BARRICK

Speech

All Amounts in United States Dollars

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I appreciate this opportunity to share with you the excitement we feel about Barrick based not only on the assets available to us, but on the opportunities open to us as well. There's no question that the past few years have tested our toughness. But we stuck with our principles, with the discipline that's always defined Barrick and we stuck with our strategy of acquiring assets at low gold prices, with a view toward developing those assets as prices improve. Now we're seeing that patience paying off and I think that will continue as we roll out a new stage of organic growth.

To give you a sense of where we're headed, let me start by putting the present in perspective. Over the past five years, the average gold price has declined from $388 in 1996 to a 22-year low of $271 in 2001. Despite that, we nearly doubled production and reserves while our cash cost of production declined by 25%.

Our net cash position increased by $200 million. That's after spending $1.7 billion acquiring properties, developing mines and paying half a billion dollars in dividends.

As I said, we stuck to our principles and took advantage of our strengths. And because we did, today, we have the strongest balance sheet and more organic growth than any other gold company, generating the highest free cash flows in Barrick history: Truly a company built to last.

And Barrick ended the first quarter 2002 with:

- Cash and short-term investments of $840 million;
- Working capital of $595 million; and
- No net debt.

Barrick is also a company built to grow.

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The past 12 months have been big ones for us. With the Homestake merger and Bulyanhulu coming on line, we took Barrick from two continents to four, creating a truly global profile. This year, we've had the discovery at Alto Chicama - you'll hear more on that when Alex Davidson takes the podium - as we look to lay the foundation for a new generation of growth projects. Certainly, Homestake has been a big positive. We had an opportunity to move on a merger that would allow us to streamline our largest development project, create the lowest political risk profile in the industry, and emerge as the largest miner of gold in North America and second largest in Australia. You just can't pass on an opportunity that works on so many different levels.

And considering that Homestake was Barrick's largest acquisition ever, our integration has been smooth. We've meshed two companies into one cohesive team. We have revised our initial synergy savings target up from $55 million annually to $60 million this year alone and we now see that as a base to build on going forward with even more synergies on the operations side as we move through 2002.

We've got another thing going for us as well. We call it BOS: The Barrick Operating System. BOS begins with a recognition that, just like increasing production, lowering costs leads to organic growth in its own right. Take our experience at Goldstrike, for instance - where we've seen the average grade processed over the past five years decline by about 50%, to reserve grade. That's a tough trend to fight. But, if we exclude the impact of the recent spike in power costs, our costs per ounce over the past five years at Goldstrike are up just $8 per ounce despite nearly doubling the number of tons processed per year. That's a big reason why we expect Goldstrike to continue producing 2 million ounces per year at similar costs for some time to come and most importantly, contributing free cash flow.

Now, if our existing operations are one advantage - and clearly they are - it's equally clear that much of the growth we're anticipating will come from our new generation of projects. Here, too, Homestake has added to what we see as a dynamic development pipeline. The merger gives us a chance to take a unified approach to Pascua/Veladero at 25 million ounces, the single largest undeveloped gold district in the world. Our plan is to start at Veladaro with its 8 million ounces, and move next to Pascua, which is twice that size. Ultimately, this gold district should produce approximately 1.5 million ounces of gold per year at about $125 per ounce. Add in Cowal in Australia, with its nearly 3 million ounce reserve, plus the new discovery at Alto Chicama, and the potential we see in Tanzania, and we're looking at three promising projects at the very least: A growth pipeline without peer in this industry.

The proof of that pipeline will be evident in:

- Rising earnings and cash flow per share;
- Improving Return on Equity;
- Which at same time, we retain the solid, strong balance sheet that's given Barrick so much strategic and financial flexibility.

A key source of our flexibility comes from our hedging program and the ability it gives us to adjust to current strategic needs. Our Premium Gold Sales Program has worked very well for us

generating over $2 billion in additional revenue over the past 14 years. In fact, we've just completed the 57th consecutive quarter in which we earned a premium to spot. Of course, no program remains static, and in today's more bullish price environment, we've adjusted our delivery schedule to 50% of production: A rate that allows us to cover our cost requirements and to participate sooner in price improvements. We're also working to make the program simpler and more easily understood going forward. We're reducing our calls and min/max position by at least 50% by year-end, and we'll also simplify the way we invest the proceeds. Any way you look at it, hedging is a very effective tool in Barrick's toolbox.

In recent years, our program is what allowed us to be active in a weak gold-price environment, acquiring accretive assets when others lacked confidence. And today, we're coming out of a weak price period financially strong with the largest cash position, no net debt and the strongest free cash flows in our history, ready to build a pipeline of projects with no financial constraints, other than our own discipline.

And finally, in addition to the all of the opportunities I've outlined we'll continue to explore the potential for targeted acquisitions. With the Homestake merger complete, and the synergies we locked in there, with industry-wide consolidation continuing, we're in a target-rich environment for a company with a strong base like Barrick. We don't have to be the acquirer of first resort, and we won't be. While we are the Company most capable of taking on a new acquisition, we're also the Company that needs it least because of the organic growth we've put in place. But we will assess any and every opportunity for:

- Asset swaps
- Property acquisitions -- particularly where we have operating infrastructure in place; and
- Larger corporate acquisitions, if we judge them accretive to growth.

You've probably pieced together by now that I'm pretty optimistic about the opportunities we're creating for our Company. We're looking at organic growth from our existing mines and new projects in place, a growth pipeline without peer in this industry, promising prospects from our exploration efforts plus our ability to pursue acquisitions that make strategic sense - all backed by Barrick's A-rated balance sheet. Taken together, it all translates into significant opportunities to generate profitable growth and competitive returns.

Thank you - and now I'll turn the program over to my colleague, Alex Davidson.

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