

All Amounts in United States Dollars

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It's good to be here, especially as the only global gold producer on the guest list I received. But as you'll hear, Barrick doesn't really qualify as a representative of the gold industry in general. We have our own story to tell.

Our story's a strong one, as I think you'll see. By way of showing you just how strong, I want to start today by focusing on the announcement we made February 1, concurrent with our report of 4th Quarter results:

I'm talking about the \$1.1 billion non-cash provision we took, associated with assets acquired in 1994 and 1996 -- financed with shares, not cash -- at a time when gold was fetching \$400 an ounce, and our share value reflected that higher price.

I've been asked several times, why would Barrick take that provision, coming off our best quarter and our best year ever? And my answer is: When you're coming off your best quarter and your best year ever - what better time would there be to take a charge? This is an entirely management-driven step -- entirely in keeping with our conservative philosophy: At Barrick, we deal with market realities as they are - not as we might wish them to be.

As a non-cash provision, the accounting adjustment has absolutely no impact on Barrick's cash flows, on our reserves, our production profile or our employees. Indeed, it gives us a more conservative balance sheet.

To put this decision in the proper perspective, over the past four years, we've cut our costs by one-third. We've dropped our reserve calculation price from \$400 in 1996 to \$300 this year. Now we've brought our balance sheet up to date. The markets have already recognized a lower value for these assets. Our books haven't. They will now.

And as I've said, the provision doesn't change the fact that Barrick is coming off its best quarter and best year ever.

- During 2000, we produced more gold than ever - at the lowest cost among majors in the industry.
- We generated record operating earnings of \$334 million and cash flow of \$705 million.
- Our Premium Gold Sales Program maintained its 52-quarter streak - that's 13 straight years - beating the industry average spot price, earning \$300 million in revenues in 2000 alone.
- Barrick's operating mines generated over half a billion dollars of free cash flow.
- And best of all, we achieved high, sustainable cash margins averaging \$200 an ounce: A margin we're confident we can maintain - each year, every year for at least the next ten years - even at today's gold price.

In 2000, we continued our focused approach to building value and pursuing the highest possible return on capital. On the acquisitions front, we acquired Pangea, complementing our extensive land position in Tanzania.

On the operations front,

- Production rose to a record 3.7 million ounces, at \$145 per ounce.
- Year-end reserves were 58-and-a-half-million ounces, virtually unchanged from the prior year.
- Development at Bulyanhulu has proceeded smoothly. We'll be commissioning the mine -- on time and on budget -- this April.
- The Goldstrike roaster had a flawless start-up, and since then has exceeded our expectations for both throughput and costs.
- Goldstrike set a production record, at one of the lowest cash costs in its history.
- Pierina added reserves, and further improved both its production and cost profiles for the long term.

In fact, 2000 was really the second year of a two-year effort to position Barrick for the future. In the past two year, we've done a top-to-bottom strategic assessment of the company.

We made a commitment to the gold business - and a commitment to hedging as well.

In response to changing market conditions, we put a hold on Pascua - and now we've taken the provision.

As a result: Through a combination of flexibility, growth and discipline, Barrick is strong and getting stronger - quarter by quarter.

We have a conservative A-rated balance sheet, high-quality assets, the largest cash position in the

industry - and growing free cash flow.

We have greater flexibility than ever before, more options open to us - and the discipline to choose among them with the best interests of our shareholders in mind. Our \$200 million project financing for developing Buly is a case-in-point. While we had the cash on hand to go it alone, we chose instead to partner with some of the largest banks and government agencies in the world. That was the prudent choice that let us keep our cash -- and our flexibility.

Beyond that, we can plan our future with certainty - which is more than companies in most industries can say. We may not be able to predict the price of gold, but we can do the next best thing:

We can lock in the selling price for our production several years in advance - on a rolling basis - and we get paid a premium for doing it. It's kind of like getting paid a premium to take out insurance.

Like our balance sheet, we manage our spot deferred program with market realities in mind. For 2001, we've lowered our realized price by \$20 to \$340 an ounce and reallocated the value to future years. We now have two years' production protected at a minimum price of \$340 - and a portion thereafter at an average price of \$360.

While this will reduce 2001 revenues, we expect to make up more than half of the reduction through higher production and lower depreciation, exploration and income taxes. Essentially, we've taken some short-term pain for plenty of long-term gain.

Bottom line: Whatever the future may bring - Barrick is built to last... and built to grow.

Granted, Barrick's performance comes at a time when overall prospects for the gold industry look less than stellar, leading some to question why anyone would put a dollar in gold.

To which I have a simple observation to offer:

You don't have to invest in the gold industry. You just have to invest in us. And I think there will be great rewards for our shareholders. Now, let's look at the facts.

Consider the competitive advantage we enjoy, not just in the gold business but in the broader marketplace:

- Predictable, reliable cash flows - at lower risk than most of our peers in the S&P.
- A high-margin operation, ranking #30 in the S&P 500.
- Our ability to lock in higher realized prices - as I've said, 52 consecutive quarters of beating the spot price, by a 13-year average of \$68 per ounce.
- Our ability to grow our asset base, generate strong earnings, cash flow - and more importantly, free cash flow - not just in an advantageous environment, but in any environment.

