



Speech

All Amounts in United States Dollars

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I'm delighted to have the opportunity this morning to introduce you to the new Barrick, to share with you our sense of the assets available to us, the opportunities we see in today's environment, and the value we're going to create, when we bring those assets and opportunities together.

I know that "new" may be the most overused word in the corporate dictionary, but it's the right word right now for Barrick. twelve months ago, we were the leading mining company in North and South America. Today, with the opening of our first mine in Africa last April and our merger with Homestake completed as of December, Barrick's portfolio now represents a global mix of eight major mining operations on four continents.

The new Barrick starts 2002 as the gold industry's leader in both quality and scale:

- With the industry's largest market capitalization;
- Over \$700 million in cash;
- Virtually no net debt;
- The lowest political risk profile of any major;
- A track record of generating the highest earnings and cash flow in the industry.
- We're also looking at our lowest capital expenditures in 14 years...
- On track to generate the highest free cash flows in Company history.

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On the operational side, we start with a low-cost, long-life reserve base. In fact, we've increased our reserves to a record 82 million ounces, after 6 million ounces of production, a production profile that makes us one of the world's largest gold producers.

This year, we're projecting about 5.7 million ounces of production at a cash cost of \$167 per ounce. But if you "freeze frame" 2002 and look at those numbers in isolation, you won't see the true value of this transaction going forward.

2001 was what I call not so much a transition year, but a "positioning" year: With Buly coming on line, and the Homestake merger, we took Barrick from two continents to four, and a truly global profile.

2002 is the year we lay the groundwork to take our promising new projects forward. With Veladero; with our Tanzanian exploration programs; with Cowal; as well as some other prospective exploration programs now underway, the next twelve months will give us a good glimpse of our future:

When I'm standing here a year from now, we will have completed the work that will allow us to not only to paint a picture of our new plans and projects, but to give you target dates for them coming on stream – the operating parameters - and the metrics we'll use to measure our progress.

All of this work is in line with our focus on three key financial objectives:

- To increase earnings and cash flow;
- To improve return on equity; and
- To maintain a strong balance sheet.

At Barrick, we see these financial objectives as the bedrock of our "built to last" philosophy and the cornerstone of a performance-based company.

So let me tell you where Barrick is today:

We have a global platform for profitable growth and competitive returns.

To give you a sense of the assets available to us, let me start with a quick, four-continent tour of our key properties -- starting here in North America.

For 2001, Barrick's U.S. and Canadian American operations produced 3.3 million ounces of gold, 55 percent of our overall production at \$179 per ounce. We posted record results at Round Mountain in Nevada and Eskay Creek had its second best year ever. And our flagship, the Goldstrike Property, had another solid year as Barrick's single largest producer, despite higher power costs and lower processed gold grades.

Our South American operations, Barrick's second-largest cash flow generator produced 911,000 ounces of gold at \$40 per ounce, as our Pierina Mine in Peru set property records for production and costs. This year, we're taking a fresh look at our largest development project, the Pascua-

Lama/Veladero district now unified as a result of the Homestake merger into a single, 25-million ounce district – the largest undeveloped gold district in the world.

In Africa, our beachhead is the Bulyanhulu property in Tanzania where we have the largest and most aggressive early stage exploration program in company history. Between April and year's end, Buly produced more than 240,000 ounces of gold at \$197 per ounce. Beyond Buly, Barrick holds over 6,000 square kilometers in the Lake Victoria goldfields of northern Tanzania, one of the top exploration areas of the world for major new discoveries.

In Australia, our operations produced over 900,000 ounces at \$186 per ounce, making Barrick Australia's second-largest gold producer. In addition to adding Homestake's key Australian assets at Kalgoorlie and the Yilgarn district, the merger gives us a significant portfolio of advanced stage development projects and exploration properties, like the Cowal project, where we're now at almost 3 million ounces of reserves, with an updated development plan underway.

Taken together, you get a sense of the global mix of large, long-life, low-cost assets that give Barrick such a strong base to build on in 2002 and beyond.

