SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

o Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

þ Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For Fiscal year ended: December 31, 2002 **Commission File number: No. 1-9059**

BARRICK GOLD CORPORATION

(Exact name of registrant as specified in its charter)

Ontario	**1041**	**Not Applicable**
(Province or other jurisdiction of incorporation or organization)	(Primary standard industrial classification code number, if applicable)	(I.R.S. employer identification number, if applicable)

BCE Place
TD Canada Trust Tower
Suite 3700
161 Bay Street, P.O. Box
212
M5J 2S1 Canada
(800) 720-7415
(Address and telephone number of registrant's principal executive office)

Barrick Goldstrike Mines Inc.
P.O. Box 29, Elko, Nevada 89803
(702) 738-8043
(Name, address and telephone number of agent for service in the United States)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered:
Common Shares	**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this form:

þ Annual Information Form þ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Common Shares 541,398,522

Indicate by check mark whether the registrant by filing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the file number assigned to the registrant in connection with such rule.

Yes o No þ

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13(d) or 15(d) of the Exchange Act during the proceeding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements in the past 90 days.

Yes þ No o

BARRICK GOLD CORPORATION

BCE Place
Canada Trust Tower, Suite 3700
P.O. Box 212
Toronto, Ontario
M5J 2S1

ANNUAL INFORMATION FORM

For the year ended December 31, 2002

Dated as of May 14, 2003

BARRICK GOLD CORPORATION
ANNUAL INFORMATION FORM

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GLOSSARY OF TERMS

Assay

The chemical test of rock samples to determine the mineral content.

Autoclave system

Oxidation process in which high temperatures and pressures are applied to convert refractory sulphide mineralization into amenable oxide ore.

Ball mill

A large steel cylinder containing steel balls into which crushed ore is fed. The ball mill is rotated, causing the balls to cascade and grind the ore.

Bench

Successive steps/horizontal increments mined as an open pit progresses deeper.

By-product

A secondary metal or mineral product recovered in the milling process such as copper and silver.

Carbonaceous

Containing carbon or coal, especially shale or other rock containing small particles of carbon distributed throughout the whole mass.

Carbon-in-leach (C-I-L)

A process step wherein granular activated carbon particles much larger than the ground ore particles are introduced into the ore pulp. Cyanide leaching and precious metals adsorption onto the activated carbon occurs simultaneously. The loaded activated carbon is mechanically screened to separate it from the barren pulp, processed to remove the precious metals and finally prepared for reuse.

Carbon-in-pulp (C-I-P)

A precious metals leaching technique in which granular activated carbon particles much larger than the ground ore particles are added to the cyanidation pulp after the precious metals have been solubilized. The activated carbon and pulp are agitated together to enable the solubilized precious metals to become adsorbed onto the activated carbon. The loaded activated carbon is mechanically screened to separate it from the barren pulp, processed to remove the precious metals and finally prepared for reuse.

Concentrate

A very fine, powder-like product containing the valuable ore mineral from which most of the waste mineral has been eliminated.

Contained ounces

Represents ounces in the ground before reduction of ounces not able to be recovered by the applicable metallurgical process.

Contango

The positive difference between the spot market gold price and the forward market gold price. It is often expressed as an interest rate quoted with reference to the difference between inter-bank deposit rates and gold lease rates.

Crushing and grinding

The process by which ore is broken into small pieces to prepare it for further processing.

Cyanidation

A method of extracting gold or silver by dissolving it in a weak solution of sodium cyanide.

Deferred stripping costs

Mining costs associated with waste rock removal that are deferred and amortized to operating costs over the life of an open pit mine.

Development

Work carried out for the purpose of opening up a mineral deposit. In an underground mine this includes shaft sinking, crosscutting, drifting and raising. In an open pit mine, development includes the removal of overburden.

Dilution

The effect of waste or low-grade ore which is unavoidably included in the mined ore, lowering the recovered grade.

Doré

Unrefined gold and silver bullion bars usually consisting of approximately 90 percent precious metals that will be further refined to almost pure metal.

Drift

A horizontal tunnel generally driven alongside an ore deposit, from a shaft, to gain access to the deposit.

Drilling

Core: drilling with a hollow bit with a diamond cutting rim to produce a cylindrical core that is used for geological study and assays. Used in mineral exploration.

Reverse circulation: drilling that produces rock chips rather than core. The chips are forced by air to surface through a double-walled drill pipe and are collected for examination.

Conventional rotary: drilling that produces rock chips similar to reverse circulation except that the sample is collected through a single-walled drill pipe.

In-fill: any method of drilling intervals between existing holes, used to provide greater geological detail and to help establish reserve estimates.

Geotechnical: diamond drilling targeted and utilized specifically for the collection of information used for mine engineering purposes.

Exploration

Prospecting, sampling, mapping, diamond-drilling and other work involved in searching for ore.

Flotation

A process by which some mineral particles are induced to become attached to bubbles and float, and other particles to sink, so that the valuable minerals are concentrated and separated from the uneconomic or valueless gangue or waste.

Grade

The amount of mineral in each ton of ore, expressed as troy ounces per ton or grams per tonne for precious metals and as a percentage for most other metals.

Cut-off grade: the minimum metal grade at which an orebody can be economically mined (used in the calculation of ore reserves).

Mill-head grade: metal content of mined ore going into a mill for processing.

Recovered grade: actual metal content of ore determined after processing.

Reserve grade: estimated metal content of an orebody, based on reserve calculations.

Heap leaching

A process whereby gold is extracted by “heaping” broken ore on sloping impermeable pads and continually applying to the heaps a weak cyanide solution which dissolves the contained gold. The gold-laden solution is then collected for gold recovery.

Layback

The amount of material which must be mined for the slope of a pit wall to be at a safe angle.

LIBOR

The London Inter-Bank Offered Rate for deposits.

Lode

A mineral deposit, consisting of a zone of veins, veinlets or disseminations, in consolidated rock as opposed to a placer deposit.

Long-hole open stoping

A method of mining involving the drilling of holes up to 30 meters or longer into an ore bearing zone and then blasting a slice of rock which falls into an open space. The broken rock is extracted and the resulting open chamber is not immediately filled with supporting material.

Metric conversion

Troy ounces	×	31.10348	=	Grams
Troy ounces per short ton	×	34.28600	=	Grams per tonne
Tons	×	0.90718	=	Tonnes
Feet	×	0.30480	=	Meters
Miles	×	1.60930	=	Kilometers
Acres	×	0.40468	=	Hectares
Fahrenheit		(°F-32) × 5 ÷ 9	=	Celsius

Mill

A processing facility where ore is finely ground and thereafter undergoes physical or chemical treatment to extract the valuable metals.

Mineral reserve

See “Narrative Description of the Business – Gold Mineral Reserves and Mineral Resources.”

Mineral resource

See “Narrative Description of the Business – Gold Mineral Reserves and Mineral Resources.”

Mining claim

That portion of applicable mineral lands that a party has staked or marked out in accordance with applicable mining laws to acquire the right to explore for and exploit the minerals under the surface.

Net profits interest royalty

A royalty based on the profit remaining after recapture of certain operating, capital and other costs.

Net smelter return royalty

A royalty based on a percentage of valuable minerals produced with settlement made either in kind or in currency based on the spot sale proceeds received less all of the offsite smelting, refining and transportation costs associated with the purification of the economic metals.

Open pit

A mine where the minerals are mined entirely from the surface.

Ore

Rock, generally containing metallic or non-metallic minerals, which can be mined and processed at a profit.

Orebody

A sufficiently large amount of ore that can be mined economically.

Ounces

Troy ounces of a fineness of 999.9 parts per 1,000 parts.

Oxide ore

Mineralized rock in which some of the original minerals have been oxidized. Oxidation tends to make the ore more amenable to cyanide solutions so that minute particles of gold in the interior of the minerals will be readily dissolved.

Qualified Person

See “Scientific and Technical Information”.

Ramp

An inclined underground tunnel that provides access to and throughout an orebody for exploration, ventilation or exploitation purposes in an underground mine.

Reclamation

The process by which lands disturbed as a result of mining activity are reclaimed back to a beneficial land use. Reclamation activity includes the removal of buildings, equipment, machinery and other physical remnants of mining, closure of tailings impoundment, leach pads and other mine features, and contouring, covering and re-vegetation of waste rock piles and other disturbed areas.

Reclamation and Closure Costs

The cost of reclamation plus other costs, including without limitation certain personnel costs, insurance, property holding costs such as taxes, rental and claim fees, and community programs associated with closing an operating mine.

Recovery rate

A term used in process metallurgy to indicate the proportion of valuable material physically recovered in the processing of ore. It is generally stated as a percentage of the material recovered compared to the total material originally present.

Reef

A South African term for a continuous mineral deposit, especially gold bearing quartz.

Refining

The final stage of metal production in which impurities are removed from the molten metal.

Refractory material

Gold mineralized material in which the gold is not amenable to recovery by conventional cyanide methods without any pre-treatment. The refractory nature can be either silica or sulphide encapsulation of the gold or the presence of naturally occurring carbons which reduce gold recovery.

Roasting

The treatment of ore by heat and air, or oxygen enriched air, in order to remove sulphur, carbon, antimony or arsenic.

Semi-autogenous grinding (SAG)

A method of grinding rock into fine sand, in which the grinding media consist of larger chunks of rock and steel balls.

Shaft

A vertical passageway to an underground mine for moving personnel, equipment, supplies and material including ore and waste rock.

Spot deferred contract

See “Narrative Description of the Business – Premium Gold Sales Program”.

Stope

An area in an underground mine where ore is mined.

Strike length

The longest horizontal dimension of an orebody or zone of mineralization.

Tailings

The remnants or “waste” material that remains after all metals have been economically removed from the ore during processing.

Tailings dam

A natural or man-made confined area suitable for depositing the material that remains after the treatment of ore.

Tons

Short tons (2,000 pounds).

Total cash costs

Total cash costs include site costs for all mining (excluding deferred stripping costs), processing and administration, royalties and production taxes, but are exclusive of amortization, reclamation, financing costs, capital costs and exploration costs.

REPORTING CURRENCY AND FINANCIAL INFORMATION

All currency amounts in this Annual Information Form are expressed in United States dollars, unless otherwise indicated. References to "C$" are to Canadian dollars. References to "A$" are to Australian dollars. For Canadian dollars to U.S. dollars, the average exchange rate for 2002 and the exchange rate at December 31, 2002 were one Canadian dollar per 0.6368 and 0.6331 U.S. dollars, respectively. For Australian dollars to U.S. dollars, the average exchange rate for 2002 and the exchange rate at December 31, 2002 were one Australian dollar per 0.5440 and 0.5662 U.S. dollars, respectively.

Total cash and production costs in this Annual Information Form are calculated in accordance with The Gold Institute Production Cost Standard and are net of by-product credits.

Barrick prepares its primary financial statements in accordance with the United States generally accepted accounting principles ("US GAAP"). Accordingly, unless otherwise indicated, financial information in this Annual Information Form is presented in accordance with US GAAP. Canadian law requires that Barrick also prepare financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The Consolidated Financial Statements of the Company, for the year ended December 31, 2002 were prepared in accordance with US GAAP and those prepared in accordance with Canadian GAAP are incorporated by reference in this Annual Information Form.

DISCLOSURE REGARDING FORWARD-LOOKING INFORMATION

Certain information contained or incorporated by reference in this Annual Information Form, including the information set forth as to the future financial or operating performance of the Company, constitutes "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency market; fluctuations in the spot and forward price of gold or certain other commodities (such as silver, copper, diesel fuel and electricity) and currencies (such as the Canadian and Australian dollars versus the US dollar); changes in US dollar interest rates or gold lease rates that could impact the mark to market value of outstanding derivative instruments and ongoing payments/receipts under interest rate swaps and variable rate debt obligations; risks arising from holding derivative instruments (such as credit-risk, market liquidity risk and mark to market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, Australia, Chile, Peru, Argentina, Tanzania or Barbados or other countries in which the Company may carry on business in the future; business opportunities that may be presented to, or pursued by, the Company; ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; the speculative nature of gold exploration and development, including the risks of diminishing quantities or grades of reserves; adverse changes in the Company's credit rating; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect the Company's actual results and could cause its actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this Annual Information Form are qualified by these cautionary statements. Specific reference is made to "Narrative Description of the Business – Gold Mineral Reserves and Mineral Resources" and "Risk Factors" and to the "Management's Discussion and Analysis of Financial and Operating Results for the year ended December 31, 2002" (US GAAP) and "Management's Discussion and Analysis of Financial and Operating Results for the year ended December 31, 2002"

(Canadian GAAP) incorporated by reference herein for a discussion of some of the factors underlying forward-looking statements.

The Company may, from time to time, make oral forward-looking statements. The Company strongly advises that the above paragraph and the risk factors described in this Annual Information Form and in the Company's other documents filed with the Canadian securities commissions and the United States Securities and Exchange Commission should be read for a description of certain factors that could cause the actual results of the Company to materially differ from those in the oral forward-looking statements. The Company disclaims any intention or obligation to update or revise any oral or written forward-looking statements whether as a result of new information, future events or otherwise.

SCIENTIFIC AND TECHNICAL INFORMATION

Scientific or technical information in this Annual Information Form relating to mineral reserves or mineral resources, or describing the geology of particular properties, is based on information prepared under the supervision of, or has been reviewed by, Alan R. Hill, P. Eng., Executive Vice President, Development of Barrick, and/or Alexander J. Davidson, P. Geo., Senior Vice President, Exploration of Barrick.

Unless otherwise noted, exploration programs described in this Annual Information Form are designed and carried out under the supervision of Alexander J. Davidson, P. Geo., Senior Vice President, Exploration of Barrick.

Each of Messrs. Hill and Davidson is a "Qualified Person" as defined in National Instrument 43-101. A "Qualified Person" means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, has experience relevant to the subject matter of the mineral project, and is a member in good standing of a professional association.

GENERAL INFORMATION

Incorporation

Barrick Gold Corporation ("Barrick" or the "Company") is a corporation governed by the *Business Corporations* Act (Ontario) resulting from the amalgamation, effective July 14, 1984 under the laws of the Province of Ontario, of Camflo Mines Limited, Bob-Clare Investments Limited and the former Barrick Resources Corporation. By articles of amendment effective December 9, 1985, the Company changed its name to American Barrick Resources Corporation. Effective January 1, 1995, as a result of an amalgamation with a wholly-owned subsidiary, the Company changed its name from American Barrick Resources Corporation to Barrick Gold Corporation. On December 7, 2001, in connection with its acquisition of Homestake Mining Corporation ("Homestake"), the Company amended its articles to create a special voting share, which has special voting rights designed to permit holders of Homestake Canada Inc. ("HCI") exchangeable shares to vote as a single class with the holders of Barrick common shares. For a description of Barrick's acquisition of Homestake, see "General Information – General Development of the Business".

Market for Securities

Barrick's common shares are listed on the New York Stock Exchange, the Toronto Stock Exchange, the London Stock Exchange, the Swiss Exchange and the Paris Bourse.

Subsidiaries

A significant portion of Barrick's business is carried on through subsidiaries. A chart showing the names of the significant subsidiaries of Barrick as at December 31, 2002 and their respective jurisdictions of incorporation is set

out at the end of this “General Information” section. All subsidiaries referred to in the chart are 100% owned unless otherwise noted. Unless otherwise indicated or the context otherwise requires, references to Barrick or the Company in this Annual Information Form include Barrick and, where appropriate, its predecessor corporations and its subsidiaries.

Areas of Interest

For a map showing Barrick’s principal mining operations and projects, see the end of this “General Information” section.

General Development of the Business

Barrick entered the gold mining business in 1983 and is now one of the largest gold mining companies in the world in terms of production and reserves. The Company has operating mines or development projects in Canada, the United States, Australia, Peru, Chile, Argentina and Tanzania. At December 31, 2002, proven and probable mineral reserves for Canadian reporting purposes stood at 86.9 million ounces of gold and mineral resources stood at 25.4 million ounces of measured and indicated gold and 16.2 million ounces of inferred gold. For a breakdown of reserves and resources by category, see – “Summary of Mineral Reserves and Resources”. For the year-ended December 31, 2002, Barrick produced 5.7 million ounces at total cash costs of $177 per ounce (see “Non-GAAP Measures”). Gold production is targeted at between 5.4 and 5.5 million ounces in 2003 at total cash costs of $180 to $190 per ounce of gold.

During its first ten years, Barrick focused on acquiring and developing properties in North America, notably the Company’s flagship Goldstrike property on the Carlin Trend in Nevada. Barrick has transformed Goldstrike from a small heap-leach operation to a property with 19.9 million ounces of gold reserves and two producing mines – the Betze-Post and Meikle Mines. Goldstrike produced 2.05 million ounces of gold in 2002 and is expected to produce 2.11 million ounces of gold in 2003. Since 1994, Barrick has strategically expanded beyond its North American base to ensure growth in reserves and production and now operates in South America, Tanzania and Australia.

Barrick has employed a growth strategy that involves disciplined acquisitions, a district development program and early stage exploration. The acquisition strategy is illustrated by the acquisitions noted below. The district development program involves focusing exploration on and around existing properties. Through this program, the Company discovered and brought into production the Meikle mine and related mineral deposits on the Goldstrike property. Given the world’s changing economic conditions over the past five years, exploration spending across the industry, particularly among junior companies, has decreased significantly. Barrick, however, has increased its exploration activities and is engaged in early stage exploration in four major areas: Peru, Tanzania, Australia and Chile/Argentina. This program resulted in the grassroots discovery on the Alto Chicama property in Peru.

In 1994, Barrick acquired Lac Minerals Ltd., an international gold mining company with operating mines in Canada, the United States and Chile. The acquisition gave Barrick control of what is now known as the Pascua-Lama Property, which now hosts proven and probable reserves of 16.9 million ounces of gold and 584 million ounces of silver.

In 1996, Barrick acquired Arequipa Resources Ltd., a natural resources company engaged in the acquisition and exploration of mineral properties in Peru, including the Pierina early stage exploration property. The property commenced production in November 1998 and, since production began, has produced, in aggregate, over 3.5 million ounces of gold to December 31, 2002 at an average total cash cost of $51 per ounce.

In 1999, Barrick acquired Sutton Resources Ltd., an exploration company with mineral properties in Tanzania, including the Bulyanhulu Gold Project. At the time of acquisition, gold reserves at Bulyanhulu were 3.6 million ounces. At year-end 2002, proven and probable reserves were 11.6 million ounces. Mine construction began in the third quarter of 1999 and production commenced in April 2001. For the year-ended December 31, 2002, its first full year of production, the mine produced 356,000 ounces of gold at an average total cash cost of $198 per ounce.

In December 2001, Barrick acquired Homestake Mining Corporation whose operations included mining operations in the United States, Canada, Australia and Chile, development projects in Argentina and Australia, and exploration projects in the United States, Canada, Australia, Argentina and Chile. The assets acquired included the Eskay Creek mine, the interests in the Kalgoorlie, Round Mountain and Hemlo operations, the Plutonic, Lawlers and Darlot mines, the Cowal project, and the remaining 60 percent interest in the Veladero project.

The following table summarizes Barrick's interest in its principal producing mines and its share of production from these mines:

Mines	Ownership[1]	2002	2001	2000
Goldstrike Property, Nevada				
Betze-Post Mine	100%	1,409,985	1,549,975	1,646,640
Meikle Mine	100%	640,336	712,688	805,718
Goldstrike Property total		2,050,321	2,262,663	2,452,358
Round Mountain Mine, Nevada[2] [3] [4]	50%	377,747	373,475	243,734
Hemlo Property, Ontario [2] [3]	50%	269,057	307,514	304,882
Eskay Creek Mine, British Columbia[2]	100%	358,718	320,784	333,167
Yilgarn District, Western Australia[2]				
Plutonic Mine	100%	307,377	288,360	253,643
Darlot Mine	100%	145,443	125,024	127,099
Lawlers Mine	100%	113,291	103,915	101,144
Yilgarn District total		566,111	517,299	481,886
Kalgoorlie Mine, Western Australia [2] [3]	50%	360,025	384,362	393,794
Pierina Mine, Peru	100%	898,228	911,076	821,614
Bulyanhulu Mine, Tanzania [5]	100%	356,319	241,575	—
Other Properties [2] [3]		458,351	805,348	918,236
Company total		5,694,877	6,124,096	5,949,671

(1) Barrick's interest is subject to royalty obligations at certain mines.

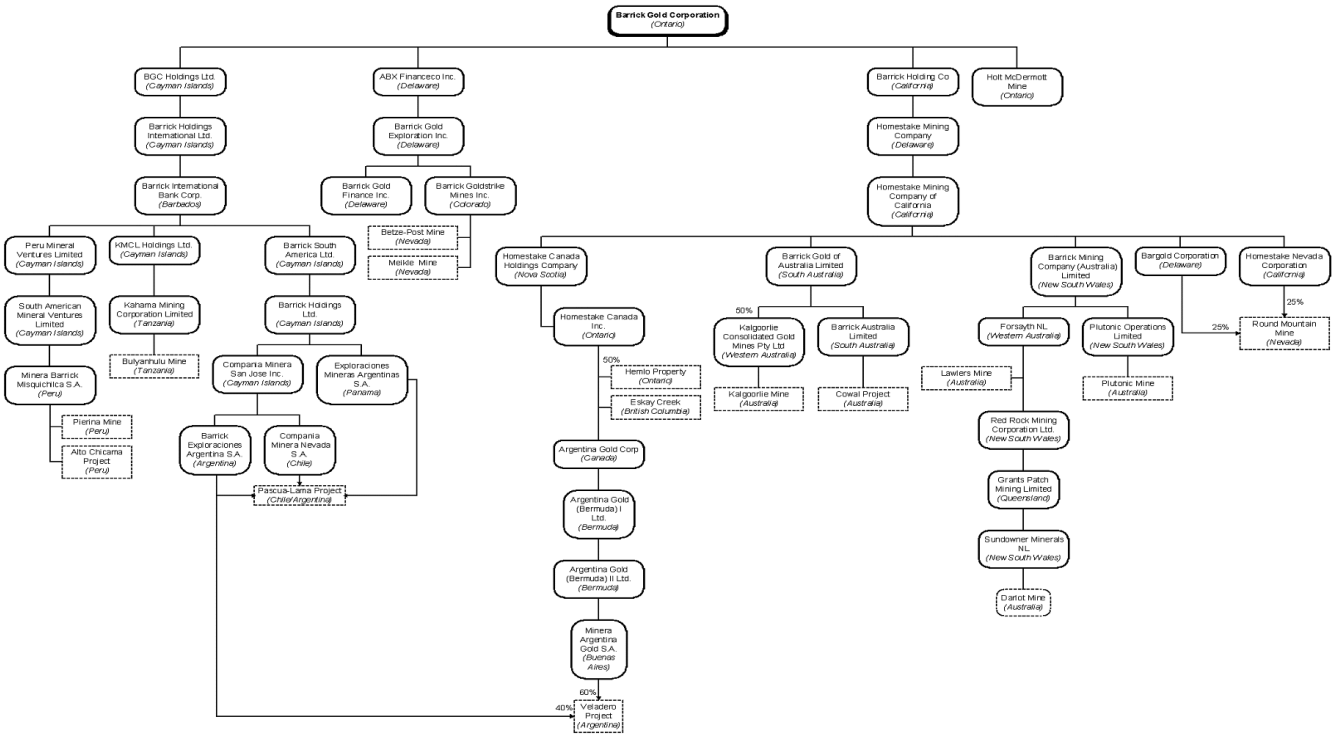
(2) Acquired through the acquisition of Homestake in December 2001 (excluding Other Properties – Holt-McDermott mine, Bousquet mine, El Indio and Tambo mines). Production reflects Homestake's interest prior to the acquisition (excluding Other Properties – Holt-McDermott mine, Bousquet mine and El Indio mine).

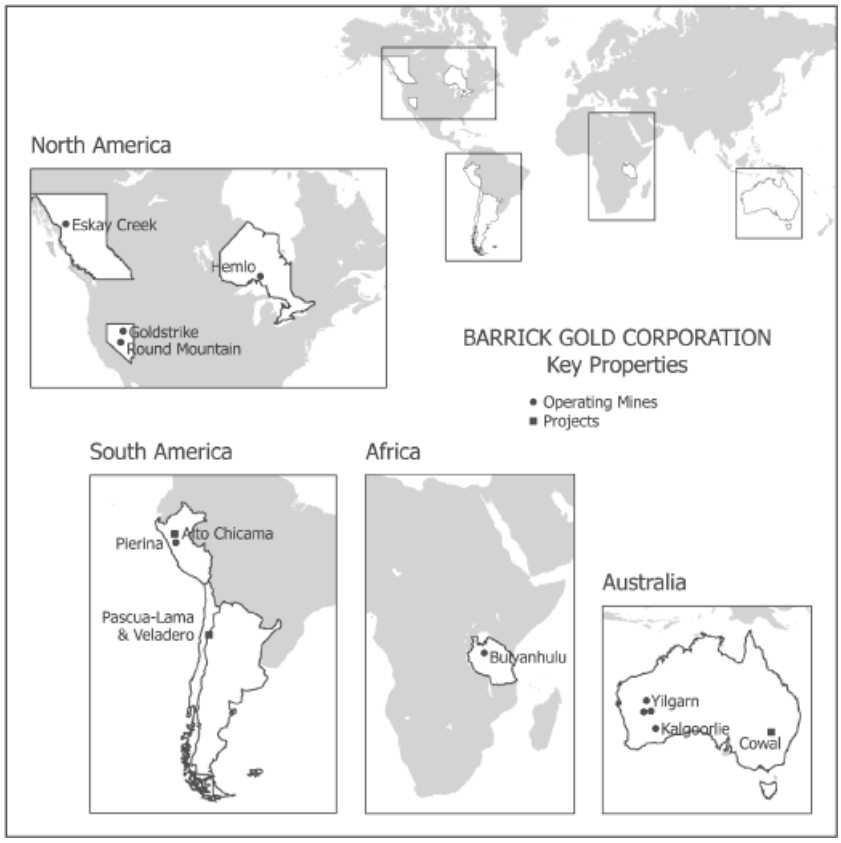
(3) Barrick's proportional share.

(4) Effective July 1, 2000, the interest in the Round Mountain Mine was increased from 25% to 50%.

(5) The Bulyanhulu mine commenced production in April 2001.

See the Notes to the Consolidated Financial Statements for further information on the Company's operating and geographic segments.


