

BARRICK AND HOMESTAKE

BUILT TO LAST



# BARRICK / HOMESTAKE MERGER PROPOSAL

## BENEFITS FOR HOMESTAKE SHAREHOLDERS

1. Significant premium over and above strong share performance year-to-date
2. Transaction is accretive to earnings and cash flows
3. Merger enhances operating and financial strengths by every measure:
  - *Higher production*
  - *Lower cash costs*
  - *Larger reserves*
  - *Longer reserve life*
  - *Higher earnings and cash flows*
4. Strengthened balance sheet and superior hedging program to facilitate development of emerging projects
5. Merger creates excellent platform for growth with more options available:
  - *Organic growth/attractive pipeline of projects*
  - *Selective property acquisitions*
  - *Industry consolidation*

# BARRICK / HOMESTAKE MERGER PROPOSAL

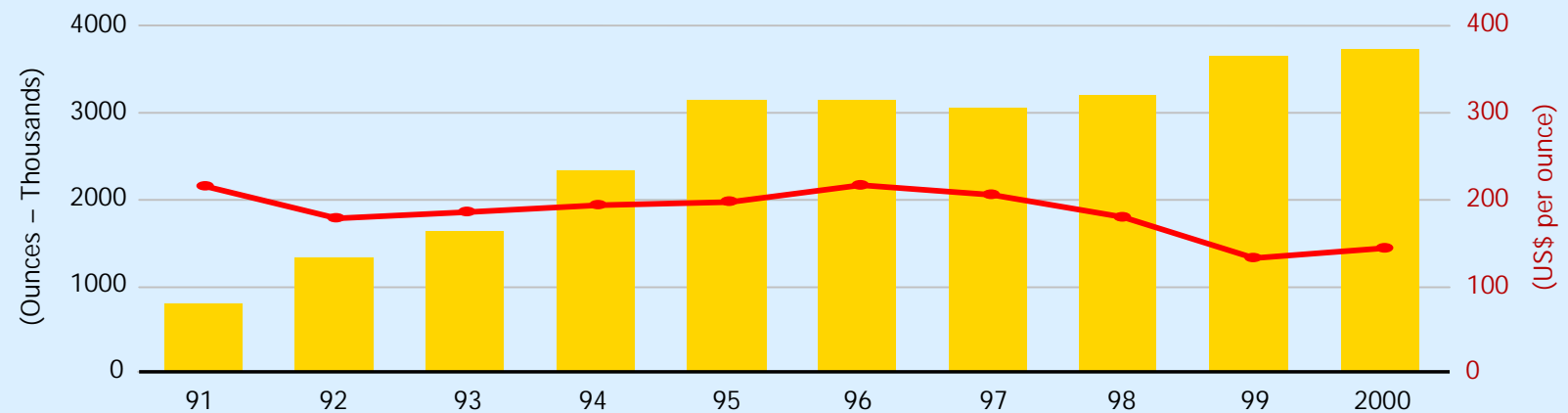
## BENEFITS FOR BARRICK SHAREHOLDERS

1. Strategic merger strengthens Barrick's industry leadership position in terms of quality and scale:
  - *Operating strengths - creates larger, low-cost asset base with the least geo-political risk*
  - *Financial strengths - most profitable; highest cash flows; strongest balance sheet and Premium Gold Sales Program*
  - *Strong growth profile - best pipeline of new projects and the balance sheet and free cash flow to plan future with certainty*
  - *Capital markets strength - largest market capitalization by a factor of two and highest liquidity*
2. Mergeco would be positioned as a leader in industry consolidation - *best able to seize opportunities that generate growth at attractive rates of return*
3. Strategically and culturally similar to Barrick - *entrepreneurial management and operating depth*
4. Accretive to earnings and cash flows
5. Security during periods of low gold prices while maintaining complete flexibility to participate in higher spot gold prices
6. Operating and financial synergies estimated at \$55 million beginning in 2002

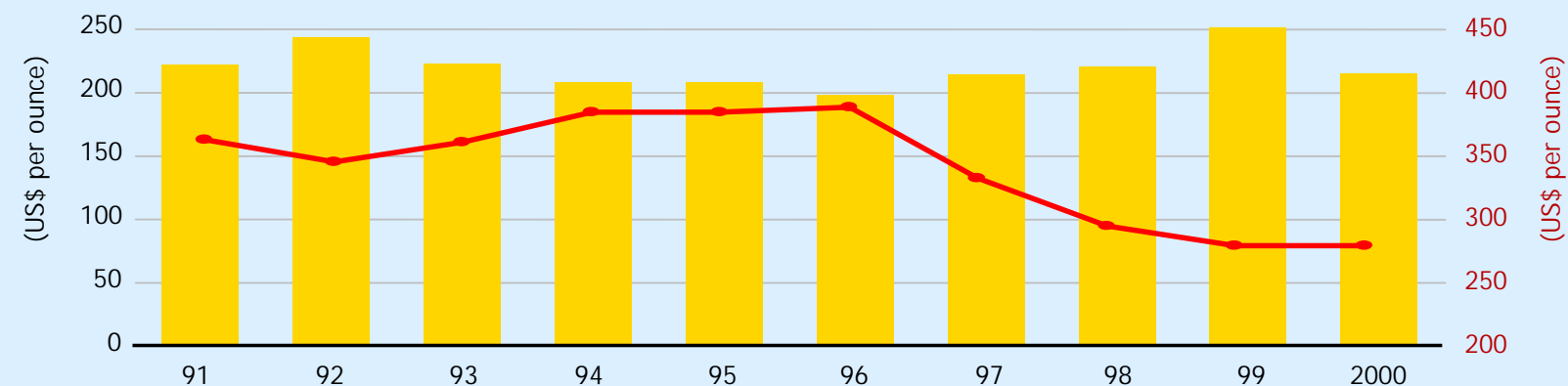
# WHY BARRICK ?

