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*All Amounts in United States Dollars*

By: Roy Meade  
To: Bulyanhulu Mine Tour Presentation  
Date: February 9, 2001

Good morning, ladies and gentlemen,

Everyone at the Mine shares the excitement and confidence that Alan and Alex have expressed about Bulyanhulu. As a relative newcomer, I can tell you I was attracted to Barrick, and in particular to Buly, by the strength of this project and the outstanding team of people already committed to it. For those who may not know, Bulyanhulu is held under Kahama Mining Corporation Limited, otherwise known as KMCL, and is a wholly owned subsidiary.

Tomorrow, you'll see for yourselves how much the Buly team has accomplished in just 16 months. You will be the first group to tour the Mine, so we'll take special pleasure in welcoming you on-site. Today, it's our pleasure to provide you with more information about work to date and our expectations for the future.

The Mine now stands at 10 million ounces of reserves, with an initial operating plan of 400,000 ounces a year at a cost of \$130 per ounce. We are already considering an increase to 500,000 ounces, or even higher, as the reserves expand out to the west. As you tour the Property, you will get a clear view of all this potential, and just how exciting it is.

Let me put the Property into perspective. When we took over 21 months ago, there was a good airstrip, a basic exploration camp and some preparatory surface work on the site, and the decline was 180 metres vertically below surface.

Since then, we have constructed a processing plant that is about to be commissioned; developed the underground to a depth of 375 metres; upgraded the road access; and brought in both a power line from the national grid, and a water pipeline from Lake Victoria. Our work force has grown from just 200 to over 800 people, of whom more than 600 are Tanzanians. Our medical provi-

sions include a clinic on-site and a number of enhancements to nearby medical facilities.

Let me now take you through the Buly operation.

## INFRASTRUCTURE

One of our first tasks was to develop appropriate and reliable infrastructure - power, water, air and surface transportation, and communications.

As I mentioned, we have a 138-kilometre, 220-KV power line from the national grid. It has been constructed from Shinyanga to a substation close to the Mine, with a capacity of 14.5 megawatts - more than sufficient for the plant and the property we have at present. Power is supplied by Tenesco, the Tanzanian utility. It is hydro power and therefore dependent on rainfall - of which we are having plenty in this rainy season.

I might add that we have just come through two years of record drought, and have suffered occasional brownouts. As a precaution we are installing enough standby generating capacity for all our requirements.

To meet Buly's water needs, an intake and pumping station has been constructed at Smith Sound, the southern extension of Lake Victoria. It supplies fresh water to the Mine and the local area via a 250-millimetre-diameter pipe. The system has a design capacity of 160 cubic metres per hour, easily exceeding mine requirements of 90 metres per hour. A 77,000 cubic metre fresh-water storage pond is located close to the process plant, providing a three-week water supply.

Since installing the water system, we have experienced a number of weld problems. The contractor has taken full responsibility, including financial responsibility, for ensuring that this situation is corrected. The repairs will be completed in the next few months, without any disruption to pipeline use.

We have land access by both road and rail. A 1,000-kilometre-long system of paved and unpaved roads connects the Mine to Dar es Salaam. KMCL has upgraded the final 84 kilometres to Bulyanhulu. Most Mine equipment and material were transported by road from Dar.

Freight can also travel by rail as far as Isaka, and cover the final 110 kilometres by truck. The Isaka facility can handle both bulk freight and containers, and we plan to have major consumables - such as cement and fuel - delivered by rail. Our copper concentrate will also be sent by rail from Isaka to a seaport for onward shipment to Japan.

Air transport takes place by private Dash-8, using the 1,700-metre airstrip we have constructed on-site. The aircraft carries employees and freight to and from Dar es Salaam.

We have also installed a satellite communications dish, to ensure reliable voice and data communications with both Toronto and Dar es Salaam.

All this infrastructure is a great asset to the local community. They now enjoy employment opportunities, greater medical care, access to electric power and water, and improved roads. We have even learned that we are inadvertently supplying TV to the nearby communities!

## MINING

Buly is an underground mine, which under the current plan will produce at the rate of 400,000 ounces a year, as of 2003. The Operation will gradually build to this level, producing 250,000 and 380,000 ounces in 2001 and 2002, respectively. These figures are all based on a 2,500 tonne per day mining and milling capacity.