Barrick Gold Corporation (Ontario)
BGC Holdings Ltd. (Cayman Islands)
ABX Financeco Inc. (Delaware)
Barrick Holding Co (California)
Holt McDermott Mine (Ontario)
Barrick Holdings International Ltd. (Cayman Islands)
Barrick Gold Exploration Inc. (Delaware)
Homestake Mining Company (Delaware)
Barrick International Bank Corp. (Barbados)
Barrick Gold Finance Inc. (Delaware)
Barrick Goldstrike Mines Inc. (Colorado)
Homestake Mining Company of California (California)
Peru Mineral Ventures Limited (Cayman Islands)
KMCL Holdings Ltd. (Cayman Islands)
Barrick South America Ltd. (Cayman Islands)
Belze-Post Mine (Nevada)
Melkle Mine (Nevada)
Homestake Canada Holdings Company (Nova Scotia)
Barrick Gold of Australia Limited (South Australia)
Barrick Mining Company (Australia) Limited (New South Wales)
Bargold Corporation (Delaware)
Homestake Nevada Corporation (California)
South American Mineral Ventures Limited (Cayman Islands)
Kahama Mining Corporation Limited (Tanzania)
Barrick Holdings Ltd. (Cayman Islands)
Homestake Canada Inc. (Ontario)
50%
Kalgoorlie Consolidated Gold Mines Pty Ltd (Western Australia)
Barrick Australia Limited (South Australia)
Forsayth NL (Western Australia)
Plutonic Operations Limited (New South Wales)
25%
Round Mountain Mine (Nevada)
Minera Barrick Misquichica S.A. (Peru)
Bulyanhulu Mine (Tanzania)
Compania Minera San Jose Inc. (Cayman Islands)
Exploraciones Mineras Argentinas S.A. (Panama)
50%
Hemlo Property (Ontario)
Eskay Creek (British Columbia)
Kalgoorlie Mine (Australia)
Cowal Project (Australia)
Lawlers Mine (Australia)
Plutonic Mine (Australia)
Pierina Mine (Peru)
Alto Chicama Project (Peru)
Barrick Exploraciones Argentina S.A. (Argentina)
Compania Minera Nevada S.A. (Chile)
Pascua-Lama Project (Chile/Argentina)
Argentina Gold Corp (Canada)
Red Rock Mining Corporation Ltd. (New South Wales)
Grants Patch Mining Limited (Queensland)
Sundowner Minerals NL (New South Wales)
Darlot Mine (Australia)
Argentina Gold (Bermuda) I Ltd. (Bermuda)
Argentina Gold (Bermuda) II Ltd. (Bermuda)
Minera Argentina Gold S.A. (Buenos Aires)
60%
40%
Veladero Project (Argentina)


North America
Eskay Creek
Hemlo
Goldstrike
Round Mountain
BARRICK GOLD CORPORATION
Key Properties
Operating Mines
Projects
South America
Pierina
Alto Chicama
Pascua-Lama
& Veladero
Africa
Buzwanhulu
Australia
Yilgarn
Kalgoorlie
Cowal

NARRATIVE DESCRIPTION OF THE BUSINESS

Gold Mineral Reserves and Mineral Resources

At the beginning of 2003, Barrick's total proven and probable gold mineral reserves for Canadian reporting purposes were 86.9 million ounces. During 2002, Barrick produced approximately 5.7 million ounces of gold (6.8 million contained ounces) and added approximately 11.4 million contained ounces to reserves for a net increase of approximately 4.6 million contained ounces (see - - "Reconciliation of Mineral Reserves"). The addition to reserves of 11.4 million contained ounces is primarily attributable to the Alto Chicama project, the Goldstrike property and the Plutonic mine.

2002 reserves have been calculated using an assumed gold price of $300 per ounce and a silver price of $4.75 per ounce, except with respect to the Kalgoorlie mine which has been calculated using an assumed gold price of $297 (A$550) per ounce. Barrick's proven and probable gold reserves would increase to approximately 89.4 million ounces if calculated using a $325 per ounce gold price and decrease to approximately 82.6 million ounces at a $275 per ounce gold price.

Reserves and resources have been calculated as at December 31, 2002 (except with respect to Alto Chicama, where reserves and resources have been calculated as at January 31, 2003) in accordance with definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum and incorporated into National Instrument 43-101 (see "Definitions" below). Calculations have been prepared by employees of Barrick under the supervision of Alan R. Hill, P. Eng., Executive Vice President, Development of Barrick, and/or Alexander J. Davidson, P. Geo., Senior Vice President, Exploration of Barrick. Such calculations incorporate current and/or expected mine plans and cost levels at each property. Varying cut-off grades have been used depending on the mine and type of ore contained in the reserves. Mineral resource metal grades and material densities have been estimated using industry-standard methods appropriate for each mineral project with support of various commercially available mining software packages. For the cut-off grades used in the calculation of reserves, see " — Notes to the Reserves, Resources and Reconciliation Tables". Barrick's normal data verification procedures have been employed in connection with the calculations. Sampling, analytical and test data underlying the stated mineral resources and reserves have been verified by Mr. Hill or Mr. Davidson, employees under their supervision, and/or independent Qualified Persons. Verification procedures include industry-standard quality control practices. For details of data verification and quality control practices at each material property, see "Properties".

Barrick reports its reserves in accordance with National Instrument 43-101, as required by Canadian securities regulatory authorities. For United States reporting purposes, Industry Guide 7 (under the Securities Exchange Act of 1934, as interpreted by the Staff of the U.S. Securities and Exchange Commission), applies different standards in order to classify mineralization as a reserve. Accordingly, for U.S. reporting purposes, the mineralization at the Alto Chicama and Veladero projects is classified as mineralized material.

Although the Company has carefully prepared and verified the mineral reserve figures presented below and elsewhere in this Annual Information Form, such figures are estimates, and no assurance can be given that the indicated level of gold will be produced. See "Risk Factors".

Definitions

A ***mineral resource*** is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories.

An ***inferred mineral resource*** is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence, limited sampling and reasonably assumed but not verified geological

and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An ***indicated mineral resource*** is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

A ***measured mineral resource*** is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Mineral resources, which are not mineral reserves, do not have demonstrated economic viability.

A ***mineral reserve*** is the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral reserves are sub-divided in order of increasing confidence into probable mineral reserves and proven mineral reserves.

A ***probable mineral reserve*** is the economically mineable part of an indicated and, in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

A ***proven mineral reserve*** is the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Gold Mineral Reserves[1], [3], [4], [7], [10], [11]

	PROVEN			PROBABLE			TOTAL		
Based on attributable ounces	**Tons (000's)**	**Grade[8] (oz/ton)**	**Ounces[9] (000's)**	**Tons (000's)**	**Grade[8] (oz/ton)**	**Ounces[9] (000's)**	**Tons (000's)**	**Grade[8] (oz/ton)**	**Ounces[9] (000's)**
OPERATING MINES									
Betze-Post	60,229	0.132	7,924	46,901	0.173	8,127	107,130	0.150	16,051
Meikle	2,641	0.512	1,352	7,129	0.356	2,536	9,770	0.398	3,888
Goldstrike Property Total	62,870	0.148	9,276	54,030	0.197	10,663	116,900	0.171	19,939
Round Mountain (50%)	47,282	0.017	815	48,775	0.022	1,060	96,057	0.020	1,875
Eskay Creek	575	1.483	853	858	0.672	577	1,433	0.998	1,430
Hemlo (50%)	11,708	0.116	1,359	8,018	0.095	759	19,726	0.107	2,118
Pierina	29,232	0.068	1,994	41,111	0.039	1,608	70,343	0.051	3,602
Plutonic	2,983	0.146	436	10,993	0.191	2,097	13,976	0.181	2,533
Lawlers	1,456	0.134	195	1,951	0.161	314	3,407	0.149	509
Darlot	3,776	0.133	501	4,426	0.174	768	8,202	0.155	1,269
Yilgarn District Total	8,215	0.138	1,132	17,370	0.183	3,179	25,585	0.168	4,311
Kalgoorlie (50%)	34,580	0.052	1,788	62,318	0.060	3,763	96,898	0.057	5,551
Bulyanhulu	1,846	0.397	733	25,574	0.427	10,920	27,420	0.425	11,653
Other Properties	3,723	0.033	124	23,475	0.030	708	27,198	0.031	832
PROJECTS									
Alto Chicama[7]	—	—	—	120,948	0.054	6,535	120,948	0.054	6,535
Veladero[7]	19,123	0.046	877	235,188	0.036	8,507	254,311	0.037	9,384
Pascua-Lama[12]	37,738	0.062	2,355	258,673	0.056	14,507	296,411	0.057	16,862
Cowal	6,197	0.044	271	69,725	0.037	2,564	75,922	0.037	2,835
TOTAL	263,089	0.082	21,577	966,063	0.068	65,350	1,229,152	0.071	86,927

See " - Notes to the Mineral Reserves, Resources and Reconciliation Tables".

Gold Mineral Resources (1), (2), (3), (5)

	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED		
Based on attributable ounces	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)	Ounces (000's)	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)
OPERATING MINES										
Betze-Post	16,445	0.069	1,139	29,955	0.070	2,092	3,231	1,217	0.074	90
Meikle	1,932	0.584	1,129	3,175	0.393	1,249	2,378	7,819	0.351	2,741
Goldstrike Property Total	18,377	0.123	2,268	33,130	0.101	3,341	5,609	9,036	0.313	2,831
Round Mountain (50%)	13,545	0.008	104	3,910	0.018	72	176	9,827	0.016	157
Eskay Creek	—	—	—	382	0.401	153	153	96	0.615	59
Hemlo (50%)	888	0.128	114	1,789	0.075	134	248	4,001	0.137	550
Pierina	8,599	0.016	137	31,339	0.016	489	626	1,134	0.020	23
Plutonic	4,523	0.073	331	14,826	0.132	1,956	2,287	7,333	0.161	1,183
Lawlers	2,178	0.154	336	6,201	0.126	779	1,115	2,326	0.123	286
Darlot	1,157	0.175	202	3,012	0.112	338	540	56	0.214	12
Yilgarn District Total	7,858	0.111	869	24,039	0.128	3,073	3,942	9,715	0.152	1,481
Kalgoorlie (50%)	14,558	0.054	791	27,353	0.054	1,488	2,279	6,779	0.050	342
Bulyanhulu	—	—	—	4,765	0.352	1,678	1,678	4,253	0.592	2,517
Other Properties	—	—	—	14,996	0.043	644	644	30,805	0.028	875
PROJECTS										
Alto Chicama	—	—	—	56,352	0.035	1,998	1,998	24,820	0.042	1,045
Veladero	9,000	0.023	209	126,760	0.024	3,051	3,260	78,211	0.024	1,894
Pascua-Lama	3,962	0.055	216	111,883	0.029	3,271	3,487	126,841	0.027	3,475
Cowal	1,588	0.041	65	33,623	0.035	1,190	1,255	29,462	0.033	967
TOTAL	78,375	0.061	4,773	470,321	0.044	20,582	25,355	334,998	0.048	16,216

See " - Notes to the Mineral Reserves, Resources and Reconciliation Tables".

Reconciliation of Mineral Reserves

Property (000's of ounces)	Mineral Reserves December 31, 2001[6]	Mined in 2002	Increase (decrease)	Mineral Reserves December 31, 2002[3]
OPERATING MINES				
Betze-Post	16,433	(1,694)	1,312	16,051
Meikle	3,946	(701)	643	3,888
Round Mountain (50%)	2,245	(576)	206	1,875
Eskay Creek	1,775	(385)	40	1,430
Hemlo (50%)	2,517	(284)	(115)	2,118
Pierina	4,748	(1,073)	(73)	3,602
Plutonic	1,588	(344)	1,289	2,533
Lawlers	505	(116)	120	509
Darlot	1,341	(150)	78	1,269
Kalgoorlie (50%)	5,724	(436)	263	5,551
Bulyanhulu	12,009	(414)	58	11,653
Other Properties	1,393	(581)	20	832
PROJECTS				
Alto Chicama	—	—	6,535	6,535[7]
Veladero	8,416	—	968	9,384[7]
Pascua-Lama	16,862	—	—	16,862[12]
Cowal	2,770	—	65	2,835
Total	**82,272**	**(6,754)**	**11,409**	**86,927**

Notes to the Mineral Reserves, Resources and Reconciliation Tables

(1) Reflects Barrick's ownership share where ownership interest is less than 100%.

(2) These mineral resources are in addition to mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

(3) Mineral reserves have been calculated as at December 31, 2002, except with respect to the Alto Chicama project, where reserves have been calculated as at January 31, 2003.

(4) Mineral reserves have been calculated using an assumed gold price of $300 per ounce and a silver price of $4.75 per ounce, except with respect to the Kalgoorlie property, where a gold price of $297 per ounce (A$550 and an exchange rate of $0.54 US/A) has been used.

(5) Resources have been estimated using varying cut-off grades, depending on both the type of mine, its maturity and ore type at each property. Assumed gold prices ranging from $300 to $400 have generally been used in estimating resources.

(6) Mineral reserves have been calculated as at December 31, 2001 using an assumed gold price of $300 per ounce and a silver price of $5.00 per ounce, except with respect to the Australian properties where an assumed gold price of A$475 (for Kalgoorlie, Plutonic and Cowal) or A$500 (for Lawlers and Darlot) has been used.

(7) Mineral reserves have been calculated in accordance with National Instrument 43-101, as required by Canadian securities regulatory authorities. For United States reporting purposes, Industry Guide 7 (under the Securities Exchange Act of 1934), as interpreted by Staff of the U.S. Securities and Exchange Commission, applies different standards in order to classify mineralization as a

reserve. Accordingly, for U.S. reporting purposes, the mineralization at the Alto Chicama and Veladero projects is classified as mineralized material.

(8) Grade represents an average, weighted by reference to tons of ore type where several recovery processes apply.

(9) Ounces estimated to be present in the tons of ore which would be mined and processed. Mill recovery rates have not been applied in calculating the contained ounces.

(10) Reserves include stockpile material totalling approximately 89.4 million tons, containing approximately 5.2 million ounces. Properties at which stockpile material represents more than 5% of the reported reserves are as follows:

Property	Tons (000's)	Grade (oz/ton)	Contained Ounces (000's)
Kalgoorlie	9,446	0.037	351
Goldstrike	40,776	0.101	4,117
Round Mountain	38,240	0.016	603

(11) The metallurgical recovery applicable at each property and the cut-off grades used to determine reserves are as follows:

	Metallurgical Recovery (%)	Cutoff Grade (oz/t)
OPERATING MINES		
Goldstrike Property		
Betze-Post	83.5	0.065-0.080
Meikle	89.7	0.220-0.260
Round Mountain	67.0	0.006-0.018
Eskay Creek	92.1	0.631-0.849
Hemlo Property		
David Bell	93.0	0.145
Williams	93.5	0.023-0.082
Pierina	79.6	0.010-0.015
Darlot	97.0	0.079-0.109
Lawlers	95.5	0.104
Plutonic	88.2	0.015-0.204
Kalgoorlie	86.1	0.026
Bulyanhulu	89.0	0.233-0.263
PROJECTS		
Alto Chicama	80.0	0.014
Veladero	72.8	0.017-0.022
Pascua-Lama	82.7	0.029-0.053
Cowal	84.9	0.012-0.018

(12) Reserves for the Pascua-Lama project have been calculated using a gold price of $300 per ounce and a silver price of $4.75 per ounce. Based on current construction cost estimates and the current

development plan, which are under continuing review, using a gold price of $275 per ounce, the project would generate a negligible return.

Uses of Gold

Product fabrication and bullion investment are the two principal uses of gold. Within the fabrication category there are a wide variety of end uses, the largest of which is the manufacture of jewelry. Other fabrication purposes include official coins, electronics, miscellaneous industrial and decorative uses, dentistry, medals and medallions.

Sales and Refining

Gold can be readily sold on numerous markets throughout the world and it is not difficult to ascertain its market price at any particular time. Since there are a large number of available gold purchasers, the Company is not dependent upon the sale of gold to any one customer. Barrick's gold is currently being refined to market delivery standards by MKS Finance S.A. in Castel San Pietro, Switzerland and Argor-Heraeus S.A. in Mendrisio, Switzerland (Goldstrike production), by Johnson Matthey Limited in Brampton, Ontario, Canada (a portion of the Hemlo production), by the Royal Canadian Mint in Ottawa, Ontario, Canada (a portion of the Hemlo production), by Johnson Matthey PLC in London (Pierina production and Bulyanhulu gold doré production), by Johnson Matthey Refining Inc. in Salt Lake City, Utah, United States (Round Mountain production)' and by Australian Gold Refinery in Perth, Australia (Plutonic mine production, Kalgoorlie mine production, Darlot production and Lawlers production). The gold is then delivered to meet commitments under gold sale contracts or sold to various gold bullion dealers or smelters on a competitive basis at spot prices. The Company believes that, because of the availability of alternative refiners, no material adverse effect would result if the Company lost the services of any of its current refiners.

The Bulyanhulu mine produces gold-copper concentrates. At Bulyanhulu, sales contracts have been established with Pan Pacific Copper Co., Ltd., an affiliate of Nippon Mining & Metals Co., Ltd. and with Sumitomo Metal Mining Co., Ltd. for 80% of the mine's concentrate production through 2008.

The Eskay Creek mine sells direct shipping ore under long-term sales contracts with Dowa Mining Company Limited, Akita-Ken, Japan, and Noranda Inc., Rouyn-Noranda, for combined ore sales of 135,000 dry tonnes annually. These contracts expire in 2006 and 2007. The Eskay Creek mine also produces flotation concentrates, one-half of which is committed under a sales agreement with Noranda Inc. in Rouyn-Noranda, Quebec, Canada and Teck Cominco Metals Ltd. in Trail, British Columbia, Canada. These contracts expire at various dates between 2003 and 2008. To mitigate the impact of the Noranda Inc. smelter labor strike which began in July 2002, the mine optimized its milling capacity, increasing throughput (by 19%), re-sequenced the mining efforts to source higher grade ore, and arranged for increased sales to its other main smelter. Though the strike continues, shipments in late 2002 and early 2003 were back to pre-strike levels, and the Company anticipates being able to sustain these rates through the balance of 2003, even without a strike settlement.

Forward Sales Program

The Company has operations in five principal countries which produce its primary product, gold, as well as by-products such as silver and copper. The Company's activities expose it to a variety of market risks, including risks related to the effects of changes in gold prices. This financial exposure is monitored and managed by the Company as an integral part of its overall risk-management program. The Company's risk-management program focuses on the unpredictability of commodity and financial

markets and seeks to mitigate the potentially adverse effects that the volatility of these markets may have on its operating results.

The Company maintains a risk-management strategy that uses financial instruments to mitigate significant, unanticipated earnings and cash flow fluctuations that may arise from volatility in commodity prices. Price fluctuations in gold could cause actual cash inflows from the sale of gold to differ from anticipated cash inflows. The Company uses gold forward sales contracts to mitigate these risks. As a gold producer, Barrick's gold reserves underlie its forward sales program and Barrick expects to deliver production into its forward sales contracts in the normal course of business.

Barrick's forward sales contracts represent agreements to sell gold on a delivery date in the future. Barrick has the flexibility to choose the delivery date at any time over a 10 to 15 year period from the start of a contract. The rights and obligations under these contracts are defined by master trading agreements executed with various counterparties.

The selling price under a contract is based on the forward price of gold at the future delivery date, which is essentially a function of the spot gold price on the date the contract is entered into plus a premium (commonly referred to as "contango") through the future delivery date. The amount of contango is often quoted as a percentage return that reflects the spread between market LIBOR interest rates (i.e., US dollar interest rates) and gold borrowing rates (commonly referred to as "gold lease rates"). Generally, US dollar interest rates are higher than the gold lease rate, which means that the future price is higher than the current price under the contract. The longer the period of time until delivery, the greater the amount of the forward premium or contango and, provided US dollar interest rates remain higher than gold lease rates, the greater the contract price compared to the spot price at the start of the contract. In the event gold lease rates are higher than US dollar interest rates, the "premium" becomes negative (known as "backwardation"). Over the past five years, backwardation has occurred only once, and only for a period of two days.

Barrick has arrangements in place with approximately 19 counterparties, which have an average credit rating of "AA". All of the counterparties are well-established financial institutions with a significant presence in the bullion trading market. To reduce exposure to defaults by counterparties, Barrick diversifies its forward sales contracts across a number of counterparties, limits exposure to individual counterparties, uses master netting arrangements such that Barrick's credit risk is limited to the net positive fair value of contracts with individual counterparties and regularly monitors its counterparties' credit ratings. To date, all counterparties have fully performed their obligations under such arrangements.

Barrick's trading agreements do provide for customary events of default such as covenant breaches, insolvency or bankruptcy. If an event of default occurred, counterparties could require Barrick to immediately settle outstanding contracts. Under its trading agreements, Barrick is not required to post any collateral or be subject to any margin calls on its derivative instruments. Also, the counterparties cannot require settlement of a contract solely because of an adverse change in the mark to market value. Barrick enters into financial instruments to act as economic hedges of underlying exposure to commodity prices, foreign currency exchange rates and interest rates that arise in the normal course of its business. The maturity of derivative instruments are spread out over time so that the size of positions maturing is such that the Company expects the relevant markets for commodities, currencies and interest rates will be able to absorb those contracts maturing.

In previous years, as a result of the Company's forward sales program and the level of spot prices for gold, substantially all of the gold produced by the Company (excluding Homestake production) was delivered against existing forward sale contracts rather than on the spot market. In 2002, the Company

realized an average price of $339 per ounce compared with an average gold price on the Commodity Exchange Inc. (“COMEX”) in New York for the year of $310 per ounce. During 2002, the Company delivered a portion of production into the spot market. With the rise in the gold spot price, above the Company’s forward gold sales price, for much of the first quarter of 2003, Barrick sold a portion of its production at the higher spot price and deferred delivery for forward sales contracts to a later date.

At December 31, 2002 the Company had outstanding commitments to deliver 18.1 million ounces of its future gold production under its forward sales program. This represents approximately 21 percent of proven and probable reserves (for Canadian reporting purposes), deliverable over the next 10 to 15 years at an average price of $341 per ounce at the scheduled delivery dates. For 2003, Barrick has the ability to deliver its production into the forward sales program at an average price of $340 per ounce. On a portion of sales contracts that had been scheduled for delivery in the first quarter of 2003, Barrick elected to not deliver production into such sales contracts during the quarter and decided instead to sell a significant portion of its production during that time at the higher spot price. This is the first time in 15 years that gold prices have risen above the Company’s outstanding contract sales price, prompting the Company to sell its production at the higher spot price.

In a continued effort to make Barrick’s forward sales program smaller and simpler, the Company took two steps in 2002: it delivered production against forward sales contracts without replacing those contracts and it reduced its variable price sales commitments (commitments under which the price at which the gold is sold varies, typically either (i) within a range, or (ii) capped to a maximum level) by approximately two-thirds. With the Company’s positive outlook for the gold price, interest rates at 40-year lows (leading to lower forward sales premiums) and Barrick’s strong financial position, the Company has been managing the program down to a lower level of overall reserves. Subject to market conditions, Barrick expects to continue to reduce the size and complexity of its forward sales program.

For a summary of the Company’s future gold sale and delivery commitments, derivative financial instruments used in the forward sales program and associated risks, see Note 23 of the Notes to the Consolidated Financial Statements for the year ended December 31, 2002, pages 45 to 49 and 54 to 58 of the Company’s Annual Report to Shareholders for the year ended December 31, 2002 and “Risk Factors”.

The Company’s financial risk management activities are subject to the management, direction, and control of its Finance Committee as part of that Committee’s oversight of the Company’s investment activities and treasury function. The Finance Committee, which is comprised of four members of the Company’s Board of Directors, including the Company’s Chief Executive Officer, reports to the Board of Directors on the scope of the Company’s risk-management strategy (including the gold sales program) and other activities. The Finance Committee approves corporate policy that defines the Company’s risk-management objectives and philosophy relating to financial risk management activities and provides guidance for financial instrument usage. The Finance Committee also approves hedging strategies that are developed by management through its analysis of risk exposures to which the Company is subject, and commodity, foreign exchange and interest rate market analysis from internal and industry sources. The resulting hedging strategies are then incorporated into the Company’s overall risk-management strategies. Responsibility for the implementation of hedging and risk-management strategies is delegated to the Company’s treasury function. A report on Barrick’s hedge position, detailing the size of the hedge position by contract type, diversification of the position among counterparties and each counterparty’s recent credit rating and the latest fair value of each group of contracts, is prepared each week and distributed to the Chief Executive Officer, the Chief Financial Officer and members of the Finance Committee. The Board of Directors also receives a report on Barrick’s hedging position at each of its regularly scheduled meetings.

Barrick maintains a separate compliance function to independently monitor and verify hedging activities and achieve segregation of duties of personnel responsible for entering into hedging transactions from personnel responsible for recording and reporting transactions. In addition, the treasurer regularly monitors all hedging transactions entered into by the treasury group. All confirmations and settlements of transactions are processed and checked independently of the treasury group. Responsibility for entering into hedging transactions is limited to a small group of experienced treasury personnel. Summaries of each individual transaction, setting out the terms of the transactions and the identity of the individual executing each transaction, are generated by the treasury group and delivered to the compliance function on a daily basis. Confirmations from counterparties are received directly by the compliance function and checked against the documentation generated by the treasury group. Barrick does not enter into gold delivery commitments that are not covered by scheduled production.

The extent to which the Company will enter into these types of commodity contracts in the future will depend upon its assessment of gold market conditions and other factors from time to time. As a result of changes in the market price of gold, contango rates and other factors, there can be no assurance that the Company's forward sales program will be as successful in the future as it has been in the past. The Company may in the future utilize other types of commodity contracts or financial instruments in its forward sales program.

Employees - Labor Relations

As at December 31, 2002, Barrick had approximately 5,000 full-time employees worldwide, as well as approximately 1,800 employees at operations jointly owned by Barrick, substantially all of who are employed in the United States, Canada, Australia, Chile, Peru, Argentina and Tanzania. Unions represent approximately 500 persons at the Company's operations. Although the Company experienced an unauthorized work stoppage of one week at its Bulyanhulu mine in late 2002, labor relations at all locations are believed to be good.

Hourly employees are provided with a variety of retirement, insurance and other benefits generally corresponding to prevailing customs in the relevant area and industry. Certain of the Company's mining operations participate in retirement pension plans that are defined contribution plans. The Company also has pension plans covering certain United States employees. Certain of these pension plans, covering U.S. salaried and other non-union employees, provide benefits based on the employee's years of service and highest compensation for a period prior to retirement. Certain of these pension plans, covering U.S. union employees, provide defined benefits based on each year of service. The Company also has other post-retirement plans that provide medical and life insurance benefits for certain retired employees. The excess of accumulated benefit obligations over plan assets for pension plans with accumulated benefit obligations in excess of plan assets was $61 million at December 31, 2002, and was $52 million at December 31, 2001. Plans where the projected benefit obligation and accumulated benefit obligation exceeded plan assets included a qualified pension plan covering salaried and non-union employees, a nonqualified supplemental pension plan covering certain employees and a nonqualified pension plan covering a director of the Company. In addition, an irrevocable trust ("Rabbi Trust") was set up to fund the nonqualified plans and certain other deferred compensation plans. The diversified assets held in the Rabbi Trust included cash of $1 million and short-term investments of $30 million as of December 31, 2002. The Company has put in place a retirement plan for certain officers of Barrick. Pursuant to the unfunded plan, 15% of the officer's salary and bonus for the year is accrued and accumulated with interest until retirement. There are no other benefits programs in place that could result in any unfunded post-retirement benefits. In addition, the Company has implemented incentive programs for certain employees.

Competition

The Company competes with other mining and exploration companies in connection with the acquisition of mining claims and leases on gold and other precious metals prospects and in connection with the recruitment and retention of qualified employees.

There is significant competition for the limited number of gold acquisition opportunities and, as a result, the Company may be unable to continue to acquire attractive gold mining properties on terms it considers acceptable.

Given the size of the world market for gold relative to individual producers and consumers of gold, the Company believes that no single company has sufficient market influence to significantly affect the price or supply of gold in the world market.

OPERATING PROPERTIES

The following is a summary of Barrick's principal operations by region: United States, Canada, Australia, South America and Tanzania.

United States

Barrick's principal United States operations consist of its Goldstrike property and its 50% interest in the Round Mountain mine.

Goldstrike Property

General Information

A wholly-owned subsidiary of Barrick owns and operates the Betze-Post open pit mine and the Meikle underground mine and related deposits on the Goldstrike property. The property is located in north central Nevada, approximately 25 miles (40 kilometers) north of the town of Carlin, at an elevation of 5,600 feet (1,700 meters) in the hilly terrain of the Tuscarora Mountains. Access to the property is provided by certain access agreements with Newmont Mining Corporation, that allow for the use of various roads in the area, and a right-of-way issued by the Bureau of Land Management. Such roads are accessed from Elko, Nevada by traveling west on U.S. Interstate 80 to Carlin, Nevada and then by approximately 23 miles (37 kilometers) of local roads north of Carlin. Generally, the climate of the area does not materially impact on the mine's operations.