## 10 YEAR TRACK RECORD OF CREATING SHAREHOLDER VALUE

### INCREASING GOLD PRODUCTION WHILE REDUCING CASH COSTS



### HIGH CASH MARGINS DESPITE DECLINING SPOT PRICE



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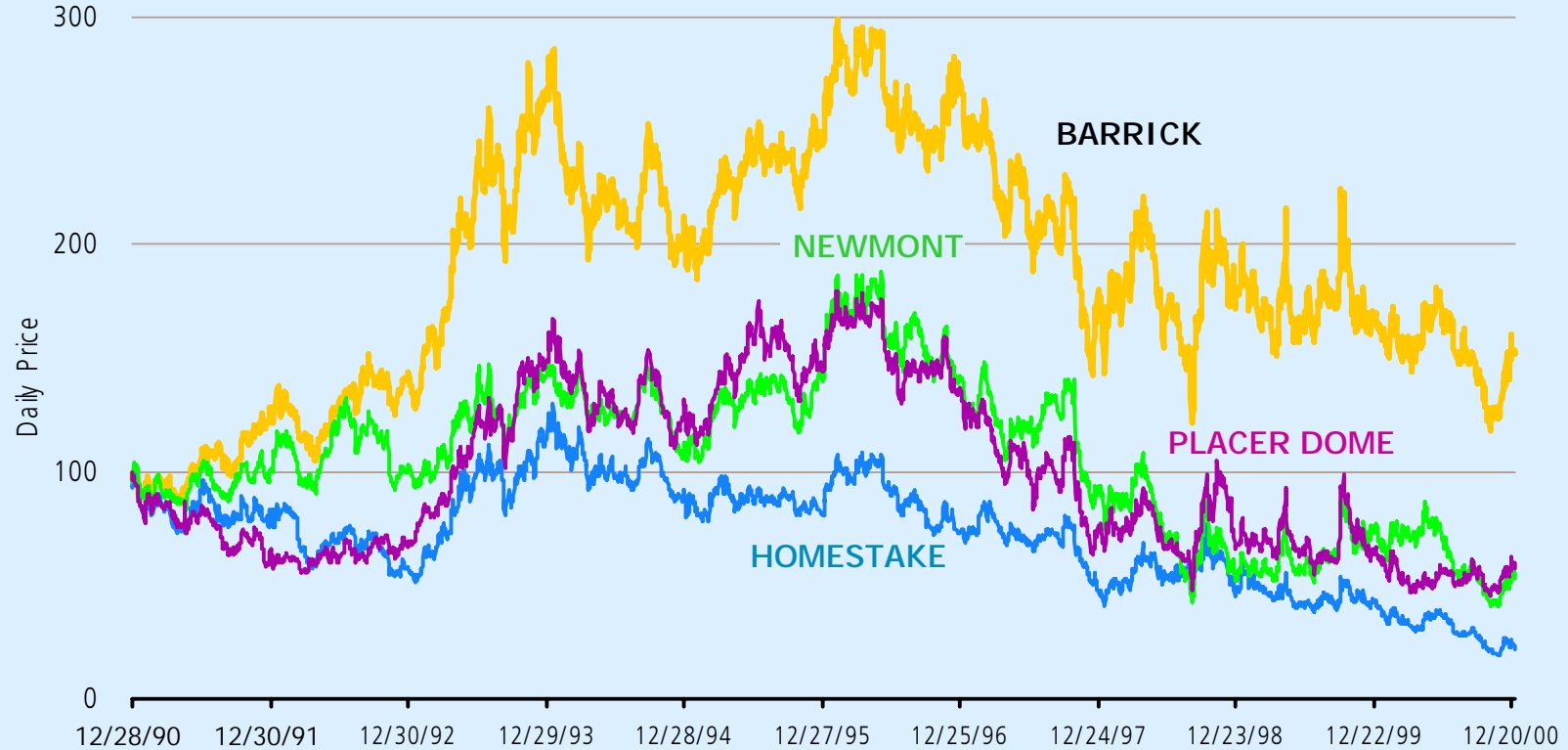
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## WHY BARRICK ?

OVER THE PAST TEN YEARS, BARRICK HAS OUTPERFORMED ALL OTHER MAJOR NORTH AMERICAN GOLD COMPANIES

**RELATIVE SHARE PRICE PERFORMANCE**  
(January 1991 to December 2000)



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Source: Factset

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# WHY BARRICK ?

POSITIONED TO PROSPER - OPERATIONS COMBINE DOWNSIDE PROTECTION AND UPSIDE LEVERAGE

- Large, long-life asset base - longest-life assets outside of South Africa
- Low-cost producer - 10-year track record of low-cost production and a portfolio of low-cost assets for the future
- Developed asset base (other than Pascua/Veladero) - solid track record of meeting production and cash cost targets
- New production - phase one of Bulyanhulu completed in April 2001; Rodeo at the Goldstrike Property in Nevada scheduled for production in the fourth quarter of 2001
- Significant exploration upside - head frame exploration focused at:
  - *Bulyanhulu*
  - *Six districts on the Victoria Greenstone Belt around Bulyanhulu*
  - *Underground at Rodeo and Meikle on the Goldstrike Property*
  - *North of Goldstrike on Dee and Rossi*
  - *The Pascua/Veladero corridor*
- Track record of developing new projects rapidly and on budget - recently constructed three new projects on three continents

# WHY BARRICK ?

POSITIONED TO PROSPER – FINANCIALS COMBINE DOWNSIDE PROTECTION AND UPSIDE LEVERAGE

## ■ Premium Gold Sales Program

**The past**

- 54 consecutive quarters of realizing a premium over the spot price
- Generated \$2 billion in additional revenue
- Generating an average premium of \$68 per ounce

**The present**

- 16.1 million ounces in the program - 28% of reserves
- Average price of \$350 per ounce
- 15-year lines, and
- No margin calls at any price

**The future** - The flexibility to realize the higher of the spot price or the contract price

■ Significant financial capacity - *the ability to take on large-scale projects*

■ Profitability - track record of being the most profitable gold company

■ Substantial free cash flow generator - \$400 million/yr @\$275 per oz gold

■ Conservative balance sheet - *Industry's only 'A'- rated balance sheet and no net debt*



