BARRICK

Speech

All Amounts in United States Dollars

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I'm delighted to be here this morning, to have the opportunity to introduce you to the new Barrick, to share with you a sense of our assets, the opportunities we see in today's environment, and the value we're going to create, as Barrick brings those assets and opportunities together.

I know that "new" may be the most overused word in the corporate dictionary, but it's the right word right now for Barrick. 12 months ago, we were the leading mining company in North and South America. Today, with the opening of our first mine in Africa last April and our merger with Homestake completed as of December, Barrick's portfolio now represents a global mix of eight major mining operations on four continents.

The new Barrick starts 2002 as the gold industry's leader in both quality and scale:

- With the industry's largest market capitalization;
- A production profile that makes us one of the world's largest gold producers;
- And a low-cost, long-life reserve base of over 80 million ounces.

We started 2002 with some other strengths as well:

- Over $700 million in cash;
- Virtually no net debt;
- The lowest political risk profile of any major;
- A track record of generating the highest earnings and cash flow in the industry;
- With the lowest level of capital expenditures in 14 years…
- Set to generate the highest free cash flows in Company history.

Taken together, it all adds up to the strongest balance sheet in the industry; a balance sheet that will only get stronger in 2002.

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So to give you a sense of our assets, let me start with a quick, four-continent tour of our key properties – starting here in North America.

For 2001, Barrick's U.S. and Canadian American operations produced over 3 million ounces of gold, 55 percent of our overall production, at $179 per ounce. We posted record results at Round Mountain in Nevada and Eskay Creek here in B.C. had its second best year ever. And our flagship, the Goldstrike Property, had another solid year as Barrick's single largest producer, despite higher power costs and lower processed gold grades.

In addition to the strong operating performance, we discovered some encouraging new drill targets at each of these key properties, which are being followed up with aggressive exploration programs in 2002.

Our South American operations, Barrick's second-largest cash flow generator, produced over 900,000 ounces of gold at $40 per ounce, as our Pierina Mine in Peru set property records for production and costs. This year, we're taking a fresh look at our largest development project, the Pascua-Lama/Veladero district now unified as a result of the Homestake merger into a single, 25 million-ounce district. Quite possibly the largest undeveloped gold district in the world.

The focus in 2002 will be to complete an updated feasibility study for Veladero in the first quarter, based on an open pit, valley-fill heap leach operation, similar to Pierina. We will also continue with the drilling program to expand reserves, metallurgical test work for optimization purposes and geotechnical investigation.

In Australia, our operations produced 900,000 ounces of gold at $186 per ounce, making Barrick Australia's second-largest gold producer. In addition to adding Homestake's key Australian assets at Kalgoorlie and the Yilgarn district, the merger gives us a significant portfolio of advanced stage development projects and exploration properties, like the Cowal project, where we're almost at 3 million ounces of reserves, with an updated development plan underway.

In Africa, our beachhead is the Bulyanhulu property in Tanzania where we have the largest and most aggressive early stage exploration program in company history. Between April and year's end, Buly produced 242,000 ounces of gold at $197 per ounce. For 2002, Buly production is expected to rise and costs decline as recovery rates improve to design levels.

Beyond Buly, Barrick holds over 6,000 square kilometers in the Lake Victoria goldfields of northern Tanzania, one of the top exploration areas of the world for major new discoveries.

Taken together, you get a sense of the global mix of large, long-life, low-cost assets that give Barrick such a strong base to build on in 2002 and beyond.

Now, if those are our key assets on the operational side, let me add a snapshot of our financials -- our 2001 numbers, and our targets for 2002.

Overall, 2001 for Barrick was a year of transition, a positioning year, as we expanded our operations from two continents to four.