If gold prices move higher, we'll open throttle at assets under our control, like Pascua. If the present environment persists or prices soften further, we'll still generate strong earnings and cash flow -- and explore acquisition opportunities from a position of strength.

Now let me take a step back at this point - and look at Barrick from an investor's point of view. Because the way I see it, at Barrick, we're not just gold miners - we're investors, too. What do I mean?

As you know, the success of our core business has made us into something of an ATM machine, throwing off a sizable and sustainable free cash flow. We make our money mining gold, but when we sell gold - we get dollars. And the thing about a dollar is that you can invest it in anything. Whether you plow it back into your business or invest it in some entirely new venture - is completely up to you. So you see, we've got something in common. Just like you, at Barrick, we're free to put our dollars in the best investment we can find.

And believe me - we've looked around. Over the last two years, we've conducted a comprehensive assessment to determine whether our capital and core skills could be better directed elsewhere. And at the end of the day, here's what we found.

The best business for Barrick to be in...is the business we're in. We're sticking with gold - not just as the business to be in, but as a base to build on. We're investing in ourselves, which is the most powerful invitation I can make to all of you to invest in us.

Now, so far, I've made the case for investing in Barrick in spite of the gold industry's overall weakness. Now - I want to make the case that you should invest in Barrick, not in spite of the gold industry's general weakness...but because of it.

Look around the business. Just as we've seen in other sectors, competition for assets is declining even as a period of consolidation is gathering speed. I believe Barrick is perfectly positioned to benefit in such an environment.

Why? Two reasons:

First, the pipeline issue. Unfortunately, most companies in this industry find themselves in a tough spot. They're rapidly depleting their higher-quality reserve base - making it tougher to fill the pipeline with new projects because of declining exploration spending across the industry.

Couple the inevitable industry consolidation with lower mine supply -- and you get fewer players controlling declining global supply.

As a result, we're going to see some much-needed discipline - something this industry has lacked

for the past few decades. That can only be positive for the gold industry. I know it will be positive for Barrick.

Now, reason Number Two: The strength issue.

Not only is Barrick getting stronger - much stronger: We're directly benefiting from the forces weakening other players. Faced with declining cash balances and rising debt levels, many companies will be unable to compete for new projects or execute acquisitions. Less competition for assets will lead to lower acquisition prices for those who can compete.

That gives us an advantage:

We can drive growth in free cash flow by focusing on assets that truly add value, by increasing reserves and production - and by lowering cash costs while controlling capital expenditures. All of which gives Barrick the ability to deliver -- through the organic growth we have in place - regardless of external circumstances.

With that said, let me share a bit of our game plan for the future - if not a detailed look at our tactics, then at least the top line. In keeping with the entrepreneurial spirit of our visionary, value-focused founder, Peter Munk, we're going to maintain our principles and strategies - even as we adjust our tactics to market circumstances. I like to think the qualities that made Peter such a success are encoded in Barrick's DNA: The ability to size up an opportunity - and seize it.

First, let's start with the goals that guide us. Our aim is to:

- Increase earnings and cash flow
- Improve return on equity, and
- Maintain our strong balance sheet.

To achieve those objectives, we're looking at:

- An April start-up of Buly, a major new mine with tremendous potential for expansion.
- We're also looking at the underground potential at Goldstrike beyond this year's Rodeo start-up.
- Even with the decision to delay Pascua, we're looking at the potential of Veladero and the possible synergies of the two projects down the road; and finally...
- We're focusing on District Development Programs underway around all of our key assets - with all of the efficiencies that flow from the existing infrastructure.

Taken together, these projects point to one unassailable fact:

Our internal growth is completely under our control. And we make the most of it with our productivity and revenue enhancement programs. We didn't get to where we are by accident. We did

it through discipline and focus - by sticking to fundamental principles and proven strategies.

In fact, I think our discipline is going to be an even greater asset going forward - especially in today's industry environment. Take the coming consolidation: Barrick's not going to be the acquirer of first resort. We don't have to be. We can pursue the acquisitions that make most sense to us - that add the most value. The beauty is that given our focus on discipline, Barrick benefits even if others do the consolidating. Because the fewer the hands, the healthier the industry.

All in all, the picture I'm painting this morning is something you don't see every day in this time of turbulence and change:

A company in control of its destiny. A company generating strong and steady free cash flow...With an achievable plan for organic growth through its current asset base.....And a credible plan to treat the current soft market as an opportunity for strategic acquisitions.

Taken together, our assets give Barrick the flexibility to act decisively when the time is right, to bring existing projects into production -- or to grow through disciplined acquisitions at favorable prices.

As I said at the onset, at Barrick, we're sticking with gold - as a business to be in, and a base to build on. We're investing in ourselves -- which is the most powerful invitation I can make to all of you to invest in us.

Thank you for this opportunity to share our story with all of you.

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