BARRICK

Speech

All Amounts in United States Dollars

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It's a pleasure to be a part of this year's Denver Gold Show.

We're coming through a season of big changes for Barrick. It started back in June – in the midst of the best weather Toronto has had for years and at a time when the biggest decision people are making all over our home city is how to sneak out of the office and out to the cottage. Instead, we found ourselves engineering a major merger.

That's where I want to start today, particularly since Homestake has been viewed as an older, higher cost producer.

When the call came June 5 from Jack Thompson raising the merger issue, my colleagues and I at Barrick weren't so sure our two companies would be a good fit, and quite possibly, many of you would have had that same thought. But the more Jack and I talked – the more the picture pulled together. So we met in Chicago, exchanged Company information and discussed the rationale and benefits of a possible merger. We quickly sized up that:

a) this was not the Homestake of old; and

b) we were looking at a strong partner – and a significant opportunity.

Earlier today, Jack described how Homestake transformed itself from a high-cost_U.S. producer into a low-cost international company, which gave you a good sense of what drew us together. Without travelling down that same path myself, let me just say that from Barrick's point of view, their 2Q results foreshadow for the market what we saw in our merger. Homestake has a cost structure quite similar to Barrick's, with even lower cash costs for the quarter than ours – a point Jack likes to bring up.

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Unlike some mergers, where a company is compensating for the other's weakness, the Barrick-Homestake transaction ties strength to strength. We've increased our cash position, improved our balance sheet, preserved our cost profile, simplified our growth pipeline, and improved our political risk profile as well. Our goal was not to see where Homestake has been but to see where they're going, and where we can go together.

And I'm encouraged that the market appears to agree with us that the Homestake merger makes sense, with our stock trading very well with the merger still outstanding.

As happy as we are about that fact, the tendency to focus near-term under-estimates the true value of our merger. If we look at this transaction with only a 12-month timeframe I think we miss the big picture. The way we see it, we will issue 35% more stock for a 50% increase in production at the same low costs. That's even before we factor in the financial and operating synergies we'll enjoy. The only difference right now is that Barrick is selling its gold for about $65 per ounce more than Homestake. The combination of our two companies is going to give us a different look. To cite just one thing Barrick shareholders haven't seen over the past 14 years, you'll see a portion of each year's production sold at spot.

The merger brings our position back in line with our historic percentage of hedged and unhedged reserves but with the delivery of those ounces spread out over a longer period of time. As a result, we'll still enjoy the stability of a price floor, with the flexibility – if prices rise - to sell at the higher spot price.

The key to any successful merger is creating a good strategic, cultural and financial fit, one that benefits the shareholders, employees and other stakeholders of both companies. We believe we've got the capability for that kind of combination in this merger. It's a combination that will create the only gold company approaching the $10 billion benchmark in market cap – the clear leader in our industry.

We see this as a strategic merger – one that strengthens Barrick's leadership position in terms of quality, scale and global scope. A transaction built on;

- Operating strength: A large, low-cost asset base with the lowest geo-political risk profile among seniors in the gold business.
- Financial strength: A combined company with the industry's highest cash flows, only A-rated balance sheet and our Premium Gold Sales Program.
- Capital markets strength: The largest market cap by a factor of two, with liquidity that will place the combined company in the top 100 of the S&P 500.
- And a strong growth profile.
- With a promising pipeline of new projects – whether it's Pascua/Veladero in Chile and Argentina, Buly in Tanzania or Homestake's holdings in Australia. Or the platform for profitable growth created by what I call an "enabling acquisition" – one that positions us to capitalize on opportunities as consolidation in our industry continues.

Add to that:

- A solid commitment to social and environmental responsibility that's opened doors for both Barrick and Homestake around the world,
- A loyal, long-term shareholder base,
- First-rate management teams focused on creating shareholder value,
- and you get a sense of the strengths that attracted Barrick to Homestake and Homestake to Barrick.

Of course, an acquisition is only as good as its integration.

Today, let me give you a snapshot of our integration, and the opportunities we see. At this point, we've responded to the SEC's first round of questions, putting us on track to a 4th quarter close and ready to move forward from day one.

When we announced the transaction, we assessed our initial administrative and financial synergies at $55 million annually beginning in 2002. As we move toward integration, everything we've seen not only confirms, but actually exceeds our expectations. In fact, we had a good-natured squabble about who had the lowest cost mine operations, is it Barrick, with Pierina? Or Homestake, with Eskay Creek? Both around $40 per ounce. We settled that by merging…now we know we have the lowest cost mine.

With that $55 million as our baseline, in addition to the financial team, we've also put a second integration team in place – to focus on the operational side. 25 people, half Homestake, half Barrick. High-level, headed by Alan Hill and Walter Segsworth.

Right now, our Operations Review Team is in the process of identifying our new opportunities. We're working to assess and prioritize the opportunities open to us in the next 6, 12, and 18 months and quantify the benefit of each one. At this point, our team has been out to Goldstrike, Round Mountain, Eskay Creek and the Australian mines. They're finishing Pierina, Buly and Hemlo as we speak. We'll be reviewing the team's field findings after Canadian Thanksgiving, but already, across all our properties, we see many opportunities. We've seen enough to tell you with certainty, this is a subject we'll have more to say about later in the year.

We're also looking at every element of our organizational design, to put the structure in place to support our strategy. Our structure is focused on three key drivers:

- Number One: Profitable Growth - A structure that can accommodate further accretive gold asset acquisitions, as Barrick solidifies its leadership position in the industry.
- Our second driver: Operational Excellence - Here, we're looking for the structure that best supports our cost-reduction efforts, our focus on best practices and the global nature of the new company.
- Third: We're looking at a structure that enhances and fosters our Leadership Development. That helps Barrick build a management pipeline, as effective

in supplying us with a “proven reserve” of executive leadership as our pipeline of property development is at supplying new sources of gold.

