



## *Speech*

*All Amounts in United States Dollars*

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It's great to be here again at Diggers & Dealers. Last year was my first time here, and you might say that the event took me by storm; I just had to come back.

I'm here today to talk about Barrick's exploration strategy, but before I do, let me give you a brief introduction to Barrick, a snapshot of our operating footprint, and an overview of how exploration is such an integral part of our strategy today, and for the future.

The last four quarters have been big ones for Barrick, as we've moved from operations on two continents to four continents. We brought Bulyanhulu, our new mine in Tanzania online in Second Quarter 2001, to take us from the Americas to Africa. Then in December of last year, we completed a smooth integration with Homestake, bringing Barrick here to Australia and giving us a truly global profile.

In 2002, we're on course to produce 5.7 million ounces of gold, with the bulk of Barrick's production coming from a global portfolio of eight major mine properties operating in North and South America, Africa and Australia. We're one of the world's lowest cost producers, with expected cash costs of \$172 per ounce this year, with reserves of over 82 million ounces and, I'm happy to say, that figure is growing. In fact, Barrick is currently the only major gold producer expanding reserves and exploration is a big reason why.

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On the development front, we have a property pipeline unique in the industry, with exceptional opportunities from Alto Chicama and Pascua/Veladero in South America, to our growing reserve and resource base in Tanzania, to the Cowal property here in Australia.

Now, my expertise is geology, and not balance sheets but you can't form an accurate picture of Barrick without knowing that a key source

of our flexibility comes from our hedging program, and the ability it gives us to adjust to current strategic needs. Historically, our Premium Gold Sales Program has worked very well for us, generating over \$2 billion in additional revenue over the past 14 years. In fact, we've just completed the 58th straight quarter in which we earned a premium to spot. Right now, we're working to make the program simpler and more easily understood going forward, with a target of reducing our calls and min/max positions by 4 million ounces by year's-end.

But what's most important for our purposes today isn't how our hedge program works, but what it does and the fact is, our forward sales program has allowed us to be active in a weak gold-price environment, acquiring accretive assets when the opportunity presented itself. In fact, since 1996, we've built four new mines, adding 28 million ounces to our reserves. Now, we're moving into a rising price environment, financially strong with \$916 million in cash and short-term investments, an undrawn \$1 billion credit facility, the industry's only A-rated balance sheet and no net debt -- ready to build a pipeline of projects with no financial constraints, other than our own discipline.

That strong balance sheet gives Barrick not only a source of secure and predictable cash flows but also the financial flexibility to:

- Number One: Fund ongoing operations;
- Two: Build a pipeline of projects, four new mines over the next five years; and
- Three: Pursue an aggressive exploration strategy.

And I do mean aggressive. As Barrick's point man for exploration, my job is not just to replace current production; it's to use exploration to generate additional growth.

Barrick's growing emphasis on exploration reflects a significant shift in the mining industry. Over the past six years, the challenging price environment has led the juniors to drastically cut back their exploration efforts a fact we see reflected in the worldwide decline in exploration spending from \$5 billion in 1996 to \$2 billion last year. And that drop off in the juniors' exploration efforts has had a big impact on senior companies. Historically, seniors could rely on the juniors to provide a pipeline for new development. But those days are over. The reality is, it is no longer as easy to partner or venture or purchase a promising property. That means the seniors have had to step up and get out into the field themselves. And Barrick has.

Our strategy is to maintain a geographical mix of projects at different stages in the exploration sequence in order to achieve three goals:

- First, to maximize the chances of near-term discovery.
- Second, to move the most promising projects up the exploration chain, from grassroots to drill testing to reserve development.
- And third, to be prepared to take advantage of any new discoveries or developments made by third parties.

Our projects run the spectrum from exploration to development, from grassroots through target delineation, drill testing, and advanced exploration all the way to reserve development. Each of the projects we're pursuing has the potential to become long-life, low-cost ore bodies, after all, that's what we're after. We're excited about the pipeline we're putting together, and what it means for profitable growth.

We're seeing the first fruits of our new emphasis on exploration at Alto Chicama, our new discovery on a 185-square-kilometer property located in the north-central Peru, about 175 km from our Pierina Mine.

In April, when we announced the Alto Chicama discovery, we reported an inferred resource of 3.5 million ounces. Last month – after an intensive 11-week drilling effort, we doubled our initial estimate, to 7.3 million ounces. And even that number may prove conservative, because it's calculated within a 50-meter radius of each drill hole. So far, what we see at Alto Chicama is remarkably similar to Pierina in terms of grades, metallurgy and potential.

Our plan for Alto Chicama includes 200 new drill holes in second half 2002, to bring drill spacing to reserve status density. We've got 9 rigs operational right now, with a goal of 90,000 meters drilled by year's end. Our program includes metallurgical test work, process planning and permitting. We're also doing step-out drilling from the known resource to explore new targets. As a geologist, I can tell you: Discoveries like this don't come along every day. From what we see so far, we think Alto Chicama could be the hub of a whole new district.

In addition to Alto Chicama, we're focusing on our Pascua/Veladero property in Chile and Argentina – at 25 million-ounces, one of the largest undeveloped gold districts in the world. With the completion of the Homestake merger, we have the opportunity to take a unified approach to the development of this property. Based on our work to date, we'll develop Veladero first, where we're looking at a resource of over 8 million ounces, followed by the larger deposit at Pascua-Lama. This quarter, we'll complete an update of the feasibility study that will provide a blueprint of the program we're planning for Veladero.