Even so, from a management perspective, the key, as I see it, is not how much the Homestake merger changes things but how little.

What do I mean? Barrick's base is our three world-class assets which are Goldstrike, Pierina and Bulyanhulu. Homestake adds five new properties to our portfolio. Three of those properties – Kalgoorlie, Hemlo and Round Mountain - are joint ventures that Barrick doesn't operate.

The only truly new management responsibilities rising out of the Homestake merger are the Yilgarn Properties in western Australia and Eskay Creek in British Columbia, where Homestake has strong teams on site – teams that we've kept in place and kept on task, without interruption.

All told, that makes the transition smooth and today's Barrick quite simple – and that's something that should make the long-standing Barrick shareholders quite comfortable... Particularly when you look at the lower political risk profile Homestake's holdings give us and the opportunities they provide.

The properties I've just mentioned are the base we build on, because in addition to the eight proven performers in our current portfolio – mines that provide 92% of our overall production today, rising to 98% by year's end - we've got some opportunities for organic growth on the horizon. Projects we believe will position us to increase our profitable production and high-quality reserves.

At the top of our list, we're looking at:

Pascua/Veladero – the world's largest undeveloped property, with its 25 million ounce gold reserve. With the Homestake merger, we're taking a unified approach to developing this district. In 2002, we're putting a plan in place for a Phase One heap leach operation, followed by full-scale development of the district as gold and silver prices improve.

In Canada, at Eskay Creek, we're seeing real opportunities to expand both production and reserves. In the U.S., exploration at the Meikle Mine, at Banshee and the Ren Property may breathe new life into the underground with low-cost production close to existing infrastructure.

Moving from the Americas to Africa, at Bulyanhulu, our District Development Program will build on a base of increased production at Buly and excellent results at several exploration projects in the region, including the Kabanga nickel project. Kabanga is fast becoming a significant asset in its own right, and we're looking for ways to realize its value.

In Australia, we're increasingly excited about Cowal, and its 3 million ounces of reserves.

And finally, we think this year might be the year that our commitment to early stage exploration within our District Development program pays off in a big way.

Those opportunities are just a part of the future we're building at Barrick. As a case in point, consider the Homestake merger.

When we initially announced the Homestake transaction, we estimated our administrative and financial synergies at \$55 million a year. As we moved further into our integration effort, we'll be building off a base of \$60 million in savings in 2002, and we'll see additional benefits on the operational side as well.

To put the potential we see in perspective consider that a decade ago, Homestake was a high-cost producer. Since then they brought their cash costs down from over \$300 to \$167 in 2001, a tremendous turn-around that I don't think was ever fully reflected in Homestake's share price.

With the Homestake merger, Barrick acquired 20 million ounces of future production. But our goal is to create, on a per ounce basis, about \$100 of profit.

Now, let's take a moment to take the number apart. Of that \$100 per ounce profit, one-third will come from finance and administration cost savings. We're looking at \$60 million in synergies spread across a little less than 2 million ounces of production, for about \$33 per ounce. One-third we expect to achieve from the revenue side, a premium of about \$30 to 35 per ounce over our \$275 baseline and well below our historical average of \$68 per ounce.

We also plan to get about one-third from operational synergies. We can see opportunities to expand production, reduce costs, consolidate joint ventures, leverage our existing infrastructure and achieve capital and operating cost-savings particularly at the unified Pascua/Veladero to create additional profits. In total, we think these could amount to another \$30 per ounce over the life of the properties.

In fact, based on the greater synergies, the lower costs and the run-up in spot prices since the first of the year, we've generated more value, sooner than we'd anticipated and with a positive climate for the gold price, we think we'll see real benefit for our shareholders.

From the initial announcement last June, I've always described the Homestake merger as an "enabler transaction:" One that doesn't just add assets that are attractive in their own right, but also strengthens Barrick's options by positioning us for additional accretive transactions as this industry continues to consolidate.

In terms of the types of transactions enabled by Homestake, we're looking at potentially consolidating some of the joint ventures Homestake was engaged in.

