Barrick Gold Corporation
BCE Place, Canada Trust Tower
Suite 3700, 161 Bay Street
Toronto, Canada
M5J 2S1
Tel. (416) 861-9911
Fax (416) 861-0727

SPEECH

Investing in African Mining Conference
Given By: Alex Davidson
Senior Vice-President, Exploration
Date: February 18, 2003

On behalf of everyone at Barrick, I want to thank you all for this opportunity to sketch out where we are and where we're going, globally – and also with a special focus on our objectives in Africa.

We've just come through our year-end reporting, so as a snapshot of how we came through 2002, let me start with operations. We had some operational difficulties, but we're working through them and we finished the year strongly. All told, production for the year came in at 5.7 million ounces, while cash costs were $177 per ounce - marginally better than our September forecast.

Looking out across 2003, we expect to produce between 5.4 and 5.5 million ounces at $180 to $190 per ounce. The lower production, compared to 2002, reflect the closure of five mines due to depletion of reserves over the course of 2002. The higher cash costs largely relate to planned lower grades for the year and from higher royalties and mining taxes from increases in the gold price.

But what those top-line numbers don't show is the continuing strength of our core operations. In fact, while our production has been declining since 2001, our core operations will actually produce more gold in 2003 then at any point over the last several years. That's a strong sign of the solid base we're building on as we move into the most active development phase in Barrick's history.

Of course we all know to succeed in this business you've got to replace what you mine each year, and then some. On that score, we're pleased with the progress we made in 2002 not only replacing but increasing reserves – up 6% over 2001 to 86.9 million ounces.

We saw strong reserve additions at Alto Chicama and Veladero in South America as well as net reserve additions from our Australian operations, plus a good year at Goldstrike: All told, we found 11 million ounces and -- net of production -- reserves increased by 5 million ounces in 2002. And we have every intention of building on our reserve base to advance our development projects in 2003.

As for earnings, we finished the year strongly, reporting fourth quarter earnings of $68 million, or 13 cents per share, before the non-hedge derivatives adjustment, and $54 million, or 10 cents after. Operating cash flow increased to $195 million, or 36 cents per share. Our fourth quarter results reflect lower cash costs and the continued realization of the benefits of higher spot gold prices, along with a net income tax recovery recorded in the fourth quarter.
But I want to point out that, with our new emphasis on exploration – more on that in a moment – earnings can sometimes be a misleading yardstick of a Company's long-term prospects.

Under US GAAP, for instance, every exploration success pushes our earnings lower, creating what we call an "earnings penalty." In other words, if we hadn't discovered Alto Chicama or had capitalized Veladero during 2002, our earnings would have been 45 cents a share – not 36 cents. In each case, clearly, those two projects are key to our long-term success, even if their near-term earnings impact scores out as negative.

And on what we believe to be a critical measure of corporate health, the Company generated $361 million in free cash flow – that's operating cash flow less investment activities: The highest in Barrick's history.

For me, the big story in 2002 was the progress we made on the exploration and development fronts - particularly our $2 billion 5 year, 4 mine plan, aimed at bringing in 2 million ounces of annual production at an average cash cost of $125 for the first decade.

But before I turn to our development pipeline, I want to focus on the exploration program that feeds it. Historically for Barrick, exploration hasn't been the place we made our name. That's changing now.

Over the past half dozen years, there's been a sea of change in the exploration arena. As a result of a prolonged period of sub-$300 gold, exploration funding largely dried up and the stock feed of new discoveries slowed down. Along the way, we've plucked the low-hanging fruit – making new discoveries more difficult to find and more expensive to produce. And many of the juniors that historically had been active on the exploration front were pushed to the sidelines.

Well, as the juniors stepped back – Barrick stepped up: With a $104 million exploration and business development effort in 2002, and another $100 million investment on tap for 2003.

We jump-started our grassroots exploration efforts a few years ago, but we have always maintained a policy of continuing exploration after an acquisition. We have built and we are continuing to refine a pipeline of high quality projects that will give us new mines consistently into the future.

For instance in 1999, we acquired Sutton resources, and Bulyanhulu and went into production there in 2001. This past year we produced over 356,000 ounces there, and Bulyanhulu is just hitting its stride and coming into its own now. Tanzania was underexplored when we acquired Bulyanhulu and we immediately started a program of ground acquisition. At one time we had a land position of over 8000 square kilometres. We now reduced that to about 2000 square kilometres of highly prospective ground. Our first-pass work has discovered numerous gold showings with extensive geochemical and geophysical anomalies. To mention just the most significant properties, we're talking about Kirondatal, Bulyanhulu South and some projects in the Geita Belt.

