangible Assets (SFAS 142), effective January 1, 2002. Since we had no goodwill or other intangible assets at the date of adoption, this accounting change had no effect on our consolidated financial statements.

### B Accounting for the Impairment or Disposal of Long-lived Assets

We adopted FASB Statement No. 144, Accounting for the Impairment or Disposal of Long-lived Assets (SFAS 144), effective January 1, 2002. The adoption of this new statement had no effect on our consolidated financial statements.

## 3 CAPITAL STOCK

### A Net income per share

Net income per share was calculated on the basis of the weighted average number of common shares outstanding for the period ended June 30, 2002 which amounted to 539 million shares (2001 – 536 million shares).

Diluted net income per share reflects the dilutive effect of the exercise of the common share purchase options outstanding as at the end of the period. The number of shares for the diluted net income per share calculation for 2002 and 2001 was 541 million shares and 536 million shares, respectively.

### B Common share purchase options

| | Common shares (millions) | Weighted average price (C$) | Common shares (millions) | Weighted average price (US$) |
|---|---|---|---|---|
| Outstanding as at December 31, 2001 | 19 | $ 28.29 | 6 | $ 16.67 |
| 2002 activity: | | | | |
| Granted | 1 | 29.96 | - | - |
| Exercised | (4) | 24.80 | (2) | 11.98 |
| Cancelled or expired | (1) | 33.53 | (1) | 13.50 |
| Outstanding as at June 30, 2002 | 15 | $ 28.51 | 3 | $ 21.06 |

FASB Statement No. 123 ( SFAS 123) encourages, but does not require, companies to include in compensation cost the fair value of stock options granted to employees.

A Company that does not adopt the fair-value method must disclose the cost of stock compensation awards, at their fair value on the date the award is granted. The fair value of common share purchase options granted in the period ended June 30, 2002 was $2 million, estimated using the Black-Scholes model with the following assumptions: a 6-year expected term, 30% volatility, interest rates of 6% and an expected dividend yield of 1.5%. Under SFAS 123 the cost of stock compensation, and the resulting pro forma net income per share would be as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| Stock compensation cost | $ 5 | $ 8 | $ 10 | $ 15 |
| Pro forma net income | $ 54 | $ 50 | $ 95 | $ 130 |
| Pro forma net income per share (dollars) | $ 0.10 | $ 0.09 | $ 0.18 | $ 0.24 |

### C Dividends

In the three months ended June 30, 2002, the Company declared and paid dividends in United States dollars totaling $0.11 per share.

## 4 INVENTORIES AND OTHER CURRENT ASSETS

| | June 30, 2002 | Dec. 31, 2001 |
|---|---|---|
| Gold in process and ore in stockpiles | $ 93 | $ 134 |
| Mine operating supplies | 73 | 72 |
| Derivative instruments (note 5) | 26 | 17 |
| | $ 192 | $ 223 |

Gold in process and ore in stockpiles excludes $27 million (December 31, 2001 – $46 million) of stockpiled ore which is not expected to be processed in the following 12 months. This amount is included in other assets.

## 5 DERIVATIVE INSTRUMENTS

### A Derivative instruments

We utilize over-the-counter ("OTC") contracts as the primary basis for entering into derivative transactions. These privately negotiated agreements, compared to exchange traded contracts, allow us to incorporate favourable credit, tenor and flexibility terms into the contracts. The underlyings in the contracts include commodities, interest rates, foreign exchange rates or bond indices with diversified credit exposure. We do not enter into derivative instruments which we would consider to be leveraged. For a full description of our objectives and strategies for using derivative instruments; the nature and principal terms of the derivative instruments we use; the valuation techniques used to estimate the fair value of derivative instruments; and the nature of credit and market risks associated with the derivative instruments we use, refer to our audited consolidated financial statements for the three years ended December 31, 2001.