MERGECO <sup>(1)</sup>

BARRICK  
HOMESTAKE



OPERATING STRENGTH



FINANCIAL STRENGTH



STRONG GROWTH PROFILE



CAPITAL MARKETS STRENGTH

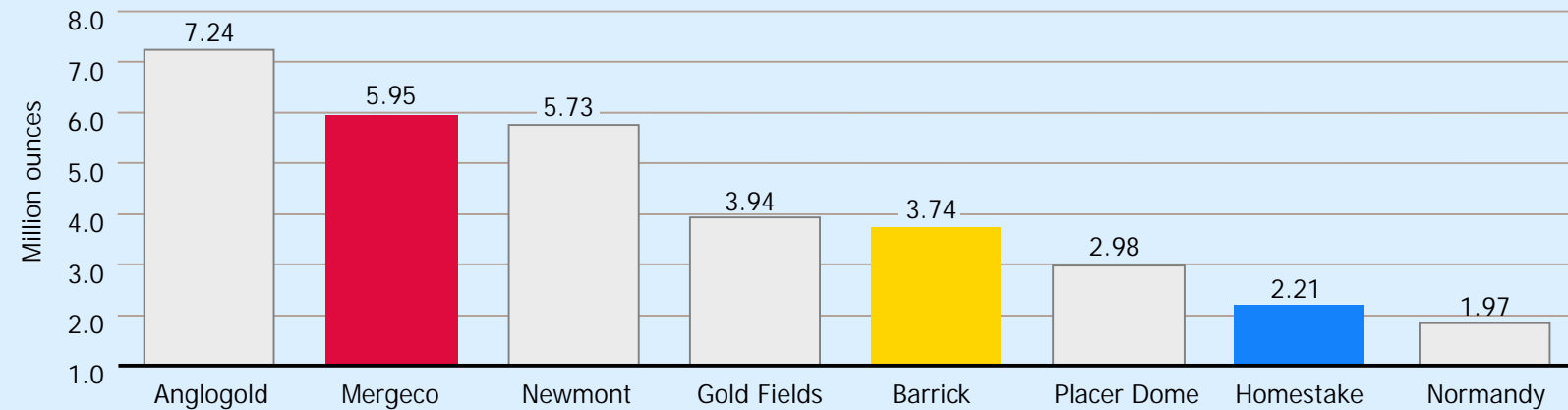


# GLOBAL LEADER IN GOLD PRODUCTION

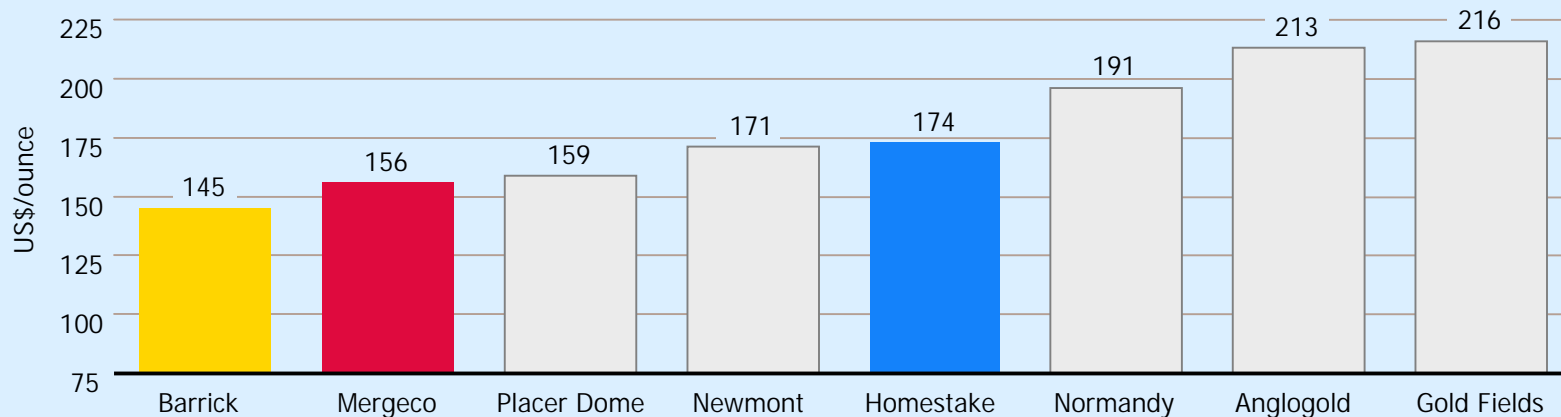
**1** OPERATING STRENGTH

**MERGEICO WOULD BECOME THE SECOND LARGEST GOLD PRODUCER GLOBALLY  
WITH A SUBSTANTIAL CASH COST ADVANTAGE**

## 2000 GOLD PRODUCTION



## 2000 CASH COSTS



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Source: Company Reports

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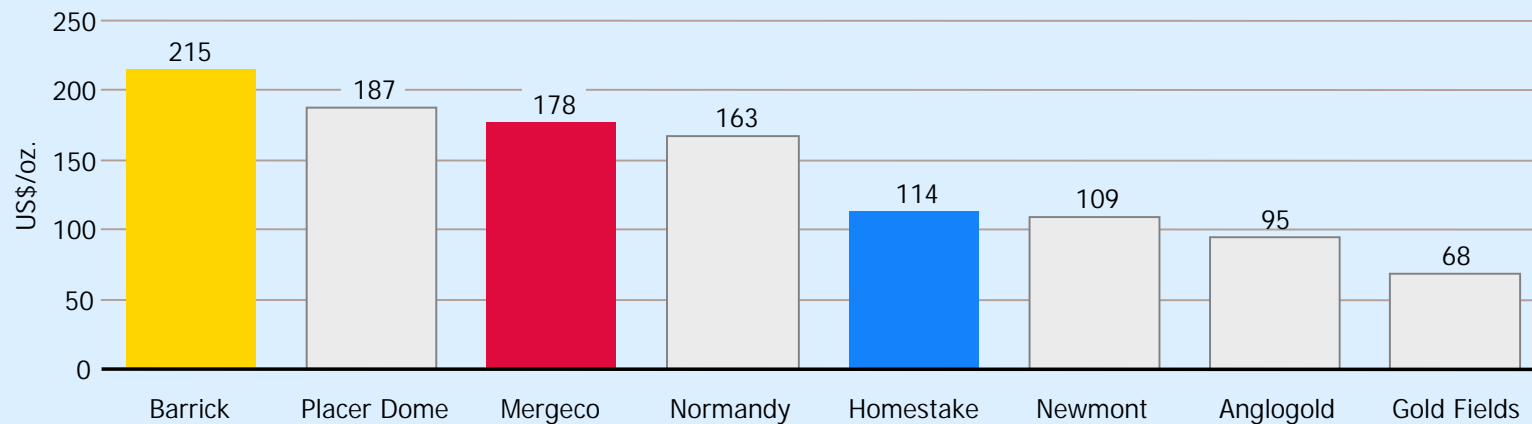