PanCana Minerals Ltd. ("PanCana") first mined the property for gold in 1976. In 1978, Western States Minerals Corporation ("WSMC") became the operator in a 50/50 joint venture with PanCana. Barrick acquired a 50% interest and assumed management of the Goldstrike property on December 31, 1986 pursuant to a plan of arrangement entered into with PanCana. It completed the acquisition of 100% ownership of the property with the acquisition of WSMC's 50% interest in the property in January 1987. At the time of acquisition, mining operations on the property were concentrated on various shallow oxide deposits. The principal known deposit was the Post surface oxide deposit, which then contained approximately half a million ounces of gold. The property was operated as an open pit, heap leach operation. Reserves for the Post deposit were delineated during 1986 and mining of the Post deposit commenced in 1987. Following acquisition, two sulphide ore zones were identified (the Betze and Deep Post deposits). During the first two years after acquisition, a carbon-in-leach mill and ancillary facilities, as well as a crushing and agglomeration plant designed to improve recoveries from low grade oxide ore,

were constructed. In January 1989, Barrick announced the four-year Betze Development Plan to develop the Post oxide and Betze sulphide reserves. The plan, which called for the development of a large open pit and the expansion of the milling facilities, was completed in 1993 with the commissioning of the final three of the total of six autoclaves. The Meikle mine, which was discovered in 1989, commenced production in 1996. During 2000, the Company completed construction of a roaster facility for the treatment of carbonaceous ore on the property. The Roaster increased the property's processing capacity by approximately 16,000 tons per day. In 2001, an intensive development program to bring the Rodeo deposit, part of the Meikle mine, into production was completed and a new ball mill was added to increase autoclave recovery.

At December 31, 2002, the Goldstrike property comprised approximately 9,921 acres (4,000 hectares) of land. This includes 1,762 acres (713 hectares) of patented lode mining and millsite claims and 1,870 acres (757 hectares) of unpatented lode mining and millsite claims held directly or by lease, 2,531 acres (1,024 hectares) of land acquired through land exchanges with the United States government, and 3,848 acres (1,557 hectares) purchased from other mining companies and a private individual. Patenting is the process that transfers fee simple title from the federal government to the applicant. The Betze-Post and Meikle mines and the majority of the beneficiation and processing facilities at the Goldstrike property are situated on land owned by Barrick.

Geology

The property is located on the Carlin trend, one of North America's most prolific gold producing areas. The area of the Goldstrike property consists of folded and faulted Paleozoic sedimentary rocks, which were intruded by the diorite to granodiorite Goldstrike stock of the Jurassic Age. Mesozoic folding and thrust faults form important structural traps for the mineralization in the Betze-Post pit. Tertiary faulting developed ranges and basins, which were subsequently filled with volcanics and sediments during Tertiary time. The gold mineralization occurred at the onset of Tertiary volcanism, approximately 39 million years ago.

The major gold deposits – Post Oxide, Betze, Meikle and Deep Post – are all hosted in sedimentary rocks of Silurian to Devonian ages. The Post Oxide orebody occurs in the siliceous siltstones, mudstones, argillites and minor limestones of the Rodeo Creek Formation. Betze, Meikle and Deep Post are found in the silty limestones and debris flows of the Popovich Formation. The gold at Goldstrike was carried into the various orebodies by hot hydrothermal fluids, and deposited with very fine pyrite and silica. Over time, the pyrite oxidized, freeing the gold and making its extraction relatively easy, as in the Post Oxide deposit. In the deeper deposits – Betze, Deep Post and Meikle – the gold is still locked up with the iron sulphide and an additional processing step (autoclaving) is required to free the gold.

Processing

The property has two processing facilities: an autoclave installation, which is used to treat the property's non-carbonaceous sulphide (refractory) ore; and the roaster, which is used to treat the property's carbonaceous ore (whose active carbon content responds poorly to autoclaving). The combined design capacity of these two facilities is approximately 33,000 to 35,000 tons per day. These process facilities treat the ore from both the Betze-Post and Meikle mines. Gold contained in recovered ore is processed into doré on-site and shipped to an outside refinery for processing into gold bullion. Power is purchased from Sierra Pacific Power Company pursuant to a contract and applicable tariffs.

In 2002, Goldstrike processed an average grade of 0.20 ounces per ton, consisting of 0.16 ounces per ton ore from Betze-Post and 0.43 ounces per ton ore from Meikle. The average process grade is expected

to remain at 0.20 ounces per ton in 2003, as the grades processed from both Betze-Post and Meikle move toward the reserve grades.

Environment

In 2002, all activities at the property were in compliance in all material respects with applicable environmental regulations. Barrick is not aware of any proposed changes to these standards and regulations that would materially affect the property's operations.

At December 31, 2002, future reclamation and closure costs for the property were estimated at $95 million. At December 31, 2002, Barrick has accrued $30 million through charges to earnings. In connection with the reclamation of the mine area, Barrick has provided the financial security as required by governmental authorities. See "Environment and Closure".

Exploration

In 2002, the exploration program on the property included the interpretation of the property-wide geogphysical survey to delineate potential targets. The surface drill program of 45,053 feet (13,732 meters) explored for underground orebodies, primarily at Banshee and North Meikle. The underground drilling program of 9,804 feet (2,988 meters) included Meikle (4,214 feet (1,284 meters)) and Griffin (5,590 feet (1,704 meters)). Additional in-fill surface drilling was conducted at Barrel (13,217 feet (4,028 meters)) and North Betze (1,910 feet (582 meters)) to confirm orebody geometry for underground development planning.

The completion of the geophysical survey in 2001 and the interpretation of the results in 2002 identified several deep targets for follow-up drilling. Drilling these targets will continue in 2003 and it is expected that the exploration program at Goldstrike will include a surface drilling program of 33,800 feet (10,300 meters) to explore for orebodies at North Betze, Skarn Hill, west side of the South Block, Banshee and east of the Post fault. The underground exploration drilling program will consist of 3,200 feet (975 meters), targeting Griffin and North Meikle.

Capital Expenditures

In 2002, capital expenditures for the Goldstrike property were $46 million, including expenditures for mobile equipment, ongoing Meikle development, major installation upgrades and improvements as well as dewatering and other general site expenditures. For 2003, capital expenditures at Goldstrike are expected to be $50 million, including costs for development work, mobile equipment, systems improvements and tailings expansion.

Betze-Post Mine

The Betze-Post mine is an open pit truck-and-shovel operation, using standard proven equipment. It produced 1,409,985 ounces of gold in 2002 at an average total cash cost of $228 per ounce, and is expected to produce 1,495,000 ounces in 2003 at an average total cash cost of $228 per ounce. Based on existing reserves and production capacity, the expected remaining mine life is 14 years.

Geology

The gold mineralization at Betze-Post is controlled by favorable stratigraphy, structural complexities in the form of faults and folds, and the contact of the Goldstrike intrusive. The deposit represents many styles of mineralization occurring within numerous rock types and alteration assemblages. The favored

host for gold mineralization is the Popovich limestone followed by the Rodeo Creek unit, Goldstrike sill complex and Roberts Mountains Formation. Some ore occurs below sills, which act as dams to the ascending hydrothermal fluids. Alteration is characterized by decalcification of limestone, silicification of all rock types and clay development in structurally disturbed areas. Overall, the Betze-Post ore zones extend for 6,000 feet (1,829 meters) in a northwest direction and averages 600 to 800 feet (183 to 244 meters) in width and 400 to 600 feet (122 to 183 meters) in thickness.

Drilling and Analysis

More than 6,200 drill holes have been completed within and around the Betze-Post deposit. Two thirds of the total drill holes are reverse circulation and rotary drill holes and the remaining one third are diamond core holes. Drill spacing through the Betze, West Betze and Screamer deposits is approximately 175 feet (53 meters) and at Post is 150 feet (46 meters). Almost all of the total drill hole footage has been sampled on five-foot intervals and assayed for gold by the fire assay method with follow-up cyanide AA assays. Most sampling and assaying are done on-site by Barrick with both internal check assays and external check assays performed by independent laboratories.

In 2002, seven drill holes were completed using the horizontal drill rig to define the extent of mineralization into the Northeast highwall as identified by blast holes and geologic channel samples. A total of 2,950 feet (899 meters) of drilling was completed and assayed on 10-foot (3 meter) intervals. Assay results indicated the existence of the Susannah satellite deposit.

Oriented core programs have been drilled in the past to assist in the determination of highwall planning parameters. Grab samples are taken over roughly every 20 feet (6 meters) of core, and zones of mineralization are further sampled on five-foot intervals. The last oriented core program incorporated three drillholes in 2001. The program will continue in 2003.

All drill hole collar, survey and assay information used in modeling and resource estimation are manually verified and approved by geologic staff prior to entry into the mine-wide database.

The quality assurance procedures and assay protocols followed by Barrick in connection with drilling and sampling on the Goldstrike property have been reviewed by independent consultants and found to conform to industry accepted quality control methods.

Royalties

Most of the property comprising the Betze-Post mine is subject to a net smelter return and net profits interest royalties payable on the valuable minerals produced from the property. The maximum third party royalties payable on the Betze deposit are a 4% net smelter return and a 6% net profits interest.

Production Information

The following table summarizes certain production and financial information for the Betze-Post mine for the periods indicated:

	Year ended December 31, 2002	Year ended December 31, 2001
Tons mined (000's)	142,898	154,233
Tons of ore processed (000's)	10,322	9,187
Average grade processed (ounces per ton)	0.16	0.20
Recovery rate (%)	83.3	85.1
Ounces of gold produced (000's)	1,410	1,550
Average total cash costs per ounce	$ 228	$ 215
Average total production costs per ounce	$ 286	$ 267

Meikle Mine

The Meikle orebody, located one mile (1.6 kilometers) north of the Betze-Post mine on Barrick's Goldstrike property, is a high grade orebody which was discovered in 1989. Two different underground mining methods are used at Meikle, long-hole open stoping and drift-and-fill (used for flat-lying mineralization or where ground conditions are less competent). Meikle is a trackless operation which commenced production in September 1996. The Meikle orebody now incorporates Main Meikle, Meikle Extension, South Meikle, Griffin and Rodeo underground zones. An intensive development program to bring the Rodeo deposit into production was completed in late 2001. While exploration drilling will continue at depth below Main Meikle and in the Rodeo area, the best potential for reserve additions is likely north of Main Meikle, in an area known as Banshee. Based on existing reserves and production capacity, the expected remaining mine life is 7 years.

The underground mine, which originally produced at a rate of approximately 2,000 tons of ore per day, averaged 3,770 tons per day in 2001 and 4,504 tons per day in 2002. The Meikle mine produced 640,336 ounces of gold in 2002 and is expected to produce 620,000 ounces in 2003 at an average total cash cost of $219 per ounce. In 2002, mining activity took place in five main areas – Main Meikle, Meikle Extension, South Meikle, Griffin and Rodeo. In 2003, mining activity will continue in these five areas.

Geology

Carbonate breccias and limestones of the Devonian Popovich Formation and various intrusive rocks host the Meikle orebody, which is compact in size and very high grade. In contrast to the Betze-Post Mine area, the overlying mudstones and argillites of the Devonian Rodeo Creek Member are generally unmineralized. Gold-bearing fluids have ascended faults and fractures and have deposited gold and other minerals, such as pyrite and barite, in permeable horizons in the breccias and limestones. These breccias were formed by a combination of collapse, tectonic and hydrothermal processes, and display excellent continuity of grade both down deep and along strike. The fluids have been focused below a steep dipping monzonite porphyry dyke and the overlying relatively impermeable Rodeo Creek Member. Since silicification is the dominant alteration at Meikle, the bulk of the ore is quite hard and competent.

Drilling and Analysis

Prior to underground access at the Meikle deposit, a total of 166 surface holes defined the deposit with a total of 259,793 feet (79,185 meters). Underground drilling commenced in 1995 and a total of 877,030 feet (267,319 meters) in 3,586 underground holes had been completed in and around the deposit as at December 31, 2002. At the Rodeo deposit, prior to underground access, a total of 101 surface holes defined the deposit with a total of 338,472 feet (103,166 meters). Underground drilling commenced at Rodeo in 1998, and as of December 2002, a total of 934 holes totaling 188,443 feet (57,437 meters) had

been drilled in and around the deposit. Although the majority of drilling is core, approximately 35% of Meikle and 30% of Rodeo definition drilling are by underground reverse-circulation methods. Drill spacing through the Meikle deposit is 25 to 85 feet (8 to 26 meters). Some of the wider-spaced core holes are sampled on 20-foot intervals (chip samples) and 5-foot whole or split core in mineralized intervals. All samples are fire-assayed with an atomic absorption spectrometer finish followed by a gravimetric finish for samples with AuFA greater than 0.436 oz of gold per ton. Most sampling and assaying is done on-site by Barrick with both internal check assays and external check assays performed by independent laboratories.

All drill hole collar, survey and assay information used in modeling and resource estimation are manually verified and approved by geologic staff prior to entry into the mine-wide database.

The quality assurance procedures and assay protocols followed by Barrick in connection with drilling and sampling on the Goldstrike property have been reviewed by independent contractors and found to conform to industry accepted quality control methods.

Royalties

The maximum royalties payable on the Meikle deposit are a 4% net smelter return and a 5% net profits interest.

Production Information

The following table summarizes certain production and financial information for the Meikle mine for the periods indicated:

	Year ended December 31, 2002	Year ended December 31, 2001
Tons mined (000's)	1,635	1,372
Tons of ore processed (000's)	1,638	1,375
Average grade processed (ounces per ton)	0.43	0.56
Recovery rate (%)	91.3	93.0
Ounces of gold produced (000's)	640	713
Average total cash costs per ounce	$ 198	$ 147
Average total production costs per ounce	$ 319	$ 221

Goldstrike Property, Nevada



Round Mountain Mine

General Information

Wholly-owned subsidiaries of Barrick own a 50% interest in the Round Mountain gold mine, which is located approximately 60 miles (96 kilometers) north of Tonopah in Nye County, Nevada, at an elevation of approximately 6,200 feet (1,890 meters). Kinross Gold Corp. owns the remaining 50% interest and is the operator. Access to the property is by paved road. Generally, the climate of the area does not materially impact on the mine's operations. Barrick acquired its interest upon its merger with Homestake. Homestake had acquired its initial 25% interest in Round Mountain in 1984, and bought an additional 25% in July 2000. Barrick and Kinross Gold Corp. have first refusal rights over each other's interest in the property. The mine has been in operation since 1977. Based on existing reserves and production capacity, the expected remaining mine life is 5 years. Effective January 31, 2003, Kinross Gold Corp. succeeded to the interest of Echo Bay Mines Limited by merger.

The Round Mountain property position consists of contiguous patented and unpatented mining claims covering approximately 36,920 acres (14,930 hectares). Patented claims cover all of the current reserves in the ultimate pit.

Geology

The Round Mountain orebody is a large, epithermal, low-sulphidation, volcanic-hosted, hot-springs type, precious metal deposit located along the margin of a buried volcanic caldera. The deposit genesis is associated with the Tertiary volcanism and caldera formation. Intra-caldera collapse features and sympathetic faulting in the metasedimentary rocks provided the major structural conduits for gold-bearing hydrothermal fluids. Ascending fluids deposited gold within the metasediments and overlying volcanic tuff units along a broad northwest trend.

Gold mineralization at Round Mountain occurs as electrum in association with quartz, adularia, pyrite and iron oxides. Economic gold mineralization is found in both the volcanic and surrounding metasedimentary rocks as well as overlaying alluvial placers. The mineralization occurs within shear zone fractures and veins or as disseminations within the more permeable units. Narrow fractures in shear zones host higher-grade mineralization while porous volcanic rocks host the lower-grade disseminated mineralization. Primary sulphide mineralization consists of electrum associated with or internal to pyrite grains. In oxidized zones, gold occurs as electrum associated with iron oxides, or as finely divided blebs along fractures.

Alteration of the volcanic units at Round Mountain can be characterized as a continuum from fresh rock progressing through chlorite; clay; sericitic and quartz; adularia, quartz and sericite; and quartz and adularia alteration assemblages. The alteration is zoned outward from potassic at the center to propylitic on the margin. There is a reasonable correlation between increasing gold grades and increasing degrees of alteration. The central ore zone is characterized by pervasive K-feldspar found replacing the rock groundmass and primary sanidine, or as crystal growths in open-space.

Alteration within the metasedimentary rocks are more subtle, largely defined by secondary quartz overgrowths, pyrite, and adularia associated with narrow northwest trending structures.

The open-pit mine is over a mile (1.6 kilometers) at its longest dimension and currently more than 1,295 feet (395 meters) from the top bench to the bottom of the pit.

Mining and Processing

The operation uses open-pit mining methods and recovers gold using four independent processing operations. These include crushed ore leaching (reusable pad), run-of-mine ore leaching (dedicated pad), milling of higher-grade ore, and the gravity concentration circuit. Recovered gold is smelted on site into doré and shipped to outside refineries for processing into bullion. Water is supplied from joint venture-owned wells on the property. Power is purchased from Sierra Pacific Power Company under a standard industry tariff.

In 2002, Round Mountain produced 755,493 ounces of gold, of which the Company's share was 377,747 ounces, at an average total cash cost of $187 per ounce. In 2003, the mine is expected to produce 725,000 ounces of gold, of which approximately 363,000 ounces would be the Company's share, at an average total cash cost of $198, with lower gold production from the dedicated pad the primary reason for the decrease in production.

Environment

In 2002, all activities at the mine were in compliance in all material respects with applicable environmental regulations. Barrick is not aware of any proposed changes to these standards and regulations that would materially affect the mine's operations.

At December 31, 2002, Barrick's share of future reclamation and closure costs for the mine were estimated at $37 million. At December 31, 2002, Barrick has accrued $25 million through charges to earnings. In connection with the reclamation of the mine area, Barrick has provided financial security as required by governmental authorities. See "Environment and Closure".

Exploration, Drilling and Analysis

In 2002 the mine exploration program focused on the Gold Hill area, consisting of 111 holes totaling 72,161 feet (21,995 meters). An external commercial laboratory was used to assay all the exploration drill hole samples. Blanks, duplicates, and standards are all included with each set of samples for quality control and quality assurance purposes. In addition, check assays were completed at an external commercial lab.

Approximately 4,089 drill holes have been completed within and around the Round Mountain deposit of which seven percent are core holes, with the remainder drilled by reverse-circulation methods. 96 reverse-circulation holes totalling 38,970 feet (11,878 meters) were added to the database in 2002. Optimum spacing within the Round Mountain deposit ranges between 100 and 140 feet (30 and 42 meters). All of the drill holes have footage that has been sampled on five-foot intervals and assayed for gold by the fire assay method with a gravimetric finish. For the Round Mountain deposit, all sampling and assaying is done on-site by the in-house lab. Internal check assays and external check assays are performed by independent laboratories.

Capital Expenditures

In 2002, Barrick's share of capital expenditures were $16 million (of which $8 million was Barrick's share), which included 3 additional 240 trucks, a wheel dozer, a production drill and the buyout of a wheel loader on lease. In 2003, capital expenditures are expected to be $16 million (of which $8 million is the Company's share) and will include construction of phase 4 of the west dedicated pad, mine dewatering and the payout for one 240 ton truck.

Royalties

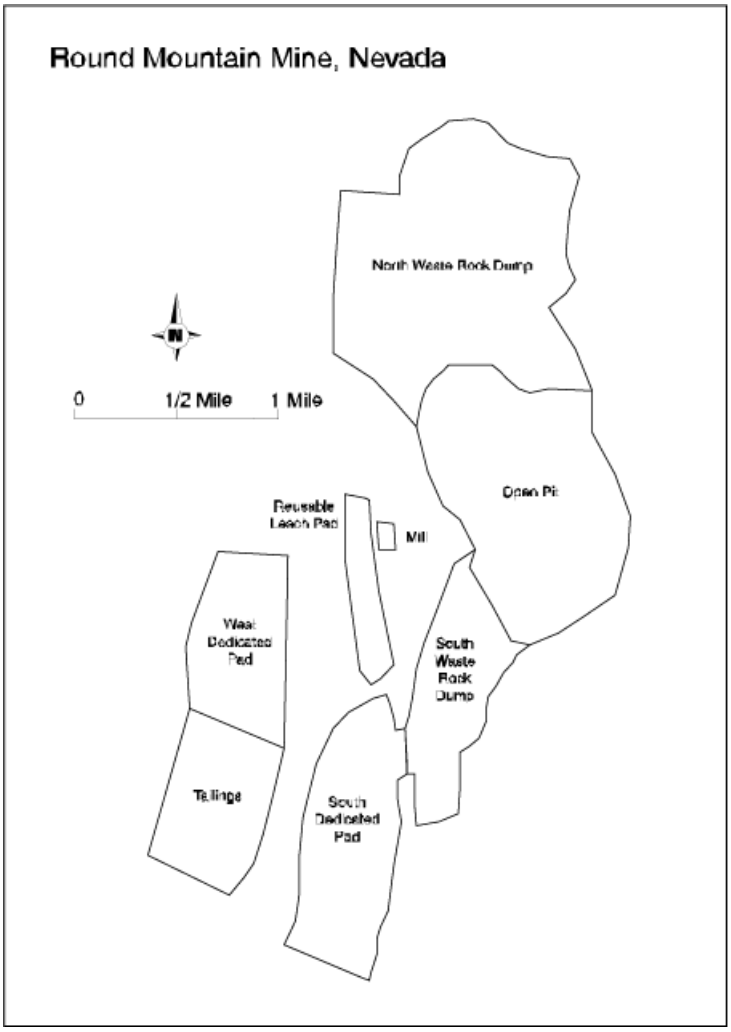
All Round Mountain mine production is subject to a royalty determined by a formula based on the price of gold. The royalties range from approximately 3.5% of gold revenues at prices of $320 per ounce of gold or less to approximately 6.4% of gold revenues at prices of $440 per ounce of gold or more. During 2002, the royalties averaged 3.5% of revenues.

Production Information

The following table summarizes certain production and financial information for the Round Mountain mine for the periods indicated:

	Year ended December 31, 2002	Year ended December 31, 2001
Tons mined (000's)	63,146	70,243
Tons of ore processed (000's)	62,221	58,660
Average grade processed (ounces per ton)	0.019	0.017
Ounces of gold produced (000's)	755	747
Ounces of gold produced (000's)- Barrick's share (1)	378	373
Average total cash costs per ounce	$ 187	$ 187
Average total production costs per ounce	$ 256	$ 249

(1) Represents Barrick's 50% ownership interest.



Canada

Barrick's principal Canadian properties consist of its Eskay Creek mine and the 50% owned Hemlo property.

Eskay Creek Mine

General Information

A wholly-owned subsidiary of Barrick owns the Eskay Creek gold/silver mine, which is located in northwestern British Columbia approximately 80 kilometers by air north of Stewart, British Columbia. Access is by 60 kilometers of privately owned single-lane gravel road. The mine is located at an elevation of 800 meters. Generally, the climate of the area does not materially impact on the mine's operations. The Eskay Creek mine was acquired by Barrick as a result of its merger with Homestake. Homestake acquired an interest in Eskay Creek in June 1992 when it merged with Corona Corporation, which owned 50.6% of Prime Resources Group Inc., which in turn owned 100% of the property. Homestake acquired the remaining 49.4% of Prime Resources Group Inc. in December 1998. Eskay Creek began commercial production in 1995. In 1997, the gravity and flotation mill was constructed to treat lower grade ore. Based on existing reserves and production capacity, the expected remaining mine life is 6 years.

The Eskay Creek property consists of five mining leases, two mineral claims and various other mineral and surface rights comprising approximately 2,060 hectares. The leases have remaining terms of 19-23 years, subject to renewal rights. There are aboriginal claims relating to areas of British Columbia, including a claim by the Tahltan Nation to the area which includes the Eskay Creek mine. The nature and extent and validity of such claims have not been determined. Barrick believes that its relations with the Tahltan Nation are good. Barrick does not believe that aboriginal claims at Eskay Creek will have any material adverse effect on the operations.

Geology

The Eskay Creek orebody is a precious metal-enriched volcanogenic massive sulphide deposit that occurs in association with volcanics of the Jurassic-aged (141 to 195 million years) Hazelton Group. Eskay Creek mineralization generally is stratabound and occurs in a contact mudstone and breccia bounded below by a rhyolite flow-dome complex and overlain by volcanic and sedimentary rocks in the west limb of a north-plunging fold. Recent mineralization has also been outlined in discordant feeder type relationships in the underlying rhyolite and dacite. Sphalerite, pyrite, galena and tetrahedrite are the most abundant ore minerals. Native gold occurs as mostly microscopic particles located between sulphide grains, in fractures with sulphide grains, or locked in pyrite. Gold also occurs in volcanic rocks beneath the contact mudstone, along with coarse-grained sphalerite, pyrite and galena in quarts veins or stockworks.

Mining and Processing

The mine is an underground, trackless operation accessible through three surface portals. Mining is conducted by a contractor using equipment owned by a subsidiary of Barrick. The mine utilizes a drift-and-fill mining method with cemented rock backfill. Higher-grade ore is crushed and blended at the mine site then sold to third-party smelters without any further processing. Additional higher-grade and lower-grade ore is sent to a 360 tons per day on-site gravity and flotation mill for further processing and concentration prior to transport to third party smelters. Mine waste rock and tailings from the mill are disposed of underwater in two nearby barren lakes. Water is supplied to the operation from the Eskay and Argillite Creeks and power is produced by on-site diesel generators.

In 2002, Eskay Creek produced 358,718 ounces of gold and 17.8 million ounces of silver at an average total cash cost of $40 per ounce of gold. In 2003, Eskay Creek is expected to produce 363,000 ounces of gold and 16.6 million ounces of silver at an average total cash cost of $64 per ounce of gold.

The increase in production reflects a decision to accelerate production by easing blending constraints on the direct ship ore and modifying the mill to increase throughput.

Environment

In 2002, all activities at the mine were in compliance in all material respects with applicable environmental regulations. Barrick is not aware of any proposed changes to these standards and regulations that would materially affect the mine's operations.

At December 31, 2002, future reclamation and closure costs for the mine were estimated at $6 million. At December 31, 2002, Barrick has accrued $3 million through charges to earnings. In connection with the reclamation of the mine area, Barrick has provided the security as required by governmental authorities. See "Environment and Closure".

Exploration, Drilling and Analysis

In 2002, the Company continued its development drilling program and in-fill drilling program. During 2002, 13,990 meters of surface and 35,207 meters of underground diamond drilling were completed. The 2003 exploration program will continue to follow up on mineralization that was outlined in previous years as well as new mineralization that was outlined in 2002. In 2003, the exploration program will also test for parallel or feeder potential below the known mineralization. The plan for 2003 is to complete 12,500 meters of surface and 33,000 meters of underground diamond drilling.

More than 5,800 diamond drill holes or about 568,197 meters have been drilled within and around the Eskay Creek Mine. Of this, 1600 holes or about 345,990 meters of core has been drilled from surface and 4200 holes or about 222,207 meters of core drilled from underground.

Surface drilling is generally planned at 100 to 200 meter spacing in prospective areas and is reduced to 25 meter spacing for follow-up used to outline resources. Core is split and prospective areas sampled on 1.5 meter lengths and mineralized sections sampled at 1.0 meter lengths. Known barren areas are only randomly sampled and all of the core is saved and stored.

Dependent on grade and target geometry, definition programs are nominally 10 meter centers and as tight as 5 meter centers in very high grade target areas. Diamond drill core in new areas is commonly split, but when in a known horizon it is usually whole sampled. In unmineralized areas, sample lengths may be up to 5 meters, but in known ore, sample lengths are generally a maximum of 1 meter.

Most surface core is assayed off-site. Surface assays are done by inductively coupled plasma atomic emission spectrometer and any values greater than 1 gram per ton (g/t) Au are redone by fire assay. All underground core and the closer-spaced resource driven surface programs are assayed by the on-site Eskay lab using fire assay for gold and silver and atomic absorption for base metals. All assays are systematically checked with both internal standards and systematic check assays performed by independent laboratories.

All drill hole collar, survey and assay information used in modeling and resource estimation are manually verified and approved by geologic staff prior to entry into the mine-wide database.

The quality assurance procedures and assay protocols followed in connection with drilling and sampling on the Eskay property have been reviewed by independent consultants and smelter representatives and found to conform to industry accepted quality control methods.