## B Derivative instruments outstanding at June 30, 2002

| Maturity/Scheduled for delivery in | 2002 | 2003 | 2004 | 2005 | 2006 | 2007+ | Total |
|---|---|---|---|---|---|---|---|
| Normal sales contracts | | | | | | | |
| Spot deferred gold sales contracts (note 5C) | | | | | | | |
| Ounces (thousands) | 1,400 | 2,800 | 2,650 | 1,600 | 1,600 | 7,850 | 17,900 |
| Average price per ounce | $ 365 | $ 340 | $ 340 | $ 335 | $ 340 | $ 346 | $ 344 |
| Spot deferred silver sales contracts (note 5C) | | | | | | | |
| Ounces (thousands) | 10,000 | 15,000 | 8,000 | 3,000 | 1,000 | 1,000 | 38,000 |
| Average price per ounce | $ 4.75 | $ 5.05 | $ 5.10 | $ 5.10 | $ 5.10 | $ 5.10 | $ 4.98 |
| Variable price gold sales contracts (with "caps") (note 5C) | | | | | | | |
| Ounces (thousands) | - | 500 | 420 | 400 | 170 | 820 | 2,310 |
| Price per ounce at cap expiry date | - | $ 342 | $ 320 | $ 328 | $ 349 | $ 362 | $ 343 |
| Variable price gold sales contracts (with "caps" and "floors") (note 5C) | | | | | | | |
| Ounces (thousands) | 200 | 150 | - | - | - | - | 350 |
| Cap price per ounce | $ 297 | $ 310 | - | - | - | - | $ 303 |
| Floor price per ounce | $ 266 | $ 280 | - | - | - | - | $ 272 |
| Written gold call options | | | | | | | |
| Ounces (thousands) | - | 60 | 115 | - | - | 230 | 405 |
| Average exercise price per ounce | - | $ 310 | $ 343 | - | - | $ 354 | $ 344 |
| Written silver call options | | | | | | | |
| Ounces (thousands) | 10,000 | 3,750 | 5,000 | 2,000 | - | - | 20,750 |
| Average exercise price per ounce | $ 5.07 | $ 5.27 | $ 5.28 | $ 5.00 | - | - | $ 5.15 |
| Interest rate and lease rate contracts | | | | | | | |
| Receive fixed – swaps and swaptions | | | | | | | |
| Notional amount (millions) | - | $ 275 | $ 250 | $ 175 | $ 60 | $ 111 | $ 871 |
| Fixed rate (%) | - | 4.9% | 3.5% | 4.7% | 4.4% | 4.4% | 4.3% |
| Pay fixed - swaps and swaptions | | | | | | | |
| Notional amount (millions) | - | - | - | - | - | $ 550 | $ 550 |
| Fixed rate (%) | - | - | - | - | - | 5.8% | 5.8% |
| Gold lease rate swaps | | | | | | | |
| Receive fixed, pay floating | | | | | | | |
| Notional (thousands of ounces) | 240 | 451 | 440 | 791 | 800 | 2,914 | 5,636 |
| Fixed rate (%) | 1.2% | 2.0% | 2.1% | 2.2% | 2.6% | 2.7% | 2.4% |
| Total return swaps | | | | | | | |
| Notional amount (millions) | $ 45 | $ 90 | $ 265 | - | - | - | $ 400 |
| Currency contracts | | | | | | | |
| Canadian Dollar Forwards | | | | | | | |
| C$ (millions) | $ 78 | $ 66 | $ 189 | - | - | - | $ 333 |
| Average Price (US¢) | 0.64 | 0.64 | 0.65 | - | - | - | 0.64 |
| Canadian Dollar Min-Max Contracts | | | | | | | |
| C$ (millions) | $ 57 | $ 184 | $ 70 | - | - | - | $ 311 |
| Average Cap Price (US¢) | 0.64 | 0.65 | 0.67 | - | - | - | 0.65 |
| Average Floor Price (US¢) | 0.62 | 0.63 | 0.64 | - | - | - | 0.63 |
| Australian Dollar Forwards | | | | | | | |
| A$ (millions) | $ 137 | $ 190 | $ 181 | $ 167 | $ 10 | - | $ 685 |
| Average Price (US¢) | 0.53 | 0.51 | 0.51 | 0.51 | 0.52 | - | 0.52 |
| Australian Dollar Min-Max Contracts | | | | | | | |
| A$ (millions) | $ 95 | $ 260 | $ 35 | $ 20 | $ 10 | - | $ 420 |
| Average Cap Price (US¢) | 0.54 | 0.55 | 0.54 | 0.52 | 0.52 | - | 0.55 |
| Average Floor Price (US¢) | 0.52 | 0.52 | 0.52 | 0.51 | 0.51 | - | 0.52 |

Written call options can only be exercised by the counterparties on the expiry date and can be incorporated, at our discretion, into spot deferred contracts and a delivery date scheduled at any time for up to 15 years. There is no requirement for us to cash settle these transactions.

### C Derivative instruments excluded from the scope of SFAS 133

We have two groups of contracts that meet the definition of a derivative under SFAS 133. We have determined and documented that these contracts meet the normal sales exception included in paragraph 10(b) of SFAS 133. Accordingly, our spot deferred sales contracts and Variable Price Sales Contracts are not accounted for as derivatives pursuant to SFAS 133. Our outstanding gold and silver sales commitments under these normal sales contracts at June 30, 2002 had an unrealized mark-to-market loss of $261 million (calculated at spot prices of $314 per ounce and $4.82 per ounce for gold and silver respectively, prevailing market interest rates and volatilities).