As you know, underground production is always a gradual build-up, as the mine is being developed. We are well ahead of our development schedule, and have already built a stockpile that is some 50% beyond our planned tonnage. Both this stockpile and production from underground will be mill feed for the next two years, until we reach full capacity from the Mine alone.

Under the current long-term mine plan, longhole stoping will account for 45% of the Main ore zone. Drift and fill mining will account for another 35% and development for the balance. Nevertheless, the majority of stoping for the first five years will be mined by the longhole method. We plan to use drift and fill mining for the East zone.

The Mine is accessed by both a surface shaft and a series of declines. The shaft is 6.4 metres in diameter, concrete lined, equipped with a Mary Ann cage, and designed to hoist rock and to carry both men and materials. The shaft will be sunk approximately 1100 metres, to the 3910m level. There will be stations at 120-metre intervals, with the deepest station at the 3980m level.

The shaft has presently been sunk 470 metres down to the 4530-metre level. The upper 300 metres are now being equipped for hoisting and service equipment, in preparation for rock hoisting from the 4700-metre level this May. This is a temporary measure until the mid-shaft loading pocket at the 4540-metre level is completed in the 4th quarter of this year. In the interim, we will continue to truck rock to surface through the ramp system.

The 4540 level mid-shaft pocket will be used until shaft sinking and equipping are completed to the 3910 level.

Shaft sinking and equipping will be completed in 3rd quarter, 2002. The development and equipping of the rock handling system below the 3980m level is scheduled for completion in 4th quar-

ter, 2003. The ultimate hoisting capacity of the shaft will be 5,000 tonnes per day.

Unit mining costs are estimated at \$38 per tonne for this year and declining to average \$25 per tonne over the life of the mine.

#### PROCESS FACILITIES

The process plant has a design capacity of 2500 tonnes per day. It consists of a crushing and grinding circuit, a gold gravity circuit and a copper/gold/silver flotation circuit, with an 89% recovery rate. Cyanide is not used in this process.

Tailings will be thickened and filtered. A large fraction, about 20% to 30%, will be passed through a paste backfill plant and sent underground for support purposes. The remainder will be sent to the tailings facility.

We believe we can push the existing plant to 3,000 tonnes per day. However, we have also provided for the option of building in an expansion to 4,000 tonnes per day.

Plant construction began in June 2000. We expect mechanical completion this month, and the start of production in March.

Processing costs are expected to be \$18 per tonne this year and will decline to average \$14 per tonne over the life of the mine.

#### Cash Operating Cost

Per ounce	2001E	LOM
Mining	\$87	\$40
Processing	39	41
G&A	32	29
	<u>\$157</u>	<u>\$130</u>

Our capital cost for the project is \$280 million, and consists of mine, at \$98 million; processing, at \$53 million; and surface and infrastructure, at \$129 million. We are on schedule and on budget.

#### Construction Capital Costs

Millions	To date	Budget
Mine	\$88	\$98
Process	43	53
Surface/ Infrastructure	95	129
	<u>\$226</u>	<u>\$280</u>

Sustaining capital is estimated to be \$15 million a year.

## VISION AND VALUES

Early in these remarks, I referred to "Barrick's high standards." This means:

- we focus on quality and performance;
- we design all our practices to encourage innovation and initiative, maximum job ownership, and honest and open communication;
- and we provide for the ongoing development of our people, we behave responsibly toward our people and the larger community, and we apply the highest possible health, safety and environmental standards.

For example, we are implementing vigorous systems and training programs to help new employees develop and follow safe work practices. Our Environmental Management Plan is based on best practices throughout the operation.

Ladies and gentlemen, I will now ask Dave Scott, our Manager Technical Services, to provide you with more detailed information about the underground mining.

*Certain statements included herein, including those regarding, development and construction, 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 the risks involved in the mining and exploration business. These factors are discussed in greater detail in Barrick's most recent Annual Information Form and Management's Discussion and Analysis on file with the U.S. Securities and Exchange Commission and Canadian provincial securities regulatory authorities.*