# HIGH CASH AND PROFIT MARGINS

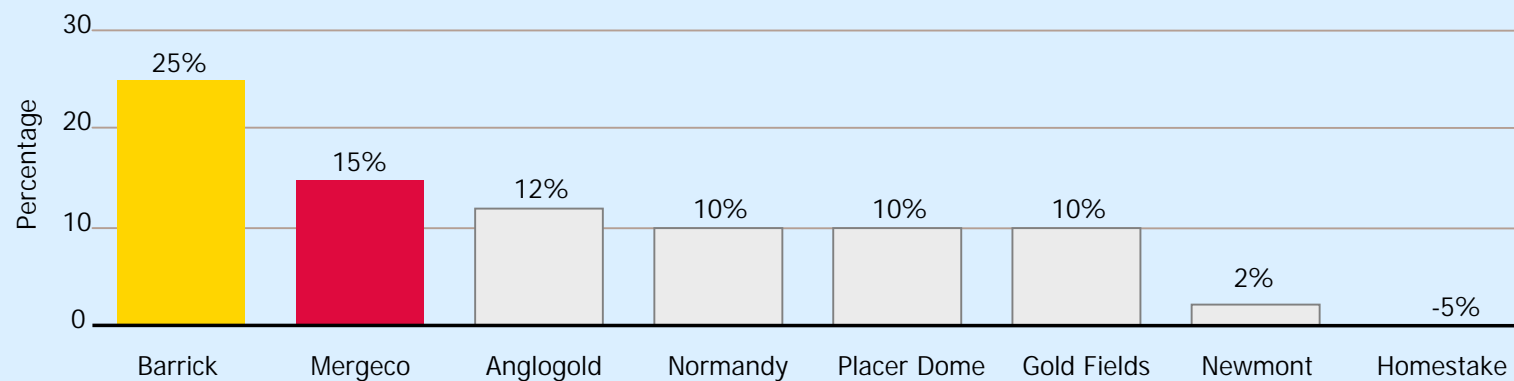
**1** OPERATING STRENGTH

**MERGEICO'S PROFIT MARGIN WILL BE AMONG THE TOP 50 COMPANIES OF THE S&P 500**

## 2000 CASH MARGIN <sup>(1)</sup>



## 2000 PROFIT MARGIN <sup>(2)</sup>



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<sup>(1)</sup> Cash Margin equals average realized price less cash cost  
<sup>(2)</sup> Before non-recurring items

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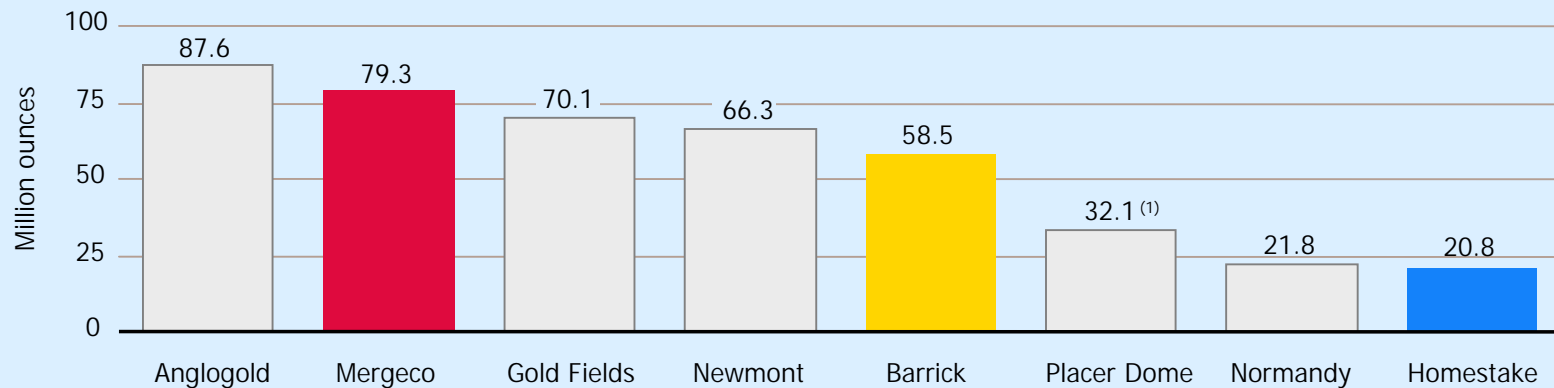


# LARGE HIGH QUALITY, LONG-LIFE RESERVES

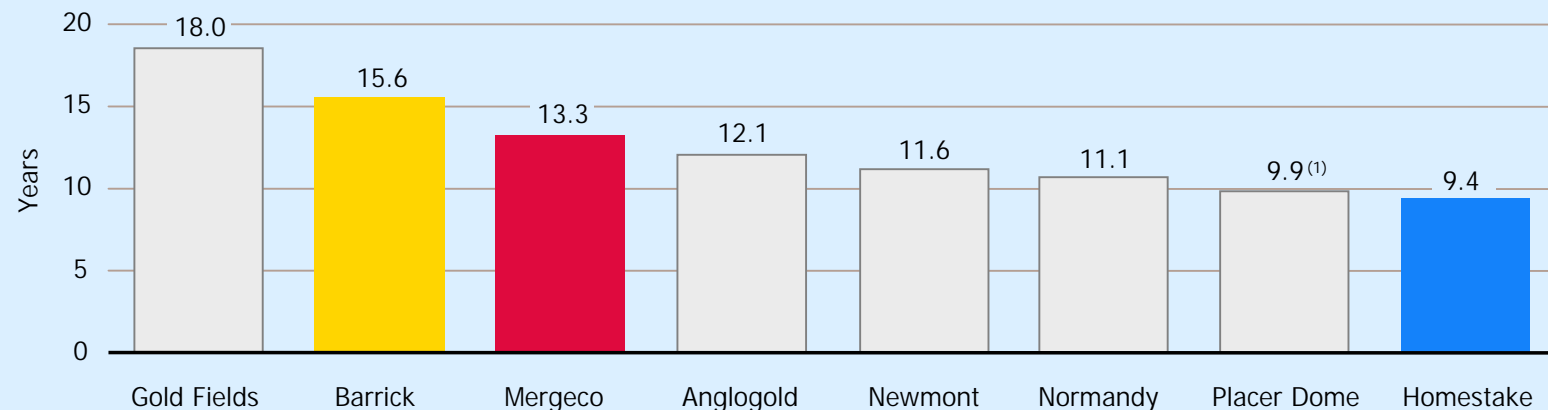
**1** OPERATING STRENGTH

**MERGECO WILL HAVE SUBSTANTIAL RESERVES THAT ARE LESS SENSITIVE TO LOWER GOLD PRICES WITH KEY ASSETS HAVING GREATER THAN 10 YEARS OF RESERVE LIFE**