#### Spot deferred contracts

We have entered into spot deferred sales contracts, with various counterparties, that establish selling prices for future gold and silver production, and which therefore act as a hedge against possible price fluctuations in gold and silver.

The average price of the spot deferred contracts reflects the expected future price incorporating an average lease rate assumption of 2.00%. Lease rates are fixed on 100% of the position through 2005. The weighted average lease rate on the total spot deferred position is 1.8%. Variations between the lease rate assumption and the actual lease rates will impact the final realized selling prices.

#### Variable Price Sales Contracts

During the three months ended March 31, 2002, we exchanged certain written gold call options and min-max gold options at fair value for Variable Price Sales Contracts with identical notional amounts of gold. Variable Price Sales Contracts are contracts whereby we will deliver a specified quantity of gold on a future date that is determined by us. The contracts have a final delivery date of up to 15 years from inception, but we have the right at our sole discretion to set a delivery date for any Variable Price Sales Contract during this 15-year period from inception. All of the Variable Price Sales Contracts have expected delivery dates in 2005 and beyond. The contract price equals the gold spot price subject to a specified maximum ("cap") based on market conditions in the years indicated in the table above, plus a fixed fee. The contract price will be adjusted in the same manner as price adjustments to spot deferred contracts for the period from these dates to the expected delivery date in 2005 and beyond. Certain of these contracts also have a specified minimum ("floor") price.

### D Cash flow hedges

We use forward and zero cost min-max currency contracts to hedge exposures arising from operating expenses denominated in currencies other than the United States dollar. The specific terms and notional amounts of the contracts are determined based on management's assessment of forecasted future cash flows relating to these expenses. We have determined and documented that, for those contracts where hedge accounting has been applied, the terms of the contract were negotiated to match the terms of the forecasted transaction, and thus there is no ineffectiveness. At June 30, 2002, we had elected hedge accounting treatment for Canadian dollar contracts with a total notional amount of C$250 million, and Australian dollar contracts with a total notional amount of A$814 million.

In addition, we have elected for certain of our receive fixed interest rate swaps, with a total notional amount of $685 million, to be accounted for as cash flow hedges of expected future interest receipts arising on our cash and short-term investments. We have determined that these interest rate swaps are 100% effective based on forward rates used to measure changes in the forecasted future cash flows as well as changes in the fair value of the derivative instrument.

For the six months ended June 30, 2002, we were not required to record any hedge ineffectiveness in earnings.

For cash flow hedges, gains and losses on derivative contracts that are reclassified from accumulated other comprehensive income to current-period earnings are included in the line item which the hedged item is recorded, in the same period the forecasted transaction affects earnings.

In the three months ended June 30, 2002, we transferred gains of $7 million from other comprehensive income to earnings. In the next twelve months, gains of $12 million accumulated in other comprehensive income are expected to be transferred to earnings.

### E Fair value of derivative instruments (excluding normal sales contracts)

| | Three months ended June 30, 2002 | Six months ended June 30, 2002 |
|---|---|---|
| Fair value of derivative instruments at beginning of period | $ (30) | $ (16) |
| Derivative instruments entered into or settled during the period | 5 | (10) |
| Change in fair value of derivative instruments during the period: | | |
| Non-hedge derivative gains (losses) (note 5F) | 12 | 11 |
| Cash flow hedges (note 8) | 38 | 40 |
| Fair value of derivative instruments at end of period | $ 25 | $ 25 |

The fair values of recorded derivative related assets and liabilities reflect the netting of the fair values of individual derivative instruments, and amounts due to/from counterparties that arise from derivative instruments, when the conditions of FIN No. 39, Offsetting of Amounts Related to Certain Contracts, have been met. Amounts receivable from counterparties that have been offset against derivative liabilities totalled $39 million at June 30, 2002.

### F Non-hedge derivative gains (losses)

| | Three months ended June 30, 2002 | Three months ended June 30, 2001 | Six months ended June 30, 2002 | Six months ended June 30, 2001 |
|---|---|---|---|---|
| Commodity contracts | $ (2) | $ (9) | $ (12) | $ 24 |
| Currency contracts | 13 | (3) | 15 | (4) |
| Interest rate and lease rate contracts | 1 | (7) | 8 | 13 |
| | $ 12 | $ (19) | $ 11 | $ 33 |

## 6 CONTINGENCIES

### A Environmental

Our mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. We conduct our operations so as to protect public health and the environment and we believe that our operations are materially in compliance with all applicable laws and regulations. We have made, and expect to make in the future, expenditures to comply with such laws and regulations.