Moving from Africa to Australia, Homestake had focused its exploration efforts right around their mines. When we took over, we changed the focus to new grassroots efforts in the Tanami and other under-explored parts of Australia. Likewise in Chile and Argentina – our focus had always been the El Indio Belt and the Pascua-Lama-Veladero area, where we have over 26 million ounces of gold. While the Development guys are building those projects, we have shifted our exploration efforts to the Patagonia of Argentina and northern Chile to look for higher grade, low-sulphidation deposits.

But the most tangible result of the grassroots effort we undertook in South America Peru beginning in 1997-1998 is clearly the discovery of Alto Chicama that we announced last April.

At Alto Chicama, we're looking at a resource we're estimating at 9.5 million ounces, of which we've already added 6.5 million ounces to reserves -- and drilling continues. We have acquired a land position of over 1200 square kilometres in the Alto Chicama area, and we're actively looking for more Altos to come.

In terms of development, Alto is just one of four new projects in our pipeline I mentioned a moment ago, a pipeline we project will bring us 2 million new ounces a year at an average cost per ounce of $125 for the first decade, commencing in 2005.

Let me briefly walk you through the numbers we're projecting, mine by mine.

Alto Chicama's share of that 2 million per year is 500,000 ounces, at an average $130 per ounce. Beyond Alto, Barrick's growth pipeline includes:

- Cowal in Australia, where we're looking to a 2005 start, with projections of 270,000 ounces per year, at $170 per ounce.
- After Alto and Cowal, we've got Veladero in Argentina, on track for a 2006 start, projected to produce 530,000 ounces per year at $155 per ounce.
- From Veladero, we'll move 7 kilometers south to Pascua, on the Chile/Argentina border. With production at Pascua scheduled to commence in 2008, we're looking at annual production of 800,000 ounces -- at a cost of $85 per ounce for the first decade.

All told, for these four projects, we're looking at a rate of return of 14% at $325 gold rising to 17% at $350 an ounce: In either case, well above our cost of capital of 8%.

Our goal now is to continue to move each of these projects along the development pipeline – and we're already well on our way. At Cowal, for instance, we acquired a property with its EIS already in place. We've got some native title issues to resolve, but we're attending to them, and if past is prologue, we'll work them out. Last month at Veladero, we signed our exploitation agreement with IPEEM. At Alto Chicama, we're working with local committees and federal authorities to get all our permits in place.

The key – in Peru, in Australia, Argentina, or here in Africa for that matter: Be up front with as much information as possible as early as possible. Before you build your mine – you've got to build a climate of trust. That's one reserve you can never have enough of.

Now, for development to proceed smoothly, several factors are necessary. In addition to the right market conditions, we also need governments to realize that excessive delays in permitting and other regulatory obstacles constitute a drag on growth for their own shareholders – their citizens – not just for our companies.

And as for our own company, we need to encourage a positive attitude towards us, by investing in socially responsible business practices that build not just new mines, but a deep reservoir of social trust. After all, the globalization debate isn't going to go away -- and companies whose operations cross-continents aren't going to be able to sit on the sidelines while the protestors take to the streets in Davos or Washington, D.C. or wherever else the World Bank meets.

The question is whether we are Exhibit A in the case against the corporations or a force for good in the communities where we operate. At Barrick, this is an old idea – one that goes back to the model Peter Munk had in mind at Barrick's very beginning.

That's the approach we took building Bulyanhulu. We've brought water to 35,000 people and power to the area and we're building several housing subdivisions in the villages near the mine. We're looking to make our Bulyanhulu miners not renters, but homeowners – and we're meeting them halfway, giving them a grant for half the value of the house, and a mortgage for the other half. That's the first use, by the way, of a paper mortgage in Tanzania. It's the kind of community-building that allows our Tanzanian employees to settle their families nearer the mine, creating a community with a steady employment base, sound housing, sanitation and utilities and schools and medical clinics: All the elements of a solid, sustainable community life. This is the role we're playing -- and it is the role modern mining companies must play here on this continent, and indeed anywhere in the developing world.

I know I've covered a lot of ground here this morning. But if you take Barrick's commitment to build trust as our base and add the strengths we bring to the challenge at hand:

- A strong balance sheet.
- A growing reserve base.
- Better growth prospects than we've had in a decade – building on a proven portfolio of long-life, low-cost operating mines...

You have a sense of why I am so confident today of where Barrick is heading in 2003 and beyond.

Thank you, and now I'd be happy to take your questions.

Certain statements included herein, including those regarding, production 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 Form 40-F/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.

Barrick expressly disclaims any intention or obligation to update or revise any forward looking statements whether as a result of new information, events or otherwise.