BARRICK

Presentation

All Amounts in United States Dollars

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As excited as we are about the new growth plan for Barrick, I'd like to start speaking to you this morning about the announcement that we made last week concerning our earnings and our earnings forecast.

The revised outlook was clearly a disappointment to our company. What I'd like to do is speak to you about a couple of issues. One being how did it arise and secondly why didn't we know about this sooner. Because from my perspective, having just outlined a whole new growth programme, we didn't expect to be making a public announcement nine days later that our earnings were going to be different from what we expected for the year. But, of course, that's what happened.

The problem, for those of you who aren't familiar with it, was that our operating costs were going to be higher for 2002 than what we had previously forecast. I won't go into detail for each different mine, because I think John Carrington articulated that quite well when we had a conference call last week -- and John is with me as is Jamie Sokalsky to answer any questions that you have specific to our operations or what accounted for one cent or two cents in terms of earnings. But what I can tell you is that we understand what the issues are, we've got them in hand, we have a plan in place to deal with them, and we've got the whole company focused on getting these operations back on track. All of the issues are resolvable and we continue to believe that our asset base is strong.

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Now-- why didn't we know about this when we made our public announcement -- we had known as a company that we had a pretty good month of July and a disappointing month of August. As we sat down as we always do to review our flash report in the first couple of days of September, we said "how does this quarter look and how does it look relative to the forecast that we had set for the Street?" John went out to our mines and asked how the month of September was going, and we were confident that we were going to be able to meet our targets for the third quarter. The third quarter was not expected to be as strong as the fourth quarter, but clearly we had expectations of what

these mines were going to deliver. We went out with our growth announcement and we talked about all the grand new plans that we had for Barrick. At the same time we did, as we normally do in September, we refined our forecast for the balance of the year, because our earlier targets had been set in July based on our June revised forecast, and we regularly present to our Board what the outlook for the rest of the year is going to be. Last week we had a Board meeting on Wednesday. As we were preparing for this meeting we revised in detail where each mine was going to be for the balance of the year. What we learned is that the costs were going to be higher than they were. We presented this to our Board and immediately made an announcement to the Street.

Clearly, this is something that, as a company, we should have been better informed of. I think that the communication that we had in terms of how people dealt with presenting information that was disappointing -- the forward looking nature of the conversations that we have with people at our operations, and how we assimilate all of that -- clearly didn't work as well as we wanted it to. We've put new procedures in place to deal with this. There is a heightened awareness of providing information, not only what happened last month, but how this month and how the balance of the year is going to be. These are not things that we had focused on particularly as a company, principally because our operations had performed in accordance with their plans -- quarter-in, quarter-out, month-in, month-out -- but these are things that we now have in place that will give us a much better idea of where we are going. I think that we've learned a lot from this, and I believe that we will emerge from this as a much stronger company than we were before.

Now, I don't want to overestimate the impact of the announcement that we made, nor do I want to under estimate it, because the biggest mistake we could make would be not to learn from things. But as I step back and I try and put this in perspective, while the impact on our earnings was the most pronounced, for the company as a whole, our operations will meet their target for the year of 5.7 million ounces. Our costs will be $178 an ounce as opposed to the $172 that we'd previously forecast, about 3% higher. Our operating cash flow, which is really the measure of our company's ability to generate financial resources, is going to be about $730 million this year, about $30 million less than what we had previously forecast. And we think that our existing operations, as we disclosed when we talked about our growth plan, will continue to produce five and a half million ounces of gold at $175 an ounce between now and 2006.

Our operating assets continue to be significant drivers of value of our company. We've set out the metrics of what we expect to do, we fully intend to meet those metrics -- and you can be the judge as you see our numbers going forward in terms of whether or not we've met them. Our goals and objectives must be realistic and achievable and we must deliver against them in order for you to be able to measure our progress as we go forward.