## B Litigation and claims

In October 1997, Homestake Canada Inc. ("HCI"), a wholly-owned subsidiary of Barrick, entered into an agreement with Inmet Mining Corporation ("Inmet") to purchase the Troilus mine in Quebec for $110 million plus working capital. In December 1997, HCI terminated the agreement after determining that, on the basis of due diligence studies, conditions to closing the arrangement would not be satisfied. On February 23, 1998, Inmet filed suit against HCI in the British Columbia Supreme Court, disputing the termination of the agreement and alleging that HCI had breached the agreement. On January 15, 2002, the Supreme Court of British Columbia released its decision in the matter and found in favour of Inmet and against HCI. Specifically, the Court held that Inmet should be awarded equitable damages in the amount of C$88.2 million, which amount was accrued at December 31, 2001. The Court did not award Inmet pre-judgement interest. Inmet requested the Court to re-open the trial to permit Inmet to make submissions on its claim for pre-judgement interest from the date of the breach by HCI. The request to re-open was denied by the court on May 17, 2002. On February 7, 2002, HCI filed a Notice of Appeal of the decision with the British Columbia Court of Appeal. Inmet filed a notice of Appeal of the decision denying Inmet the pre-judgment interest. It is anticipated that a letter of credit in the approximate amount of C$95 million will be required to be posted by HCI with the British Columbia Court of Appeal, pending a decision on the appeal.

On April 30, 1998, we were added as a defendant in a class action lawsuit initiated against Bre-X Minerals Ltd., certain of its directors and officers or former directors and officers and others in the United States District Court for the Eastern District of Texas, Texarkana Division. The class action alleges, among other things, that statements made by us in connection with our efforts to secure the right to develop and operate the Busang gold deposit in East Kalimantan, Indonesia were materially false and misleading and omitted to state material facts relating to the preliminary due diligence investigation undertaken by us in late 1996. On July 13, 1999, the Court dismissed the claims against us and several other defendants on the grounds that the plaintiffs had failed to state a claim under United States securities laws. On August 19, 1999, the plaintiffs filed an amended complaint restating their claims against us and certain other defendants and on June 14, 2000 filed a further amended complaint, the Fourth Amended Complaint. On March 31, 2001, the Court granted in part and denied in part our Motion to Dismiss the Fourth Amended Complaint. As a result, we remain a defendant in the case. We believe that the remaining claims against us are without merit. We filed our formal answer to the Fourth Amended Complaint on April 27, 2001 denying all relevant allegations of the plaintiffs against us. Discovery in the case has been stayed by the Court pending the Court's decision on whether or not to certify the case as a class action. The amount of potential loss, if any, which we may incur arising out of the plaintiffs claims is not currently determinable.

From time to time, we are involved in various claims, legal proceedings and complaints arising in the ordinary course of business. We are also subject to reassessment for income and mining taxes for certain years. We do not believe that adverse decisions in any pending or threatened proceedings related to any potential tax assessments or other matters, or any amount which we may be required to pay by reason thereof, will have a material adverse effect on our financial condition or future results of operations.

## 7 SEGMENT INFORMATION

| | Three months ended June 30, 2002 | Three months ended June 30, 2001 | Six months ended June 30, 2002 | Six months ended June 30, 2001 |
|---|---|---|---|---|
| **Gold sales** | | | | |
| Goldstrike | $ 168 | $ 196 | $ 333 | $ 414 |
| Pierina | 63 | 70 | 133 | 132 |
| Eskay Creek | 32 | 27 | 60 | 51 |
| Bulyanhulu | 37 | 21 | 64 | 21 |
| Kalgoorlie | 30 | 35 | 59 | 66 |
| Hemlo | 20 | 23 | 45 | 48 |
| Plutonic | 27 | 29 | 47 | 48 |
| Round Mountain | 34 | 34 | 67 | 64 |
| Other | 79 | 83 | 160 | 173 |
| | 490 | 518 | 968 | 1,017 |
| **Operating costs** | | | | |
| Goldstrike | 110 | 117 | 219 | 236 |
| Pierina | 17 | 10 | 33 | 20 |
| Eskay Creek | 3 | 5 | 6 | 8 |
| Bulyanhulu | 21 | 13 | 39 | 13 |
| Kalgoorlie | 19 | 20 | 39 | 41 |
| Hemlo | 16 | 18 | 34 | 35 |
| Plutonic | 14 | 14 | 26 | 25 |
| Round Mountain | 19 | 17 | 39 | 37 |
| Other | 43 | 70 | 93 | 134 |
| | 262 | 284 | 528 | 549 |
| **Amortization** | | | | |
| Goldstrike | 40 | 32 | 74 | 65 |
| Pierina | 32 | 40 | 71 | 78 |
| Eskay Creek | 11 | 10 | 22 | 20 |
| Bulyanhulu | 10 | 6 | 18 | 6 |
| Kalgoorlie | 5 | 5 | 10 | 9 |
| Hemlo | 2 | 3 | 5 | 5 |
| Plutonic | 3 | 4 | 5 | 6 |
| Round Mountain | 5 | 5 | 10 | 9 |
| Other | 18 | 14 | 34 | 39 |
| | 126 | 119 | 249 | 237 |