Capital Expenditures

During 2002, $8 million was spent on capital expenditures at Eskay Creek, including a ramp extension, underground equipment, mill and pipeline upgrades. Capital expenditures for 2003 are expected to be $6 million, including development ramping, ventilation and hydraulic backfill and bulk shotcrete systems.

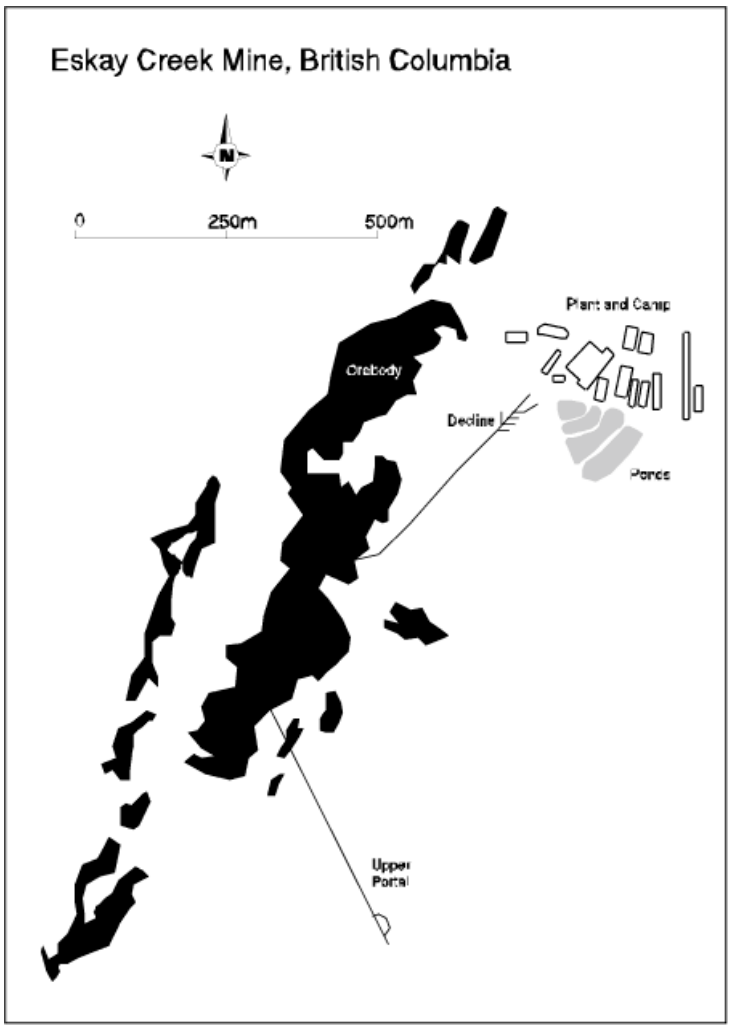
Royalties

The mine is subject to a 1% net smelter royalty, with the exception of a small portion of the orebody, which is subject to a 2% net smelter royalty.

Production Information

The following table summarizes certain production and financial information for the Eskay Creek mine for the periods indicated:

	Year ended December 31, 2002	Year ended December 31, 2001
Tons mined (000's)	254	230
Tons of ore shipped (000's)	128	121
Direct shipped ore grade (ounces per ton)	2.17	2.08
Direct shipped ore recovery (%)	95.4	95.6
Tons of ore milled (000's)	128	108
Mill grade (ounces per ton)	0.83	0.94
Mill recovery (%)	92.5	89.8
Ounces of gold produced (000's)	359	321
Average total cash costs per ounce	$ 40	$ 49
Average total production costs per ounce	$ 174	$ 176



Hemlo Property

Barrick owns a 50% interest in the Hemlo operations, which are comprised of two underground mines (the Williams (which includes an open-pit mine) and David Bell mines), located in the Hemlo Gold Camp, approximately 350 kilometers east of Thunder Bay. Equally owned subsidiaries of Barrick and Teck Cominco Limited operate the mines. Barrick and Teck Cominco Limited provide funds equally for all costs incurred to operate the mines and have rights of first refusal over each other's interests in the mines and operating companies. Based on existing reserves and production capacity, the expected remaining mine lives of the David Bell mine and the Williams mine, respectively, are 6 years and 10 years.

The Williams and David Bell mines share milling, processing and tailings facilities. Each mill circuit includes a semi-autogenous mill and a ball mill. Gravity and C-I-P processes are used to recover gold. Recovered gold is smelted into doré on-site and shipped to an outside refinery for processing into bullion. Tailings water is reclaimed for use in the mill and excess water is treated through a seasonally operated effluent treatment plant prior to discharge into the environment.

Ground stability continues to be a significant area of focus for the Hemlo operations. Changes to the mine plan, mining sequence, increased ground support and increased monitoring instrumentation are ongoing to minimize this risk.

In 2002, the Company's share of Hemlo gold production was 269,057 ounces at an average cash cost of $224 per ounce. In 2003, the Company's share of Hemlo gold output is expected to be 253,000 ounces, produced at an average cash cost of $231. In 2002, the average grade milled was 0.15 ounces per ton, which is expected to decrease to 0.14 ounces per ton in 2003.

In 2002, all activities at the mine were in compliance in all material respects with applicable environmental regulations. Barrick is not aware of any proposed changes to these standards and regulations that would materially affect the mine's operations**.**

At December 31, 2002, the Company's share of reclamation and closure costs for the Hemlo operations were estimated at $19 million. At December 31, 2002, the Company has accrued $10 million through charges to earnings. In connection with the reclamation of the mine area, the Company has provided financial security as required by governmental authorities. See "Environment and Closure".

The mining claims at the Williams mine are subject to three net smelter royalties totaling a net effective rate of 2.06%. The mining claims at the David Bell mine are subject to a 3% net smelter royalty.

The following table summarizes certain production and financial information for the Hemlo operations for the periods indicated:

	Year ended December 31, 2002	Year ended December 31, 2001
Tons mined (000's)	8,228	6,876
Tons of ore processed (000's)	3,812	3,849
Average grade processed (ounces per ton)	0.15	0.17
Recovery rate (%)	94.7	93.1
Ounces of gold produced (000's)	538	598
Ounces of gold produced (000's) - Barrick's share *(1)*	269	307
Average total cash costs per ounce	$ 224	$ 196
Average total production costs per ounce	$ 264	$ 232

(1) Represents Barrick's 50% ownership interest.

Australia

Barrick's principal Australian operations consist of its Kalgoorlie operations and its mines located in the Yilgarn District.

Kalgoorlie Mine

General Information

The Kalgoorlie operations are located adjacent to the town of Kalgoorlie approximately 550 kilometers northeast of Perth, Western Australia. Access is by paved road. The mine is located at an elevation of 420 meters above sea level. Except with respect to the roaster as noted below, generally, the climate of the area does not impact on the mine's operations. Mining operations in the Kalgoorlie region date back to 1893.

Barrick acquired a 50% interest in the Kalgoorlie operations as a result of its merger with Homestake in 2001. Subsidiaries of Newmont Mining Company ("Newmont"), own the other 50% interest. Barrick, through a wholly-owned subsidiary, and Newmont jointly own and control Kalgoorlie Consolidated Gold Mines Pty Ltd. ("KCGM"), which manages the operations under the direction of a joint management committee. Homestake acquired its interest in the original joint venture in 1975. In 1989, KCGM was formed to assume management of the Mt. Charlotte underground mine and to develop and operate the Super Pit open pit mine for the joint venture. Mt. Charlotte was scheduled to cease production in 2002, but mining of residual ore may prolong its life through 2003. The Super Pit mine commenced operations in 1989 and since then approximately 10 million ounces of gold have been recovered. Based on existing reserves and production capacity, the expected remaining mine life of the Super Pit mine is 18 years.

The Kalgoorlie properties consist of 58 mining leases and 104 prospecting licenses covering approximately 23,000 hectares. The mining leases were granted for a term of 21 years on conditions covering rental, royalties, expenditures, mining practices and rehabilitation. They are renewable in the final year. There are a number of native title claims relating to the area of the Kalgoorlie operations, but the validity of those claims has not been determined. See "Legal Matters – Title to Properties".

Geology

The ore deposits mined in the Kalgoorlie goldfields occur within an intensely mineralized shear zone system in dolerite host rocks, within the Norseman-Wiluna greenstone belt, which is part of the Yilgarn Block of Western Australia. The rocks are of Archean age. The favorable structural, metamorphic and lithologic setting in conjunction with hydrothermal activity controlled gold mineralization. Since 1893, in excess of 48 million ounces of gold have been produced from the Kalgoorlie properties at depths of up to 1,220 meters from high-grade lodes and adjacent disseminated mineralization in the Golden Mile Dolerite, and from the large stockwork zones, which characterize Mt. Charlotte and Reward (underground) orebodies.

Mining and Processing

The Kalgoorlie operations consist of the Super Pit open-pit mine. Ore is treated at the Fimiston mill. Sulphide concentrates produced at the Fimiston mill are roasted and leached at the Gidji roaster, located approximately 20 kilometers north of the main Kalgoorlie operations. Gold-laden carbon from the Gidji roaster is sent to the Fimiston mill for processing. As a result of increasingly stringent sulfur dioxide emissions constraints and unfavorable weather conditions, from time to time the roaster is unable to treat all of the sulphide concentrates produced by the mill. In 2002, through improvements made to the treatment plant and the roaster, Kalgoorlie was able to reduce its inventory of sulphide concentrate. Doré is produced on-site and shipped to offsite refiners for refinement into gold bullion. The Super Pit mine is located along the Golden Mile orebodies previously mined from underground. Mining at the Super Pit is by open-pit, truck-and-loader mining methods, with most of the ore and waste being mined on 10-meter benches. Until the first quarter of 2000, contractors had been employed to conduct the open-pit mining

operations, ore and concentrate haulage, and some specialized services. During the first quarter of 2000, the transition of mining operations from the open-pit mining contractor to owner mining was completed.

In 2002, the mine produced 720,049 ounces of gold, of which the Company's share was 360,025 ounces, at an average total cash cost of $222 per ounce. In 2003, the mine is expected to produce 688,000 ounces of gold, of which 344,000 ounces would be the Company's share, at an average total cash cost of $237 per ounce. The average grade processed in 2002 was 0.061 ounces per ton, which is expected to be the same in 2003.

Fresh water is supplied under allocation from the state water system and is piped approximately 550 kilometers from Perth. Remaining process water requirements are satisfied using salt water taken from wells and the underground mine. Power is provided under a power supply agreement with Newmont Power Pty Ltd., a wholly-owned subsidiary of Newmont Mining Company.

Environment

In 2002, all activities at the mine were in compliance in all material respects with applicable environmental regulations. Barrick is not aware of any proposed changes to these standards and regulations that would materially affect the mine's operations.

At December 31, 2002, the Company's share of the reclamation and closure costs for the mine was estimated at $23 million. At December 31, 2002, the Company has accrued $10 million through charges to earnings. In connection with the reclamation of the mine area, the Company has provided the financial security as required by the governmental authorities. See "Environment and Closure".

Exploration, Drilling and Analysis

Exploration during 2002 was focused on projects in the near-mine area. 37 reverse circulation holes, for a total of 2,332 meters of drilling, were completed at Aberdare, south of the Fimiston pit, to locate extensions to the existing resources in this area. Four diamond holes were drilled to the north and west of Fimiston, for a total 1724 meters of drilling, to test targets associated with the Golden Pike Fault and two diamond holes were drilled at Mt. Percy, for a total of 815 meters of drilling, to test a conceptual structural target. At the Kalgoorlie South project, two diamond holes were drilled, for a total of 944 meters of drilling, with the aim of locating a northerly extension of a mineralized shear zone at Hannan South.

In 2003, the planned exploration program at Kalgoorlie includes 10,000 meters of diamond drilling and 10,300 meters of reverse circulation drilling. The main focus for exploration will be the belt from the Morrison area at the southern end of Fimiston pit to the Mt. Percy area north of Mt. Charlotte. Deep diamond drilling is planned to test for high grade lode-style mineralization in a second dolerite horizon below the Fimiston pit.

More than 9,100 surface drill holes have been completed within and around the Fimiston Super Pit. Over 65 percent of the surface drill holes are diamond core holes and the remainder are reverse circulation and conventional rotary drill holes. More than 11,800 underground diamond core holes have also been drilled along with over 21,000 reverse circulation holes for grade control. Drill spacing is 10-20 meters in the upper reserve levels and 40-100 meters deeper in the orebody.

Drill holes have been sampled mainly on two-meter intervals (65 percent) or one-meter intervals (30 percent). Samples are assayed for gold by the fire assay method. Assaying is done by an independent

laboratory with both internal check assays and external check assays performed by another independent laboratory.

All drill hole collar, survey and assay information used in modeling and resource estimation is manually verified and approved by geologic staff prior to entry into the mine-wide database.

The quality assurance procedures and assay protocols followed by KCGM in connection with drilling and sampling on the Fimiston property conform to industry accepted quality control methods.

Capital Expenditures

Barrick's share of capital expenditures at Kalgoorlie in 2002 was $14 million, primarily for mining equipment, treatment optimization projects, infrastructure, miscellaneous mining projects and sustaining capital projects. Capital expenditures for 2003 are expected to be $21 million (Barrick's share), primarily for mine equipment, treatment, optimization projects and sustaining capital.

Royalties

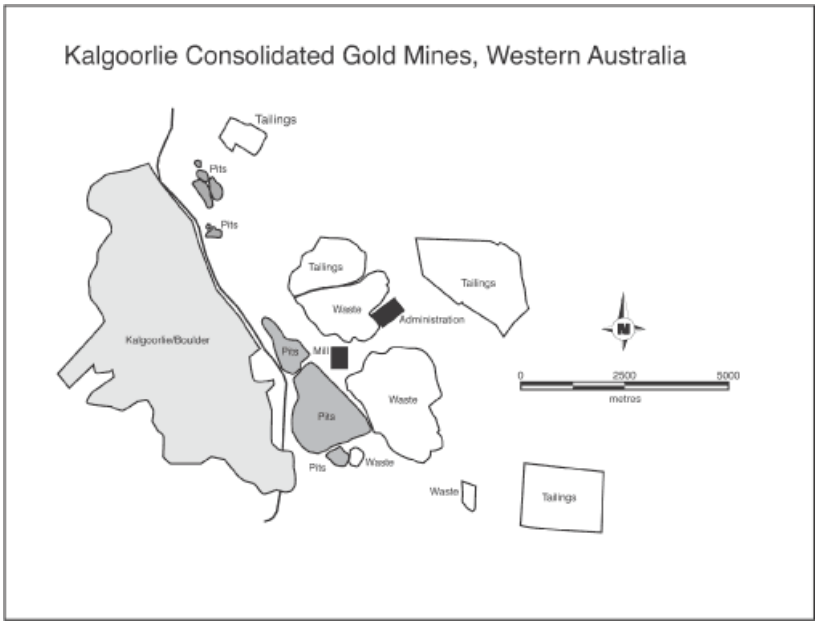
On July 1, 1998 a gold royalty became payable to the State of Western Australia at a rate of 1.25% on the realized value of gold produced, increasing to 2.5% on July 1, 2000 in respect of all of the Company's State of Western Australia properties. The realized value is based on the spot price of gold. From July 1, 2000 through June 30, 2005, the royalty rate has been reduced to 1.25% during calendar quarters when the spot gold price is less than A$450 per ounce. At December 31, 2002 the spot gold price was A$613 per ounce. There are no other royalties currently payable on production from the Kalgoorlie operations.

Production Information

The following table summarizes certain production and financial information for the Kalgoorlie operations for the periods indicated:

	Year ended December 31, 2002	Year ended December 31, 2001
Tons mined (000's)	92,648	92,601
Tons of ore processed (000's)	14,101	13,192
Average grade processed (ounces per ton)	0.061	0.066
Recovery rate (%)	82.6	84.3
Ounces of gold produced (000's)	720	769
Ounces of gold produced (000's) - Barrick's share *(1)*	360	385
Average total cash costs per ounce	$ 222	$ 203
Average total production costs per ounce	$ 279	$ 252

(1) Represents Barrick's 50% ownership interest.



Yilgarn District

The Yilgarn district consists of the Plutonic, Darlot and the Lawlers mines. Barrick acquired the mines through its merger with Homestake in 2001. Homestake acquired each of these mines as an operating mine in its 1998 merger with Plutonic Resources Limited. Plutonic itself was incorporated as Noranda Limited in Victoria in 1984 and listed on the Australian Associated Stock Exchange in August 1985. In 1989, it acquired the Plutonic property in Western Australia following discovery of a gold deposit in 1988. It subsequently explored, developed and constructed the Plutonic mine, which commenced production in August 1990. The Darlot mine covers an extensive goldfield discovered more than 100 years ago. The Lawlers mine has operated since 1986.

Plutonic Mine

A wholly-owned subsidiary of Barrick owns the Plutonic gold mine, which is located approximately 180 kilometers northeast of Meekatharra, Western Australia, and approximately 13 kilometers from the Great Northern Highway. Staff employees and contract personnel work on two-weeks-on and one-week-off rotations on a fly-in-fly-out-basis. Based on existing reserves and production capacity, the expected remaining mine life is 10 years.

The Plutonic mine consists of both open-pit and underground operations. Underground operations are the primary source of ore, although open-pit mining of several smaller pits continues. Ore mined from the underground and the open pits is being supplemented with ore from stockpiles. Ore is treated at the on-site mill, which operates both sulphide and oxide circuits. Doré is produced on-site and shipped to offsite refiners for refinement into gold bullion.

The mine produced 307,377 ounces of gold during 2002 at a total cash cost of $184 per ounce. In 2003, the mine is expected to produce 295,000 ounces at a total cash cost of $194 per ounce. The average grade processed in 2002 was 0.097 ounces per ton and the average grade processed in 2003 is expected to be 0.120 ounces per ton (reflecting a higher proportion of underground ore in the mill feed for 2003).

In 2002, all activities at the mine were in compliance in all material respects with applicable environmental regulations. Barrick is not aware of any proposed changes to these standards and regulations that would materially affect the mine's operations.

At December 31, 2002, reclamation and closure costs for the mine were estimated at $9 million. At December 31, 2002, the Company has accrued $3 million through charges to earnings. In connection with the reclamation of the mine area, the Company has provided financial security as required by governmental authorities. See "Environment and Closure".

With the exception of the royalty payable to the State of Western Australia described under "Kalgoorlie Operations", the underground operations are not subject to any royalties. However, 16 mining leases which contain a relatively small proportion of the mine's overall reserves and resources are subject to a sliding-scale royalty based on tonnage and grade.

The following table summarizes certain production and financial information for the Plutonic mine for the periods indicated:

	Year ended December 31, 2002	Year ended December 31, 2001
Tons mined (000's)	14,289	12,134
Tons of ore processed (000's)	3,532	3,496
Average grade processed (ounces per ton)	0.097	0.091
Recovery rate (%)	89.5	91.3
Ounces of gold produced (000's)	307	288
Average total cash costs per ounce	$ 184	$ 166
Average total production costs per ounce	$ 222	$ 211

Darlot Mine

A wholly-owned subsidiary of Barrick owns the Darlot gold mine, which is an underground mine located approximately 113 kilometers north of Leonora, Western Australia. The Darlot mine is a fly-in-fly-out operation with staff employees and contractor personnel working on two-weeks-on and one-week-off rotations. Based on existing reserves and production capacity, the expected remaining mine life is 10 years.

Ore is treated at the on-site mill. Doré is produced on-site and shipped to offsite refiners for refinement into gold bullion.

In 2002, the mine produced 145,443 ounces of gold at an average total cash cost of $168 per ounce. In 2003, the mine is expected to produce 143,000 ounces of gold at an average total cash cost of $176 per ounce.

In 2002, all activities at the mine were in compliance in all material respects with applicable environmental regulations. Barrick is not aware of any proposed changes to these standards and regulations that would materially affect the mine's operations.

At December 31, 2002, reclamation and closure costs for the mine were estimated at $3 million. At December 31, 2002, the Company has accrued $3 million through charges to earnings. In connection with the reclamation of the mine area, the Company has provided financial security as required by governmental authorities. See "Environment and Closure".

With the exception of the royalty payable to the State of Western Australia described under "Kalgoorlie Operations", the Darlot mine is not subject to any royalties.

The following table summarizes certain production and financial information for the Darlot mine for the periods indicated:

	Year ended December 31, 2002	Year ended December 31, 2001
Tons mined (000's)	840	794
Tons of ore processed (000's)	849	806
Average grade processed (ounces per ton)	0.176	0.161
Recovery rate (%)	97.2	96.5
Ounces of gold produced (000's)	145	125
Average total cash costs per ounce	$ 168	$ 173
Average total production costs per ounce	$ 215	$ 219

Lawlers Mine

A wholly-owned subsidiary of Barrick owns the Lawlers gold mine, which is located approximately 120 kilometers northwest of Leonora, Western Australia. The mine is a fly-in-fly-out operation with staff employees and contractor personnel working on a two-weeks-on and one-week-off rotation. Based on existing reserves and production capacity, the expected remaining mine life is 5 years.

The Lawlers mine consists of both underground and open pit operations. The primary sources of ore at present are from underground operations situated approximately 15 kilometers from the mill and are supplemented by open pit mining. Ore from stockpiles supplements the underground and open pit feed. Contractors perform the mining. The mine moved to owner mining in the first quarter of 2003. Ore is treated at the on-site mill, which processes both sulphide and oxide ores. Doré is produced on-site and shipped for refinement into gold bullion.

The mine produced 113,291 ounces of gold during 2002 at an average total cash cost of $179 per ounce. The previously announced targets for 2003 called for production of 111,000 ounces of gold at an average total cash cost of $213 per ounce. However, mining in the Fairyland open pit was suspended in January 2003 due to slope stability concerns and is not expected to recommence until later in the year. As a result, the mine is not expected to meet the previously announced targets. The average grade processed

in 2002 was 0.162 ounces per ton and the average grade processed in 2003 is expected to be 0.140 ounces per ton.

In 2002, all activities at the mine were in compliance in all material respects with applicable environmental regulations. Barrick is not aware of any proposed changes to these standards and regulations that would materially affect the mine's operations.

At December 31, 2002, reclamation and closure costs for the mine were estimated at $7 million. At December 31, 2002, the Company has accrued $5 million through charges to earnings. In connection with the reclamation of the mine area, the Company has provided financial security as required by the governmental authorities. See "Environment and Closure".

With the exception of the royalty payable to the State of Western Australia described under "Kalgoorlie Operations", the Lawlers mine is not subject to any royalties.

The following table summarizes certain production and financial information for the Lawlers mine for the periods indicated:

	Year ended December 31, 2002	Year ended December 31, 2001
Tons mined (000's)	4,746	628
Tons of ore processed (000's)	718	775
Average grade processed (ounces per ton)	0.162	0.141
Recovery rate (%)	97.3	95.2
Ounces of gold produced (000's)	113	104
Average total cash costs per ounce	$ 179	$ 191
Average total production costs per ounce	$ 221	$ 243

South America

Pierina Mine

General Information

A wholly-owned subsidiary of Barrick owns the Pierina mine, which is located in the Andean Cordillera in the Department of Ancash, in north central Peru, approximately 10 kilometers northwest of the city of Huaraz, at an altitude of approximately 4,100 meters. The property is characterized by sloping to moderately steep, undulating topography. Generally, the climate of the area does not impact on the mine's operations. The mine is accessed by an approximately 16 kilometer gravel road from Huaraz. The Mine comprises a total area of approximately 3,530 hectares. The property was acquired by Barrick through the acquisition of Arequipa Resources Ltd. in August 1996. The Company developed Pierina from an advanced stage exploration property to a producing mine in just over two years. The mine commenced production in November 1998. Based on existing reserves and production capacity, the remaining mine life is 5 years. The Company owns surface rights and mining concessions covering 5,400 hectares in respect of the Pierina mine. In Peru, mining concessions grant the holder the right to explore for and exploit mineral deposits.

Geology

The Pierina district contains structurally controlled gold, silver, lead, zinc and copper mineralization in the geologic age Calipuy volcanics. An approximately 70 kilometer long belt of hydrothermal alteration is associated with the known deposits. Basal andesitic lavas and overlying rhyodacitic pumice and lithic tuffs underlie the Pierina deposit. Dominant structures in the deposit trend north-northwest, west-northwest and northeast.

Gold mineralization at Pierina, which is characterized by vuggy silica alteration, is dominantly hosted in the rhyodacitic pumice tuff with lesser amounts in the overlying lithic tuff and in the underlying andesite. This is flanked by immediate quartz-alunite and argillic alteration. Ore-grade mineralization in the pumice tuff occurs over intervals of more than 260 meters. The area of currently known mineralization at Pierina measures approximately 450 meters wide by 1,200 meters long and is presently open to the southeast. There is also significant silver mineralization in the Pierina deposit. Over 95% of the known mineralization at Pierina is oxide. However, sulphide feeder zones have been intersected at the bottom of the deposit.

Mining and Processing

The orebody is being mined as an open pit, truck-and-loader operation, at an average mining rate of 90,004 tons per day in 2002 (expected to be 107,773 tons per day in 2003). Run-of-mine ore is crushed and then transported to the leach pad area. The leach process is a classic valley-fill method. Recovered gold is smelted into doré on-site and shipped to an outside refinery for processing into bullion. Power is provided by a utility company through a 138-kilowatt line connected to the Canyon del Pato 150-megawatt hydroelectric generating plant, located approximately 90 kilometers from the mine. The waste dump and leach pad facilities are contained within one valley, limiting potential environmental impacts. The operation's effects on surface water and ground water resources are taken into account to ensure that residents downstream of the site are not adversely affected.

Mining activity is focused on three laybacks: the initial layback, mining of which was completed in the third quarter of 2001; layback 2, which contains high grade ore and is scheduled to be mined through 2003; and layback 3, which is expected to provide ore continuously through 2007. In 2002, the average grade placed on the heap leach pad was 0.080 ounces per ton and it is expected to be 0.076 ounces per ton in 2003.

The Pierina mine produced 898,228 ounces of gold at a total cash cost of $80 per ounce in 2002. In 2003, production is expected to be 908,000 ounces of gold at an average total cash cost of $86 per ounce. The increase in total cash costs from 2001 is primarily due to the commencement of amortization of previously deferred stripping costs. In 2001, a continuous improvement initiative started at the mine, the principal benefits of which have been an increase in crusher throughput and cost reductions through decreased supply, consumption and prices. As a result of the improvements, the life-of-mine average total cash cost is expected to drop below the previously estimated $110 per ounce level to below $90 per ounce.

Environment

In 2002, all activities at the mine were in compliance in all material respects with applicable environmental regulations. Barrick is not aware of any proposed changes to these standards and regulations that would materially affect the mine's operations.

At December 31, 2002, future reclamation and closure costs for the mine were estimated at $66 million. At December 31, 2002, Barrick has accrued $40 million through charges to earnings. See “Environment and Closure”.

Exploration, Drilling and Analysis

In 2002, Barrick continued its development drilling program, focusing in the connection of the northern zone and the southeast extension. In 2003, Barrick will continue development drilling of certain targets identified in 2002.

Exploration on the Pierina property has been conducted using surface mapping and sampling, tunneling and drilling. Over 811 drill holes have been completed in the Pierina area. About 14 percent of these are diamond core drill holes and the remainder are reverse circulation rotary holes. Reverse circulation holes have been drilled on approximately 45-meter centers. Diamond core holes have been used to reduce that spacing to 25 meters locally. While some early drilling was sampled on 2-meter intervals, the majority has been sampled on 1-meter intervals. Samples have been prepared and fire assayed for gold by an independent Peruvian laboratory at its facilities in Huaraz and Lima. The quality assurance procedure followed at the Pierina property has been reviewed by an independent contractor and found to conform to industry accepted quality control methods.

Capital Expenditures

In 2002, capital expenditures for the Pierina property were $5 million, including sustaining capital expenditures and expenditures for construction of a leach pad dam and other projects. For 2003, capital expenditures are expected to be $17 million for sustaining capital, leach pad expansions and upgrading certain processing facilities.