Our aim right now, to be ready for Day One.

That’s why we’re working to create an inventory, if you will, of not just our assets, but our opportunities. It’s a chance to look at why we do what we do. To look beyond the Barrick way - or the Homestake way - to the best way.

In addition, our Development Teams are looking at Pascua-Veladero as a prime opportunity for profitable growth. Until late June, Barrick’s had its piece and Homestake’s had theirs. Now we’re asking; how would we develop this as a single, unified district? What synergies could we exploit in developing it?

We have an opportunity that the companies operating on the Carlin Trend, or in the Hemlo Camp, or the Witts area of South Africa didn't have because they weren't developed by one company from the outset. After all, Pascua/Veladero is a 35 million ounce district. I don't know of any other undeveloped property anywhere in the world that's that large. With Pascua/Veladero unified, we've got a chance to realize additional value - through greater speed in development, and lower capital and operating costs.

But if I really want to give you a sense of what makes this merger work, I need to dig a little deeper - beyond the numbers - to the core competencies Barrick and Homestake bring to the table.

From that first call between Jack and I, to the merger announcement, there was a total elapsed time of about two weeks. That’s a tribute to everyone on the Barrick team for being able to move quickly when an opportunity presents itself.

And let me say; Homestake moved every bit as quickly as we did - at every point along the way. I take that as a sign of the strong connection we established between our companies and our cultures.

Homestake has its core competencies, too, ones that complement ours. For instance, Homestake has been great at doing a lot with less. To be candid, that’s not a bad example for Barrick. Homestake has great miners, pure and simple. In my experience, what great miners need are great opportunities. When you look at our combined properties, we’ve got them.

But there’s another core competency I want to highlight today, something we don’t traditionally consider, and can’t quantify on a balance sheet. In a market that’s consolidating, the ability to effectively integrate acquisitions is itself a competency.

Let me put it this way; each time you integrate an acquisition, you acquire knowledge.

At Barrick, we’ve been building this skill set with a series of acquisitions. From our founding in the mid-80s and the Goldstrike acquisition, to the Lac acquisition in ’94, to

Pierina in ’96, on to Buly in ’99, and Pangea in 2000…we’re building our core knowledge across the board, in both administration and operational integration to create maximum value.

But there’s more to the kind of core knowledge we’re working to build at Barrick. You’ve got to learn not only from your successes, but from your setbacks too. Every acquisition is an opportunity for “lessons learned”, and we draw on that knowledge in everything we do.

That’s what’s so solid about Homestake. With everything we've learned from our earlier acquisitions, the knowledge we’ve gained since June leaves us very excited about what we see. And what we see are low-cost, long-life assets, with solid growth opportunities.

Given our low cost-structure, given the synergies we see both organizationally and operationally, we’re well-positioned as a combined company to prosper, whatever happens to the price of gold.

Of course, any acquisition as ambitious as this one begins with a single assumption; the assumption that our two companies together will be stronger than either one alone. So let’s look out over the horizon, at the landscape in which the Barrick-Homestake merger takes place.

We’re seeing lower exploration spending and at this gold price, fewer mines being built. Several facts flow from this. First, consolidation will continue. That’s a fact, it’s inevitable. But if you think about it, it’s not unique. Anything that’s commoditized, whether its minutes of long distance service, or gallons of milk, or computer chips, you see a smaller group of larger players. Why would the gold business be any different?

In such an environment, this transaction makes us just that much stronger. As I said, it’s an enabler-transaction, one that positions us to benefit from the consolidation to come. Here, our low political risk profile will really be key - allowing us to entertain opportunities in developing countries, ones that would be financially accretive, without an acquisition being so dominant that it tips our overall portfolio.

Barrick has another advantage to bring to bear as well. Between the billion dollars on our balance sheet and the $2 billion we expect to generate in free cash flow over the next five years we are uniquely positioned to use cash to create value for our shareholders, whether we do it through reinvestment in our current asset base, through accretive acquisitions, or through share buybacks or higher dividends.

Our goal: to ensure that Barrick remains a top-performing business for our stakeholders for a long time to come by building a platform for profitable growth and competitive returns.

And as we put our two companies together we understand we’ve got to sustain a driving focus on taking cost out.

When you can't control where price is going, that's the only constant.

But there's a bigger issue here. When you think about it, it's really not enough for companies in our industry to be compared and contrasted to one another. For our industry to reach its full potential, gold producers have got to be viewed - and not just viewed, but measured - against a broader set of companies.

Looking at the new Barrick, we do pretty well on some of those metrics right now. Consider our predictable, reliable cash flow – at lower risk than most of our peers in the S&P; our high margins, with our company ranking #30 in the S&P 500; strong free cash flow. But we know there are other areas where we have to raise the bar, improve our performance. I can promise you, at Barrick, we're going to do just that. And we hope the rest of the industry will do the same.

Now anyone who knows Barrick knows we're more than a "paint by numbers" operation. There's a level of conviction and commitment in our company, a passion to pursue excellence in everything we do. I think you're going to see that passion as the new Barrick moves forward.

That's really what I wanted to share with you this afternoon. Whether we're looking at our merger in particular, or the broader outlook for the gold business, we've got an opportunity -not just to recognize the future and react - but to realize our potential for profitable growth. To step forward, shape the future in ways that best serve this industry, and create the conditions for success.

Thank you.

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