| | Three months ended June 30, 2002 | Three months ended June 30, 2001 | Six months ended June 30, 2002 | Six months ended June 30, 2001 |
|---|---|---|---|---|
| **Income before income taxes** | | | | |
| Goldstrike | 18 | 47 | 40 | 113 |
| Pierina | 14 | 20 | 29 | 34 |
| Eskay Creek | 18 | 12 | 32 | 23 |
| Bulyanhulu | 6 | 2 | 7 | 2 |
| Kalgoorlie | 6 | 10 | 10 | 16 |
| Hemlo | 2 | 2 | 6 | 8 |
| Plutonic | 10 | 11 | 16 | 17 |
| Round Mountain | 10 | 12 | 18 | 18 |
| Other | 18 | (1) | 33 | - |
| | 102 | 115 | 191 | 231 |
| Exploration and business development | (27) | (25) | (47) | (54) |
| Corporate expenses, net | (25) | (8) | (46) | (33) |
| Net-hedge derivative gain (loss) | 12 | (19) | 11 | 33 |
| Income taxes | (3) | (5) | (4) | (32) |
| Net Income | $ 59 | $ 58 | $ 105 | $ 145 |
| **Capital expenditures** | | | | |
| Goldstrike | $ 37 | $ 65 | $ 77 | $ 135 |
| Bulyanhulu | 16 | 35 | 32 | 104 |
| Pierina | 5 | 3 | 9 | 7 |
| Eskay Creek | 1 | 2 | 3 | 3 |
| Kalgoorlie | 1 | 3 | 3 | 4 |
| Hemlo | 2 | - | 3 | 1 |
| Plutonic | 5 | 2 | 8 | 4 |
| Round Mountain | 6 | 1 | 6 | 9 |
| Pascua-Lama | 3 | 18 | 6 | 47 |
| Cowal | 1 | 1 | 2 | 1 |
| Other | 13 | 10 | 19 | 15 |
| | $ 90 | $ 140 | $ 168 | $ 330 |

## 8 COMPREHENSIVE INCOME

| | Three months ended June 30, | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | | 2002 | | 2001 | | 2002 | | 2001 |
| Net income | $ | 59 | $ | 58 | $ | 105 | $ | 145 |
| Foreign currency translation adjustments | | (4) | | 38 | | (12) | | – |
| Transfers of (gains) losses on derivative instruments to earnings (note 5D) | | (7) | | 12 | | (10) | | 18 |
| Change in fair value of cash flow hedges (note 5D) (net of tax effects) | | 21 | | – | | 23 | | – |
| SFAS 133 transition adjustment | | – | | (35) | | – | | (35) |
| Other | | (3) | | 3 | | (3) | | – |
| Comprehensive income | $ | 66 | $ | 76 | $ | 103 | $ | 128 |

## 9 RECONCILIATION OF NET INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES

| | Three months ended June 30, | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | | 2002 | | 2001 | | 2002 | | 2001 |
| Net income | $ | 59 | $ | 58 | $ | 105 | $ | 145 |
| Adjustments: | | | | | | | | |
| Amortization | | 126 | | 119 | | 249 | | 237 |
| Amortization of deferred stripping costs | | 26 | | 49 | | 62 | | 78 |
| Deferred income taxes | | 9 | | (9) | | (6) | | 4 |
| Reclamation and closure costs, net | | (7) | | – | | (4) | | (3) |
| (Gains) losses on derivative instruments | | (19) | | 31 | | (21) | | (15) |
| Recovery (payment) of taxes on development costs | | 11 | | (2) | | – | | (5) |
| Other items | | (23) | | 5 | | (24) | | 6 |
| Changes in operating assets and liabilities: | | | | | | | | |
| Accounts receivable | | 21 | | (4) | | (5) | | 19 |
| Inventories and other current assets | | (3) | | (23) | | 35 | | 11 |
| Accounts payable and accrued liabilities | | (23) | | (28) | | (63) | | (79) |
| Cash provided by operating activities | $ | 177 | $ | 196 | $ | 328 | $ | 398 |

## 10 HOMESTAKE CANADA INC. ("HCI")

In connection with a 1998 acquisition, HCI issued 11.1 million HCI exchangeable shares. Each HCI exchangeable share is exchangeable for 0.53 of a Barrick common share at any time at the option of the holder and has essentially the same voting, dividend (payable in Canadian dollars), and other rights as 0.53 of a Barrick common share. A share of special voting stock, which was issued to the transfer agent in trust for the holders of the HCI exchangeable shares, provides the mechanism for holders of the HCI exchangeable shares to receive their voting rights.