## GOLD RESERVES



## RESERVE LIFE



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<sup>(1)</sup> Includes 30 years of South Deep production  
Source: Company Reports

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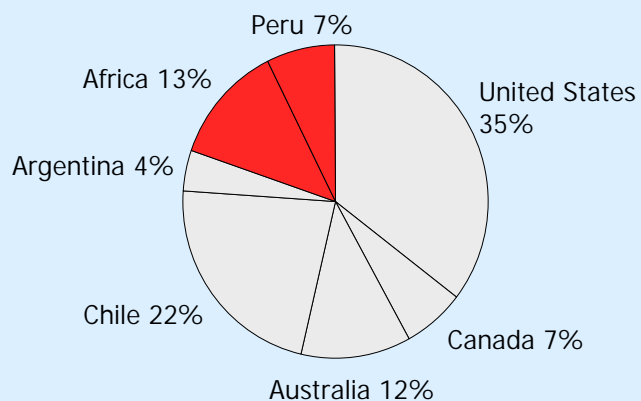


# LOW GEO-POLITICAL RISK PROFILE - RESERVES

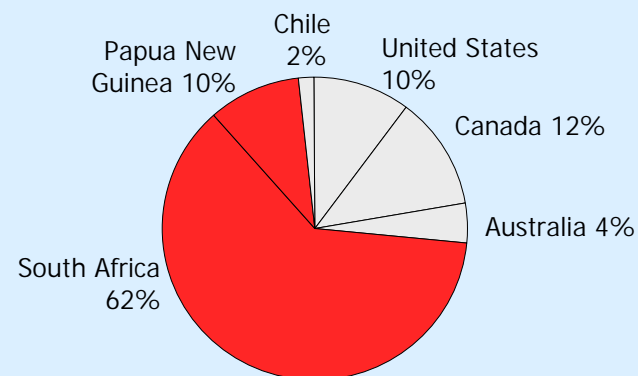
1 OPERATING STRENGTH

MERGEICO'S RESERVES ARE WELL-DIVERSIFIED AND LOCATED IN POLITICALLY FRIENDLY COUNTRIES

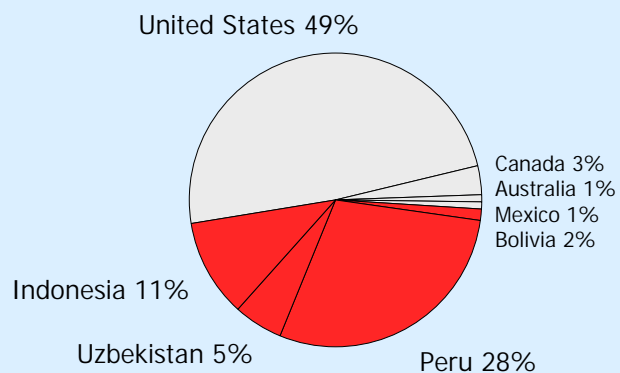
**MERGEICO: 79,299,000 oz.**



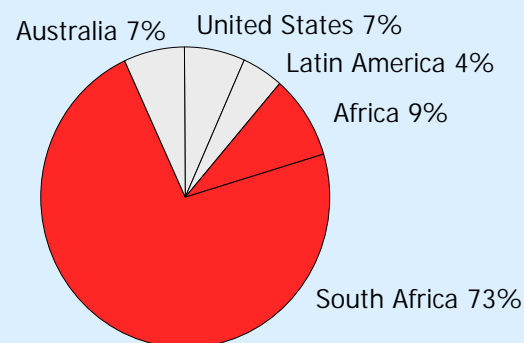