For the first time our results reflect the combination of Barrick and Homestake on an historical pooling-of-interest basis, including the additional 140 million shares issued for the merger. Earnings before one-time charges were $245 million, or $0.46 per share. After reflecting the two one-time charges related to the merger: First, the merger costs of $117

million, and the $59 million Troilus judgement against Homestake – our earnings were $96 million, or $0.18 per share. We filed our appeal of the Troilus lawsuit last week and would expect the appeal to take 12 to 18 months to conclude. Operating cash flows totaled a healthy $721 million. And keep in mind the fact that the 2001 results don't reflect any of the financial benefits of the $60 million of financial synergies going forward since the Homestake merger closed in December. Our capital expenditures were $607 million, including deferred stripping of $150 million. And even after we repaid Homestake's $140 million line of credit in December, we had $733 million in cash and short-term investments at yearend.

On the financial front, for the first time, we're now communicating our results to the investment community using U.S. GAAP, improving comparability with other S&P 500 companies. Economically, of course, the change is neutral: but overall, there are a few major differences between Canadian and US GAAP for Barrick.

- Amortization will be higher at our North American operations, particularly Goldstrike with the reduction of reserves at Meikle, because of the limitation of depreciating book values against only proven and probable reserves;
- Exploration expenses will be higher for those projects where we have not yet brought the resource into reserve status; and
- We anticipate more non-cash variability in our earnings, as a portion of our hedge program will be marked-to-market on quarterly basis. The unrealized mark-to-market changes to some of our gold, interest rate and currency positions will now be reflected in our income statement and is disclosed as a separate line item.

In the current environment, as we all know, we’re seeing a surge of interest in off-balance sheet items. That’s understandable. At Barrick, we don’t engage in off-balance sheet financing activities. There are no hidden debts, no special purpose entities and no unconsolidated affiliates. We are conservative managers with a lot of experience in reducing risk; not adding it.

As a result, there are very few items that don't appear directly on our balance sheet. The most significant items that do appear are our Premium Gold Sales Program, our future reclamation liability and our reserves.

At Barrick, we hedge, we don't trade. Our objective is simply to optimize the price we receive on our gold sales while reducing risk. Our Premium Gold Sales Program represents a double-A rated $5.5 billion asset, on which we earn interest at fixed rates with a broad group of counterparties, with a conservative base of fixed-income investments.

In all our hedging, we look to reduce risk, not increase risk to the company. The Program has no leveraged options or hidden financing structures and no margin calls at any gold price.

Barrick’s next largest off-balance sheet obligation is our future reclamation liability. With the experience we've gained while closing a number of mines over the past five years, we've not only been able to improve operating procedure at our operating mines to reduce this ultimate liability, we’re confident that our annual review of future obligations is, if anything, conservative.

While most people only think of off-balance sheet items as being obligations or liabilities, most mining companies’ largest off-balance sheet item is actually their reserves. And the large, long-life, low-cost nature of our reserves provides more than enough of an offset for our

forward sales program. In fact, Barrick's reserves are over four times the size of our forward sales program.

At Barrick, we've always looked at forward sales as a strategic tool – one that helps us reach the overall goals for the Company. In keeping with that approach, we've reassessed our forward sales program in light of the Homestake merger, today's price environment and the fact that we've never been stronger financially.

We've retained the number of ounces in the forward sales program at roughly the same level of 18 million ounces, or 22% of reserves. This is virtually unchanged from the combined Barrick/Homestake position at the end of the 3rd quarter, and in today's market we currently have no plans to increase our forward sales position. We will generate the same overall premiums but we're making an adjustment in terms of the goals that guide our delivery schedule.

To see why we're going with this change, you need to know where we're coming from.

Barrick began hedging 14 years ago for two reasons:

First, the price environment allowed producers to lock in higher prices and lower risk by borrowing gold from central banks.

Second, back in 1987, Barrick was a smaller, higher cost producer with a weak balance sheet, looking at what was at the time one of the largest development projects in the history of the gold industry: The Goldstrike Property.

Since 1996, with the revenue we've generated through forward sales, we've:

- Spent over $500 million acquiring companies for cash;
- Built four new mines – Meikle ($180 million), Pierina ($260 million), Bulyanhulu ($280 million) and Rodeo ($125 million);
- Constructed a state-of-the-art roaster facility at Goldstrike ($330 million);
- And paid out almost half a billion dollars in dividends.