At this point, I'd like to talk to you about the whole new growth plan we have for Barrick -- the plan that we talked about last month which would see Barrick add two million ounces of new production to our company at a cost of $125 an ounce, and a program that would cost $2 billion dollars to fully implement.

To see how those two million ounces are broken down, I'd like to start with our Alto Chicama mine in Peru. We are targeting Alto Chicama to commence production in 2005. We expect to get, on average, about half a million ounces of gold a year at a cost of $130 an ounce, lower than where we are today. And our initial look at the capital cost is about $300 to $350 million for this project.

At Cowal in Australia, we are also planning production in 2005. We expect Cowal to give us 270,000 ounces of new production at a cost of $170 an ounce, at a capital cost of about $180 million.

At Veladero in Argentina, we expect this project to have an early 2006 start-up, to average 530,000 ounces per year in production, to have costs on average of about $155 an ounce and cost $425 million to construct.

From Veladero we'll move about 7 kilometres across to Pascua-Lama, which straddles the border of Chile and Argentina. Our goal is to have production commence there in 2008, to get about 800,000 ounces on average of production from that property and for costs to average $85 an ounce for the first ten years. We have not yet factored in any of the synergies with Veladero into our Pascua numbers, in terms of the capital costs or the operating costs - even though many of the facilities and functions will be shared between those two operations.

I think it's also important to note that at Alto Chicama, Cowal and at Veladero, production will be higher than the averages that I've cited in the early years.

All told, when we put this together, we expect two million ounces of new production for our company for at least the next decade. As to the rate of return on these projects, we are forecasting 14% at $325 gold, and if gold prices were to decline, 11% at $300 an ounce. I think that you can see that the returns on these projects are healthy, even at lower gold prices and well in excess of our cost of capital, which today is about 8%. Of course, if gold prices continue to improve, as we all hope, the rates of return on these projects will get even better. Also I think we'll have opportunities to improve the returns as we further refine our plans and realize some of the synergies.

But our growth plan isn't just about new mines -- it's about new metrics too. Because what we sought to do for ourselves and for you was to say, "where is Barrick going, how do we take these new mines, put them together with what you've got today, and what does this mean for our company going forward?" We set new targets for our production, for our earnings and our

return on equity -- targets you can use to measure the progress that we make. In terms of production, we estimate that our production will increase to 6.9 million ounces by 2006, up from the 5.7 that we'll deliver this year. Based on today's gold price, we are setting a target to double our earnings between now and 2006 -- and that target is based on our earlier announcement of earnings in the low 40's, as opposed to today's announcement in the low to mid-30's.

We intend to increase our rate of return on our equity from 6% today to an estimated 11%. Now, I think it's important to also put this in perspective, because while we've outlined a $2 billion program, this improvement in our production, our earnings, our rate of return on equity is going to be largely driven by the first $900 million that we spend. That's the amount to bring the first three projects on line. Not only will we be able to do that with the resources that we have today -- because our mines will generate about half a billion dollars in free cash flow going forward and we have a billion dollar cash balance -- but at the same time, before we commence production at Pascua, we'll be getting cash flow from those three mines, so in fact the growth in earnings and production is driven by less than half of the total capital costs.

To get to those goals, our financial strength will certainly come in handy, and we believe that we have everything that we need to do that. Also in order to deliver this, it's key to have confidence that we can generate cash flows from our operations which will not only be a function of their low costs and the large nature of the producers, but also of the security and certainty that we get from our hedge position.

Now last month we also outlined some changes to our hedge position. What we said is that we are going to take our forward sales from 18 million ounces at the end of the second quarter to 12 million ounces by the end of 2003 - and that this would represent 15% of today's gold reserves as opposed to 22%, which is where the company stood at the end of the second quarter. We believe that this number makes good sense for us. It will mean that we will still have assured cash flows as we go through this capital expenditure program. It means that should we choose to project finance some of these mines, although we don't have a requirement to do so, that we will not have to add new hedge positions in order to support the project finance. And that just gives us a better a position than where we are today. At the end of the third quarter we've already made progress towards achieving our goal. Our forward sales are already down by a million ounces from 18 million to 17, and our call options have been reduced by about a million as well, down to 2.2 million on route to our target of 1.5 million by the end of 2003.