We're exploring individual property transactions that I describe as "add ons" -- financially accretive deals made possible by having strong management teams and the infrastructure in place.

We'll be looking at potential asset swaps. As I said last year, consolidation is a positive for this industry. Whether Barrick's doing the consolidating, or someone else is: The fewer the players, the healthier the industry. Asset swaps are one way to put assets back in the natural owner's hands, creating real value for all companies.

We're also assessing larger corporate transactions -- ones that are more easily digested by a larger, lower political risk company like Barrick, by the liquidity of our shares, our strong currency and the strength of our balance sheet.

The bottom line is with hubs in North and South America, Africa and Australia, we've got the ability to leverage our investment into opportunity.

In addition to the opportunities I've already outlined, I want to underscore a challenge common to all our properties. And that's a company-wide recognition that when you can't control where price is going you must concentrate on what you can control. Controlling costs is the only constant.

Increasing throughput and bringing costs down really are challenges especially when you consider that we design mines to optimize value and deliver the best possible IRR.

This generally means you mine the highest grades first, but ultimately, of course, you move to reserve grade. At Goldstrike, for instance, the grade being processed is half what it was 5 years

ago. Yet costs are only up \$8 per ounce, from \$184 to \$192 over those 5 years, excluding our power cost increase.

As a key part of the Homestake integration, we tasked an Operations Review Team to visit all eight of our major properties, with an eye toward increasing production and lowering costs.

The opportunities our team uncovered are significant and we'll be working with our management teams at each mine throughout 2002 to build those benefits into our plans. We've also streamlined our operating structure, added significant bench strength and established some key new positions in the company. I'm confident all this will greatly enhance our ability to take our unit costs even lower.

Our focus on cost has a parallel in our commitment to financial discipline: The discipline that defines our Premium Gold Sales Program and strong balance sheet.

With the Homestake merger, we've taken a fresh look at our forward sales strategy. We'll maintain the income earning aspects of the program and the assured revenue stream. But in contrast to past practice, we'll deliver 50% of our production into the program at \$365 per ounce with the balance sold at spot.

To put this change in perspective, here's the history behind it.

Barrick began hedging 14 years ago for two reasons:

First, the price environment allowed producers to lock in higher prices and lower risk by borrowing gold from central banks.

Second, back in 1987, Barrick was a smaller, higher cost producer with a weak balance sheet, looking at what was at the time one of the largest development projects in the history of the gold industry: The Goldstrike Property.

With that capital intensive period now behind us and thanks to the \$2 billion in total revenue generated over the life of our Premium Gold Sales Program we're now able to adjust our program for today's needs.

Our aim is to set a minimum floor price; one that ensures us cash flow sufficient to cover cash requirements for the year, including capital expenditures and dividends.

It's an approach that gives us security and predictability while at the same time positioning us so that if gold prices strengthen, the benefits should go straight to our bottom line.

There are plenty of reasons to be positive about the gold price. They include the Gold Marketing Initiative we're ramping up to drive demand, plus the mines being closed and projects being deferred these days. We're certainly doing our part. In fact, when you look at it, the Homestake

merger itself is a bullish statement by Barrick on this business going forward. We have much to gain from rising prices, especially when it comes to developing some of our most promising and prospective properties.

Whether it's the predictability of our Premium Gold Sales Program, or the promise of our property portfolio, or the enabler effect provided by the Homestake merger, I hope you share my assessment that Barrick is built to last.

But what really excites me is that Barrick is not just built to last, it is built to grow. Built to turn our assets and opportunities into value for our shareholders.

Thank you.

Certain statements included herein, including those regarding, production, realized gold prices and costs 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 of Barrick or of the gold mining industry 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, changes in the worldwide price of gold or certain other commodities and currencies and the risks involved in the exploration, development and mining business. These factors are discussed in greater detail in Barrick's most recent Annual Information Form and Management's Discussion and Analysis of Financial and Operating Results" on file with the U.S. Securities and Exchange Commission and Canadian provincial securities regulatory authorities.