BARRICK

Speech

All Amounts in United States Dollars

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My portion of the presentation today, as Randall mentioned, is to provide an operational overview. A snapshot of the assets we've have and the opportunities in front of us. To do that, I'm going to start by looking at two of the operating strategies that contribute to the financial objectives Randall identified:

Increasing profitable production and increasing high-quality reserves.

A big part of Barrick's 2001 story was the Homestake merger. As I work through our properties today, you'll get a glimpse of what we saw in Homestake – and why we seized the opportunity to bring Barrick and Homestake together.

Let's start here in North America with Eskay Creek – a truly premier property, with high-grade reserves averaging over an ounce of gold and 55 ounces of silver per ton. We're looking to Eskay to increase production to 14% this year -- even as it sustains one of the lowest unit costs in the world, on target for 2002 at $51 per ounce.

On the exploration side, Eskay has an equally strong profile. With the completion of a ramp extension in the first half of this year, we're positioned to begin a substantial underground drilling program in the second half – as well as an expanded program in the district, where we see good potential for new discoveries.

Let's shift to another key Homestake asset in Ontario. The Hemlo Joint Venture: which is a good, solid, what-you-see-is-what-you-get asset, with 2002 production projected at 304,000 ounces, at a unit cost of $197 per ounce – a production pace we're confident Hemlo can sustain into the future.

While Hemlo more than replaced production last year, what really appeals to us are the rationalization opportunities this district presents. The Hemlo Camp as it evolved in the 1980's really reflected over-spending. Today, we think we may have the opportunity to put this district back together.

Add to Hemlo and Eskay Creek the third key asset in Homestake's North American holdings, the Round Mountain Joint Venture in Nevada. Again, we've got a solid property, with a production and cost profile quite similar to Hemlo with good exploration potential.

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Moving to our new Australian operations, there we have a group of quality low-cost mines capable of generating about a million ounces of gold at $186 per ounce. At the Super Pit in Kalgoorlie, Australia's largest gold mine, production is expected to be marginally lower and costs higher than last year as we process harder ore at somewhat lower grade from the pit. Overall, we expect the mine to contribute 367,000 ounces of gold at about $200 per ounce to our account. Longer term, we see production rising to the 400,000-ounce range at $175 cash costs.

With production rising to 572,000 ounces and costs falling to $160 per ounce at our three mines of the Yilgarn district, we expect this to be Yilgarn's best year, on both scores. And we're coming off another strong exploration year at the Yilgarn operations, where we've more than replaced reserves against production – and at better grade.

In 2002, we'll unfold a significant exploration program, concentrating on the area around the Plutonic Mine in Western Australia, on the Tanami properties in Northern Australia and in the Lake Cowal area in New South Wales. We think there is good exploration potential in all of these areas.

To give you a sense of what we like, consider Cowal. Our exploration efforts there have added almost 3 million ounces to reserves this year. The original feasibility study envisioned Cowal producing at around 200,000 ounces per year. Since the time of the merger announcement last summer, we have become increasingly positive on our ability to create a solid 10+ year mine at low capital and operating costs. We see the potential to produce in the 250,000-ounce range per year at a cost similar to our current cost of production. Based on what we've seen so far, we expect the project's return will exceed our cost of capital. In 2002, we'll push forward with a 20,000-meter drill program to expand the reserve and resource base, along with engineering field investigations and metallurgical studies to optimize the economics of the project.

Put these properties together, and you see the way they contribute to Barrick's long-life, low-cost production base. A property portfolio with low geopolitical risk, and open-ended potential.

And we've shown we can transform that potential into reality, most recently at Bulyanhulu, our biggest operational achievement in 2001. Our on-time start-up at Bulyanhulu was complemented by our steady exploration success. We've increased reserves at yearend another 2 million ounces to bring our total to 12 million.

Even the smoothest startups have their surprises. We had ours with initial weak recovery rates. We've made some modifications, and recovery was up to 86% in December. Once we install the new equipment in the flotation plant this should put us at the design of nearly 89% by the second half 2002. For 2002, we see production rising to 362,000 ounces at costs of $173 per ounce. Over the next few years we see production rising above the 400,000-ounce level, with costs declining toward the life-of-mine average of $130 an ounce.