Royalties

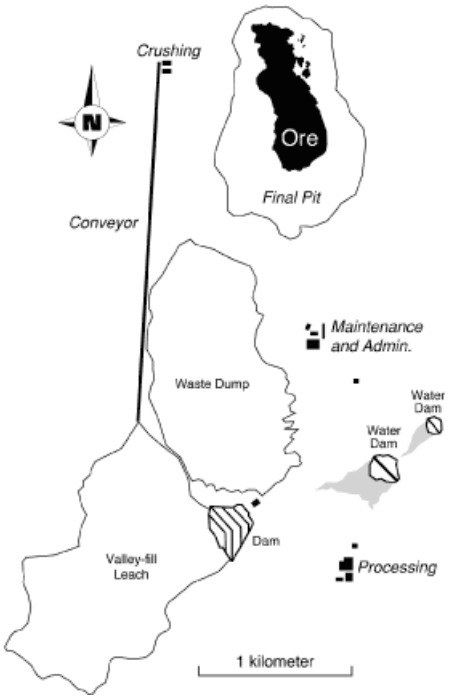
The Pierina mine is not subject to royalties.

Production Information

The following table summarizes certain production and financial information for the Pierina mine for the periods indicated:

	Year ended December 31, 2002	Year ended December 31, 2001
Tons mined (000’s)	32,311	30,742
Tons of ore processed (000’s)	13,414	10,968
Average grade processed (ounces per ton)	0.080	0.097
Ounces of gold produced (000’s)	898	911
Average total cash costs per ounce	$ 80	$ 40
Average total production costs per ounce	$ 271	$ 235

Pierina Mine, Peru



Africa

Bulyanhulu Mine

General Information

The Bulyanhulu gold mine is located in northwestern Tanzania, East Africa, approximately 55 kilometers south of Lake Victoria and approximately 150 kilometers from the city of Mwanza.

Barrick operates the Bulyanhulu property through its wholly-owned subsidiary Kahama Mining Corporation Limited (“Kahama”). Bulyanhulu, which is an underground gold mine, was purchased through Barrick’s acquisition of Sutton Resources Ltd. in March 1999.

The property is located in essentially flat topography on the Victoria Greenstone Belt. Generally, the climate of the area does not impact on the mine’s operations. The property can be accessed by road or by air. An airstrip has been located on the property. The property can be accessed by road from Mwanza or from the south via an approximately 72 kilometer road, which connects to the main paved highway to Dar es Salaam, and to a railway line.

Gold was first discovered at Bulyanhulu in 1976. In 1994, after several exploration efforts, the Government of Tanzania entered into a development agreement and granted a prospecting license to Kahama (then a subsidiary of Sutton Resources Ltd.). Kahama began conducting on-site work, including geochemical and geophysical surveys, in September 1994 and commenced drilling in January 1995. From June 1998 through to March 1999, various work was completed (including construction of camp facilities, certain infrastructure, earthworks, development of an underground ramp for test mining and commencement of level development).

At the time of acquisition in 1999, proven and probable mineral resources were approximately 3.6 million ounces of gold. At the end of 2002, Bulyanhulu had 11.65 million ounces of proven and probable gold reserves. Drill results to date indicate that grades improve at depth. The current reserves are concentrated on one reef but significant exploration potential has been identified on two other reefs on the property. Based on existing reserves and production capacity, the expected remaining mine life is 22 years.

Geology

At Bulyanhulu, the geology consists of mafic volcanic flows overlain by a series of pyroclastics and ash tuffs. Argillite is present at the contact between the mafic and felsic rocks. The gold, silver and copper mineralization on the property occurs in mineralized “reefs” or quartz veins localized along steeply dipping northwest striking structures, generally localized in the argillite units. The zone strikes 310 degrees and dips steeply to the northeast. The mineralization has been defined over a strike length of 5 kilometers and averages 2 to 3 meters wide. The most significant structure discovered on the property to date is Reef 1 and it contains the bulk of the mineral reserves defined to date.

Mining and Processing

Bulyanhulu is an underground trackless mining operation using long hole and drift-and-fill as its principal stoping methods. Ore reserves are accessed via a surface shaft and an internal ramp system. The 3,000 tonnes per day (3,300 tons per day) plant consists of a crushing and grinding circuit, a copper/gold/silver flotation circuit, a tailings thickening/filtration circuit and a tailings disposal. Power to the property is supplied through a 220-kilowatt overhead line connecting the property to the Shinyanga Station and is purchased pursuant to a contract with the Tanzanian Electric Supply Company, Ltd. that expires in 2005. Water is supplied through a 48 kilometer pipeline from Lake Victoria to the property.

In 2002, the mine produced 356,319 ounces of gold at a total cash cost of $198 per ounce. The previously announced targets for 2003 called for production of 415,000 ounces of gold at a total cash cost of $175 per ounce. The mine is not expected to meet the previously announced targets due to a combination of lower than planned equipment availability, causing the expected underground tonnage mined to be approximately 5% lower than planned, and local fluctuations from the mine plan in expected grade mined during 2003.

During 2002, Barrick updated the mine's long-range plan, adding new mining areas at deeper levels of Reef 1, below and west of the central zone. Gold recoveries during 2002 averaged 86%, reflecting improvements made to the flotation circuit of the plant during the first half of the year. The average grade processed in 2002 was 0.39 ounces per ton, reflecting a slower build-up in production from higher-grade long-hole stopes. In 2003, the expected grade for processing is 0.41 ounces per ton. Gold copper concentrate is shipped to an outside smelter.

Environment

In 2002, all activities at the mine were in compliance in all material respects with applicable environmental regulations. Barrick is not aware of any proposed changes to these standards and regulations that would materially affect the mine's operations.

At December 31, 2002, future reclamation and closure costs for the mine were estimated at $17 million. At December 31, 2002, Barrick has accrued $700,000 through charges to earnings. See "Environment and Closure".

Exploration, Drilling and Analysis

Diamond drilling is the primary method of exploring the Bulyanhulu deposit. As of December 31, 2002, with no new surface exploration holes being drilled during 2002, a total of 993 diamond drill holes had been completed for a total of over 430,000 meters. Holes have been drilled on a regular grid with a spacing of 25 meters above the 4,850 meter elevation (with surface elevation being 5,000 meters), spacing of 50 to 100 meters down to the 4,450 meter elevation, and 100 to 150 meters below the 4,450 meter elevation. Drilling is done from the hanging wall to the footwall at inclined angles between 45-87 degrees. Exceptions are reverse circulation and geotechnical holes, which are drilled vertically. Maximum vertical depth drilled to date is 2,225 meters.

The drilling program to date has turned Bulyanhulu into at least five distinct deposits: the Main, West and East Zones, Reef 2 and Reef 0. The Main Zone hosts the majority of the existing mineral reserves and is open at depth. The East Zone was discovered in 2000, is estimated to contain 1.2 million ounces of gold and is open to the east, west and at depth. The West Zone is estimated to host almost 2 million ounces and is open at depth and to the west. Reef 0, a very encouraging reef, is located about 10 meters from the current Main Zone between Reef 1 and Reef 2. Reef 2 consists of a series of mineralized structures located approximately 500 meters from Reef 1.

The 2002 underground ore definition drilling program included over 15,750 meters of drilling, targeting the Central and East Zones. The exploration program for 2003 will consist of infill drilling around existing reserves. Sampling intervals are based on geological units and mineralized zones; otherwise minimum and maximum widths for sampling are 0.5 meters and 1 meter respectively. All samples are prepared and assayed for gold at independent laboratories in Canada and Tanzania. A standard fire assay method is used, and high-grade samples are checked with Metallic Screen Fire Assay. Every twentieth sample submitted to the lab is either a blank or a standard, and results are reviewed by an independent auditor, who requests assay repeats where required. Samples are routinely sent to other labs for testing.

Quality assurance procedures used at Bulyanhulu have been set up by an independent auditor and have been found to meet or exceed standard mining industry practices.

Bulyanhulu is the hub of Barrick's district development program in Tanzania. The Company's objective is to discover, develop and produce gold from this new gold district. A development plan for

Tulawaka, approximately 100 kilometer from Bulyanhulu, is expected to be completed in the second quarter of 2003.

Capital Expenditures

Capital expenditures in 2002, primarily for completing and equipping the shaft, for mine development and process plant modifications totalled $56 million. 2003 capital expenditures are expected to total $36 million, mainly for underground mining equipment and infrastructure.

Royalties

The Bulyanhulu property, under Article 86 of the 1998 Mining Act of Tanzania, is obligated to pay to the government a royalty of 3% on the "net back value" of minerals produced from the property. "Net back value" means the market value of minerals freight-on-board at the point of export from Tanzania, less: (a) the cost of transport, including insurance and handling charges, from the mining area to the point of export or delivery; and (b) the cost of smelting and refining or other processing costs unless such other processing costs relate to processing normally carried out in Tanzania in the mining area.

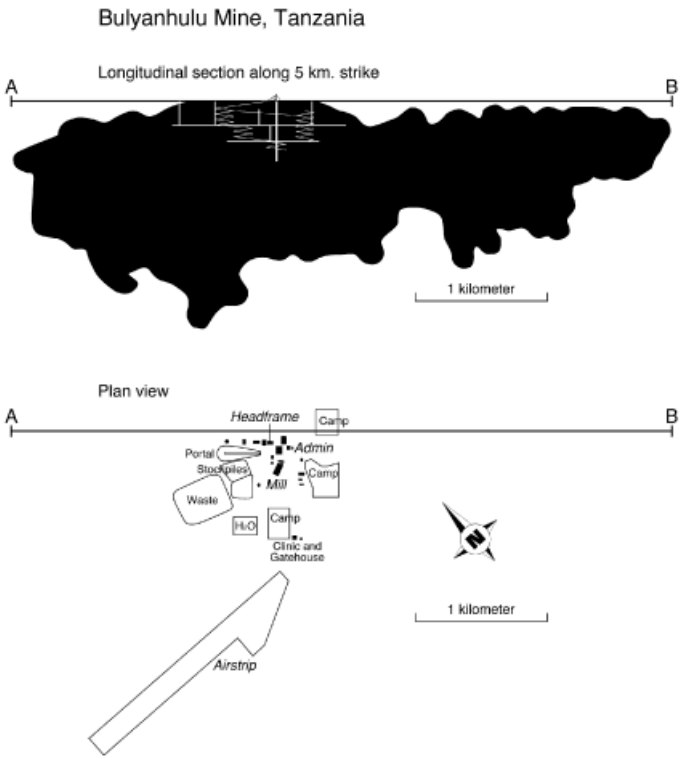
Pledge of Assets

Drawdown on the mine's limited recourse $200 million facility was completed in the second quarter of 2001. Repayment consists of fourteen consecutive semi-annual installments falling due on June 15 and December 15 of each year, with the first installment of $6 million made on December 15, 2002. Having met the physical and technical requirements of completion during the first quarter of 2003, the loan has become non-recourse to Barrick. This facility is insured for political risks equally by branches of the Canadian government and World Bank. Substantially all the assets of Kahama, including the Bulyanhulu property, have been pledged as security under the loan. The average interest rate, inclusive of political risk insurance premiums, is LIBOR plus 2.60% pre-completion and increases following completion, rising in a number of steps to average approximately LIBOR plus 3.40%. The effective interest rate for 2002 was 7.2%. The effective interest rate includes payments made under an interest-rate swap that matches the loan principal over the term to repayment, which fixes the rate for the term of the debt at 7%.

Production Information

The following table summarizes certain production and financial information for the Bulyanhulu mine for the periods indicated:

	Year ended December 31, 2002	Year ended December 31, 2001
Tons mined (000's)	944	455
Tons of ore processed (000's)	1,075	778
Average grade processed (ounces per ton)	0.39	0.38
Recovery rate (%)	86.1	82.3
Ounces of gold produced (000's)	356	242
Average total cash costs per ounce	$ 198	$ 197
Average total production costs per ounce	$ 300	$ 295



OTHER OPERATING PROPERTIES

Barrick's other operating properties consist of the Marigold mine (United States), the Ruby Hill mine (United States), the McLaughlin mine (United States), the Holt-McDermott mine (Canada), Bousquet mine (Canada), El Indio mine (Chile) and the Agua de la Falda mine (Chile). With the exception of Marigold and Holt-McDermott mines, all of the mines ceased operations in 2002. Both the Marigold mine and the Holt-McDermott mine are expected to continue to operate beyond 2003.

In 2002, all activities at each of these mines were, and have continued to be, in compliance in all material respects with applicable environmental regulations.

In aggregate, these other properties produced 458,351 ounces of gold in 2002 at an average total cash cost of $186 per ounce. For 2003, the remaining Holt-McDermott and Marigold mines are expected to produce 142,000 ounces of gold at an average total cash cost of $203.

OTHER PROPERTIES – MINE CLOSURES AND OTHER

	Year Ended December 31, 2002		Year Ended December 31, 2001	
	Gold Production (ounces)	Total Cash costs per ounce	Gold Production (ounces)	Total Cash costs per ounce
Marigold	27,774	$ 187	28,261	$ 180
Holt-McDermott	83,577	173	83,577	165
Ruby Hill [1]	135,448	120	134,737	103
McLaughlin [1]	49,593	244	115,057	224
Homestake [2]	—	172[3]	185,307	198
Bousquet [1]	140,811	236	152,412	221
El Indio [1]	12,520	174	87,897	255
Agua de la Falda [1]	8,628	319	18,100	251
Total	458,351	$ 186	805,348	$ 195

(1) Ceased operations during 2002.

(2) Ceased operations at the end of 2001.

(3) In respect of 2001 production sold in 2002.

PROJECTS

Alto Chicama

General Information

The Alto Chicama property is located 140 kilometers east of the coastal city of Trujillo, Peru, and 175 kilometers north of Barrick's Pierina mine. The property occurs on the western flank of the Peruvian Andes and is at an elevation of 4,000 to 4,260 meters above sea level. The area is considered to have a mountain climate. Vegetation consists of small shrubs and grasses. The property is accessible year round by road from both Trujillo and Huamachuco, Peru, and consists of approximately 18,550 hectares.

The Alto Chicama region has been actively mined for carbon since the 19th century, principally for domestic consumption. In 1990, Minero Peru (Centromin) constructed a camp to re-evaluate the previous carbon operations. The Alto Chicama property hosts a low grade anthracite coal deposit, but it was not developed due to the availability of cheaper sources of energy elsewhere. Centromin Peru, S.A., the State mining company, conducted field surveys in 1999 and concluded there was potential for other mineralization on the property, including gold.

Barrick began exploring the Alto Chicama property, located in north-central Peru, in the first quarter of 2001. Barrick signed the Public Deed of the Mining Option Contract with Centromin on March 28, 2001 and exercised its option to acquire the property in December 2002, with the result that the Company now holds the mining rights to the property. The rights have no expiry date as long as the annual land payments (currently approximately $3 per hectare) are made. Barrick anticipates presentation of an Environmental Impact Study for the project in 2003.

Geology

The regional geology of the Alto Chicama area is dominated by a thick sequence of Mesozoic marine clastic and carbonate sedimentary rocks and andesitic and dacitic volcanic rocks of the Tertiary Calipuy Group. The Mesozoic sequence is unconformably overlain by the Tertiary Calipuy volcanic rocks and cut by numerous small intrusive bodies. The Mesozoic sequence has been affected by at least one and probably two stages of compressive deformation during Andean orogenesis.

The Las Lagunas Norte mineralization occurs on the 185 square kilometer Alto Chicama property. The mineralization is of the high sulphidation type. It is disseminated and hosted in volcanic and sedimentary breccias and tuffs. The mineralization outcrops and has been defined over an area of 1,600 meters long by 750 meters wide and up to 300 meters deep. It is open to the south and southeast.

Development

Barrick commenced a field program at Alto Chicama in March 2001, which included geologic mapping, geochemical sampling, and ground geophysics and resulted in the identification of areas for drill testing. A diamond drill program commenced in mid-2001 and identified the Las Lagunas Norte area for detailed follow up.

During 2002, Barrick initiated development planning for Alto Chicama, including commencement of the environmental impact analysis process. The engineering studies performed to date, which include extensive metallurgical test work, have demonstrated the technical feasibility of recovering gold from the Alto Chicama property by open pit mining and heap leaching methods, similar to those used at Barrick's Pierina mine. Barrick has approved a $35 million budget for the Alto Chicama project for 2003. Principal expenditures will be for drilling, land acquisitions, road construction, continued data collection, completion of the Environmental Impact Statement, continued updating and optimization of mining plans and related matters and the completion of more detailed engineering.

Barrick has obtained possessor rights for the majority of the surface which will be affected by the proposed project. However, legal title and certain possessor interests remain outstanding and are the subject of on-going applications, negotiations or discussions, which Barrick expects will be successfully concluded in the ordinary course. In addition, although Barrick has obtained all of the permits required for exploration, further permits and approvals will be required for construction and operation. Through its experience in constructing and operating the Pierina mine, however, Barrick is familiar with the statutory, regulatory and procedural framework governing the environmental approval and permitting process for new mining projects in Peru. Based on Barrick's experience to date, the Company expects that all necessary surface access and other rights required for development, and all permits and approvals required for construction and operation, will be obtained in a timely fashion and in the ordinary course of business.

The Alto Chicama project is being planned as an open pit mine and heap leaching operation, using equipment, facilities and processes which have been proven in similar commercial applications throughout the world, including at Barrick's Pierina mine. Permanent electric power is planned to be supplied from the Peruvian grid, by means of a new 36 kilometer power line extended from an existing substation. The fresh water requirements of the project are planned to be supplied by wells, supplemented by surface run-off if required.

Subject to the approval of Barrick's Board of Directors, completion of the acquisition of the necessary surface rights and final permitting, project construction is targeted to begin in late 2003 or early 2004 with production scheduled for late 2005. The timing of construction and production is most

dependent on the receipt of final permits. The Alto Chicama project is anticipated to produce 500,000 ounces of gold annually at a cash cost of $130 per ounce over the first decade of the project's life. The capital costs for the project are estimated at $300 to $350 million.

Exploration, Drilling and Analysis

On April 23, 2002, Barrick announced the discovery of an inferred resource on the property of 61 million tons, grading 0.57 ounces per ton, for a total of 3.5 million ounces of gold. In early 2003, Barrick brought 6.5 million ounces into probable reserves for Canadian reporting purposes.

As of the end of 2002, 452 exploration holes had been drilled, totaling 113,338 meters of drilling. Initial drill hole spacing of 200 meter centers has been reduced to 100 meter centers, and in some areas to 50 meter centers. Drill hole collars have been surveyed, and down-hole Sperry Sun surveys conducted on the holes, with data collected approximately every 50 meters. Core is placed in metal trays at the drill site and transported to the field camp. Geological logs of all core are then compiled on handheld computers, using standardized rock codes and descriptive information developed by Barrick geologists. Changes to the standardized rock codes and other descriptions can be made only if approved by senior members of the geological staff. Data recorded on the handheld computers are downloaded to the main server at the end of every shift, reviewed, field checked if necessary, and then incorporated into the main database. Sample lengths vary from 0.4 meters to 9 meters. The average sample length is 1.3 meters. Samples are prepared on site and fire assayed at an independent laboratory in Lima, Peru. Industry standard quality assurance and quality control procedures, including standards, duplicates and check assays, are employed. An independent consulting firm has reviewed and approved sampling, sample preparation and quality control procedures at site and at the independent laboratory.

Royalties

Under the terms of the agreement with Centromin, Barrick has paid Centromin an advance royalty of $2 million, which will be a credit against Centromin's retained net smelter royalty of 2.51%.

Veladero Property

General

The Veladero property is located in San Juan Province, Argentina, immediately to the south of the Pascua-Lama property, approximately 320 kilometers northwest of the city of San Juan. The property is controlled by indirect, wholly-owned, subsidiaries of Barrick under the terms of an exploration contract between the subsidiaries and the Instituto Provincial de Exploraciones y Explotaciones Mineras de la Provincia de San Juan ("IPEEM"), a semi-autonomous entity of the Province of San Juan. Under the terms of the exploration contract, Barrick must deliver to IPEEM a feasibility study, defining a project development plan, by June 30, 2003 and it must exercise its option to enter into an exploitation contract with IPEEM by December 27, 2003. Barrick anticipates filing a feasibility study and exercising its option to enter into an exploitation contract in accordance with the terms of the exploration contract. The project site is located at elevations of between 4,000 and 4,850 meters above sea level. The area is considered to have a sub-arid, sub-polar, mountain climate. Access to the property is via a combination of public highways and an upgraded gravel road.

Barrick submitted an Informe de Impacto Ambiental (IIA) (an environmental impact study) to the Mining Department of the Province of San Juan in January 2003 in support of the exploitation phase of the Veladero project. Barrick's plan for the Veladero property provides for an open pit mine using heap leaching. The Veladero project includes the mining of gold and silver from two open pits: the Filo Federico pit and the Amable pit. Exploration to date has identified additional resources beyond the Filo Federico and Amable pits, particularly in the Cuatro Esquinas area between the Filo Federico and Amable pits. These or other resources defined by ongoing exploration may be able to be exploited depending on future economic conditions. The facilities included in the Veladero project plan are designed to facilitate exploitation of such resources should it be economically feasible.

Geology

The Veladero orebody is an oxide, high sulphidation gold-silver deposit hosted by a Miocene diatreme-dome complex. Precious metals mineralization occurs in silicified volcanic breccias at the core of the high sulphidation alteration and is controlled by stratigraphy, structural trends and elevation.

The mineralization in the deposit forms a broad, disseminated, 3 kilometer long blanket along a N15°W-striking structural trend. The diatreme-dome complex has intruded along this trend and includes a massive, brecciated core of heterolithic Vent Facies tuffisite that transitions outward through a Contact Zone of clast-supported breccias into the Volcanic Sequence country rocks. A Bedded Tuff unit that represents fragments ejected from the central vent forms a ring that overlies portions of the Vent Facies and Contact Zone at the southern end of the deposit. Much of the deposit is covered by up to 150 meters of colluvium.

Development

Barrick evaluated unified development opportunities for the Pascua-Lama and Veladero properties following the merger with Homestake. Based on this effort, Barrick redesigned the Veladero project, as previously designed by Homestake, to incorporate exploitation of the Filo Norte deposit that is situated within the boundaries of the Pascua-Lama property as part of the Veladero project. The redesigned Veladero project also includes new locations for various Veladero project facilities that improve project operations and economics. Other potential benefits of unified development, such as sharing of infrastructure, may be realized in the future depending on the timing of Pascua-Lama development.

Veladero's 2003 field program will focus on the construction of an access road and camp infrastructure. Subject to approval by Barrick's Board of Directors, receiving necessary permits and arranging any project financing, full construction is expected to commence in the fourth quarter of 2003 with production expected to commence in early 2006. This schedule may be extended if the Company is not able to adequately mitigate potential political and economic uncertainty in Argentina. The capital costs for the project is estimated at $425 million, based on prevailing exchange rates in effect in late 2002. The Veladero project is projected to have an operating life of approximately 13 years. The Veladero project is anticipated to produce 530,000 ounces of gold annually at a cash cost of $155 per ounce (based on prevailing exchange rates in effect in late 2002 and excluding any applicable export duties) over the first decade of the project's life. Approximately 8.3 million ounces of by-product silver annually will also be produced. Estimated costs are sensitive to exchange rate fluctuations; a stronger Peso would result in higher costs.

Exploration, Drilling and Analysis

As a result of definition drilling during 2002, Barrick increased reserves at Veladero for Canadian reporting purposes to 9.4 million ounces of gold as at December 31, 2002 from 8.4 million ounces of gold in 2001.

At year-end, the drill hole database for the Veladero property contained 747 reverse circulation holes, 110 diamond drill core holes and 539 samples taken from two underground tunnels. Of these, samples totaling 198,693 meters from reverse circulation holes, 23,818 meters from diamond drill core holes and 5,153 meters from underground channel cuts were used to estimate the gold and silver resources. The reverse circulation holes were drilled at an average spacing of about 60-80 meters within the mineralized zones. All Veladero samples are prepared and analyzed by external laboratories. The quality assurance procedures and assay protocols followed by Barrick in connection with drilling and sampling on the Veladero property have been reviewed by independent consultants and found to conform to industry accepted quality control methods.

Royalties

Pursuant to legislation passed by the government of the Province of San Juan, all gold and silver, among other ores, extracted from the property within the Province of San Juan are subject to a royalty, payable to the government of the Province of San Juan, of 3% of the value of the ore at the “mine mouth”. Under the terms of an agreement between Barrick’s subsidiaries and IPEEM, a 0.75% “mine mouth” royalty on the minerals produced from the Veladero property is payable to IPEEM. This agreement also provides for the payment of a 0.75% “mine mouth” royalty on the minerals produced from the Mina Ursulina Sur, on which the Filo Norte deposit is situated.

Pascua-Lama Property

General

The Pascua-Lama property is located at the northern end of the El Indio Belt in Chile’s Region III and Argentina’s San Juan Province. It straddles the Chile-Argentina border and is approximately 150 kilometers southeast of the city of Vallenar, Chile and 300 kilometers northwest of the city of San Juan, Argentina. The Chilean part of the deposit, which is at an elevation of approximately 4300 to 5250 meters above sea level, was acquired by Barrick in 1994 and is held through an indirect, wholly-owned, subsidiary of Barrick, Compania Minera Nevada. The Argentinean part of the property was acquired subsequently and is held through an indirect, wholly-owned, subsidiary of Barrick, Barrick Exploraciones Argentina S.A. The legislatures of Chile and Argentina completed ratification of a Mining Treaty between the two countries and the Presidents of Chile and Argentina formally exchanged the Mining Treaty during 2000. The Pascua-Lama Project is within the area subject to the Mining Treaty and the Project is entitled to enjoy the benefits to cross-border mining operations that are granted by the Mining Treaty.

High sierras and deep valleys with natural slopes of 20 to 40 degrees characterize the area of the Pascua-Lama property. Surface material consists of rock outcrops, scree, and colluvial materials, which are primarily gravel, sand, silt and clay. Vegetation is sparse. The area is considered to have a sub-arid, sub-polar, mountain climate. Access to the property will be pursuant to a combination of public highways and upgraded gravel roads from both Chile and Argentina.

Geology

The Pascua-Lama district is located in the high cordillera of Region III, Chile, in what has been designated as the Eastern Belt of Hydrothermal Alteration. The gold, silver and copper mineralization at

Pascua-Lama is part of a mineralized acid sulfate system that was structurally controlled within intrusive and volcanic rock sequences of Upper Paleozoic and Middle Tertiary age.

Basement rocks in the Pascua-Lama area are dominated by a multiphase granite pluton that may be a slightly younger upper Permian or lower Triassic phase of the Permian Guanaco Sonso sequence of intrusives and volcanics. In the deposit area the granite intrudes older diorites and volcanic pyroclastic units and is, in turn, intruded by diorite stocks and dykes of mid-Tertiary Bocatoma age. During Tertiary time, all of the previously described rocks are cut by sub-vertical fault zones and hydrothermal breccias located at complex fault intersections.

Numerous breccia bodies occur in the Esperanza, Quebrada de Pascua and Lama areas. At the surface, these breccias vary in size from outcrops measured in centimeters up to hundreds of meters. Typically the breccias show a strong correlation to zones of intersection of two or more major structural zones. Breccia Central, the large inter mineral breccia pipe, occurs in the Quebrada de Pascua area. On the surface this breccia is about 650 meters long and up to 250 meters in width while underground between 200 and 400 meters below the surface the composite body measures about 550 meters in length and up to 130 meters in width. It extends to at least 700 meters below surface. This well mineralized breccia pipe is evidence of an explosive hydrothermal event related to the formation of the Quebrada de Pascua ore deposit. Breccia Oeste and Breccia Sur are the two large post mineralization breccia pipe complexes located in the mine area. Oriented north/south along the Breccia Oeste fault zone in the Esperanza area, the Breccia Oeste pipe measures up to 500 meters long, up to 150 meters wide, and extends up to 300 meters below surface.

