
All Amounts in United States Dollars

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To: Goldman Sachs Tenth Annual Cyclical Conference

Date: May 21, 2002

Jamie's just walked you through some of our key assets, and the opportunities they give us. But there's something else important to know about today's Barrick: You can't talk about our growth potential without highlighting our success in exploration.

Barrick's growing emphasis on exploration reflects a 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. We currently have reserves of 82 million ounces and that figure is growing. In fact, Barrick is currently the only major gold producer expanding reserves and exploration is a big reason why.

We're seeing the first fruits of our new emphasis on exploration at Alto Chicama our new find on a 185-square-kilometer property located in the northern Andes, approximately 140 km east of Trujillo and 175 km north of Pierina.

Based on initial results from 75 diamond drill holes, we calculate an inferred resource of 61 million tons, grading at 0.057 ounces/ton, for a total of 3.5 million ounces. And that estimate may prove conservative: It is calculated within a 50-meter radius of each drill hole. At this point, Alto Chicama is remarkably similar to Pierina in terms of grades, metallurgy and potential. As a geologist, I can tell you: Discoveries like this don't come along every day.

Our current plan for Alto Chicama is to drill 90,000 meters by year-end. Our resource calculation is based on the 14,000 meters we've drilled so far. We plan to have 12 rigs operational by mid-summer focused on infill drilling to bring drill spacing to reserve status density. Our program includes metallurgi-

cal test work, process planning and permitting. Additional drilling will step out from the known resource and explore new targets. From what we see so far, we think Alto Chicama could be the hub of a whole new district.

And what's even more exciting is that our exploration budget is strong and robust enough to fund not just one or two but 35 projects around the world 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 success to make our point.

Our initial exploration budget for 2002 was slated at \$52 million. With the success of Alto Chicama, we've increased that by another \$15 million already. We are also expensing more at Veladero as well as expanding the program at some other properties. All told, the exploration and development budget for the year is \$85 million; a financial commitment that makes Barrick the number one exploration company in the world. And we have the financial strength to expand additional programs if events in the field warrant a greater commitment of resources.

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 these projects has the potential to deliver million-ounce, low-cost, long-life ore bodies - after all, that's what we're after. We're excited about this pipeline and what it means for profitable growth.

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 management team led by a CEO and Board of Directors that has made exploration a key component of Barrick's growth strategy and, as Jamie has underscored today, we have the financial flexibility to fund an aggressive program.

That said, I'll stop right here - so that Jamie and I can take your questions.

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