BARRICK

Speech

All Amounts in United States Dollars

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Thank-you John. Good morning ladies and gentlemen. As Randall has made clear, Barrick has all the building blocks in place for profitable growth. We've combined operational excellence with financial strength to build a solid foundation for the future.

As I see it, the keys to our financial success are strength, synergy, flexibility and discipline.

In terms of strength, we set records in 2000 for earnings, before the provision, as well as cash flow -- our third consecutive year. I'll speak more on the provision later.

This Company is as strong as ever, and well positioned to prosper in this business - in both high and low gold price environments.

For me, Barrick's strength comes from the combination of the low cost production that John spoke about - and our Premium Gold Sales Program. Together this gives us the unique flexibility to manage our capital in the most effective way on a global basis.

In 2000 this combination generated:

- $334 million in operating earnings, and
- $705 million in operating cash flow.
- More importantly - and this I consider to be the fuel for our investment engine -- our operating properties generated $530 million in free cash flow…which we used to acquire, explore and develop new projects that will add earnings and free cash flow, not just this year, but for years to come.

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It's this consistent performance which has put Barrick in a great financial position and allowed us to achieve the industry's only A credit rating. At year-end we had cash of $623 million, virtually no net debt, and shareholders' equity of $3 billion…it all adds up to the best balance sheet in the business. And this is no accident. It's really a tribute to the talent of our people - and their ability to execute and deliver on a daily basis.

When people think of Barrick, they think of great mines and a great hedging program. Often, however, they think of those two functions as separate and distinct. They're not.

People think of the $68 premium over spot that our program has generated for 52 straight quarters -- and think that hedging pays. - It does; $300 million in additional revenues in 2000 alone.

People think of our operations as being low-cost and long life. And they are.

But there's a synergy between great mines and strong hedging that makes them more valuable together than apart. This gives Barrick a major competitive advantage.

The financial strength our hedging builds allows us to invest in and expand our low cost asset base - which further adds value to the company - which in turn strengthens our Premium Gold Sales Program.

Take, for example, the new roaster, and the development of the Rodeo underground deposit at Goldstrike -- both of which generate greater than 20 percent rates of return. That's impressive in its own right. Now add the fact that the backing of strong assets like these allows us to have the longest, most flexible hedging lines in the business - lines that are un-margined at any gold price.

And it's those great trading lines that give us complete flexibility to choose whether to deliver our production against our spot deferred contracts -- or if gold prices are higher, sell at spot. Admittedly, with 52 consecutive quarters behind us of delivering our gold at a premium to spot, we haven't had the opportunity to demonstrate this flexibility. But if the time comes -- we're ready.

Another example of the synergy between our operating and financial strengths is last year's acquisition of Pangea.

We were able to use the free cash flow generated from our operating properties to acquire an exploration company for cash -- and fold it into our District Development Program in Tanzania: Great value and added efficiency.

And that's where the synergy acts as fuel for our investment engine - because as we bring those assets into production, we will be able to add this production into our Premium Gold Sales Program - and generate even more free cash flow.

Along with this synergy, comes financial flexibility. Case in point: The Buly financing. When we made the decision to build Buly, we were generating plenty of free cash flow, and we had plenty of money in the bank. Still - we chose to do a $200 million project financing for the mine development.
Why? Several reasons:

First, it was a prudent way to manage the investment of our capital globally by partnering with some of the largest banks and government agencies in the world;

Second, cash is king in today's environment -- and all things being equal, we liked the idea of keeping ours.

The success of this financing is a testament to the fact that Buly is a great project and, we have a strong balance sheet -- banks wanted to lend to us. In fact, the financing was two-times over-subscribed.

The last key to our financial success is discipline. We apply consistent financial discipline to all aspects of our business. You saw that in our decision last year to delay Pascua - a decision entirely in line with our disciplined approach.

Every one of the projects in this organization must compete for capital, and must earn a return that exceeds the cost of that capital. Pascua is no exception.
You can see the same discipline in our hedging program and in our conservative balance sheet: - The high cash balance, and the low debt-to-equity ratio.
And in our decision to take a $1.1 billion non-cash provision against certain assets to reflect the current gold price environment.

We take a reality-based approach to business. As Randall said, we deal with things as they are - not as we'd like them to be.
The provision deals with the reality of the current gold price and realigns our balance sheet to reflect this reality. This was a responsible decision and the right one to make.

I'll briefly give you a breakdown of the provision:

- About three-quarters of the provision ($790 million after tax) relates to Pascua and adjusts the premium over book value recorded on the Lac acquisition in 1994, when

the gold price was $390.

- The $132 million Pierina adjustment relates to the premium assigned to the property in the 1996 Arequipa acquisition, when the gold price was $375.
- At Goldstrike, we adjusted specific assets by $107 million, primarily the carrying value of low-grade stockpiles. This in no way impacts Goldstrike's ability to generate tremendous cash flow going forward.
- And the $71 million provision to other assets, consists primarily of the amount allocated to Bousquet, also acquired in 1994.

The point I want to underline today is that the provision was triggered by external events in the broader gold market. It primarily relates to non-operating assets that were acquired years ago, using purchase accounting, in a higher gold price environment with significantly higher value shares. It is not an impairment in the underlying value of these properties. And, as Randall emphasized, since this is a non-cash provision, it has no impact on our financial strength or our hedging lines.

Not only have we adjusted our balance sheet, but we've also adjusted our hedge program. We've lowered our realized price for 2001 by $20 to $340 and reallocated the value to future years. This ensures that we realize stronger prices for a longer period of time going forward. In other words, some short term pain for plenty of long-term gain. We've added about 10% to the spot deferred program, bringing it to 14.9 million ounces, or 25% of our reserves. By doing this, we were able to take great advantage of attractive longer-term contagos before U.S. interest rates began to drop. We now have 100% of the next two years' production protected at a minimum price of $340 - and a portion thereafter at an average price of $360, ensuring strong, predictable earnings and cash flow going forward.

While reducing our realized price will lower 2001 revenues, we expect to make up more than half of the reduction through higher production, and lower depreciation, lower exploration and lower income taxes. This will substantially reduce the impact of the revenue decline on our bottom line.
Earnings in 2001 are expected to be in the 70-75 cent per share range.

Ladies and gentlemen, our decision on Pascua, the provision we've taken and our hedge program reflect the financial discipline that we apply to every aspect of our company. And we will ensure that we apply the same financial discipline in allocating our growing free cash flow and strong financial resources to ensure the highest possible returns for shareholders.

To recap, here's where we see Barrick headed. This company is financially strong - we can grow organically, through acquisitions, or both. The synergy between our low-cost opera-

tions and hedging program magnifies that strength. We have tremendous flexibility - to choose how, when and where we grow. And, we have the discipline to ensure that we make the right decisions for our shareholders long term.

As a result, we're confident we can:

- Generate high cash margins;
- Generate high profit margins; and
- Increase both earnings and cash flow…., especially free cash flow.

...This will increase shareholder value in any gold market. - Barrick is built to last.

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