Development

The Pascua-Lama mine is being designed as an open pit, centered at an elevation of 4,600 meters. The processing circuit is expected to consist of crushing, grinding, counter current decantation (“CCD”) washing to remove soluble salts, cyanide leaching, CCD Merrill-Crowe, retorting, electrowinning and fire refining to produce gold and silver doré. These facilities would be capable of treating oxide and sulphide ore; the copper sulphide materials would be floated and tails routed to the cyanide leach circuit. Barrick would recover the majority of gold from the sulphide ore, but some would float with the copper and be recovered at a smelter. Recent work on the Pascua-Lama project has focused on investigating improvements to project infrastructure and process costs.

The Pascua-Lama project received environmental impact study approval from appropriate authorities in Chile in May 2001. The process for permitting of the portion of the mine, the mill and the tailings for the project located in Argentina continues and approvals are, following updated submissions to the San Juan regulatory authorities, expected to be issued in due course. Pascua-Lama is expected to commence production in 2008, subject to Board approval, final permitting, completing an optimization study and arranging any project financing. The optimization study is expected to be completed in 2004, with construction start-up potentially occurring in late 2005. Production is targeted at 800,000 ounces of gold annually at cash costs of $85 per ounce for the first decade. The initial construction cost is currently estimated at $1,175 million.

Exploration, Drilling and Analysis

At year-end, Pascua-Lama had proven and probable reserves of 16.9 million ounces of gold and 584 million ounces of silver. In connection with the earlier decision to postpone construction, no reserve development activity took place during the year. The drill hole database for the Pascua-Lama property contains 1,173 reverse circulation holes, 562 diamond drill core holes, 22,302 meters of underground tunnel samples and 12,774 meters of surface trench samples. Samples totaling 322,288 meters from

reverse circulation holes, 151,265 meters from diamond drill core holes, 22,302 meters from underground tunnels, and 12,774 meters from surface trenches were used to estimate the gold and silver resources. The drill hole spacing is variable, approximately 40 meters in the Esperanza area and 40 to 60 meters in the Quebrada de Pascua area. Pascua-Lama samples were analyzed for gold, silver and copper by independent laboratories in Santiago, Chile. The quality assurance procedures and assay protocols followed by Barrick in connection with drilling and sampling on the Pascua-Lama property have been reviewed by independent consultants and found to conform to industry accepted quality control methods.

Royalties

Pursuant to legislation passed by the government of the Province of San Juan, all gold and silver, among other ores, extracted from the property within the Province of San Juan are subject to a royalty, payable to the government of the Province of San Juan, of 3% of the value of the ore at the “mine mouth”. In addition, Barrick is obligated to pay a gross proceeds sliding scale royalty on gold produced from the Pascua-Lama properties located in Chile ranging from 1.5% to 10% and a 2% net smelter royalty on copper produced from the properties. In addition, a step-scale 5% or 7.5% gross proceeds royalty on gold produced and a sliding scale net smelter royalty of 0.5% to 6% on all product other than gold and silver is payable in respect of certain portions of the property located in Argentina. The sliding scale and step-scale royalties on gold increase with rising spot gold prices. The higher royalties are not expected to have a significant effect on project economics since the increased profitability resulting from higher gold prices would more than offset the higher royalty obligation.

Cowal Property

General

The Cowal project is located in Central New South Wales, Australia, approximately 32 kilometers north of West Wyalong and approximately 355 kilometers west of Sydney. Cowal was acquired in 2001 by Homestake from Rio Tinto following Rio Tinto’s acquisition of North Limited. The general landscape is flat to undulating hills. The property can be accessed by road. The Cowal region is located on the boundaries of the south eastern semi-arid and the south eastern temperate regions of Australia.

Based on a feasibility study and environmental impact statement completed in 1998, the project was awarded Development Consent by the New South Wales Government in February 1999. The approved project envisages the development of an open pit to a depth of approximately 335 meters, and process facilities designed to treat 6.6 million tons of ore per year by a combination of conventional carbon in leach and sulphide flotation technologies.

Geology

The Cowal Project is located in the Lachlan Fold Belt of central New South Wales. This Ordovician volcanic belt contains high K calc-alkaline to shoshonitic volcanics and intrusives which host porphyry, epithermal and mesothermal style gold deposits. The E42 deposit is the largest of several drill-identified deposits that are located on the western edge of the Lake Cowal complex. The deposits occur in favourable lithologies and structural settings within a north south corridor adjacent to a large body of diorite-gabbro. Low grade porphyry copper mineralization occurs in parts of the diorite-gabbro intrusive to the south of the gold deposits.

The rocks in the E42 project area do not outcrop as they are obscured under a cover of Quaternary sediment comprised of lacustrine clay with some sand and gravels. The E42 deposit is hosted by a suite of Ordovician age northeast striking and northwest dipping (50°) volcanic sediments and lavas

(informally known as the Lake Cowal Volcanics) set in an embayment of the major regional north-south trending diorite. The diorite is also mineralized. At the E42 deposit the Lake Cowal Volcanics have been informally subdivided into three conformable stratigraphic units. The basal unit (Cowal Conglomerate Unit) consists of massive to graded beds of coarse polymictic volcanic debris interbedded with laminated siltstone and mudstone the central unit (Golden Lava Unit) consists of porphyritic trachyandesite lava and autobreccias. The youngest and upper unit (Great Flood Unit) consists of predominantly massive to graded pyroclastic debris and laminated sediments. The units and diorite are intruded by diorite/gabbro stocks and porphyritic mafic to intermediate dykes. The host sequence is offset by two major fault sets - a 340° steeply dipping strikeslip set and a 290° - 300° moderately north dipping normal fault set.

Gold mineralization occurs predominantly in shallow south dipping dilational tensional auriferous quartz-carbonate-sulphide vein sets striking westnorthwest and dipping southwest. Individual mineralized veins are not laterally continuous, although vein sets are continuous, being controlled by fault proximity, rheology and chemistry of host rocks. All rocks in the deposit area except possibly some of the dykes are mineralized. The central Lava, the basal Cowal Conglomerate and diorite are the most strongly mineralized. Vein density is extremely variable, ranging from two to five per meter to one per several meters. The individual vein thickness varies from millimeters to centimeters. The surface of the deposit has been weathered to an average depth of about 40 meters but weathering depth ranges up to 100 meters on the eastern side of the deposit. The upper part of the weathered zone includes commonly ferruginous mottled and pallid clays referred to as “soft oxide”. Below the soft oxide the weathered bedrock is referred to as the “hard oxide”.

Development

In conjunction with a technical evaluation program, Barrick is also engaged in progressing a number of final permitting issues including agreements with native title claimants as a condition of its mining lease grant. There is continuing opposition to the project from several local individuals and organizations that has the potential to affect the timing of the development of the mine. The Development Consent requires that construction commence prior to March 2004. Subject to Board approval, final permitting and resolving opposition to the project, construction is expected to commence in 2003, with production expected to commence in mid-2005. The capital costs for the project are estimated at $180 million, based on prevailing exchange rates in effect in late 2002. Cowal’s mine plan and process facilities have been designed to produce approximately 270,000 ounces of gold per year at an average cash cost of $170 per ounce (based on prevailing exchange rates in effect in late 2002). Estimated costs are sensitive to exchange rate fluctuations; a stronger Australian dollar would result in higher costs.

Exploration, Drilling and Analysis

At December 31, 2002, the project had proven and probable gold reserves of approximately 2.84 million ounces. As a result of additional drilling and more conservative reserve modeling, the Company reduced the estimated grade to 0.037 ounces per ton from 0.049 ounces per ton and ore tons have increased from 56.4 million to 75.9 million. Since the acquisition of Cowal in July 2001, the Company has commenced a technical program, including drilling and engineering studies, to optimize the feasibility study. To the end of 2002, the Company had completed 125 new drill holes (70,000 meters) designed to infill previous drilling, particularly in the deeper parts of the orebody. For 2003, at least a further 20,000 meters of drilling is planned, along with engineering field investigations and metallurgical test work studies.

More than 1,000 drill holes have been completed in the Cowal project resource area. About 37 percent of these holes are diamond core holes with the remainder being reverse circulation percussion holes. Drill hole spacing is 40 meters. Samples are collected on one-meter intervals. All samples since

the acquisition of the property by Barrick are prepared and analyzed by external laboratories. All drill hole collar, survey and assay information used in modeling and resource estimation are manually verified and approved by geologic staff prior to entry into the mine-wide database. The quality assurance procedures and assay protocols followed by Barrick in connection with drilling and sampling on the Cowal property conform to industry accepted quality control methods.

Royalties

The Cowal property is subject to a royalty payable to the state of New South Wales, Australia of 4% of mine revenue less certain costs including portions of operating, administration, refining and depreciation.

EXPLORATION ACTIVITIES

General

Barrick has traditionally grown its reserve base through a combination of acquisitions and focused exploration on and around its operating properties. Barrick believes there is a higher probability of finding new mineral reserves around existing mines. Once found, these new reserves can be developed more quickly and profitably due to existing infrastructure. The Company's strategy is to maintain a geographic mix of projects at different stages in the exploration sequence. The low gold price environment that existed in recent years has required that major mining companies undertake more early stage exploration than in the past because junior exploration companies have been less active, and there are fewer new discoveries to buy or joint ventures to fund. Accordingly, Barrick is engaged in early stage exploration in four major areas where it possesses significant infrastructure: Peru, Tanzania, Australia and Chile/Argentina. This program resulted in the grassroots discovery at the Alto Chicama property in Peru.

Barrick utilizes state-of-the-art technology to explore deeper and more effectively. At Goldstrike, Barrick uses new deep-penetrating geophysical techniques and geological modelling to locate and define new targets. These new techniques are equally applicable in Tanzania and Australia.

Exploration is directed from Barrick's head office in Toronto and is conducted through a number of exploration offices around the world.

Barrick has been highly successful in adding reserves to properties once they are acquired. At Goldstrike, over 40 million ounces have been discovered since acquisition. At Pascua-Lama, Barrick increased proven and probable reserves from less than 2 million ounces to 16.9 million ounces of gold.

At Bulyanhulu in Tanzania, Barrick has more than tripled the proven and probable reserves on the property to 12 million ounces of gold since Barrick acquired the property in 1999. Also, Barrick's exploration strategy since the acquisition has allowed Barrick to assemble an extensive land package in the Lake Victoria Goldfields. Barrick is able to quickly and efficiently explore these properties, advancing the more prospective projects while using Bulyanhulu as a logistical and processing hub.

At Pierina in Peru, which Barrick bought in August 1996 as an early stage exploration property with 70 holes drilled and no reserves, the Company brought 6.5 million ounces of gold into reserves by the end of that year after having drilled another 201 holes.

The Company spent $104 million on its exploration and business development activities in 2002 (2001 – $103 million) and is expected to spend $100 to $110 million in 2003. Over half of the exploration and business development costs came in South America, with the balance spent in North America (13%),

Tanzania (9%), Australia (8%) and the remainder on business development activities, which include evaluation and due diligence of potential corporate transactions.

ENVIRONMENT AND CLOSURE

The Company's mining, exploration and development activities are subject to various levels of federal, provincial and state laws and regulations relating to protection of the environment, including requirements for closure and reclamation of mining properties (see "Legal Matters - Government Controls and Regulations").

Barrick has a policy of conducting environmental audits of its operations to assess the effectiveness of the existing organization, its resources, and supporting management systems to adhere to policies, guidelines, and procedures and adopted codes of practice, maintain compliance, reduce risk, and manage liabilities. The Company's policy is to perform environmental audits on a regular and scheduled basis. In practice this typically results in environmental audits at each operating mine every second year and at least once every five years for all other properties. A committee of Barrick's Board of Directors reviews the Company's environmental policies and programs and oversees Barrick's environmental performance.

During 2002, all of the Company's operations were in compliance in all material respects with applicable corporate standards and environmental regulations and there were no material notices of violations, fines or convictions relating to environmental matters at any of the Company's operations. The Company has estimated future site reclamation and closure obligations, which it believes will meet current regulatory requirements, to be $461 million, $304 million of which has been accrued to December 31, 2002. As of January 1, 2003, Barrick adopted FAS 143 Accounting for Asset Retirement Obligations, which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. For a summary of the impact of FAS 143, please see Notes 2 and 17 of the Notes to the Consolidated Financial Statements for the year ended December 31, 2002.

The Company's operating facilities have been designed to mitigate environmental impacts. The operations have processes, procedures or facilities in place to manage substances that have the potential to be harmful to the environment. For instance, certain of the Company's operating properties handle ore or rock which has the potential to be acid generating (Goldstrike, Pierina, Bulyanhulu, Eskay Creek and Hemlo), use cyanide in the processing of gold operations (Goldstrike, Pierina, Round Mountain, Marigold, Hemlo, Holt-McDermott, Kalgoorlie and Yilgarn), or produce mercury as a by-product of the production process (Goldstrike, Pierina, Round Mountain, and Hemlo). The Company has implemented programs to manage the handling of ore and rock to reduce the potential for acid rock drainage. Such procedures include segregation of potentially acid generating material, containment systems for the collection and treatment of drainage, and reclamation and closure steps designed to minimize water infiltration and oxygen flux. Facilities that use cyanide are designed and constructed to prevent process solutions from being released to surface water or groundwater. Typically, these facilities include leak detection systems and have the ability to collect and treat seepage that may occur. Process solutions containing cyanide that are bound for tailings facilities are typically neutralized to levels that will not be harmful to wildlife. The tailings facilities are typically fenced and process ponds are typically netted or other procedures implemented to deter access. Site specific management procedures for mercury include handling, monitoring and transportation exist at each of the operations that produce mercury as a byproduct. Further, employees receive training in the safe use and proper management of cyanide, mercury and other hazardous materials.

Grants Tailings

The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") imposes heavy liabilities on persons who own or operate facilities from which hazardous substances have been released. Pursuant to CERCLA, the United States Environmental Protection Agency publishes a National Priorities List ("NPL") of such facilities.

A closed uranium mill site acquired by Barrick in the Homestake merger, near Grants, New Mexico, is listed on the NPL. The EPA asserted that leachate from the tailings contaminated a shallow aquifer used by some of the residents in adjacent residential subdivisions. Homestake paid the cost of extending the municipal water supply to the subdivisions. Homestake also has operated a water injection and collection system since 1976 that has significantly improved the quality of the aquifer and since 1999 has operated a water treatment facility for treating the groundwater adjacent to the tailings. The estimated costs of continued remediation are included in the accrued reclamation and closure liability. Homestake has settled with the EPA concerning its oversight costs for this site.

Under Nuclear Regulatory Commission ("NRC") regulations, the decommissioning of the uranium mill tailings facilities is in accordance with the provisions of the facility's license. The facility license sets the closure of the two tailings impoundments as 2004 and 2013, subject to extension under certain circumstances. The NRC and EPA signed a Memorandum of Understanding in 1993 which has established the NRC as the oversight and enforcement agency for decommissioning and reclamation of the site. Mill decommissioning was completed in 1994 and final closure of the Grants large tailings site is scheduled for completion in 2013. During 2002, Barrick's expenditures at the Grants facility were $1.5 million. For 2003, Barrick's expenditures are planned at $3.0 million.

Title X of the Energy Policy Act of 1992 (the "Energy Policy Act") and subsequent amendments to the Energy Policy Act authorized appropriations of $335 million to cover the federal government's share of certain costs of reclamation, decommissioning and remedial action for by-product material (primarily tailings) generated by certain licensees as an incident of uranium sales to the federal government. Reimbursement is subject to compliance with regulations of the Department of Energy ("DOE"), which were issued in 1994. Pursuant to the Energy Policy Act, the DOE is responsible for 51.2% of the past and future costs of reclaiming the Grants site in accordance with NRC license requirements.

In 1983, the State of New Mexico notified the Company that it intends to pursue claims against Homestake for natural resource damages resulting from the Grants site. The State has taken no action to pursue the claims.

LEGAL MATTERS

Government Controls and Regulations

The Company's business is subject to various levels of government controls and regulations, which are supplemented and revised from time to time. Barrick is unable to predict what additional legislation or revisions may be proposed that might affect its business or when any such proposals, if enacted, might become effective. Such changes, however, could require increased capital and operating expenditures and could prevent or delay certain operations by the Company.

The various levels of government controls and regulations address, among other things, the environmental impact of mining and mineral processing operations and establish requirements for decommissioning of mining properties after operations have ceased. With respect to the regulation of

mining and processing, legislation and regulations in various jurisdictions establish performance standards, air and water quality emission standards and other design or operational requirements for various components of operations, including health and safety standards. Legislation and regulations also establish requirements for decommissioning, reclamation and rehabilitation of mining properties following the cessation of operations, and may require that some former mining properties be managed for long periods of time. In addition, in certain jurisdictions, the Company is subject to foreign investment controls and regulations governing its ability to remit earnings abroad.

The Company believes that it is in substantial compliance with all material current government controls and regulations at each of its properties.

Litigation

On April 30, 1998, Barrick was added as a defendant in a class action lawsuit initiated against Bre-X Minerals Ltd., certain of its directors and officers or former directors and officers and others in the United States District Court for the Eastern District of Texas, Texarkana Division. The class action alleges, among other things, that statements made by Barrick in connection with its efforts to secure the right to develop and operate the Busang gold deposit in East Kalimantan, Indonesia were materially false and misleading and omitted to state material facts relating to the preliminary due diligence investigation undertaken by Barrick in late 1996. On July 13, 1999, the Court dismissed the claims against Barrick and several other defendants on the grounds that the plaintiffs had failed to state a claim under United States securities laws. On August 19, 1999, the plaintiffs filed an amended complaint restating their claims against Barrick and certain other defendants and on June 14, 2000 filed a further amended complaint, the Fourth Amended Complaint. On March 31, 2001, the Court granted in part and denied in part Barrick's Motion to Dismiss the Fourth Amended Complaint. As a result, Barrick remains a defendant in the case. Barrick believes that the remaining claims against it are without merit. Barrick filed its formal answer to the Fourth Amended Complaint on April 27, 2001 denying all relevant allegations of the plaintiffs against Barrick. Discovery in the case has been stayed by the court pending its decision on whether or not to certify the case as a class action. On March 31, 2003, the U.S. District Court for the Eastern District of Texas, Texarkana Division denied all pending motions of the plaintiffs seeking to certify a class action in the lawsuit against several defendants, including Barrick, related to Bre-X Minerals Ltd. Under U.S. rules, the plaintiffs have the right to appeal the Court's decision declining to certify their lawsuit as a class action. The amount of potential loss, if any, which Barrick may incur arising out of the plaintiffs' claims is not currently determinable.

In October 1997, a Barrick subsidiary, HCI, entered into an agreement with Inmet Mining Corporation ("Inmet") to purchase the Troilus mine in Quebec for C$110.0 million plus working capital. In December 1997, HCI terminated the agreement after determining that, on the basis of due diligence studies, conditions to closing the arrangement would not be satisfied. On February 23, 1998, Inmet filed suit against HCI in the British Columbia Supreme Court, disputing the termination of the agreement and alleging that HCI had breached the agreement. On January 15, 2002, the British Columbia Supreme Court released its decision concerning this matter and found in favour of Inmet and against HCI. Specifically, the court held that Inmet should be awarded equitable damages in the sum of C$88.2 million. Inmet has requested the court to re-open the trial to permit Inmet to make submissions on its claim for pre-judgment interest from the date of the breach by HCI. The request to re-open was denied by the court on May 17, 2002. On February 7, 2002, HCI filed a notice of appeal of the decision with the British Columbia Court of Appeal. Inmet filed a notice of appeal of the decision denying Inmet the pre-judgment interest. A letter of credit of approximately C$95 million was posted on August 20, 2002 by HCI with the British Columbia Court of Appeal, pending a decision on the appeal.

On January 7, 2003, Barrick was served with a Complaint for Injunctive Relief by Blanchard and Company, Inc. ("Blanchard"), and Herbert Davies ("Davies"). The complaint, which is pending in the U. S. District Court for the Eastern District of Louisiana, also names J. P. Morgan Chase & Company ("J.P. Morgan") as a defendant, along with an unspecified number of additional defendants to be named later. The complaint alleges that Barrick and bullion banks with which Barrick entered into spot deferred contracts have manipulated the price of gold, in violation of U.S. antitrust laws and the Louisiana Unfair Trade Practices and Consumer Protection Law. Blanchard alleges that it has been injured as a seller of gold due to reduced interest in gold as an investment. Davies, a customer of Blanchard, alleges injury due to the reduced value of his gold investments. The complaint does not seek damages, but seeks an injunction terminating certain of Barrick's trading agreements with J. P. Morgan and other bullion banks. Barrick intends to defend the action vigorously.

On March 5, 2003, Barrick commenced legal proceedings against Blanchard in the Ontario Superior Court of Justice. The proceedings pertain to a series of false and defamatory statements that Blanchard and its CEO, Donald W. Doyle, Jr., have published since mid-December 2002 concerning Barrick. On January 29, 2003, Barrick served a formal Libel Notice, which is the first step in the commencement of legal proceedings of this nature in Canada. Barrick seeks damages in the amount of C$100 million, aggravated, exemplary and punitive damages in the amount of C$100 million, a permanent injunction restraining the defendants from repeating, disseminating, publishing or causing to be re-published the defamatory statements complained of, and a mandatory injunction requiring the defendants to remove or cause to be removed all of their defamatory statements from websites or other locations on the Internet.

On December 27, 2002, one of Barrick's Peruvian subsidiaries received an income tax assessment of $41 million, excluding interest and penalties, from the Peruvian tax authority SUNAT. The tax assessment relates to a recently completed tax audit of Barrick's Pierina mine for the 1999-2000 fiscal years. The assessment mainly relates to the revaluation of the Pierina mining concession and associated tax basis. Under the valuation proposed by SUNAT, the tax basis of Pierina assets would change from what Barrick had previously assumed with a resulting increase in current and deferred income taxes. While Barrick believes the tax assessment is incorrect and will appeal the decision, the full life of mine effect on the Company's current and deferred income tax liabilities of $141 million is recorded at December 31, 2002, as well as other payments of about $21 million due for periods through 2002.

Barrick intends to pursue all available administrative and judicial appeals. If Barrick is successful on appeal and its original asset valuation is confirmed as the appropriate tax basis of assets, the Company would benefit from a $141 million reduction in tax liabilities recorded at December 31, 2002. The effect of this contingent gain, if any, will be recorded in the period the contingency is resolved.

Under Peruvian law, Barrick is not required to make payment pending the outcome of the appeal process, which routinely takes several years.

Barrick has not provided for $51 million of potential interest and penalties assessed in the audit. Even if the tax assessment is upheld, Barrick believes that it will prevail on the interest and penalties part, because the assessment runs counter to applicable law and previous Peruvian tax audits. The potential amount of interest and penalties, will increase over time while Barrick contests the tax assessment. A liability for interest and penalties will only be recorded should it become probable that SUNAT's position on interest and penalties will be upheld, or if the Company exhausts its appeals.

Barrick and its subsidiaries are, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. Barrick is also subject to reassessment for income and mining taxes for certain years. Barrick does not believe that adverse decisions in any pending or threatened proceedings related to any potential tax assessments or other matters, or any amount which it

may be required to pay by reason thereof, will have a material adverse effect on the financial condition or future results of operations of Barrick.

RISK FACTORS

The risks described below are not the only ones facing Barrick. Additional risks not currently known to Barrick or that Barrick currently deems immaterial may also impair Barrick's operations.

Gold price volatility

Barrick's business is affected by the world market price of gold. Gold prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond Barrick's control. These include industry factors such as: industrial and jewelry demand; the level of demand for gold as an investment; central bank lending, sales and purchases of gold; speculative trading; and costs of and levels of global gold production by producers of gold. Gold prices may also be affected by macroeconomic factors, including: expectations of the future rate of inflation; the strength of, and confidence in, the US dollar, the currency in which the price of gold is generally quoted, and other currencies; interest rates; and global or regional, political or economic uncertainties.

If the world market price of gold were to drop and the prices realized by Barrick on gold sales were to decrease significantly and remain at such a level for any substantial period, Barrick's profitability and cashflow would be negatively affected. In such circumstances, Barrick may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of its current projects, which could have an adverse impact on Barrick's financial performance and results of operations.

Barrick engages in transactions intended to reduce the impact of fluctuations in gold prices on its profitability. See " – Risks associated with the use of derivatives" and "Narrative Description of the Business – Forward Sales Program".

Price volatility of other commodities

The profitability of Barrick's business is also affected to a lesser extent by the market prices of other commodities produced as by-products at Barrick's mines, such as silver and copper, as well as commodities which are consumed or otherwise used in connection with Barrick's operations, such as diesel fuel and electricity. Prices of such commodities are also subject to volatile price movements over short periods of time and are affected by factors that are beyond Barrick's control. If Barrick's proceeds from the sale of these by-products were to decrease significantly, or the costs of certain commodities consumed or otherwise used in connection with Barrick's operations were to increase significantly, and remain at such levels for a substantial period, Barrick may determine that it is not economically feasible to continue commercial production at some or all of Barrick's operations or the development of some or all of Barrick's current projects. From time to time, Barrick engages in transactions intended to reduce the impact of such fluctuations on its profitability. See " – Risks associated with the use of derivatives".

Mining risks and insurance risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected rock formations, pressures, cave-ins, flooding and gold bullion losses, some of which are beyond Barrick's control. These risks and hazards could result in: damage to, or destruction of, mineral properties or producing facilities; personal injury or death; environmental damage; delays in mining; and monetary losses and possible legal liability.

While Barrick maintains and intends to continue to maintain insurance to cover some of these risks and hazards to the extent available and consistent with the industry practice, no assurance can be given that such insurance will continue to be available, or that it will be available at economically feasible premiums. Barrick's property, business interruption and liability insurance may not provide sufficient coverage for losses related to these or other risks or hazards. In addition, Barrick does not have coverage for certain environmental losses in certain jurisdictions in which it has operations, as such coverage cannot be purchased at a commercially reasonable cost. This lack of insurance coverage could result in material economic harm to Barrick.

Mineral reserves and resources

The mineral reserves and mineral resources are estimates, and no assurance can be given that the indicated level of gold will be produced. Fluctuations in the price of gold or by-product minerals, such as silver and copper, may render mineral reserves containing relatively lower grades of gold mineralization uneconomic. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of orebodies or the processing of new or different ore grades, may cause mineral reserves to be reduced or Barrick to be unprofitable in any particular accounting period.

Estimated reserves may have to be recalculated based on actual production experience. Market price fluctuations of gold and silver, as well as increased production costs or reduced recovery rates, may render the present proven and probable reserves unprofitable to develop at a particular site or sites for periods of time. This could cause Barrick to reduce its reserves, which could have a negative impact on Barrick's financial results. Failure to obtain necessary permits or government approvals could also cause Barrick to reduce its reserves.

There is no assurance that Barrick will obtain indicated levels of recovery of gold or the prices assumed in determining gold reserves.

Production and cost estimates

Barrick prepares estimates of future production and cash costs of production for particular operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates could have an adverse impact on Barrick's future cash flows, forward sales program, earnings, results of operations and financial condition.

Barrick's actual production may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the ore reserves, such as the need for sequential development of orebodies and the processing of new or different ore grades; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, floods, and earthquakes; and unexpected labour shortages or strikes. Cash costs of production may be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, the cost of supplies, and services and currency exchange rates.

Development

Barrick's ability to sustain or increase its present levels of gold production is dependent in part on the successful development of new orebodies and/or expansion of existing mining operations. The economic feasibility of development projects is based upon many factors, including: the accuracy of reserve estimates; metallurgical recoveries; capital and operating costs of such projects; and future gold prices. Development projects are also subject to the successful completion of feasibility studies, issuance of

necessary governmental permits, acquisition of satisfactory surface or other land rights and availability of adequate financing.

Development projects have no operating history upon which to base estimates of future cash flow. It is possible that actual costs and economic returns may differ materially from Barrick's estimates or that Barrick could fail to obtain the governmental approvals necessary for the operation of a project. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase and to require more capital than anticipated.