On the exploration side, we've used Buly as a cornerstone for a strong early stage exploration program under our District Development Program.

In terms of some of our more advanced programs, the Tulawaka feasibility study is on track for completion in the second half of the year. The Tulawaka mineralization did not extend as far at depth as we'd postulated, so we are now studying the potential of this 700,000-ounce resource to become a smaller, economic contributor to an expanding Tanzanian production base.

At the Kabanga nickel property, we increased the resource by 50% in 2001 to 600,0000 tonnes of contained nickel, with the discovery of a new ore body. The 2002 program will follow up on last year's program with the goal of taking the resource to the 1-million-tonne-level. If the program is successful, Kabanga would rival the resource of Voisey's Bay in tonnes and grade.

We're just beginning to form a picture of the potential for the Lake Victoria goldfields. With more than 6,000 square kilometers in our portfolio, we're looking at Tanzania as one of the top exploration areas not only in Africa, but anywhere in the world.

Since our focus today is on opportunities, our overview wouldn't be complete without touching on Pascua/Veladero. The district we've unified through the Homestake merger.

We now have the chance to look at a single development plan for this entire district – at 25 million ounces in reserves, the world's largest undeveloped gold property.

This unified approach provides us with tremendous flexibility to do things the right way. We will take advantage of all available synergies, whether through lower capital costs, through shared infrastructure or lower operating costs, through a more efficient development of the area, or shared functions like administration, purchasing and accounting. Last year we increased reserves at Veladero to 8.4 million ounces and began an extensive metallurgical program to define the processing scenario there.

Our preliminary view is that a smaller valley-fill heap leach operation will be constructed first, similar to Pierina, drawing from the oxide reserves at both Veladero and Lama. We'll spend the balance of this year confirming our metallurgical assumptions, optimizing the operating plan and gathering the necessary information for our environmental permits.

The beauty of Veladero is that even in this gold price environment, with the lower capital costs and easier metallurgy, the project seems like it'll be able to generate solid returns at $275 gold. Beyond that, we're just beginning to factor in the Argentine currency devaluation to the project economics of both Veladero and Pascua, which are costed in US dollars.

Assuming all goes according to plan this year at Veladero, we would anticipate our first pour in early 2005. If gold and silver prices begin to improve, the plan would be to move the construction team directly to Pascua after Veladero is up and running, with a view to having it in production in 2006. This district has the capability to add significant growth in production, earnings and cash flow to Barrick.

With junior companies no longer active and exploration budgets everywhere being cut, lower exploration efforts are yielding fewer new discoveries that seniors can buy, fund or engage in joint venture. Which makes Pascua all the more valuable an asset, as it can be pulled off the shelf and built reasonably quickly as the market improves. At Barrick, we have also taken that as a signal to step up our early stage exploration efforts within our District Development Program – and it's paying off.

Barrick recently carried out a state-of-the-art geophysical survey over Goldstrike as well as over Rossi and Dee. Using new technology, this survey has the ability to "see through" the overlying cover and upper plate rocks to detect deep targets. And detect a few we did: Initial drill programs started in the fourth quarter of 2001 on the Banshee area as well as Rossi and Dee – and we'll see more in 2002.

While 2001 was a year of encouragement with our geophysical survey work, there was one disappointment. At Meikle, we lowered reserves after production by 1.7 million ounces to 4 million ounces. Although, we carefully prepare reserve calculations, such calculations are by their nature estimates. Our mining experience last year caused us to reassess the assumptions we used to estimate reserves at the mine. What we concluded was that our search radius used for reserve calculations should be reduced. This resulted in the reclassification of 745,000 ounces of gold to resources. We are confident that this amount of material will be brought back into reserves through ongoing infill-drilling and in-mine exploration.