As at June 30, 2002, 1.7 million of the HCI exchangeable shares were outstanding and are equivalent to 0.9 million Barrick common shares. As at June 30, 2002, we had reserved 0.9 million Barrick shares for issuance on exchange of the HCI exchangeable shares outstanding.

Summarized consolidated financial information for HCI is as follows:

| | June 30, 2002 | December 31, 2001 |
|---|---|---|
| Current assets | $ 79 | $ 43 |
| Non-current assets | 312 | 345 |
| Total assets | $ 391 | $ 388 |
| Other current liabilities | $ 16 | $ 76 |
| Notes payable | 415 | 416 |
| Other long-term liabilities | 75 | 12 |
| Deferred income taxes | 127 | 121 |
| Shareholders' equity | (242) | (237) |
| Total liabilities and shareholders' equity | $ 391 | $ 388 |

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| Total revenues and other income | $ 48 | $ 55 | $ 103 | $ 102 |
| Less: costs and expenses | 53 | 62 | 102 | 121 |
| Income (loss) before taxes | $ (5) | $ (7) | $ 1 | $ (19) |
| Net (loss) | $ (10) | $ (5) | $ (5) | $ (14) |

# Mine Statistics

| | UNITED STATES | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Betze-Post | | Meikle | | Goldstrike Total | | Round Mountain | |
| Three months ended June 30, | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 |
| Tons mined (thousands) | 36,098 | 39,740 | 393 | 358 | 36,491 | 40,098 | 8,096 | 8,415 |
| Tons processed (thousands) | 2,499 | 2,189 | 385 | 371 | 2,884 | 2,560 | 8,217 | 7,515 |
| Average grade (ounces per ton) | 0.156 | 0.215 | 0.440 | 0.547 | 0.194 | 0.263 | 0.020 | 0.016 |
| Recovery rate (percent) | 84.3% | 85.6% | 91.8% | 92.0% | 86.6% | 87.5% | N/A | N/A |
| Production (thousands of ounces) | 329 | 404 | 155 | 187 | 484 | 591 | 95 | 98 |
| Production costs per ounce | | | | | | | | |
| Cash operating costs | $ 222 | $ 204 | $ 181 | $ 129 | $ 209 | $ 181 | $ 162 | $ 154 |
| Royalties and production taxes | 6 | 10 | 11 | 18 | 8 | 12 | 15 | 13 |
| Total cash costs | 228 | 214 | 192 | 147 | 217 | 193 | 177 | 167 |
| Amortization | 64 | 55 | 121 | 40 | 82 | 50 | 52 | 46 |
| Reclamation | 4 | 3 | 2 | 2 | 3 | 3 | 16 | 15 |
| Total production costs | $ 296 | $ 272 | $ 315 | $ 189 | $ 302 | $ 246 | $ 245 | $ 228 |
| Capital expenditures (US$ millions) | $ 27 | $ 40 | $ 10 | $ 25 | $ 37 | $ 65 | $ 6 | $ - |

| Six months ended June 30, | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 |
|---|---|---|---|---|---|---|---|---|
| Tons mined (thousands) | 73,319 | 81,663 | 783 | 660 | 74,102 | 82,323 | 16,230 | 17,005 |
| Tons processed (thousands) | 4,920 | 4,224 | 767 | 606 | 5,687 | 4,830 | 16,452 | 15,935 |
| Average grade (ounces per ton) | 0.163 | 0.233 | 0.427 | 0.619 | 0.198 | 0.281 | 0.019 | 0.018 |
| Recovery rate (percent) | 83.7% | 86.8% | 91.0% | 93.0% | 85.8% | 88.6% | N/A | N/A |
| Production (thousands of ounces) | 670 | 855 | 298 | 349 | 968 | 1,204 | 189 | 198 |
| Production costs per ounce | | | | | | | | |
| Cash operating costs | $ 217 | $ 193 | $ 191 | $ 118 | $ 210 | $ 171 | $ 170 | $ 167 |
| Royalties and production taxes | 6 | 10 | 10 | 16 | 7 | 12 | 13 | 10 |
| Total cash costs | 223 | 203 | 201 | 134 | 217 | 183 | 183 | 177 |
| Amortization | 58 | 51 | 114 | 48 | 75 | 50 | 52 | 46 |
| Reclamation | 4 | 3 | 2 | 2 | 3 | 3 | 16 | 16 |
| Total production costs | $ 285 | $ 257 | $ 317 | $ 184 | $ 295 | $ 236 | $ 251 | $ 239 |
| Capital expenditures (US$ millions) | $ 56 | $ 84 | $ 21 | $ 51 | $ 77 | $ 135 | $ 6 | $ 9 |