Exploration

Gold exploration is highly speculative in nature. Barrick's exploration projects involve many risks and are frequently unsuccessful. Once a site with gold mineralisation is discovered, it may take several years from the initial phases of drilling until production is possible. Substantial expenditures are required to establish proven and probable reserves and to construct mining and processing facilities. As a result of these uncertainties, there is no assurance that current or future exploration programs will be successful and result in the expansion or replacement of current production with new reserves.

Environmental, health and safety regulations

Barrick's domestic and foreign mining operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and protected species. Barrick has made, and expects to make in the future, significant expenditures to comply with such laws and regulations. Future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have an adverse impact on Barrick's financial condition or results of operations. The costs and delays associated with compliance with these laws and regulations could stop Barrick from proceeding with the development of a project or the operation or further development of a mine or increase the costs of development or production.

In the US and Canada, for example, Barrick is required to submit, for government approval, a reclamation plan for each of its mining sites that establishes Barrick's obligation to reclaim property after minerals have been mined from the site. In some jurisdictions, bonds or other forms of financial assurances are required for security for these reclamation activities. Barrick may incur significant costs in connection with these restoration activities. The unknown nature of possible future additional regulatory requirements and the potential for additional reclamation activities create uncertainties related to future reclamation costs.

Foreign investments and operations

Barrick conducts mining and development activities in many countries, including the United States, Canada, Australia, Argentina, Chile, Peru and Tanzania. Mining investments are subject to the risks normally associated with any conduct of business in foreign countries including: uncertain political and economic environments; war and civil disturbances; changes in laws or policies of particular countries; foreign taxation; delays in obtaining or the inability to obtain necessary governmental permits; limitations on the repatriation of earnings; and increased financing costs.

These risks may limit or disrupt projects, restrict the movement of funds or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation.

Currency fluctuations

Currency fluctuations may affect the costs Barrick incurs at its operations and may affect Barrick's operating results and cash flows. Gold is sold throughout the world based principally on the US dollar price, but a portion of Barrick's operating expenses are incurred in local currencies. The appreciation of non-US dollar currencies against the US dollar can increase the costs of gold production at Barrick's mines located outside the United States. Barrick enters into currency hedging contracts to mitigate the impact on operating costs of the appreciation of non-US dollar currencies against the US dollar. This could result in Barrick failing to benefit to some degree if the US dollar appreciates in value relative to non-US dollar currencies. See " - Use of derivatives".

Use of derivatives

Barrick uses certain derivative products to manage the risks associated with gold price volatility, changes in commodity prices, interest rates, foreign currency exchange rates and energy prices. The use of derivative instruments involves certain inherent risks including: (a) credit risk – the risk of default on amounts owing to Barrick by the counterparties with which Barrick has entered into such transaction; (b) market liquidity risk – risk that Barrick has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; (c) mark to market risk – the risk that, in respect of certain derivative products, an adverse change in market prices for commodities, currencies or interest rates will result in Barrick recognizing a loss in respect of such derivative products.

For a description of the steps Barrick has taken to mitigate these risks, see "Forward Sales Program".

Employee Relations

Barrick's ability to achieve its future goals and objectives is dependent, in part, on maintaining good relations with its employees. A prolonged labor disruption at any of its material properties could have a material adverse impact on its operations as a whole.

Title to properties

The validity of mining claims, which constitute most of Barrick's property holdings, can be uncertain and may be contested. Although Barrick has attempted to acquire satisfactory title to its properties, some risk exists that some titles, particularly title to undeveloped properties, may be defective.

Competition

Barrick competes with other mining companies and individuals for mining claims and leases on exploration properties and the acquisition of gold mining assets. Barrick cannot assure that it will continue to be able to compete successfully with Barrick's competitors in acquiring such properties and assets.

Interest rates and gold lease rates

A significant, prolonged decrease in interest rates could have a material adverse impact on the interest earned on Barrick's cash balances. A significant, prolonged decrease in interest rates and/or increase in gold lease rates could have a material adverse impact on the difference between the forward gold price over the current spot price ("contango"), and, ultimately, the realized price under new forward gold sales contracts entered into by Barrick. The Company's interest rate exposure mainly relates to the mark to market value of derivative instruments, the fair value and ongoing payments under gold lease rate and US dollar interest-rate swaps, and interest receipts on the Company's cash balances. The majority of

Barrick's long-term debt is at fixed interest rates and is not affected by changes in interest rates (though a portion of this fixed rate debt has been swapped to floating rate debt).

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Reference is made to page 100 of the 2002 Annual Report to shareholders, which is incorporated by reference into this Annual Information Form, which should be read together with the Company's Consolidated Financial Statements (US GAAP) for the year ended December 31, 2002 and the Company's Consolidated Financial Statements (Canadian GAAP) for the year ended December 31, 2002.

US GAAP

For the years ended December 31, 2002, 2001 and 2000
(in millions of US dollars, except per share data)

	2002	2001	2000
Sales	**$1,967**	$1,989	$ 1,936
Net income (loss)	**$ 193**	$ 96	$(1,189)[1]
Net income (loss) per share			
Basic	**$ 0.36**	$ 0.18	$ (2.22)[1]
Diluted	**$ 0.36**	$ 0.18	$ (2.22)[1]
Total assets	**$5,261**	$5,202	$ 5,393[1]
Total long-term debt [2]	**$ 781**	$ 802	$ 904
Cash dividends per common share	**$ 0.22**	$ 0.22	$ 0.22
Operating statistics			
Gold production (thousands of ounces)	**5,695**	6,124	5,950
Total cash operating costs per ounce	**$ 177**	$ 162	$ 155
Average price realized per ounce of gold sold	**$ 339**	$ 317	$ 334
Average spot price of gold per ounce	**$ 310**	$ 271	$ 279

(1) In 2000 the Company took a $1.4 billion ($2.54 per share) non-cash provision to earnings, net of income taxes of $243 million, to cover the writedown of the carrying amounts of various assets.

(2) Includes current portion of long-term debt.

Canadian GAAP

For the years ended December 31, 2002, 2001 and 2000
(in millions of US dollars, except per share data)

	2002	2001	2000
Sales	**$1,947**	$1,324	$1,307
Net income (loss)	**$ 229**	$ 271	$ (768)[1]
Net income (loss) per share			
Basic	**$ 0.42**	$ 0.68	$ (1.94)[1]
Diluted	**$ 0.42**	$ 0.68	$ 1.94)[1]
Total assets	**$7,704**	$7,688	$4,535[1]
Total long-term debt [2]	**$ 777**	$ 802	$ 676
Cash dividends per common share	**$ 0.22**	$ 0.22	$ 0.22
Operating statistics			
Gold production (thousands of ounces)	**5,695**	3,739	3,744
Total cash operating costs per ounce	**$ 177**	$ 159	$ 145
Average price realized per ounce of gold sold	**$ 336**	$ 341	$ 362
Average spot price of gold per ounce	**$ 310**	$ 271	$ 279

(1) In 2000 the Company took a $1.1 billion ($2.77 per share) non-cash provision to earnings, net of income taxes of $230 million, to cover the writedown of the carrying amounts of various assets.

(2) Includes current portion of long-term debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Reference is made to the Management's Discussion and Analysis of Financial and Operating Results of the Company (US GAAP) for the year ended December 31, 2002 and the Management's Discussion and Analysis of Financial and Operating Results of the Company (Canadian GAAP), for the year ended December 31, 2002 each of which is incorporated by reference into this Annual Information Form.

CONSOLIDATED FINANCIAL STATEMENTS

Reference is made to the Company's Consolidated Financial Statements for the year ended December 31, 2002 (US GAAP) and the Company's Consolidated Financial Statements for the year ended December 31, 2002 (Canadian GAAP), both of which are incorporated by reference into this Annual Information Form.

DIVIDEND POLICY

In each of 2001 and 2002, Barrick paid a total cash dividend of $0.22 per share – $0.11 in mid-June and $0.11 in mid-December. The amount and timing of any dividends is within the discretion of Barrick's Board of Directors. The Board of Directors reviews the dividend policy semi-annually based on the cash requirements of Barrick's operating assets, exploration and development activities, as well as potential acquisitions, combined with the current and projected financial position of Barrick.

DIRECTORS AND OFFICERS OF THE COMPANY

Reference is made to the sections “Election of Directors” and “Statement of Corporate Governance Practices” on pages 5-10 of the Management Information Circular and Proxy Statement of the Company dated March 31, 2003 for information regarding directors of the Company and the Committees of the Board which pages are incorporated herein by reference. As of March 15, 2003, Directors and executive officers of Barrick as a group beneficially own, directly or indirectly, or exercise control or direction over, approximately 0.3% of the outstanding common shares of Barrick.

One director of the Company, Mr. J.L. Rotman, has been a director of other companies, which during the past ten years have been the subject of a cease trade or similar order while Mr. Rotman was acting as a director of such companies. Livent Inc. was the subject of a cease trade order issued by the Ontario Securities Commission on August 7, 1998 following the discovery of accounting irregularities. In November 1998 Livent Inc. filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code and filed for protection under the Companies Creditors Arrangement Act in Canada. The cease trade order was revoked effective November 20, 1998 and Mr. Rotman resigned as a director of Livent Inc. on September 29, 1999. Paragon Entertainment Corporation made a filing under the Companies Creditors Arrangement Act in April 1998; Mr. Rotman resigned as a director of Paragon in June 1998.

Officers of the Company

The following are the officers of the Company as at May 1, 2003:

Name (age) and municipality of residence	Office (date became an Officer)	Principal occupations during past 5 years
Peter Munk *(75)* Toronto, Ontario	Chairman and Director *(1984)*	Chairman of the Company; Chairman of Trizec Properties, Inc. (real estate) and Chairman and Chief Executive Officer of Trizec Canada Inc. (real estate); prior to May 2002, Chairman of TrizecHahn Corporation (real estate).
Gregory C. Wilkins Toronto, Ontario (47)	President and Chief Executive Officer *(*2003*)* and Director *(1991)*	President and Chief Executive Officer of the Company; prior to February 2003, Corporate Director; prior to May 2002, Vice-Chairman, TrizecHahn Corporation (real estate); prior to March 2001 President and Chief Operating Officer, TrizecHahn Corporation.
John Carrington *(59)* Thornhill, Ontario	Vice Chairman and Chief Operating Officer and Director *(1995)*	Vice Chairman and Chief Operating Officer of the Company; prior to March 1999, Chief Operating Officer of the Company.
Jack Thompson *(53)* Alamo, California	Vice Chairman and Director *(2001)*	Vice Chairman of the Company; prior to December 2001, Chairman and Chief Executive Officer of Homestake.

Name (age) and municipality of residence	Office (date became an Officer)	Principal occupations during past 5 years
Tye W. Burt Toronto, Ontario (46)	Executive Director *(2002)*	Executive Director, Corporate Development of the Company; prior to December 2002, Principal, Harris Partners Limited (investment banking) and President, Cartesian Capital Corp. (investment banking); prior to May 2000, Chairman, Deutsche Bank Canada (investment banking) and Managing Director of Deutsche Bank's Global Metals and Mining Group.
Patrick Garver *(51)* Toronto, Ontario	Executive Vice President and General Counsel *(1993)*	Executive Vice President and General Counsel of the Company.
Alan Hill *(60)* Toronto, Ontario	Executive Vice President, Development *(1984)*	Executive Vice President, Development of the Company.
Alexander Davidson *(51)* North York, Ontario	Senior Vice President, Exploration *(1993)*	Senior Vice President, Exploration of the Company.
Jamie Sokalsky *(45)* Toronto, Ontario	Senior Vice President and Chief Financial Officer *(1993)*	Senior Vice President and Chief Financial Officer of the Company; prior to March 1999, Vice President and Treasurer of the Company.
Ammar Al-Joundi *(38)* Toronto, Ontario	Vice President and Treasurer *(1999)*	Vice President and Treasurer of the Company; prior to May 1999, Vice President, Structured Finance, Citibank Canada.
Vincent Borg *(46)* Toronto, Ontario	Vice President, Corporate Communications *(1992)*	Vice President, Corporate Communications of the Company.
Michael Brown *(45)* *Washington, D.C*	Vice President, United States *Public Affairs (1995)*	*Vice President, United States Public* Affairs of the Company.
André Falzon *(48)* Toronto, Ontario	Vice President and Controller *(1988)*	Vice President and Controller of the Company.
James Fleming *(52)* Toronto, Ontario	Vice President, Communications *(1995)*	Vice President, Communications of the Company.
Gordon Fife *(44)* Stouffville, Ontario	Vice President, Organizational Effectiveness *(2002)*	Vice President, Organizational effectiveness of the Company; prior to January 2002, Principal, PricewaterhouseCoopers LLP; prior to October 1997, Principal, HR Associates.
Gregory Lang *(48)* City Beach, Western Australia	Vice President, Australian Operations *(2001)*	Vice President, Australian Operations of the Company; prior to December 2001, Vice President, Australia, Homestake Mining Company; prior to January 1999, Vice President U.S. and International Operations, Homestake Mining Company.

Name (age) and municipality of residence	Office (date became an Officer)	Principal occupations during past 5 years
John McDonough *(56)* Salt Lake City, Utah	Vice President, Enviroment *(1994)*	Vice President, Environment of the Company.
Stephen Orr *(48)* Toronto, Ontario	Vice President, North American Operations *(2001)*	Vice President, North American Operations of the Company; prior to December 2001, Vice President, North American Operations, Homestake Mining Company.
Raymond Threlkeld (*56*) Santiago, Chile	Vice President, Project Development *(2002)*	Vice President, Project Development of the Company; prior to July 2002, Vice President and General Manager in respect of the Pascua-Lama property; prior to December 2000, Vice President and General Manager in respect of the Bulyanhulu property; prior to March 1999, General Manager in respect of the Pierina property.
David Welles *(64)* New York, New York	Vice President and Tax Counsel *(1995)*	Vice President and Tax Counsel of the Company.
Richard Young *(39)* Mississauga, Ontario	Vice President, Investor Relations *(2000)*	Vice President, Investor Relations of the Company; prior to December 2000, Director, Investor Relations of the Company; prior to January 1998, Manager, Corporate Development of the Company.
Sybil Veenman *(39)* Toronto, Ontario	Associate General Counsel and Secretary *(1995)*	Associate General Counsel and Secretary of the Company.

NON-GAAP MEASURES

It is Barrick's understanding that certain investors use cash costs per ounce data to assess Barrick's performance and also determine its ability to generate cash flow for use in investing and other activities. The inclusion of cash costs per ounce statistics enables investors to better understand year on year changes in production costs, which in turn affect the Company's profitability and cash flow. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The measures are not necessarily indicative of operating costs or cash flow measures presented under GAAP.

Reconciliation of Cash Costs per Ounce

(in millions of US dollars except per ounce amounts)	2002	2001	2000
Operating costs per financial statements	$1,071	$1,080	$ 950
Reclamation, closure and other costs [1]	(43)	(60)	(50)
Operating costs for per ounce calculation	$1,028	$1,020	$ 900
Ounces sold (thousands)	5,805	6,278	5,794
Total cash costs per ounce	$ 177	$ 162	$ 155

[1] In 2002, includes costs totaling $15 million in connection with the Peruvian tax assessment. Total cash costs per ounce data is calculated in accordance with The Gold Institute Production Cost Standard (the "Standard"). Adoption of the Standard is voluntary, and the data presented may not be comparable to data presented by other gold producers. Cash costs per ounce are derived from amounts included in the Statements of Income and include mine site operating costs such as mining, processing, administration, royalties and production taxes, but exclude amortization, reclamation costs, financing costs, and capital, development and exploration.

ADDITIONAL INFORMATION

The Company will provide to any person, upon a request to the Secretary of the Company, the following information:

(a) when the securities of the Company are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus which has been filed in respect of a proposed distribution of its securities:

(i) one copy of the latest Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated therein by reference;

(ii) one copy of the comparative financial statements of the Company for its most recently completed financial year for which financial statements have been filed together with the accompanying report of the auditor and one copy of any interim financial statements of the Company subsequent to the financial statements for its most recently completed financial year;

(iii) one copy of the information circular of the Company in respect of its most recent annual meeting of shareholders which involved the election of directors; and

(iv) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under (i) to (iii) above; or

(b) at any other time, one copy of any other documents referred to in (a)(i), (ii) and (iii) above, provided that the Company may require the payment of a reasonable charge if the request is made by a person or company that is not a security holder of the Company.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and options to purchase securities is contained in the Company's Management Information Circular and Proxy Statement dated March 31, 2003. As well, additional financial information is provided in the Company's 2002 Annual Report, in the Company's Consolidated Financial Statements (both as prepared under US GAAP and as prepared under Canadian GAAP) and Management's Discussion and Analysis of Financial and Operating Results for the year ended December 31, 2002 (both as prepared under US GAAP and as prepared under Canadian GAAP), each of which is available electronically from the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) (http://www.sedar.com).

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking

Barrick Gold Corporation (the "Registrant") undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B. Consent to Service of Process

The Registrant has previously filed with the Commission a Form F-X in connection with the Common Shares.

INCORPORATION BY REFERENCE

T he Registrant's annual report on Form 40-F is incorporated by reference in the Registrant's registration statements on Form F-9/F-3 (Nos. 333-6756 and 333-6756-1) and Form F-3 (No. 333-14148).

CONTROLS AND PROCEDURES

Within the 90-day period prior to the filing of this report, an evaluation was carried out under the supervision of and with the participation of the registrant's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c)) under the Securities Act of 1934. Based on that evaluation our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these controls and procedures were effective. No significant changes were made in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation nor were there any significant deficiencies or material weaknesses in such controls requiring corrective action. As a result, no corrective actions were taken.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

BARRICK GOLD CORPORATION

By: /s/ SYBIL E. VEENMAN

Name: Sybil E. Veenman
Title: Associate General Counsel and Secretary

Dated: May 16, 2003

CERTIFICATIONS

I, Gregory C. Wilkins, President and Chief Executive Officer of Barrick Gold Corporation, certify that:

1. I have reviewed this annual report on Form 40-F of Barrick Gold Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

    c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ GREGORY C. WILKINS

Name: Gregory C. Wilkins
Title: President and Chief Executive Officer

Date: May 16, 2003

I, Jamie C. Sokalsky, Senior Vice President and Chief Financial Officer of Barrick Gold Corporation, certify that:

1. I have reviewed this annual report on Form 40-F of Barrick Gold Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

    c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ JAMIE C. SOKALSKY

Name: Jamie C. Sokalsky
Title: Senior Vice President and Chief Financial Officer

Date: May 16, 2003

EXHIBIT INDEX

Exhibits	Description
1	Barrick Gold Corporation's Comparative Audited Consolidated Financial Statements prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), including the Notes thereto, as at December 31, 2002 and 2001 and for the years ended December 31, 2002, 2001 and 1999, together with the Auditor's report thereon
2	Barrick Gold Corporation's Management's Discussion and Analysis (US GAAP) for the year ended December 31, 2002
3	Barrick Gold Corporation's Comparative Audited Consolidated Financial Statements prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), including the Notes thereto, as at December 31, 2002 and 2001 and for the years ended December 31, 2002, 2001 and 2000, together with the Auditor's report thereon
4	Barrick Gold Corporation's Management's Discussion and Analysis (Canadian GAAP) for the year ended December 31, 2002
5	Consent of PricewaterhouseCoopers LLP
6	Certificate of Gregory C. Wilkins pursuant to Section 906 of Sarbanes-Oxley Act of 2002
7	Certificate of Jamie C. Sokalsky pursuant to Section 906 of Sarbanes-Oxley Act of 2002

EXHIBIT 1

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared by and are the responsibility of the Board of Directors and Management of the Company.

The consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles and reflect Management's best estimates and judgements based on currently available information. The Company has developed and maintains a system of internal accounting controls in order to ensure, on a reasonable and cost effective basis, the reliability of its financial information.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Accountants. Their report outlines the scope of their examination and opinion on the consolidated financial statements.

/s/ Jamie C. Sokalsky

Jamie C. Sokalsky
Senior Vice President
and Chief Financial Officer
Toronto, Canada
February 5, 2003

AUDITORS' REPORT TO THE SHAREHOLDERS OF BARRICK GOLD CORPORATION

We have audited the consolidated balance sheets of Barrick Gold Corporation as at December 31, 2002 and 2001 and the consolidated statements of income, cash flow and changes in shareholders' equity for each of the three years in the period ended December 31, 2002. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in both Canada and the United States. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2002 and 2001 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2002 in accordance with United States generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, during 2002 the Company changed its policy on accounting for deferred stripping costs, during 2001 the Company changed its policy on accounting for derivative instruments, and during 2000 the Company changed the policy on revenue recognition for gold sales.

On February 5, 2003, we reported separately to the shareholders of Barrick Gold Corporation on the financial statements for the same periods, prepared in accordance with Canadian generally accepted accounting principles.

/s/ PricewaterhouseCoopers LLP

Chartered Accountants
Toronto, Canada
February 5, 2003

CONSOLIDATED STATEMENTS OF INCOME (US GAAP BASIS)

Barrick Gold Corporation
For the years ended December 31, 2002, 2001 and 2000
(in millions of United States dollars, except per share data)

	2002	2001	2000
Gold sales (note 25)	$1,967	$1,989	$ 1,936
Costs and expenses			
Operating (notes 4 and 25)	1,071	1,080	950
Amortization (note 25)	519	501	493
Administration	64	86	75
Exploration and business development	104	103	149
Merger and related costs (notes 3 and 15)	(2)	117	—
Provision for mining assets and other unusual charges (note 5)	—	59	1,627
	1,756	1,946	3,294
Interest and other income (note 6)	29	32	14
Interest expense (note 16)	(57)	(25)	(26)
Non-hedge derivative gains (losses) (note 23)	(6)	33	(5)
Income (loss) before income taxes and other items	177	83	(1,375)
Income taxes (note 7)	16	14	209
Income (loss) before cumulative effect of changes in accounting principles	193	97	(1,166)
Cumulative effect of changes in accounting principles (note 2)	—	(1)	(23)
Net income (loss) for the year	$ 193	$ 96	$(1,189)
Earnings per share data (note 8):			
Net income (loss) before changes in accounting principles			
Basic and diluted	$ 0.36	$ 0.18	$ (2.18)
Net income (loss)			
Basic and diluted	$ 0.36	$ 0.18	$ (2.22)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (US GAAP BASIS)

Barrick Gold Corporation
For the years ended December 31, 2002, 2001 and 2000
(in millions of United States dollars)

	2002	2001 (note 2B)	2000 (note 2B)
OPERATING ACTIVITIES			
Net income (loss) for the year	$ 193	$ 96	$(1,189)
Amortization	519	501	493
Changes in capitalized mining costs	29	17	39
Provision for mining assets and other unusual charges (note 5)	—	—	1,627
Deferred income taxes (note 7)	(75)	(50)	(287)
Other items (note 28)	(77)	24	159
Net cash provided by operating activities	589	588	842
INVESTING ACTIVITIES			
Property, plant and equipment	(228)	(474)	(612)
Short-term investments	159	(153)	130
(Increase) decrease in restricted cash	—	(24)	2
Purchase of mining properties (note 3)	—	—	(141)
Other	11	5	10
Net cash used in investing activities	(58)	(646)	(611)
FINANCING ACTIVITIES			
Proceeds from stock options exercised	83	7	6
Long-term debt			
Proceeds	—	55	236
Repayments	(25)	(152)	(187)
Dividends	(119)	(93)	(94)
Net cash used in financing activities	(61)	(183)	(39)
Effect of exchange rate changes on cash and equivalents	—	(1)	(6)
Net increase (decrease) in cash and equivalents	470	(242)	186
Cash and equivalents at beginning of year (note 27)	574	816	630
Cash and equivalents at end of year (note 27)	$1,044	$ 574	$ 816

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS (US GAAP BASIS)

Barrick Gold Corporation
At December 31, 2002 and 2001
(in millions of United States dollars)

	2002	2001
ASSETS		
Current assets		
Cash and equivalents	$1,044	$ 574
Short-term investments (note 10)	30	205
Accounts receivable (note 11)	72	60
Inventories and other current assets (note 12)	206	223
	1,352	1,062
Property, plant and equipment (note 13)	3,322	3,621
Capitalized mining costs	272	301
Other assets (note 14)	315	218
Total assets	$5,261	$5,202
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 164	$ 175
Other current liabilities (note 15)	319	308
	483	483
Long-term debt (note 16)	761	793
Other long-term obligations (note 17)	422	443
Net deferred income tax liabilities (note 18)	261	291
Total liabilities	1,927	2,010
Shareholders' equity		
Capital stock (note 19)	4,148	4,062
Deficit	(689)	(763)
Accumulated other comprehensive loss (note 9)	(125)	(107)
Total shareholders' equity	3,334	3,192
Commitments and contingencies (note 22)		
Total liabilities and shareholders' equity	$5,261	$5,202

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Board

/s/ Gregory C. Wilkins
Gregory C.Wilkins
Director

/s/ C. William D. Birchall
C. William D. Birchall
Director

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS) (US GAAP BASIS)

Barrick Gold Corporation
For the years ended December 31, 2002, 2001 and 2000
(in millions of United States dollars)

STATEMENT OF SHAREHOLDERS' EQUITY

	2002	2001	2000
Common shares (number in millions)			
At January 1	536	536	534
Issued for cash/on exercise of stock options	6	—	1
Issued on purchase of mining property	—	—	1
At December 31	542	536	536
Common shares (amount in millions)			
At January 1	$4,062	$4,051	$ 4,025
Issued for cash/on exercise of stock options	86	11	9
Issued on purchase of mining property	—	—	17
At December 31	$4,148	$4,062	$ 4,051
Retained earnings (deficit)			
At January 1	$ (763)	$ (766)	$ 517
Net income (loss)	193	96	(1,189)
Dividends	(119)	(93)	(94)
At December 31	$ (689)	$ (763)	$ (766)
Accumulated other comprehensive loss (note 9)	$ (125)	$ (107)	$ (95)
Total shareholders' equity at December 31	$3,334	$3,192	$ 3,190

STATEMENT OF COMPREHENSIVE INCOME (LOSS)

	2002	2001	2000
Net income (loss)	$193	$ 96	$(1,189)
Foreign currency translation adjustments	(21)	(26)	(60)
Transfers of realized (gains) losses on derivative instruments to earnings	(21)	25	—
Change in fair value of cash flow hedges	28	—	—
Additional minimum pension liability	(2)	(5)	—
Transfers of realized (gains) losses on available-for-sale securities to earnings	4	(2)	(7)
Unrealized losses on available for sale securities	(6)	(4)	—
Comprehensive income (loss)	$175	$ 84	$(1,256)

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Barrick Gold Corporation

Tabular dollar amounts in millions of United States dollars, unless otherwise shown.
References to C$ and A$ are to Canadian and Australian dollars, respectively.

1 > NATURE OF OPERATIONS

Barrick Gold Corporation ("Barrick" or the "Company") engages in the production and sale of gold, including related mining activities such as exploration, development, mining and processing. We also use derivative instruments in a risk management program that seeks to mitigate the effect of volatility in commodity prices, interest rates and foreign currency exchange rates on our business (refer to note 23). Our operations are mainly located in the United States, Canada, Australia, Peru, Tanzania, Chile and Argentina. They require specialized facilities and technology, and we rely on those facilities to support our production levels. The market price of gold, quantities of gold mineral reserves and gold production levels, cash operating costs, interest rates and the level of exploration expenditures are some of the things that affect our operating cash flow and profitability. Due to the global nature of our operations, we are also affected by such things as fluctuations in foreign currency exchange rates, political risk and varying levels of taxation. We seek to mitigate the risks associated with our business, but many of the factors affecting these risks are beyond our control.

2 > SIGNIFICANT ACCOUNTING POLICIES

A Basis of presentation

The United States dollar is the principal currency of our operations. We prepare and file our primary consolidated financial statements in United States dollars and under United States generally accepted accounting principles ("US GAAP"). We include consolidated financial statements prepared under Canadian GAAP (in United States dollars) in our Proxy Statement that we file with various Canadian regulatory authorities. Summarized below are the accounting policies under US GAAP that we consider particularly significant to us. References to the Company in these financial statements relate to Barrick and its consolidated subsidiaries. We have reclassified certain prior-year amounts to conform with the current year presentation.

