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SPEECH

CIBC 2003 Whistler Conference
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On behalf of everyone at Barrick, I want to thank you all for this opportunity to sketch out where we are – and where we're going -- both in 2003, and beyond. As you know, earlier this month we had a change in leadership, with Greg Wilkins coming over from our Board to take the position of CEO. It's too early to frame out Greg's priorities and policies – he'll be doing that himself after a careful and comprehensive review -- but there's absolutely no question about his goal: To reestablish Barrick as the gold industry's premier company.

My goal this morning is to give you a sense of the base we're building on – financially, operationally, and in terms of exploration and development.

We've just come through our year-end reporting, so as a snapshot of how we came through 2002, let me turn first to the financial front. We had a good finish to 2002, reporting fourth quarter earnings of $54 million. Our fourth quarter results reflected lower cash costs, and the continued realization of the benefits of higher spot prices.
Operating cash flow increased to $195 million. Overall for the year, earnings were $193 million. For the year operating cash flow totaled $589 million.

For 2002, our capital expenditures totaled $228 million, the lowest in 14 years. And we generated $361 million in free cash flow -- that's operating cash flow less capital expenditures.

Overall, those strong financial results allowed us to strengthen our balance sheet even further as our cash and short-term investment position increased by almost $300 million during the course of the year to over $1 billion.

We made real progress making our hedge book smaller and simpler. During the fourth quarter alone, we reduced the book by a further 1 million ounces, ending the year with 15.9 million ounces of spot deferred contracts, just 18 percent of our reserves.
In total, between our spot deferred and variable price sales contracts, we reduced our hedge book by 25 percent last year -- a total of 6 million ounces -- while still generating $168 million in additional revenue above

the spot price. We will continue to manage the position with the goal of reducing the size of the program over time – with the timing dependent on spot gold prices.

There are plenty of macroeconomic factors driving the gold price higher: Supply and demand, the soft U.S. dollar, weak equities markets, the potential for global reflation, and the fact that just about all commodities -- and gold right along with them -- are trending up. All of these macroeconomic factors are why we see the fundamentals for gold remaining strong, and why Barrick is poised to benefit significantly from a rising gold price.

I know most of you here today have heard us talk for years about our roll-forward option. Well, seeing is believing. With the current price of gold we're selling 100 percent of our production at the higher spot price, which has averaged about $360 so far this year -- and we're using our flexibility to roll our hedge contracts forward.

In other words, we're doing exactly what the program was designed to do: Provide a strong floor gold price for a portion of our production -- while ensuring our ability to participate in rising gold prices.

Since the mark-to-market of our hedge position draws a lot of attention, there are a few points I want to make today. As you know, in a rising gold price environment our mark-to-market loss increases. But at the same time, the value of our reserves increases as well -- causing the value of the company to rise.

With about 80 percent of our reserves unhedged -- that's four out of every five ounces -- you can see how a rising gold price adds tremendous value to the company. Not only are we able to fully participate in higher gold prices today, but with about 70 million ounces of unhedged reserves, among the largest of any senior, we have tremendous leverage to higher gold prices.

And you don't have to take our word for it. Just look at leverage sensitivity comparisons from many of the leading brokerage firms in the industry. To give you a sense of our earnings leverage, consider this fact: Each $25 move in the gold price above our hedge price increases earnings by about $90 to $100 million, or about 16 to 19 cents per share.

So there's a bit of a paradox at work here, because the more negative our mark-to-market, the better off we are. This Company and the hedge position has always been managed to benefit from a rising gold price, not to be negatively impacted by it. To manage it any other way just wouldn't make sense.

Moving from the financial front to operations, we had a good year on the exploration and development front. We grew reserves and made further advancements with our development projects, but this was overshadowed by some operational difficulties we identified as early as the second quarter. We've been working flat out all year to resolve these problems and we ended the year well, with fourth quarter production of 1.6 million ounces at cash costs of $174 per ounce. All told, production for the year came in at 5.7 million ounces at cash costs of $177 an ounce.

In terms of exploration, we are pleased with the progress we made in 2002 replacing 60 percent of 2002 production at our operating mines and adding new ounces at our development projects. We saw reserve additions at Alto Chicama and Veladero in South America, as well as net reserve additions from our Australian operations, plus a good year at Goldstrike.

Overall, we found 11 million new ounces and we mined 6 million ounces. At year-end 2002, total reserves stood at 86.9 million ounces, up nearly 5 million ounces from yearend 2001.

But the fact is, operating issues at Bulyanhulu, Hemlo, Plutonic and Meikle took the edge off that strong exploration effort and strong performances at Pierina, Eskay Creek and Round Mountain.

The shortfall at our underground mines highlighted a necessity for enhanced mine planning and scheduling to ensure:

- better information on tons and grades of stopes before mining begins,
- greater production flexibility in the event that stopes do not hold up to plan,
- so that we optimize the value of our underground mines.

With those operational objectives as our guide, we've improved the basics at our underground mines -- for example, advancing development, catching up on backfilling where practical, and increasing the number of operating stopes, factors that all give better production flexibility. As a result, we are confident we're in a much better position to meet this year's targets.

Looking ahead for 2003, we're projecting production to run between 5.4 to 5.5 million ounces, with lower production due largely to the closure of five mines over the course of 2002. For the year, we're expecting cash cost to come in between $180 to $190 per ounce as higher gold prices have increased royalties and other costs.

We're expecting the first quarter to be the weakest of the year, primarily due to lower grades at Goldstrike and Pierina. Production in the first quarter should be about 1.2 million ounces, at a cash cost between $190 and $195.

Capital expenditures for the year are expected to total $218 million at our existing operations, and a further $168 million at the four development projects, for a total of $386 million, while exploration and development – which ran $100 million in 2002 – will run between $100 and $110 million this year.

Operationally, that's a solid base to build on. And when you add in the fact that our financial position has never been stronger – you see the solid position we're in to proceed with our 4-mine, $2 billion development program.

But before I touch on our development projects, let me talk for a minute about the exploration program that feeds them. For the past half a dozen years there's been a shift in the exploration arena. As the juniors have stepped back, Barrick has stepped up – with a larger exploration effort over the past several years.

We saw the first fruits of our exploration efforts in the discovery of Alto Chicama, a Pierina-like property, with all that that implies. With another active year 2003, we're looking for more Altos to come.

So when we turn from exploration to development, Alto Chicama takes its place in our five-year, four mine development program -- a pipeline that over the first 10 years is expected to add an estimated 2 million ounces annually of new production at an estimated average cost of $125 per ounce. And it's important to note that for all four of the projects planned production will be higher and cost lower in the early years of their lives.

Our growth plan has two phases. The first phase we project at $900 million in capital costs, targeted at bringing Alto Chicama, Cowal and Veladero on line in 2005 and 2006. The second phase, which we budget at just over $1 billion in capital costs, shifts to Pascua where we're looking at construction starting in late 2005, with production targeted for 2008.

Since we've announced our plans last September, we've made good progress advancing each of these projects, making us even more confident today in the quality of each one of these projects in our pipeline than we were five months ago.

I know I've covered a lot of ground today. But if you look at the strengths we bring to the challenge at hand:

- A strong balance sheet.
- A growing reserve base.
- Better growth prospects than we've had in a decade – building on a proven portfolio of long-life, low-cost operating mines…

…You have a sense of why I am so confident today of where Barrick is heading in 2003 and beyond.

Thank you

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