In addition, because of our inability to economically mine some of the smaller more difficult areas of the orebody, we removed 945,000 ounces from reserves. In the current gold price environment, I don't see these ounces going back into reserves. This in no way reduces the potential for adding ounces to the underground, where we still see potential. Our 2001 program identified new deep targets in areas not drilled in the past. Some of which we have begun drilling with very favourable results, particularly just north of Meikle at Banshee. Overall, we're hopeful that the new geophysical survey not only identifies the right host rock but that we find gold with it.

Our idea is to target our efforts on properties we judge to have the best potential to deliver large, low-cost ore bodies from our District Development Program. Those include our holdings in Peru, Tanzania, Australia and the U.S. The projects form a pyramid, which builds from early stage exploration to reserve development.

The third operating strategy I want to touch on this morning is equally critical as the first two:

Maximizing operating contributions. We've had good success across the board, particularly in cost-cutting. Over the past five years, we've exhausted the easier targets. So at the beginning of last year, we undertook to take a fresh look at the constraints to production within our infrastructure from the trucks to the mills.

We started at Goldstrike and Pierina, looking for ways to improve mining rates, process rates, and recovery rates, as well as continuing to reduce costs.

The effort is paying off, big time.

An example: At Goldstrike, we gave people the authority and tools they needed to improve processing throughput. They outperformed our expectations. Number 2 wetmill has increased throughput by 10%. Roaster throughput is also up 10% with no additional capital. We've now increased the processing rate to 31,500 tons per day, a rate I would never have imagined just twelve months ago. Better yet, operating cash flow is up $25 million a year from this and other improvements.

You can see the importance of this kind of achievement when you set it in context.
I've brought along a couple of charts to show what I mean.

At Goldstrike, we've seen the average grade processed over the past five years decline by about 50% to essentially reserve grade. In the past two years, in the kind of surprise we couldn't predict – or budget for -- we've seen power costs increase nearly 60%.

Those are two tough trend lines to fight. But our costs per ounce over the past five years at Goldstrike are up just $8 or 4%. This is excluding power costs, and in spite of the fact we've nearly doubled the number of tons processed per year. That's a tribute to the Goldstrike team, and the optimization and efficiencies we've been able to achieve there. We knew grade was going to decline to reserve grade and we compensated for it by increasing throughput and cutting costs to maximize the property's operating contribution. There are still more opportunities ahead to improve margins from both the underground and open pit. Goldstrike is going to remain the cornerstone of this Company for many years to come, generating over 2 million ounces at similar costs and most importantly significant free cash flow.

Pierina is the same story. At Pierina, the best material sat right on the surface. We mined it first. As time marched on, the grade at Pierina dropped. But over the past four years, our Peruvian operations team has managed to lower unit costs a full 26% across the board – making productivity improvements and lowering manpower costs to offset the declining grades - generating very strong cash flows.

There's not time enough today to tell you how pleased we are with our experience in Peru. Let me simply say we think the mining culture is excellent and the geology's very prospective. We're actively engaged in exploration programs in Peru that we hope will repeat the Pierina performance.

Of course, our drive to maximize operating contributions extends across the company. During the merger process with Homestake, we set up an Operations Review Team drawn from both companies. Their mandate is to identify opportunities for value creation at every operation, whether through eliminating bottlenecks, improving recoveries, and finding merger synergies or simply cutting costs.

They found ways to increase production and lower costs at most of the operations. We'll spend this year working with the mine managers and operating people to realize the opportunities at each of their assets. We've seen early successes at Meikle, Eskay Creek and in Australia at our Yilgarn operations and our actions extend beyond our minesites.

We've flatlined our organizational structure and added some new positions. All of our key properties report directly to me. With the talent Barrick's cultivated over the years and the solid team we got in the Homestake transaction, we've started 2002 with the strongest group of operating executives and mine managers we've ever had and were focused on doing things better, cheaper and faster.

All in all, I second Randall in saying the new Barrick's got a strong story to tell. I hope the overview I've offered to you all this morning on the operational side gives you a sense of performance-based portfolio we've put together – and the opportunities we'll see in 2002 and beyond.

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