**PLACER DOME: 46,975,000 oz.**



**NEWMONT: 66,326,000 oz.**



**ANGLOGOLD: 87,600,000 oz.**



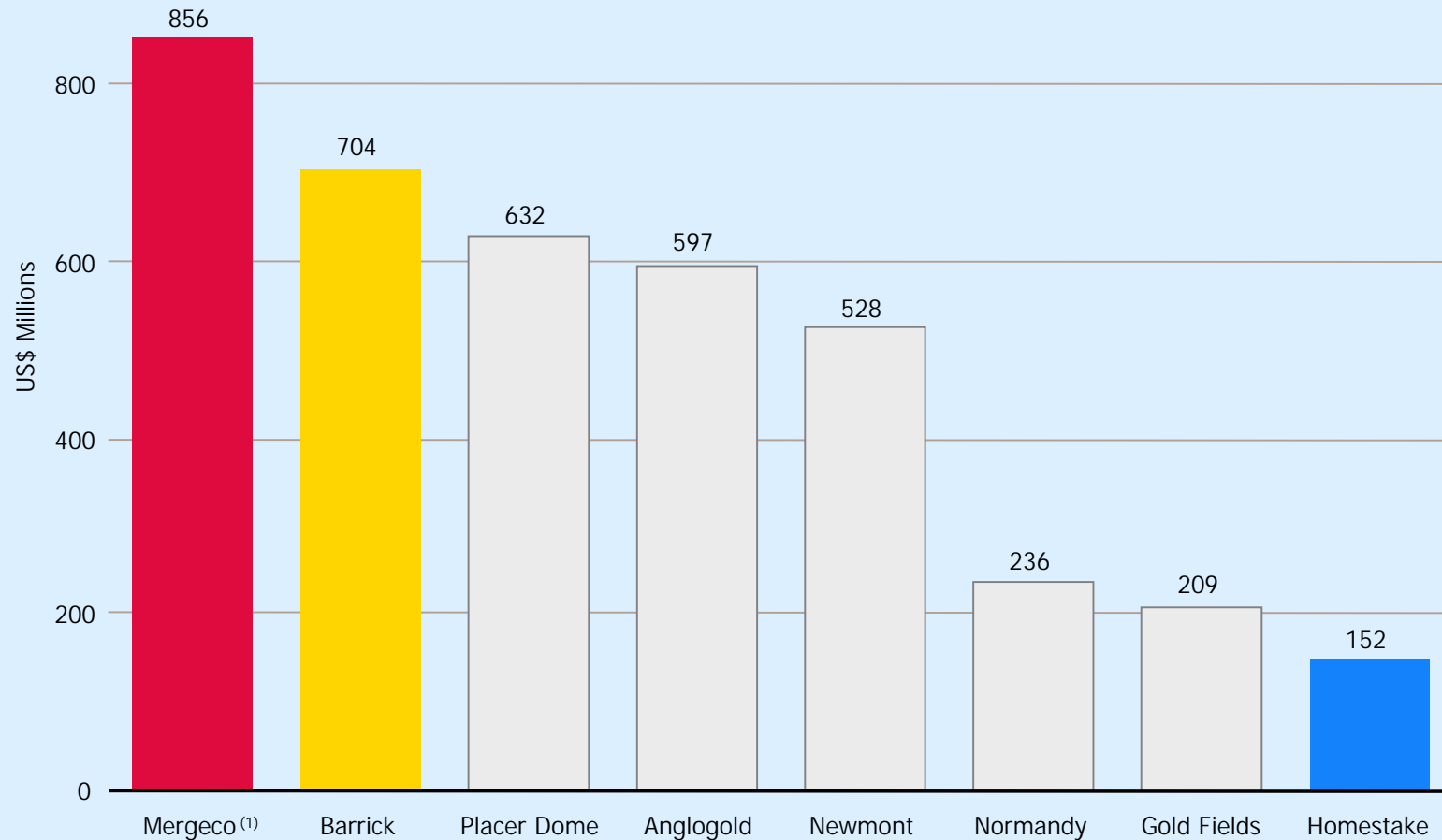
Source: Company Reports

## THE HIGHEST EBITDA LEVELS IN THE INDUSTRY

2 FINANCIAL STRENGTH

MERGEICO GENERATED THE HIGHEST EBITDA LEVELS BY 35%

### 2000 EBITDA



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(1) Excluding synergies  
Source: Company Reports

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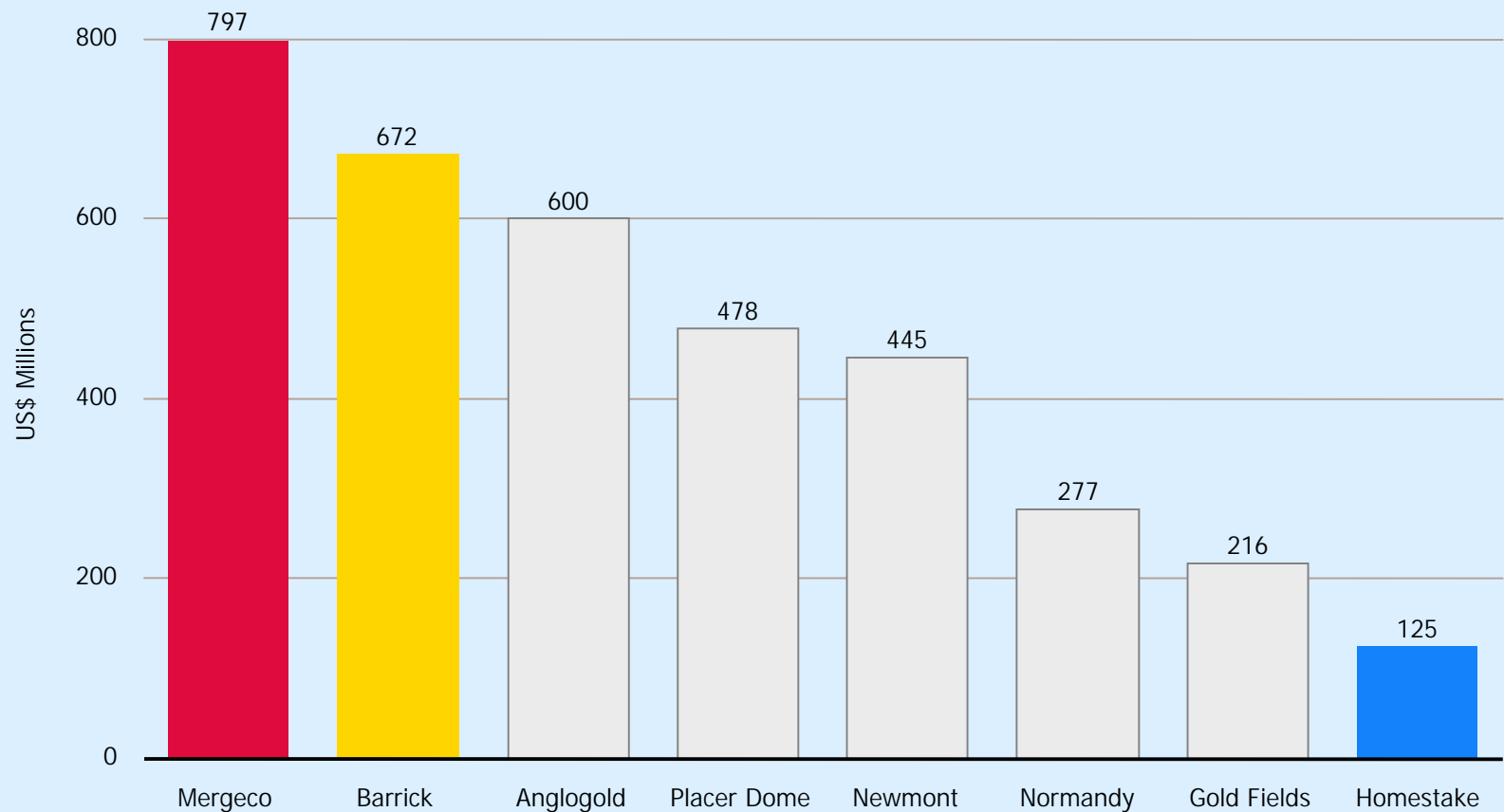
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# STRONG CASH FLOW GENERATION

