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# Barrick Updates New Mines Being Built and Proceeds with Pascua-Lama

During a Toronto presentation to the investment community today, Barrick Gold Corporation presented a detailed update of its four new mines under construction, including production and total cash cost estimates for the first three years, and it also announced that it would be proceeding with the development of the Company's Pascua-Lama project. Barrick will be seeking permits and finalizing fiscal and taxation matters over the next 18 months and then begin the three-year construction schedule.

"Along with the four new mines already in construction, Pascua-Lama is expected to be a significant contributor to our low-cost production profile for many years to come," said Greg Wilkins, President and Chief Executive Officer. "The building of four new mines and the positive decision to proceed with Pascua-Lama represent a whole new chapter in the evolution of Barrick. Our overall portfolio of quality properties reflects balanced geo-political risk and long-term exploration potential. We expect that these five new mines will enable us to maintain our ranking as the lowest total cash cost major gold producer."

The five mines in various stages of development are:

- Pascua-Lama in Chile/Argentina in the newly-named, cross-border Frontera district, containing a 3,041 square kilometer landholding;
- Veladero, also in the Frontera district, on the Argentine side in San Juan Province;
- Lagunas Norte in the Alto Chicama district, La Libertad Province, Peru;
- Cowal in New South Wales, Australia; and
- Tulawaka in Kagera region, Tanzania.

Barrick said that the four mines currently under construction are expected to be completed on time and within budget. These projects are driving a Company target of 6.8-7.0 million ounces of gold production in 2007 at estimated total cash costs under $200 per ounce – a 40% production increase from the expected 2004 level of 4.9-5.0 million ounces.

The Company announced that the first full three years of annual production at Veladero in Argentina are expected to average 640,000-665,000 ounces of gold at total cash costs of $150-$160 per ounce.[(1)] Previous ten-year production and total cash cost guidance for Veladero remains unchanged at 525,000-550,000 ounces per year at an average cash cost of $155-$165 per ounce. In addition, Barrick announced that it has signed a $250-million project financing for Veladero with commercial banks and export credit agencies, subject to finalizing the security documentation.

For its Lagunas Norte deposit in the Alto Chicama district, Peru, Barrick announced that the first full three years of annual production are expected to average 740,000-760,000 ounces of gold at total cash costs of $125-$135 per ounce. Previous ten-year production and total cash cost guidance for Lagunas Norte remains unchanged at 535,000-560,000 ounces of gold at an average cash cost of $135-$145 per ounce.

"We expect to benefit from higher production and lower costs at Veladero and Lagunas Norte in the earlier years as mining begins on high-grade surface outcroppings," said Peter Kinver, Executive Vice President and Chief Operating Officer.

At the Cowal project in Australia, the first full three years of annual production are expected to average 235,000-245,000 ounces of gold at total cash costs of $215-$225 per ounce. Previous ten-year production and total cash cost guidance for Cowal remains unchanged at 220,000-230,000 ounces of gold at an average cash cost of $235-$245 per ounce.

At the 70%-owned Tulawaka project in Tanzania, construction is proceeding according to schedule.

The Pascua-Lama project in Chile and Argentina is expected to produce an average of approximately 750,000-775,000 ounces of gold and approximately 30 million ounces of silver annually over its first ten years at average total cash costs of $130-$140 per ounce.[1] During the first five years, Pascua-Lama is expected to produce 675,000-700,000 ounces of gold and 32-34 million ounces of silver at total cash costs of $90-$100 per ounce net of the silver credit. The current reserves for this long-life, low operating cost project are 16.9 million ounces in proven and probable reserves and 635 million ounces of contained silver.[2] Construction capital is currently estimated at between $1.4-$1.5 billion.

"We expect to receive permits and finalize other fiscal and taxation matters over the next 18 months or so, and will then be in a position to proceed on the three-year construction schedule," added COO Mr. Kinver. "We look forward to working cooperatively with local communities and the governments of Argentina and Chile. Their support will be essential to the successful development of the project. Pascua-Lama, Veladero and the large associated land holdings with regional exploration potential in the Frontera district all combine to present us with an opportunity to develop the area as one of the world's leading gold districts."