# Mine Statistics

| | AUSTRALIA | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Plutonic | | Darlot | | Lawlers | | Kalgoorlie | |
| Three months ended June 30, | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 |
| Tons mined (thousands) | 3,691 | 3,516 | 214 | 175 | 628 | 159 | 11,043 | 11,764 |
| Tons processed (thousands) | 821 | 874 | 205 | 197 | 175 | 193 | 1,818 | 1,704 |
| Average grade (ounces per ton) | 0.105 | 0.122 | 0.169 | 0.164 | 0.166 | 0.122 | 0.058 | 0.071 |
| Recovery rate (percent) | 91.1% | 90.8% | 96.7% | 96.3% | 97.6% | 93.2% | 83.3% | 85.5% |
| Production (thousands of ounces) | 80 | 94 | 32 | 32 | 29 | 22 | 81 | 109 |
| Production costs per ounce | | | | | | | | |
| Cash operating costs | $ 167 | $ 144 | $ 171 | $ 171 | $ 165 | $ 221 | $ 205 | $ 169 |
| Royalties and production taxes | 7 | 7 | 8 | 6 | 7 | 7 | 8 | 7 |
| Total cash costs | 174 | 151 | 179 | 177 | 172 | 228 | 213 | 176 |
| Amortization | 38 | 42 | 47 | 43 | 38 | 49 | 56 | 42 |
| Reclamation | 2 | 6 | 1 | 2 | 3 | 2 | 6 | 8 |
| Total production costs | $ 214 | $ 199 | $ 227 | $ 222 | $ 213 | $ 279 | $ 275 | $ 226 |
| Capital expenditures (US$ millions) | $ 5 | $ 2 | $ 1 | $ 7 | $ 1 | $ 1 | $ 1 | $ 3 |

| Six months ended June 30, | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 |
|---|---|---|---|---|---|---|---|---|
| Tons mined (thousands) | 6,757 | 6,675 | 414 | 371 | 786 | 272 | 22,690 | 23,057 |
| Tons processed (thousands) | 1,685 | 1,729 | 413 | 389 | 357 | 379 | 3,564 | 3,274 |
| Average grade (ounces per ton) | 0.095 | 0.100 | 0.174 | 0.172 | 0.156 | 0.131 | 0.060 | 0.070 |
| Recovery rate (percent) | 90.1% | 90.4% | 97.0% | 96.4% | 96.9% | 94.4% | 83.7% | 85.5% |
| Production (thousands of ounces) | 142 | 150 | 68 | 64 | 55 | 47 | 168 | 207 |
| Production costs per ounce | | | | | | | | |
| Cash operating costs | $ 172 | $ 159 | $ 164 | $ 162 | $ 172 | $ 206 | $ 208 | $ 180 |
| Royalties and production taxes | 8 | 7 | 7 | 6 | 8 | 7 | 8 | 6 |
| Total cash costs | 180 | 166 | 171 | 168 | 180 | 213 | 216 | 186 |
| Amortization | 35 | 40 | 46 | 40 | 37 | 44 | 55 | 43 |
| Reclamation | 2 | 5 | 2 | 2 | 4 | 5 | 6 | 8 |
| Total production costs | $ 217 | $ 211 | $ 219 | $ 210 | $ 221 | $ 262 | $ 277 | $ 237 |
| Capital expenditures (US$ millions) | $ 8 | $ 4 | $ 2 | $ 9 | $ 2 | $ 4 | $ 3 | $ 4 |