2 FINANCIAL STRENGTH

CRUCIAL IN A PERIOD OF WEAK GOLD PRICES AND EQUITY MARKETS

## 2000 OPERATING CASH FLOW <sup>(1)</sup>



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<sup>(1)</sup> Before changes in working capital  
Source: Company Reports

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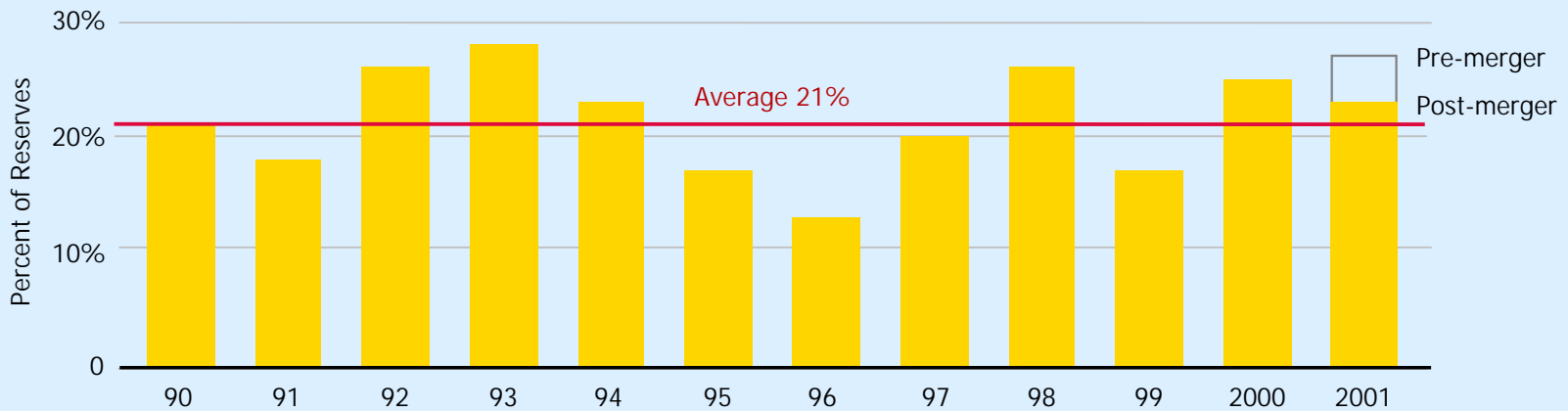


# STRONG/FLEXIBLE GOLD SALES PROGRAM

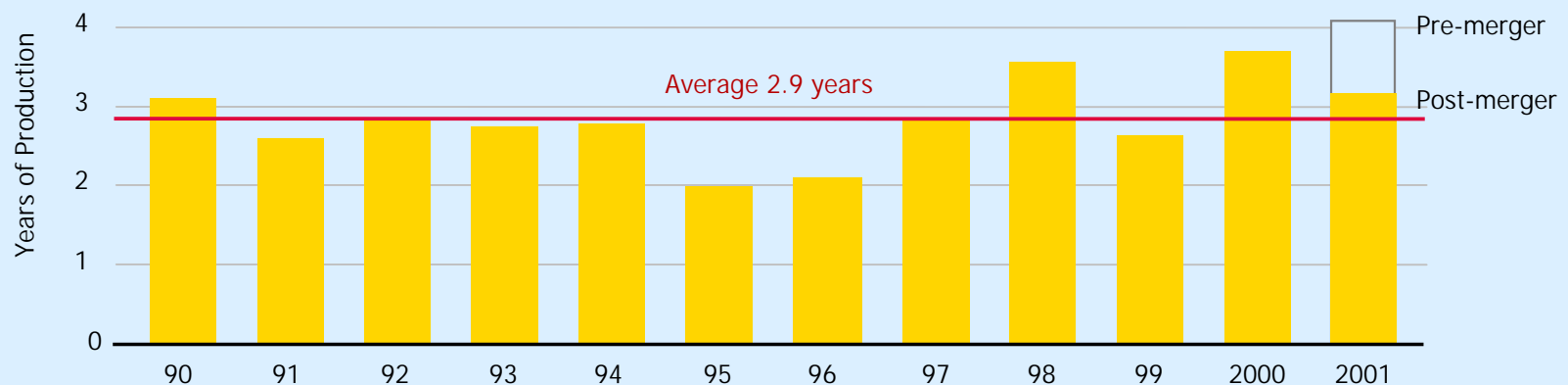
2 FINANCIAL STRENGTH

THE COMBINED POSITION PROVIDES A COMFORTABLE LEVEL OF GOLD PRICE PROTECTION FOR MERGECO AND IS IN LINE WITH THE HISTORIC PARAMETERS OF BARRICK'S PROGRAM

## BARRICK'S HEDGE POSITION AS A PERCENTAGE OF RESERVES



## BARRICK'S HEDGE POSITION IN EQUIVALENT YEARS OF PRODUCTION



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# NEW PROJECT PIPELINE

3 STRONG GROWTH PROFILE

ATTRACTIVE DEVELOPMENT PROJECTS CREATE TREMENDOUS GROWTH OPPORTUNITIES

## BARRICK

### ■ BULYANHULU – Tanzania

- *Potential to add low-cost production at Bulyanhulu is amongst the best in the industry*
- *Additional promise on 6 districts on the Lake Victoria Greenstone Belt around Bulyanhulu*

### ■ PASCUA-LAMA – Chile/Argentina

- *Synergies with Veladero could improve economics*

### ■ GOLDSTRIKE PROPERTY – Nevada

- *Potential to increase reserves underground at Rodeo and Meikle*

## HOMESTAKE

### ■ VELADERO – Argentina

- *One of the most significant exploration projects in the gold sector*
- *Synergies with Pascua-Lama could maximize returns*

### ■ COWAL – Australia

- *Promising project economics and reserve expansion potential*
- *Strengthens Australian land package*

### ■ AUSTRALIA & ARGENTINA Land Packages

- *Substantial land position in western Australia and on the Argentinean side of the El Indio Belt*