But what's even more exciting is that our exploration and development budget is strong and robust enough to fund not just one or two but 35 projects around the world – and that's in addition to the development activities being undertaken at our eight major mine properties. Taken together with our properties in Peru, Tanzania, Chile/Argentina and Australia, Barrick has the most prospective land positions in the industry. I think the market is just beginning to pick up on that fact, and there's nothing like our Alto Chicama success to make our point.

Overall, our initial exploration budget for 2002 was slated at \$52 million. Driven by the success we've seen at Alto Chicama as well the results we're seeing at Veladero, our exploration and development budget for the year is now projected at \$95 million, a level of financial commitment that I believe makes Barrick the number one exploration company in the world. And we have the financial strength to expand our programs whenever and wherever events in the field warrant a greater commitment of resources.

Which brings us to Australia and the promise we see in a continent with such a rich heritage and history for anyone involved in the mining business.

Barrick may be new to Australia, but Homestake had a long history here. Even so, by the end of 2001, Homestake/Barrick had reached a watershed in Australia. When Homestake acquired Plutonic in 1998, reserves at the mines were running out, and all of the properties needed intensive exploration. Homestake stepped up its exploration from 1998 through 2001 with excellent results, extending the mine lives at Plutonic and Lawlers and at Darlot.

But clearly, the situation was becoming a case of diminishing returns, with our exploration crews focused on the next 50- to 100,000 ounces to feed next year's production targets. Almost no effort was going into exploration for new, million-ounce-plus deposits. We knew we had to make a change, and we did. We shifted responsibility and budgets for on-property or near-mine exploration to the Mine Geology teams, and we gave our exploration teams new goals: To strike out into lesser-explored areas to pursue earlier-stage projects that would build our growth profile in Australia.

One place where Homestake was already doing that was in the Tanami region, one of the most prospective areas in all of Australia. We enhanced this program and now, along with our partners, Barrick controls over 550,000 hectares in the Tanami. Our field program there got underway in the second quarter of this year, and a number of

geochemical anomalies have been identified from the regional sampling program. Follow up air core drilling is in progress at the 50 kilometer long Bramell Trend.

- In addition to Tanami, we're testing targets for more "Plutonic-Deeps" mineralization at Plutonic, with some promising results in the Lower Basal Mafic.
- Our Mine Exploration Groups are active at both Darlot and Lawlers, with deep drilling starting this month at Darlot, and early results from Lawlers defining the Sheba prospect's potential to increase our resource there.
- At KCGM, our modeling is highlighting the prospectivity of areas east of Mt. Percy, and at depth below the current pit.

But clearly, when it comes to Australia, our primary focus is the Cowal project in New South Wales. This year, we plan to spend about \$15 million for exploration and development at Cowal, to support the metallurgical test work we're doing to optimize the scope and economics of the project. Our 20,000-meter drill program began in the first quarter of 2002. We had to stand down for a time when a court in New South Wales granted an interim injunction over the protection of relics during the exploration process. But the injunction has since been lifted, and we have resumed our inspection, clearance and preservation of artifacts in complete compliance with our Section 87 permit.

With five drills at work on cleared areas of Cowal right now, we're aiming at better understanding the deposit, and increasing the total reserves in the permitted pit area, from the current 2.8 million ounces. Based on the EIS that was approved for a 6 million tonne per year operation, the mine is expected to produce 280,000 ounces of gold annually, at cash costs similar to Barrick's current low-cost structure. We expect Cowal to come into production in the next 3 to 4 years.

In addition to Cowal and all the other properties I've touched on just now, we're actively engaged in sourcing a number of new areas across the continent, all, as part of our extended grassroots program for Australia.

As a geologist whose goal is finding ounces, I can tell you that few companies can match Barrick's across-the-board commitment to exploration.

- We have an exploration pipeline that is tops in the industry...

- We have a management team led by a CEO and Board of Directors that has made exploration a key component of Barrick's growth strategy...
- And the financial flexibility to fund an aggressive program
- ...Not to mention a rising gold price that's making the projects we're developing just that much more attractive.

You've probably pieced together by now that I'm pretty optimistic about the opportunities we're creating for our Company. We're looking at:

- organic growth from our existing mines and new projects in place,
- a growth pipeline without peer in this industry,
- Promising prospects from our exploration efforts, plus our ability to pursue acquisitions that make strategic sense...
- All backed by Barrick's A-rated balance sheet.

Taken together, it all translates into significant opportunities to generate profitable growth and competitive returns.

Thank you.

Certain statements included herein, including those regarding production and costs constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Barrick or of the gold mining industry to be materially different from future results, performance or achievements expressed or implied by those forward looking statements. These risks, uncertainties and other factors include, but are not limited to, changes in the worldwide price of gold or certain other commodities and currencies and the risks involved in the exploration, development and mining business. These factors are discussed in greater detail in Barrick's most recent Annual Information Form and Management's Discussion and Analysis of Financial and Operating Results" on file with the U.S. Securities and Exchange Commission and Canadian provincial securities regulatory authorities.

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.