## HIGHLIGHTS OF PROGRESS ON BUILDING NEW MINES

### 1. Pascua-Lama, Chile/Argentina

- Long-life, low operating cost project, with current reserves of 16.9 million ounces in proven and probable gold reserves and 635 million ounces of contained silver[2]
- Production anticipated in 2009
- Open-pit design with ore processing by dry grind milling and conventional gold recovery methods including flotation
- Updated feasibility study, using a $375 per ounce gold price and a $5.50 per ounce silver price and assuming an average recovery rate of 83% for gold and 78% for silver
- Reserves of 337 million tons with an average grade of 0.05 ounces of gold per ton and 1.89 ounces of silver per ton[2]
- Construction and operating costs higher than in the original 2001 feasibility study: Barrick has since gained knowledge and experience from development of the Veladero project that is directly applicable to the construction, permitting and operation of Pascua-Lama. Construction and operating costs have also been impacted by some changes to the prior process design, which now utilizes dry-grinding instead of wet-grinding, and by general price escalation over the past several years
- Expected construction capital of $1.4-$1.5 billion
- Further investment of about $250 million is anticipated in the first three years after production start-up for a plant expansion to increase capacity from 33,000 tons per day to 44,000 tons per day and for a flotation plant

## 2. Veladero, Argentina

- 11.1 million ounces of proven and probable gold reserves[2]
- Production expected to commence in late 2005
- $250-million project financing signed for the $460-million project with first drawdown anticipated in the third quarter 2004
- Road construction more than 50% complete
- Construction of the permanent camp complete, with the exception of two dormitory facilities
- Pre-strip activities slightly behind schedule due to delays in equipment deliveries, but plans already in place to make up the delay
- Work progressing well on the assay lab, truck shop, site preparation, crushing facilities and leach pad
- 1,500 workers on site
- Expected construction capital of $460 million

## 3. Lagunas Norte, Peru

- 7.2 million ounces of proven and probable gold reserves[2]
- Production expected to commence in second half 2005
- Access road more than 90% complete
- Mining equipment ordered
- Powerline work progressing well with completion anticipated in first quarter 2005
- 2,300 workers on site
- Expected construction capital of $340 million

## 4. Cowal, Australia

- 2.5 million ounces of proven and probable gold reserves[2]
- Production expected to commence in first quarter 2006
- Work underway on mine development earthworks
- Treatment plant construction to commence in the third quarter
- Proposals for mining equipment under evaluation and orders to be placed in third quarter 2004
- Expected construction capital of $270 million

## 5. Tulawaka (70%-owned), Tanzania

- 368,000 ounces in proven and probable gold reserves to Barrick's account[2]
- Gold production expected to commence in early 2005
- Earthwork progressing well
- Expected to produce 85,000-95,000 ounces of gold anticipated annually at total cash costs of $165-$175 per ounce in the first full three years
- Expected construction capital of $34 million

"We have made significant progress in building our new mines," said CEO Greg Wilkins. "It demonstrates our team's technical and development expertise, and reinforces our confidence that these projects will be executed and completed on time and within budget."

Barrick's mission is to be the world's best gold company by finding, developing and producing quality gold reserves in a profitable and socially responsible manner. The Company is building a new generation of mines around the globe and has the lowest total cash costs among major gold producers. Its shares are traded under the ticker symbol ABX on the Toronto, New York, London and Swiss stock exchanges and the Paris Bourse.

(1) Subject to exchange rate fluctuations and applicable export duties.

(2) For a breakdown of reserves by category and for additional information on Barrick's reserve methodology, see Barrick's most recent Annual Information Form/Form 40-F on file with the Canadian regulatory authorities and the US Securities and Exchange Commission. Pascua-Lama reserves are comprised of proven reserves of 33 million tons at an average grade of 0.060 ounces per ton, and probable reserves of 304 million tons at an average grade of 0.049 ounces per ton. Such reserves have been recalculated as at June 30, 2004, based on an updated feasibility analysis and using an assumed gold price of $350 per ounce and an assumed silver price of $5.50 per ounce. Calculations have been performed by employees of Barrick under the supervision of Rene Marion, P. Eng., Vice President, Technical Services of Barrick, and Alex J. Davidson, P. Geo., Executive Vice President, Exploration of Barrick.


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