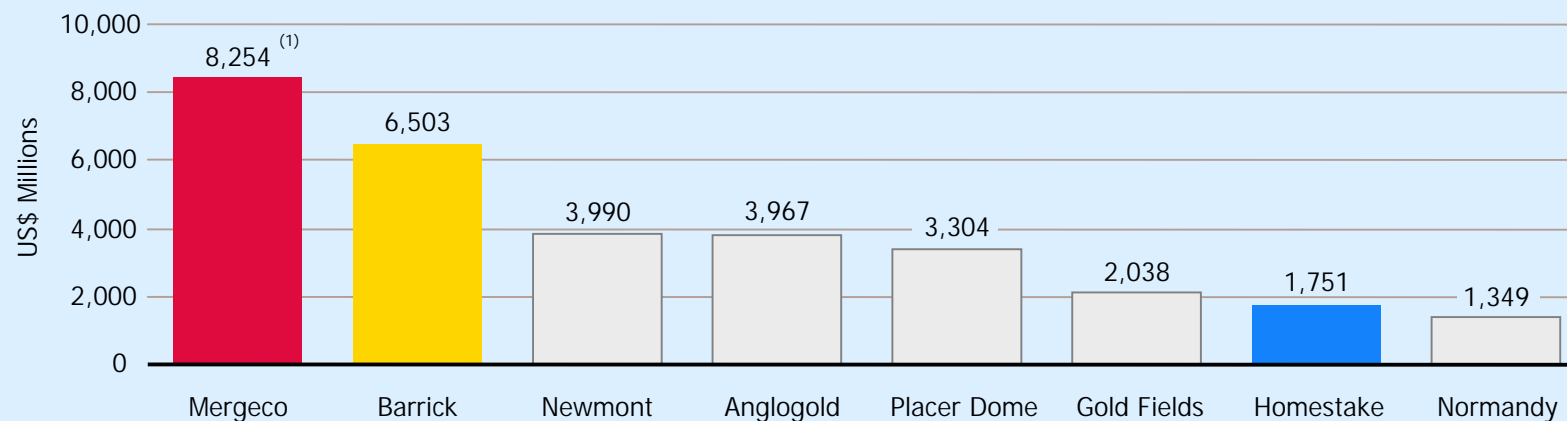


# THE PRE-EMINENT GOLD COMPANY

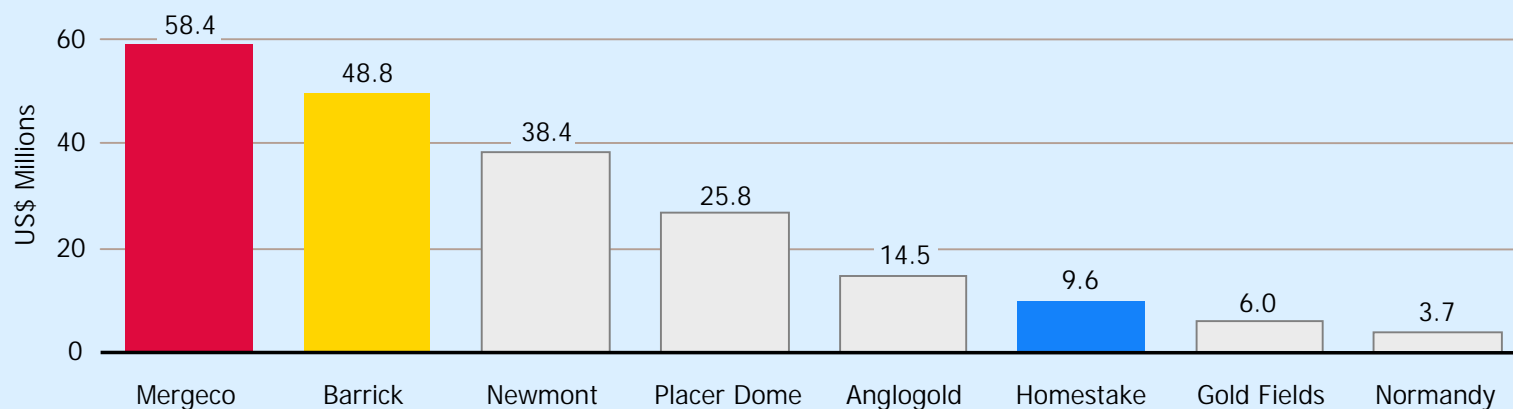
4 CAPITAL MARKETS STRENGTH

MERGEKO WILL BE DOUBLE THE SIZE OF ITS CLOSEST COMPETITORS

## EQUITY VALUE (as at June 22, 2001)



## LAST 6 MONTHS AVERAGE DAILY VOLUME



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<sup>(1)</sup> Proforma before any premium

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You can contact us toll-free within Canada and the United States at **1-800-720-7415** Email us at **investor@barrick.com** Visit our investor relations web site at **www.barrick.com**



In connection with their proposed merger, Barrick Gold Corporation and Homestake Mining Company filed a preliminary joint proxy statement/prospectus with the Securities and Exchange Commission on July 20, 2001. Investors and Security holders are urged to carefully read the definitive Joint Proxy Statement/Prospectus regarding the proposed transaction (when available) and any other relevant document because they will contain important information on the proposed transaction, including those persons involved in the solicitation of proxies. Investors and security holders may obtain a free copy of the definitive joint proxy statement/prospectus (when available) and other documents filed with the SEC containing information about Barrick Gold Corporation and Homestake Mining Company, without charge, by directing a request to either: Investor Relations, Barrick Gold Corporation, Phone: 416-307-7440, Fax: 416-867-0727, or Investor Relations, Homestake Mining Company, Phone: 925-817-1388, Fax: 925-746-0563.

#### Forward looking statements

Certain statements included herein, including those regarding, production, realized gold prices, costs and margins, constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by those forward looking statements. These risks, uncertainties and other factors include, but are not limited to, political events, changes in the worldwide price of gold or certain other commodities, currency fluctuations and other general economic conditions, labour relations, timing of permits and other governmental approvals and requirements, changes in expected operating conditions, lower than expected ore grades, unexpected ground and mining conditions, availability and cost of materials and equipment, and risks generally inherent in the exploration, development and mining business. These factors are discussed in greater detail in Barrick Gold Corporation's "Management's Discussion and Analysis of Financial and Operating Results" and Annual Information Form for the year ended December 31, 2000, on file with the U.S. Securities and Exchange Commission and Canadian provincial securities regulatory authorities, and in Homestake Mining Company's 10-K Report for the year ended December 31, 2000, on file with the U.S. Securities and Exchange Commission.