
All Amounts in United States Dollars

By: John Carrington
Vice Chairman & Chief Operating Officer

To: Annual Meeting to Shareholders

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Thank you, Randall, and good morning, ladies and gentlemen.

Randall led off his remarks with his chart - well, I've brought mine: One that puts our 2000 operating performance in perspective -- with the same clarity as the one on our Annual Report.

Look at these trend lines. That's strength. That's the kind of strength that allows us to build value in tough times.

At Barrick, we're blessed not only with great mines -- but with great miners. Last year, we did what you always do when your people are first-rate: You aim high - and challenge them to deliver.

In 2000, our people delivered - and the numbers bear it out.

- We ratcheted up production to a record 3.7 million ounces, at a cash cost of \$145 per ounce - making Barrick the lowest-cost major gold producer in the business.
- And we closed out the year with reserves at 58-and-a half-million ounces - virtually unchanged from the year before, even after reducing the gold price we use for our calculations to \$300 per ounce.
- Goldstrike had record production, at one of the lowest cash costs in its history. We fired up the Goldstrike roaster and it's been exceeding our expectations for both throughput and costs.
- Pierina added to its reserves, and improved on its long-term production and cost profiles.
- And finally, development of Bulyanhulu proceeded just as planned, with operations commencing on time and on budget last month.

All in all, those results reflect our focus on high margin, high return assets. But the fact is, you don't see achievements like ours without great attitude. Everywhere in our operating group, people have incorporated our operating objectives into their work. Ask any one of them. They can tell you the three objectives we've set for ourselves:

- Number one: Increase profitable production;
- Two: Lower costs; and
- Three: Expand high quality reserves.

Now, note the distinctions...because they make a difference. Not just more production - but more profitable production; Not just more reserves - but more high quality reserves; And, always, always - lower costs. These three objectives have one purpose: To create earnings and free cash flow.

So with these in mind, let's take a look at how we stacked up in 2000. Start with the first: increasing profitable production. In 2000 we mined more gold than in any previous year in our history. Everyone and every operation responded.

Take Goldstrike and Pierina: Together, these two properties contributed 87% of our production - plus the lion's share of our \$530 million in free cash flow. But even numbers like these don't really tell the tale. The story behind these numbers is about the extra effort put in by our people. At Goldstrike, to achieve record production we asked the refinery team to pour gold at a rate that was 20% higher than the refinery's capacity. And they did.

At Pierina, we asked our team to rework the mine plan, to bring ounce production forward. Our initial three-year target for Pierina was 750,000 ounces a year. Well, we've done better. By the end of this year, which is year three, we'll have averaged 850,000 ounces and we expect to continue high production levels.

Our next key contributor will be Bulyanhulu. Here's a snapshot of the kind of performance we have in mind:

- In 2001, we're projecting Buly to contribute 263,000 ounces of gold - at a cash cost of \$166 per ounce.
- By 2002, we'll ramp up to close to 400,000 ounces per year.
- And we are working now on Phase Two of the development plan that will take production to half-a-million ounces per year - while driving cash costs down to \$130 per ounce.

Which brings me to our second operating objective: lower costs. Here, too, every operation deserves credit. Again in 2000, every one of our operations reduced their unit operating costs for the fourth year in a row. Our cash costs have tumbled from \$217 per ounce five years ago to \$145 last year. That's an improvement.

Over the last few years Goldstrike has improved its life-of-mine performance by \$800 million. More than half of that comes from the Betze-Post pit, through productivity improvements like the accelerated purchase of larger trucks and the benefits of the Newmont asset exchange. The balance comes from productivity improvements in the underground and savings associated with the roaster. I am especially proud of the group who have completed this project so well.

Pierina is perhaps an even stronger example of the benefits that strict attention to costs and efficiency can bring. Pierina already had our lowest cash costs - but the team wasn't satisfied with that. By reworking the mine plan and identifying operating improvements, they have reduced average cash costs for the mine's life from \$100 per ounce ... to less than \$90 today.

Pierina also illustrates the success of our third operating objective: Expanding high quality reserves. In 2000, Pierina added 500,000 ounces to its reserves. You may wonder why, with 58 million ounces at my back, I'd get so excited about a mere half-million. It's because there is nothing "mere" about them -- not in terms of cash flow. Pierina ounces are premium ounces. In 2000, each ounce of Pierina production generated \$250 in free cash flow.

Now that's a gold mine.

Taken together with the cost cutting I've already mentioned, we've added over \$100 million of value at Pierina in 2000 alone. That's the value of quality reserves: profitable production and free cash flow. We've achieved the same type of success at the Goldstrike underground, which in 2000 generated \$100 million in free cash flow. All of which makes our excitement about Bulyanhulu so understandable.

Buly just keeps looking better and better. The average grade is nearly one-half an ounce per ton and in today's gold price environment, grade is everything. Since acquisition, our exploration work at Buly has increased reserves from 3.6 million ounces to 10 million. Moreover, at year-end 2000 we increased total reserves and resources to 14.6 million ounces. And this year we will continue to concentrate on expanding our reserves and resources.

Furthermore, the ore body has unprecedented continuity: We're looking at a continuous sheet of mineralization almost 5 kilometers in length by 2 kilometers by depth. That's twice the size of our initial estimate. The challenge now - and it's the kind of challenge we like to have - is getting a handle on just how big Buly's potential is, so we can develop it in the very best way.

By 2002, Buly will be in full stride as the third great powerhouse of Barrick. And what we know already tells us that Buly is the hub for our growing position in one of the most prospective, and least developed, gold areas in the world. You are going to hear a lot more about Bulyanhulu and Tanzania.

All things considered, the best thing about 2000 is the springboard it gives us for 2001 and beyond. Last year, we demonstrated the kind of results that can be achieved with quality assets and a committed team. Record production. Low costs. Free cash flow. Great reserves. That's no flash in the pan performance.

For 2001, building on this base of low-cost operations and quality reserves,

- We expect production to rise, to 3.8 million ounces...
- ...at a cash cost of \$156 per ounce...
- ...generating free cash flow of over \$400 million.

As Randall said previously: Barrick isn't just built to last....

We're built to grow.

You've heard my assessment from the operational end -- now here's Jamie Sokalsky to complete the picture, with his review of our financial highlights and strategies.

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