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%. And 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; and
- No net debt.

Barrick is also a company built to grow. 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 - more on that in a moment - 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,

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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 our 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;
- While at the 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. Of course, everyone who follows this industry is aware that hedging is attracting tremendous attention these days and part of the challenge is that there is a lot of "incorrect" information being tossed around at the moment. First of all, all senior North American gold companies have a "hedge" position: No exceptions. Of course, each Company's hedging program is different but ever since Ashanti & Cambior had problems in 1999, hedge books have been painted with the same black brush. With our Premium Gold Sales Program, the objective is simply to optimize the price we receive on our gold sales while reducing risk.

Of course, no program remains static, and in today's more bullish price environment, we've adjusted our delivery schedule, lowering the percentage of annual near term production delivered into the program 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. The irony for Barrick is that some people question our position despite the fact the program has been so successful, generating over $2 billion through the past 57 consecutive quarters

of beating the spot price. A key reason for this success rests on our favourable trading agreements. To start with, we have no margin calls, at any price. We have no credit down grade provisions. To limit our counterparty risk, we spread our position between about 20 counterparties - bullion banks which have an average "AA-" rating. In terms of flexibility, we can roll our contracts forward for up to 15 years at our discretion, not the counterparties. For example, let's say gold goes to $380 per ounce this year, which is above our 2002 hedge price of $365 ounce on 50% of production. If that happens, we will sell 100% of our production at $380, not just 50%. We will then roll our current contracts forward. A contract at $365 per ounce this year rolled forward for, say, five years would grow to approximately $425 per ounce. At current market prices in 15 years, it would grow to well over $600 per ounce. There is no company other than Barrick that can say all of these things about their hedge program. Which leads to the obvious question: Why don't other companies adopt the Barrick model? The answer is that we are the only gold company with an "A" credit rating and we have the quality asset base and a financial track record to draw such attractive terms. We never hedge more gold than we can produce and we manage our position as closely as our other assets, with the same conservative discipline.

I'd also like to take a moment to discuss our mark-to-market. It is not a problem for Barrick. People might be surprised when I say that a mark to market loss on the hedge position is acutally a positive for Barrick! That means the almost 80% of our reserves not sold forward and half of our production fully participate in higher gold prices increasing our earnings and cash flow. With one of every 4 ounces of reserves hedged, this Company is worth so much more as gold prices rise. Our mark-to-market has always changes with gold price moves, both positively and negatively. As we don't have margin requirements, all that we care about is the price we ultimately get when we deliver our gold, no matter what happens in the interim. I'll use a simple analogy to explain: Let's say you purchase a bond today with a coupon rate of 6% and a 5-year maturity. If interest rates rise to say 7%, you have an unrealized mark-to-market loss. But if you're planning to hold that bond to maturity you'll receive your principle back plus the interest earned no matter what happens in between. The only potential impact is an opportunity cost. This is the same concepts as our forward sales contracts - we know the price we'll get for gold when the contract matures. Put another way the mark-to-market changes have no impact on the ultimate cash flow we receive on our gold sales.

And it is worth noting that we just renewed our $1 billion committed revolving credit facility for 5 years at very attractive terms with essentially the same banks we use in our hedge program - a further sign of the confidence they place in us. So with most of our reserves unhedged and the flexibility of the Program, you can see why we want to see the gold price keep on heading north. 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.

There's something else important to know about today's Barrick: We can't talk about our growth and development potential without highlighting our success in exploration. Up until now, Barrick has not been primarily known as an exploration company but that's changing. As the junior exploration companies stepped back, we stepped forward and we're seeing some exciting results.

Our initial success is Alto Chicama; our new Peruvian discovery, which resembles the Pierina profile. Based on initial results from 75 diamond drill holes, we're calculating an inferred

resource of 3.5 million ounces at a grade of 0.057 ounces per ton. And that estimate may prove conservative. With our initial calculation based on the 14,000 meters we've drilled so far, our plan for 2002 is to drill 90,000 meters. From what we see even now, we think Alto Chicama could be the hub of a whole new district.

But what's even more exciting is that Alto Chicama is just one of 35 new properties we are drilling this year. These are prospects that looked promising against a $275 gold price. As we move above $300, they're just that much more attractive.

Taken together with our properties in Peru, Tanzania, Chile/Argentina and Australia that gives Barrick the most prospective land positions in the industry. I think the market is just beginning to pick up on that fact, and there's nothing like success to make our point. And finally, in addition to the all of the opportunities I've outlined this afternoon 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 how optimistic we are 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

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