Now, we're taking these steps for three main reasons. The first is interest rates. As all of you know in this room, interest rates are at a 40 year low, and because of that, the premium that we are able to earn on our program is lower than it has been through the history of our company. So, if it made sense to add when we can earn a 5 or 6% contango or forward premium, when interest rates are low it's a very good time to back off.

The second factor is outlook for gold prices. The gold market is healthier now than it has been for the past few years, we feel confident about it going forward, and therefore would rather go forward with the position of 12 million ounces rather than 18.

The third factor is our company has never been financially stronger. We have an A-rated balance sheet, we've got a billion dollars of cash, we're generating a half billion dollars in free cash flow from our mines, which is assured in part by the hedge position -- and we have no net debt as a company. So for us, it just made sense to go forward with a smaller position than what we have had historically. We have the financial capacity to bring on these four new mines in the next five years.

But I'd like to put the two million ounces in perspective for you. Two million ounces is a very large gold producer. There isn't a producer in the world that's producing that amount at $125 an ounce -- and this is something that we are capable of doing as a company without issuing a single share, and having zero dilution to our shareholders.

So, if building these mines and growing our production and growing our earnings is where we're going in the long term, I'd like to put in perspective for you what we are going to do over the course of the next twelve months, as we work to advance each of these properties.
The first one that we'll be speaking about in detail is Veladero, and Alan Hill will be speaking about this with his team at lunch tomorrow, where we've recently completed the feasibility study. We'll also be updating over the course of the next 12 months the feasibility studies at both Cowal and Pascua-Lama, where we can start to build in some of the synergies that we see with Veladero. And, we'll continue our aggressive exploration and development program at Alto Chicama in Peru, which we are so proud that Alex Davidson was able to find for our company. In each case, as we work through these projects what we see is quite positive. They get better with time and improve in terms of their returns, the production and where we see the costs going. I think it's also important to step back and ask "why is Barrick in this position today and how do we find ourselves as probably the only senior producer who is able to articulate a growth plan for our company?" What you are seeing is the culmination of the strategic approach that Barrick takes to this business. When prices were low, we maintained a strong financial position, we had our hedge position in place that gave us confidence going forward and when nobody else was looking to add to their asset base, we stepped forward. Whether it was through corporate mergers or acquisitions as we did with Homestake when gold was about $275 an ounce, whether it was buying Sutton that gave us Bulyanhulu when gold was about $280 and there really wasn't any competition for it, or whether it was as our industry pulled back from an exploration perspective, and we stepped forward with about the most aggressive campaign we've ever had -- and out of that we got our new Alto Chicama discovery. Now as gold prices have moved up by about $50 an ounce, we can bring these new mines into production, which from our perspective makes perfect business sense: To build an asset base while prices are low, to put yourself in a position to be able to do that, and as prices improve and the returns improve, to bring four new mines on stream into a much healthier gold market. Because what we want to do is not only drive our top line growth but we want to drive our bottom line growth as well. We want to

improve our return on equity and we want to create shareholder value.

But as I said at the outset, you'll be the judge of the progress that we make going forward. We've set out targets for you, and we're confident that we're going to meet them. We've got the financial strength to be able to deliver this growth program that we have ahead of us, we've got the development team that has so successfully built the collection of mines that Barrick has today, they're on task with all of these new mines and we expect that into this healthier gold environment we'll be bringing four new quality producers.

All of those assets and opportunities added together give us a very positive outlook for our future -- and I hope, as I've articulated our plans to you, that I have been able to convey to you the excitement we have about Barrick going forward.

At this point John, Jamie and I would be happy to answer any questions that you have regarding Barrick.

Thank you very much.

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