# Mine Statistics

| | CANADA | | | | | |
|---|---|---|---|---|---|---|
| | Hemlo | | Eskay Creek | | Holt-McDermott | |
| Three months ended June 30, | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 |
| Tons mined (thousands) | 1,030 | 940 | 63 | 57 | 131 | 116 |
| Tons processed (thousands) | 487 | 485 | 63 | 57 | 131 | 124 |
| Average grade (ounces per ton) | 0.134 | 0.162 | 1.612 | 1.542 | 0.172 | 0.169 |
| Recovery rate (percent) | 94.1% | 92.9% | 93.6% | 92.8% | 94.7% | 95.4% |
| Production (thousands of ounces) | 62 | 79 | 92 | 82 | 21 | 20 |
| Production costs per ounce | | | | | | |
| Cash operating costs | $ 241 | $ 202 | $ 28 | $ 47 | $ 190 | $ 181 |
| Royalties and production taxes | 8 | 7 | 4 | 3 | 1 | 4 |
| Total cash costs | 249 | 209 | 32 | 50 | 191 | 185 |
| Amortization | 35 | 30 | 128 | 121 | 49 | 87 |
| Reclamation | 5 | 4 | 1 | 1 | 5 | 4 |
| Total production costs | $ 289 | $ 243 | $ 161 | $ 172 | $ 245 | $ 276 |
| Capital expenditures (US$ millions) | $ 2 | - | $ 1 | $ 2 | $ 1 | $ 2 |

| Six months ended June 30, | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 |
|---|---|---|---|---|---|---|
| Tons mined (thousands) | 2,017 | 1,596 | 125 | 111 | 259 | 236 |
| Tons processed (thousands) | 958 | 946 | 125 | 112 | 259 | 235 |
| Average grade (ounces per ton) | 0.136 | 0.164 | 1.524 | 1.560 | 0.176 | 0.162 |
| Recovery rate (percent) | 93.8% | 92.9% | 93.2% | 92.9% | 94.7% | 95.7% |
| Production (thousands of ounces) | 123 | 150 | 177 | 159 | 43 | 36 |
| Production costs per ounce | | | | | | |
| Cash operating costs | $ 234 | $ 204 | $ 28 | $ 45 | $ 163 | $ 186 |
| Royalties and production taxes | 7 | 7 | 4 | 3 | - | 3 |
| Total cash costs | 241 | 211 | 32 | 48 | 163 | 189 |
| Amortization | 37 | 30 | 127 | 126 | 90 | 86 |
| Reclamation | 4 | 4 | 1 | 1 | 4 | 4 |
| Total production costs | $ 282 | $ 245 | $ 160 | $ 175 | $ 257 | $ 279 |
| Capital expenditures (US$ millions) | $ 3 | $ 1 | $ 3 | $ 3 | $ 3 | $ 4 |

# Mine Statistics

| | PERU | | TANZANIA | |
|---|---|---|---|---|
| | Pierina | | Bulyanhulu | |
| Three months ended June 30, | 2002 | 2001 | 2002 | 2001 |
| Tons mined (thousands) | 8,081 | 7,992 | 249 | 128 |
| Tons processed (thousands) | 3,418 | 2,667 | 273 | 224 |
| Average grade (ounces per ton) | 0.076 | 0.112 | 0.358 | 0.355 |
| Recovery rate (percent) | - | - | 85.9% | 80.1% |
| Production (thousands of ounces) | 183 | 221 | 84 | 64 |
| Production costs per ounce | | | | |
| Cash operating costs | $ 80 | $ 39 | $ 195 | $ 198 |
| Royalties and production taxes | - | - | 8 | 8 |
| Total cash costs | 80 | 39 | 203 | 206 |
| Amortization | 180 | 190 | 93 | 91 |
| Reclamation | 9 | 8 | 1 | 1 |
| Total production costs | $ 269 | $ 237 | $ 297 | $ 298 |
| Capital expenditures (US$ millions) | $ 5 | $ 3 | $ 16 | $ 35 |

| Six months ended June 30, | 2002 | 2001 | 2002 | 2001 |
|---|---|---|---|---|
| Tons mined (thousands) | 15,243 | 14,835 | 443 | 128 |
| Tons processed (thousands) | 6,845 | 5,039 | 535 | 224 |
| Average grade (ounces per ton) | 0.071 | 0.100 | 0.369 | 0.355 |
| Recovery rate (percent) | - | - | 85.6% | 80.1% |
| Production (thousands of ounces) | 398 | 427 | 169 | 64 |
| Production costs per ounce | | | | |
| Cash operating costs | $ 72 | $ 41 | $ 197 | $ 198 |
| Royalties and production taxes | - | - | 8 | 8 |
| Total cash costs | 72 | 41 | 205 | 206 |
| Amortization | 180 | 191 | 93 | 91 |
| Reclamation | 10 | 8 | 1 | 1 |
| Total production costs | $ 262 | $ 240 | $ 299 | $ 298 |
| Capital expenditures (US$ millions) | $ 9 | $ 7 | $ 32 | $ 104 |

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For a description of the key assumptions, parameters and methods used in calculating Barrick's reserves and resources, including the resource at the Alto Chicama property, see Barrick's most recent Annual Information Form referred above.