In effect, our forward sales program actually increases our exposure to higher gold prices, given the larger production and reserve base it helps to create.

Today, with those capital-intensive projects complete, we're looking at substantial free cash flow over the next five years, whatever happens to the gold price. Given this forecast, our financial strength and the much more positive tone in the gold market, we are adjusting our hedge position to reflect this.

Our new policy maintains the overall significant earnings generation of the program. But in contrast to past practice, we'll deliver only 50% of production against the hedge book in any one year and sell the other 50% at spot. In 2002, we'll deliver 50% of production against the hedge book at $365 per ounce and the remainder at spot.

Our aim is to set a minimum floor price; one that ensures us sufficient cash flow to cover cash requirements for the year, and that's including capital spending programs and dividends, while providing additional leverage to a rising gold price.

With our positive view of the gold price, our earnings and cash flow will benefit immediately as gold prices move higher, and still provide us the additional security and predictability of

strong cash flows. To give you a sense of the economic impact we're talking about, a $25 increase in the average spot gold price will increase our earnings in 2002 by almost $70 million, or about 13 cents per share.

And while we're on the subject of free cash flow, let me underscore that we will carefully review all capital opportunities for reinvesting Barrick's free cash flows in an industry that continues to change and consolidate. Our focus will be on projects that generate returns in excess of our cost of capital, which is necessary to ultimately generate shareholder value.

The last issue I want to touch on this morning is the synergy we're realizing from the Homestake merger and the savings that will result. Here, again, the accent is on financial discipline with a focus on cutting costs, and finding new ways to do more with less.

The cost of the Homestake merger came in at $117 million; higher than the $75 to $100 million we originally estimated. Several factors are responsible for the higher number. Severance and integration costs were higher than we originally forecasted as we streamlined the organizational structure more significantly than we'd initially planned.

We focused on the costs of doing things right now to add more benefits to the future. And because of that focus, the mandate that we placed on our Operating Review Team grew as the integration unfolded - expanding to involve visits to all eight of our major assets in search of the kind of additional synergies that increase production and produce long-term cost savings, across the board.

The way I see it, we traded higher one-time costs for larger ongoing savings. As we moved forward with the integration, we exceeded our initial estimate of synergies and expect to realize after-tax savings of $60 million - a savings we'll enjoy not just this year, but every year.

In fact, we think we can increase this amount even more in 2003 and 2004. In 2002, on an after-tax basis, we're looking at $27 million through administrative savings, $13 million through exploration synergies, and $20 million more from tax savings in Canada and the United States.

And that's just one part of the cost-savings picture. Thanks to our very effective Operational Review Teams, we also uncovered real potential for cost savings on the operations side. We'll be working through 2002 to realize these savings, but with operating costs now running around $1 billion a year, it's already clear there are plenty of opportunities to increase production and lower costs.

With these changes in place, in 2002 we expect:

- To produce 5.7 million ounces, with seven mines scheduled to close in the four quarters between late 2001 and 2002;
- We expect to sell 50% of that production against our hedge program at $365 an ounce, with the balance at spot; the first time in 14 years that Barrick has sold gold at spot;
- We're estimating cash costs of $167 per ounce, with total production costs including amortization and reclamation running at $254 per ounce.

Also in 2002, we'll see the merger synergies really start to show up, in:

- Lower administration costs; approximately $55 million this year, down from $86 million in 2001;
- Exploration expense of about $55 million;

- And we expect to continue to maintain a tax rate of less than 10%, with the additional tax synergies of the merger.
- Interest expense will be higher at about $55 million, as we will no longer be capitalizing interest with the completion of Buly and Rodeo and the deferral of Pascua.

As I said when I began, capital expenditures are expected to be the lowest in 14 years at $228 million, excluding deferred stripping…

…Resulting in the largest free cash flow in Barrick's history.

I hope the overview I've offered this morning gives you a sense of performance-based portfolio we've put together at Barrick backed by the industry's strongest balance sheet with all the options and opportunities that gives us to create shareholder value in 2002 and beyond.

Thank you

Certain statements included herein, including those regarding, production, realized gold prices 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.