The preparation of financial statements under US GAAP requires us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities;
- disclosures of contingent assets and liabilities; and
- revenues and expenses recorded in each reporting period.

The most significant estimates and assumptions that affect our financial position and results of operations are those that use estimates of proven and probable gold reserves, and/or assumptions of future gold prices. Such estimates and assumptions affect:

- the value of inventories (which are stated at the lower of average cost and net realizable value);
- decisions as to when exploration and mine development costs should be capitalized or expensed;
- whether property, plant and equipment and capitalized mining costs may be impaired;
- our ability to realize income tax benefits recorded as deferred income tax assets; and
- the rate at which we charge amortization to earnings.

We also estimate:

- costs associated with reclamation and closure of mining properties;
- remediation costs for inactive properties;
- the fair values of derivative instruments; and
- the likelihood and amounts associated with contingencies.

We regularly review the estimates and assumptions that affect our financial statements; however, what actually happens could differ from those estimates and assumptions.

B Accounting changes

Deferred stripping costs

Historically, we classified deferred stripping costs as part of Property, plant and equipment on our consolidated balance sheet. In 2002 we began classifying these costs as a separate line item, Capitalized mining costs. Total capitalized mining costs at December 31, 2002 were $272 million. The comparative amount at December 31, 2001, of $301 million has also been reclassified.

Also, we historically classified expenditures for stripping costs as part of purchases of property, plant and equipment in Investing activities in our consolidated statement of cash flows. In 2002, we began classifying these expenditures as part of changes in Capitalized mining costs in Operating activities. Expenditures for stripping costs for the year ended December 31, 2002 were $121 million. We also reclassified the comparative amounts for 2001 of $133 million and 2000 of $98 million. We made these changes to reflect the operating nature of stripping activities. These changes had no effect on earnings.

Accounting for derivative instruments

We adopted Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities, and Statement of Financial Accounting Standards No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities, (collectively FAS 133), on January 1, 2001. On adoption, we recorded the fair value of derivative instruments as follows:

At January 1, 2001	Carrying amount	Fair value	Adjustment
	Asset (liability)		Loss
Hedge derivatives			
Purchased gold call options	$ 44	$ 5	$ (39)[1]
Non-hedge derivatives			
Written gold call options and total return swaps	$ (42)	$ (42)	—
Other derivatives	$ —	$ (3)	$ (3)[2]

1 Recorded in Other Comprehensive Income (OCI), net of tax benefits of $4 million. We also reclassified into OCI deferred gains on hedge contracts that had been closed out in previous years that totaled $35 million.

2 Recorded as a cumulative effect accounting change in earnings, net of tax benefits of $2 million.

Revenue recognition

In 2000 we implemented Staff Accounting Bulletin No. 101 (“SAB 101”), Revenue Recognition. Under SAB 101, we recognize revenue when we deliver gold bullion to counterparties. Previously, we recognized revenue when gold was in doré form, under long-standing industry practice. The effect of this change was to increase our net loss by $25 million in 2000, including the cumulative effect of $23 million, and basic net loss per share by $0.04.

C Basis of consolidation

These consolidated financial statements include the accounts of Barrick and its subsidiaries. Intercompany transactions and balances are eliminated upon consolidation. We control our subsidiaries through existing majority voting interests. Under long-standing practice for extractive industries, we present our proportionate interest in the assets, liabilities, revenues, expenses and cash flows of unincorporated joint ventures in our financial statements.

D Foreign currency translation

The functional currency of all our operations, except for our Argentinean operations where it is the Argentinean peso, is the United States dollar (“the US dollar”). Except for our Argentinean operations, we remeasure balances into US dollars as follows:

- non-monetary assets and liabilities using historical rates;
- monetary assets and liabilities using period-end exchange rates; and
- income and expenses using average exchange rates, except for expenses related to assets and liabilities remeasured at historical exchange rates.

Gains and losses arising from remeasurement of foreign currency financial statements into US dollars, and from foreign currency transactions, are included in earnings.

For our Argentinean operations, we translate assets and liabilities into US dollars using period-end exchange rates; and revenues and expenses using average rates. We record the resulting translation adjustments in a cumulative translation adjustments account in Other Comprehensive

Income (OCI), a part of shareholders' equity.

After the merger with Homestake in 2001, various changes in economic facts and circumstances led us to conclude that the functional currency of certain of its operations is the United States dollar and not the local currency. These changes included the denomination of selling prices for gold production, and more use of United States dollar financing.

For periods before January 1, 2002, the financial statements of those operations were translated as follows: assets and liabilities using period-end exchange rates; and revenues and expenses at average rates. Translation adjustments were included in OCI.

E Other significant accounting policies

Other aspects of our financial statements including our other significant accounting policies, and the note and page where they can be found are:

	Note	Page
Business combinations and property acquisitions	3	71
Operating costs	4	72
Provision for mining assets and other unusual charges	5	72
Interest and other income	6	72
Income taxes	7	73
Earnings per share	8	73
Comprehensive income	9	74
Investments	10	74
Accounts receivable and revenue recognition	11	75
Inventories	12	75
Property, plant and equipment	13	76
Other assets	14	76
Other current liabilities	15	77
Long-term debt	16	77
Reclamation and closure costs	17	78
Other post-retirement benefits	17	78
Deferred income taxes	18	79
Capital stock	19	80
Stock options	20	80
Restricted stock units	20	82
Pension plans	21	82
Contingencies	22	83
Derivative instruments	23	86
Fair value of financial instruments	24	92
Segment information	25	93
Joint ventures	26	95
Cash and equivalents	27	95

F Recently issued accounting pronouncements

FAS 143, Accounting for asset retirement obligations

In June 2001, the FASB issued Statement No. 143, Accounting for Asset Retirement Obligations (FAS 143), which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. It applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or the normal operation of a long-lived asset. FAS 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When a liability is initially recorded, an entity capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, a liability is increased each period to reflect an interest element considered in its initial measurement at fair value, and the capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, we will record any gain or loss that occurs. FAS 143 is effective for financial statements issued for fiscal years beginning after June 15, 2002. On adoption of FAS 143 in our balance sheet we will record an increase in property, plant and equipment by $39 million; an increase in other long-term obligations by $32 million; and an increase in deferred income tax liabilities by $3 million. A $4 million credit for the cumulative effect of this change will be recorded in the income statement.

FAS 146, Accounting for costs associated with exit or disposal activities

In June 2002, the FASB issued Statement No. 146, Accounting for Costs Associated with Exit or Disposal Activities (FAS 146). FAS 146 addresses issues relating to the recognition, measurement, and reporting of costs associated with exit and disposal activities, including restructuring activities.

FAS 146 requires that the initial liability for costs associated with exit and disposal activities be measured at fair value. It prohibits the recognition of a liability based solely on an entity's commitment to a plan, and requires that the liability for costs associated with exit and disposal activities be re-evaluated each subsequent reporting period. FAS 146 requires costs for which a liability is not recorded expensed as incurred, even

if those costs are incremental to other operating costs and will be incurred as a direct result of the plan. FAS 146 is effective for exit or disposal activities initiated after December 31, 2002. Retroactive application of FAS 146 is prohibited, so liabilities recognized prior to the initial application of FAS 146 will continue to be accounted for under existing guidance.

FAS 148, Accounting for stock-based compensation – transition and disclosure

In December 2002, the FASB issued Statement No. 148, Accounting for Stock-Based Compensation – Transition and Disclosure – an amendment of FAS 123 (FAS 148). FAS 148 provides additional transition guidance for companies that elect to voluntarily adopt the fair value accounting provisions of FAS 123. FAS 148 does not change the provisions of FAS 123 that permit companies to continue to apply the intrinsic value method under APB 25, the method which we use.

FAS 148 requires certain new disclosures that are incremental to those under FAS 123. Those disclosures are intended to overcome concerns about the potential lack of comparability arising from the FASB's decision to permit multiple transition methods. We adopted the annual disclosure provisions of FAS 148 in these financial statements.

FIN 45, Guarantor's accounting and disclosure requirements for guarantees

In November 2002, the FASB issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees (FIN 45). FIN 45 clarifies the requirements of Statement No. 5, Accounting for Contingencies, relating to a guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. FIN 45 requires that upon issuance of a guarantee, the guarantor must recognize a liability for the fair value of the obligation it assumes under that guarantee. The disclosure provisions of FIN 45 are effective for these financial statements, but the provisions for recognition and measurement are effective only for guarantees that are issued or modified after December 31, 2002.

3 > BUSINESS COMBINATIONS AND PROPERTY ACQUISITIONS

A Homestake Mining Company

On December 14, 2001, a wholly-owned subsidiary of Barrick merged with Homestake Mining Company ("Homestake"). Under the terms of the merger agreement, we issued 139.5 million Barrick common shares in exchange for all the outstanding common shares of Homestake, using an exchange ratio of 0.53:1. The merger was accounted for as a pooling-of-interests. The consolidated financial statements give retroactive effect to the merger, with all periods presented as if Barrick and Homestake had always been combined.

In 2001, we recorded charges for merger-related costs totaling $117 million ($107 million after tax). These costs included transaction costs of $32 million for investment banking, legal, accounting and other costs directly related to the merger. They also include integration and restructuring costs of $85 million, mainly for employee termination costs.

B Pangea Goldfields Inc.

On July 27, 2000, we acquired Pangea Goldfields Inc.,decision an exploration company, for cash of $131 million. We accounted for the acquisition as a purchase, and assigned values of $140 million to total assets acquired, including $16 million in cash and $9 million to liabilities acquired.

C Round Mountain Mine

On July 1, 2000, we acquired a further 25% interest in the Round Mountain Mine for $43 million, increasing our ownership interest from 25% to 50%. The purchase consideration consisted of 1.4 million newly issued common shares and cash of $26 million. We accounted for the transaction as a purchase, and allocated $3 million to working capital, $45 million to property, plant and equipment and $5 million to reclamation obligations.

4 > OPERATING COSTS

For the years ended December 31	2002	2001	2000
Cost of goods sold	$ 964	$ 944	$ 841
Amortization of capitalized mining costs	150	150	137
By-product revenues	(119)	(112)	(111)
Royalty expenses	37	39	42
Production taxes	5	5	6
Reclamation and closure costs	34	54	35
	$1,071	$1,080	$ 950

A Amortization of capitalized mining costs

We charge most mine operating costs to inventory as incurred. However, we defer and amortize certain mining costs associated with open-pit deposits that have diverse ore grades and waste-to-ore ton ratios over the mine life. These mining costs arise from the removal of waste rock at our open-pit mines, and we commonly refer to them as “deferred stripping costs.” We record amortization of amounts deferred based on a “stripping ratio” using the units-of-production method. This accounting method results in the smoothing of these costs over the life of mine, rather than expensing them as incurred. Some mining companies expense these costs as incurred, which may result in the reporting of greater volatility in period to period results of operations. The application of our deferred stripping accounting policy in 2002 resulted in an increase in operating costs of $29 million compared to actual costs incurred (2001 – $17 million increase, 2000 – $39 million increase). Capitalized mining costs represent the excess of costs capitalized over amortization recorded, although it is possible that a liability could arise if cumulative amortization exceeds costs capitalized. The carrying amount of Capitalized mining costs is included with related mining property, plant and equipment for impairment testing purposes.

Average stripping ratios[1]

For the years ended December 31	2002	2001	2000
Betze-Post (Goldstrike)	112:1	98:1	98:1
Pierina	48:1	21:1	19:1

1 The stripping ratio is calculated as the ratio of total tons (ore and waste) of material to be moved compared to total recoverable proven and probable gold reserves.

The average remaining life of the above-mentioned open-pit mine operations for which we capitalize mining costs is 9 years. The full amount of stripping costs incurred will be expensed by the end of the mine lives.

B Royalties

Most of our properties are subject to royalty obligations based on minerals production at the properties, under various methods of calculation. The most significant royalties are at Goldstrike, Bulyanhulu and Pascua-Lama. Most Goldstrike production is subject to a net smelter return (NSR) or net profits interest (NPI) royalty payable on the value of mineral production. The highest Goldstrike royalties are a 5% NSR and a 6% NPI. Bulyanhulu is subject to an NSR-type royalty of 3%. A part of Pascua-Lama gold production will be subject to a gross proceeds sliding scale royalty, ranging from 1.5% to 10%, and a 2% NSR royalty on copper production. Another part of Pascua-Lama is subject to a 3% NSR royalty on extraction of all gold, silver, and other ores.

5 > PROVISION FOR MINING ASSETS AND OTHER UNUSUAL CHARGES

For the years ended December 31	2002	2001	2000
Provision for mining assets	$—	$—	$1,600[1]
Inmet litigation (note 22)	—	59	—
Other	—	—	27
	$—	$59	$ 1,627

1 In 2000, we completed a review of our property, plant and equipment that was mainly triggered by the level of gold prices at the time, using the policy described in note 13C. As a result, we reduced the carrying values of various assets to their estimated fair values. The review was triggered by a number of events, including our long-term view of the price of gold at the time of the review. We recorded a $1.6 billion non-cash provision to write down various assets, including the Pascua-Lama Project in Chile and Argentina; the Pierina property in Peru and certain exploration properties; low-grade stockpile inventories and the carrying amount of our SJ royalty claims at the Betze-Post Mine in the United States; and the Bousquet Mine in Canada.

6 > INTEREST AND OTHER INCOME

For the years ended December 31	2002	2001	2000
Interest income	$28	$ 36	$ 49
Foreign currency translation gains (losses)	2	(10)	(18)
Other	(1)	6	(17)
	$29	$ 32	$ 14

7 > INCOME TAXES

For the years ended December 31	2002	2001	2000
Current			
Canada	$(44)	$(14)	$ (23)
Foreign	(15)	(22)	(55)
	(59)	(36)	(78)
Deferred (note 18)			
Canada	45	74	68
Foreign	30	(24)	219
	75	50	287
Income taxes	$ 16	$ 14	$209

Because we operate in a specialized industry and in several tax jurisdictions, our income is subject to varying rates of taxation. Major items causing our income tax rate to differ from the Canadian federal statutory rate of 38% are:

For the years ended December 31	2002	2001	2000
Income tax (expense) credit based on statutory rate	$(67)	$(32)	$ 523
(Increase) decrease resulting from:			
Resource and depletion allowances	12	11	29
Earnings in foreign jurisdictions at different tax rates	67	84	76
Provision for mining assets	—	—	(331)
Non-deductible expenses	(9)	(56)	(35)
Changes in valuation allowance	(43)	(45)	27
Outcome of income tax uncertainties	22	—	—
Other	34	52	(80)
Income tax credit	$ 16	$ 14	$ 209
The main temporary differences and their tax effects are:			
Amortization	$ 52	$ 21	$ 8
Reclamation costs	(4)	(8)	8
Net operating losses	22	37	19
Provision for mining assets	—	—	267
Other	5	—	(15)
	$ 75	$ 50	$ 287

8 > EARNINGS PER SHARE

We compute basic earnings per share by dividing net income or loss (the numerator) by the weighted-average number of outstanding common shares for the period (the denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options. In periods where a net loss is reported, such as in 2000, basic and diluted loss per share are the same because the effect of the exercise of stock options would be anti-dilutive.

The weighted-average number of common shares outstanding for the year was 541 million shares (2001 – 536 million shares, 2000 – 535 million shares). The number of shares for the diluted net income per share calculation was 541 million shares (2001 – 538 million shares, 2000 – 535 million shares).

9 > COMPREHENSIVE INCOME (LOSS)

Comprehensive income consists of net income or loss and other gains and losses that are excluded from net income or loss. Other gains and losses consist mainly of gains and losses on derivative instruments accounted for as cash flow hedges; unrealized gains and losses on investments; and foreign currency translation adjustments.

Parts of comprehensive income (loss)

For the years ended December 31	2002		2001		2000	
	Pre-tax amount	Tax expense (credit)	Pre-tax amount	Tax expense (credit)	Pre-tax amount	Tax expense (credit)
Foreign currency translation adjustments	$ (21)	$ —	$ (26)	$ —	$ (60)	$ —
Transfers of realized (gains) losses on derivative instruments to earnings	(25)	4	29	(4)	—	—
Change in fair value of cash flow hedges	49	(21)	—	—	—	—
FAS 133 transition adjustment (note 2)	—	—	(4)	4	—	—
Additional minimum pension liability	(2)	—	(5)	—	—	—
Transfers of realized (gains) losses on available-for-sale securities to earnings	4	—	(2)	—	(7)	—
Unrealized losses on available-for-sale securities	(6)	—	(4)	—	—	—
	$ (1)	$ (17)	$ (12)	$ —	$ (67)	$ —

Accumulated other comprehensive loss (OCI)

At December 31	2002			2001		
	Pre-tax amount	Tax credit	Total	Pre-tax amount	Tax credit	Total
Foreign currency translation adjustments	$(144)	$ —	$(144)	$(123)	$—	$(123)
Derivative instruments	49	(17)	32	29	(4)	25
Additional minimum pension liability	(7)	—	(7)	(5)	—	(5)
Unrealized losses on available-for-sale securities	(6)	—	(6)	(4)	—	(4)
	$(108)	$(17)	$(125)	$(103)	$ (4)	$(107)

10 > SHORT-TERM INVESTMENTS

Available-for-sale securities

At December 31	2002		2001	
	Fair value	Losses in OCI	Fair value	Losses in OCI
Commercial paper and term deposits[1]	$—	$ —	$159	$ —
Fixed-income securities[2]	7	—	14	—
Total debt securities	7	—	173	—
Equity securities[2]	23	6	32	4
	$30	$ 6	$205	$ 4

1 As part of our cash management program, we invest in commercial paper and term deposits with initial maturities in excess of three months, but less than one year.

2 Under a deferred compensation plan for certain former Homestake executives we hold a portfolio of marketable fixed-income and equity securities. Short-term investments, which are all classified as available-for-sale, are carried at fair value with unrealized gains and losses, net of tax effects recorded in OCI, a part of shareholders' equity. The fair value of investments is determined by quoted market prices. We recognize in earnings all declines in fair value judged to be other than temporary. During the three years ended December 31, total proceeds from the sale of short-term investments were: 2002 – $223 million; 2001 – $24 million;and 2000 – $26 million. For purposes of calculating realized gains and losses, we use the average cost of securities sold.

Realized gains and losses on investments

For the years ended December 31	2002	2001	2000
Gains	$—	$ 2	$ 7
Losses	$ 4	$—	$—

11 > ACCOUNTS RECEIVABLE

At December 31	2002	2001
Amounts due from customers	$30	$38
Taxes recoverable	12	11
Other	30	11
	$72	$60

Amounts due from customers

We recognize revenue from the sale of gold and by-products when the following conditions are met:

> persuasive evidence of an arrangement exists;

> delivery has occurred under the terms of the arrangement;

> the price is fixed or determinable; and

> collectibility is reasonably assured.

For gold bullion sold under forward sales contracts or in the spot market, we recognize revenue on transfer of title to the gold to counterparties.

Our Eskay Creek and Bulyanhulu mines produce ore and concentrate containing both gold and silver. Our concentrate sales contracts with third-party smelters provide for final gold and silver pricing in a specified future period based on spot market metals prices. We record revenues under these contracts based on the forward gold and silver prices at the time of shipment, which is when transfer of legal title to concentrate passes to the third-party smelters. The terms of the contracts result in embedded derivatives, because of the difference between the recorded one-month forward price and the final settlement price. These embedded derivatives are adjusted to fair value through non-hedge derivative gains and losses in earnings each period until the date of final gold and silver pricing.

At December 31, 2002, we had outstanding concentrate sales contracts for 865,000 ounces of silver recorded at an average price of $4.52 per ounce and 35,000 ounces of gold recorded at an average price of $323 per ounce.

The fair value of the embedded derivatives at December 31, 2002, was $1 million (positive), and is recorded on the balance sheet in other derivative assets.

Revenue from the sale of by-products such as silver and copper is credited against operating costs.

12 > INVENTORIES AND OTHER CURRENT ASSETS

At December 31	2002	2001
Gold in process and ore in stockpiles	$100	$134
Mine operating supplies	59	57
Derivative assets (note 23)	37	17
Prepaid expenses	10	15
	$206	$223

Gold in process and ore in stockpiles

We record gold in process, ore in stockpiles and mine operating supplies at the lower of average cost and net realizable value. For gold in process and ore in stockpiles, cost includes materials and labor as well as an allocation of amortization of property, plant and equipment.

Gold in process and ore in stockpiles excludes $61 million (2001 – $46 million) of stockpiled ore that we do not expect to process in the next 12 months. This amount is included in other assets. We process ore in stockpiles under a life of mine plan that is intended to optimize use of our known mineral reserves, present plant capacity and pit design. Historically, the market price of gold has not significantly affected the timing of processing of ore in stockpiles.

Our Goldstrike property is the only one that has significant stockpiled ore. The stockpiles consist of two ore types: ore that will require autoclaving, and ore that will require roasting. Processing of roaster ore commenced on start-up of the roaster facility in 2000. We are now processing ore from both the autoclave and roaster stockpiles. We expect to fully process the autoclave stockpile by 2009 and the roaster stockpile by 2016.

13 > PROPERTY, PLANT AND EQUIPMENT

At December 31	2002	2001
Property acquisition and mine development costs	$ 4,233	$ 4,448
Buildings, plant and equipment	2,812	2,824
	7,045	7,272
Accumulated amortization	(3,723)	(3,651)
	$ 3,322	$ 3,621

A Property acquisition and mine development costs

We capitalize payments for the acquisition of land and mineral rights. After acquisition, a number of things affect the recoverability of the cost of land and mineral rights, and in particular the results of exploration drilling. The length of time between the acquisition of land and mineral rights and when we undertake exploration work varies based on the prioritization of our exploration projects and the size of our exploration budget.

We capitalize mine development costs on our properties after proven and probable reserves have been found. Before finding proven and probable reserves, costs are considered exploration costs, which are expensed as incurred.

We start amortizing capitalized costs when production begins. Amortization is calculated using the units-of-production method based on the estimated recoverable ounces of gold in proven and probable reserves.

We capitalize financing costs, including interest, relating to mine development costs while development or construction activities at the properties are in progress. Capitalization occurs without restriction to specific borrowings. We stop capitalizing financing costs when the asset or mine is substantially complete and ready for its intended use.

B Buildings, plant and equipment

We record buildings, plant and equipment at cost and amortize them net of their residual value, using the straight-line method over their estimated useful lives. The longest estimated useful life for buildings and mill equipment is 25 years and for mine equipment 15 years.

We expense repairs and maintenance expenditures as incurred. We capitalize major improvements and replacements that increase productive capacity or extend the useful life of an asset, and amortize them over the remaining estimated useful life of the related asset.

C Property evaluations

We review and test the carrying amounts of our mineral properties and related buildings, plant and equipment when events or changes in circumstances suggest that the carrying amount may not be recoverable. If we have reason to suspect an impairment may exist, we prepare estimates of future net cash flows that we expect to generate for the related asset or group of assets. The cash flow estimates are based on:

> estimated recoverable ounces of gold (considering proven and probable mineral reserves);

> estimated future commodity prices (considering historical and current prices, price trends and related factors); and

> expected future operating costs, capital expenditures and reclamation expenditures.

We record a reduction of the assets or group of assets to their estimated fair value as a charge to earnings, if the estimated future net cash flows are less than the carrying amount. We calculate fair value by discounting the estimated future net cash flows using a discount factor. The discount factor is our estimate of the risk-adjusted rate used to determine the fair value of our mining properties in a transaction between willing buyers and sellers.

14 > OTHER ASSETS

At December 31	2002	2001
Ore in stockpiles (note 12)	$ 61	$ 46
Taxes recoverable	35	40
Derivative assets (note 23)	78	40
Deferred income tax assets (note 18)	45	—
Note receivable	14	17
Restricted cash	8	12
Debt issue costs	11	11
Deferred stock compensation (note 20B)	5	8
Prepaid pension asset (note 21)	7	5
Other	51	39
	$315	$218

15 > OTHER CURRENT LIABILITIES

At December 31	2002	2001
Current part of reclamation and closure obligations (note 17)	$ 53	$ 80
Merger and related costs [1]	3	65
Litigation (note 22)	58	56
Derivative liabilities (note 23)	28	13
Income taxes payable	52	43
Pension benefits (notes 17 and 21)	9	1
Current part of long-term debt (note 16)	20	9
Deferred revenue [2]	35	30
Other	61	11
	$319	$308

1 In 2002, cash payments of merger and related costs totaled $50 million. Other amounts totaling $10 million were settled through pension plan benefit enhancements. Excess accruals totaling $2 million have been recorded in 2002 earnings.

2 Deferred revenue will be recorded in earnings in: 2003 - $17 million; 2004 - $7 million; 2005 - $4 million; 2010 - $7 million.

16 > LONG-TERM DEBT

At December 31	2002	2001
Debentures	$504	$500
Project financing - Bulyanhulu	194	200
Variable rate bonds	80	80
Capital leases	3	22
	781	802
Current part	(20)	(9)
	$761	$793

Interest expense

For the years ended December 31	2002	2001	2000
Interest incurred	$ 59	$ 67	$ 70
Less: capitalized	(2)	(42)	(44)
Interest expense	$ 57	$ 25	$ 26

A Debentures

On April 22, 1997, we issued $500 million of redeemable, non-convertible debentures. The debentures bear interest at 7.5% per annum, payable semi-annually, and mature on May 1, 2007. In 2002, we entered into interest-rate swap contracts as a fair value hedge of our interest rate risk exposure on $250 million of the debentures, effectively converting them to floating-rate debt instruments (note 23). Under the swaps, we receive fixed-rate interest receipts at 7.5% in exchange for floating-rate interest payments of LIBOR plus a credit spread of 4.0%, which resulted in an effective rate of 5.7%.

B Project financing - Bulyanhulu

One of our wholly-owned subsidiaries, Kahama Mining Corporation Ltd. in Tanzania, has a limited recourse amortizing loan for $194 million. We guaranteed the loan until completion, which occurred in March 2003. After completion, the loan became non-recourse. The loan is insured for political risks equally by branches of the Canadian government and the World Bank. The interest rate, inclusive of political risk insurance premiums, is LIBOR plus 2.6% before completion, and increases after completion to about LIBOR plus 3.6%. The effective interest rate for 2002, including amortization of debt-issue costs and political risk insurance, was 7.2% (2001 - 7.3%, 2000 - - 9.2%). The effective interest rate includes payments made under a receive-floating, pay-fixed interest-rate swap which matches the loan principal over the term to repayment and through this we have fixed the rate for the term of the debt at 7%.

Scheduled repayments for each of the next five years are: 2003 - $20 million, 2004 - $24 million, 2005 - $31 million, 2006 - $34 million, 2007 - $34 million, 2008 and thereafter - $51 million.

C Variable rate bonds

Certain of our wholly-owned subsidiaries have issued variable rate, tax-exempt bonds of $17 million (due 2004), $25 million (due 2029) and $38 million (due 2032) for a total of $80 million. We pay interest monthly on the bonds based on variable short-term, tax-exempt obligation rates. The average interest rate for 2002 was 1.4% (2001 - 1.9%). No principal repayments are due until cancellation, redemption or maturity.

D Credit facilities

We have a credit and guarantee agreement with a group of banks (the "Lenders"), which requires the Lenders to make available to us a credit facility of up to $1 billion or the equivalent amount in Canadian currency. We renewed the Credit Agreement on April 29, 2002 for another five-year term. The Credit Agreement, which is unsecured, matures in April 2007 and has an interest rate of LIBOR plus 0.27% to 0.35% when used, and an annual fee of 0.08%. We have not drawn any amounts under the Credit Agreement.

17 > OTHER LONG-TERM OBLIGATIONS

At December 31	2002	2001
Reclamation and closure costs	$249	$267
Pension benefits (note 21)	55	62
Other post-retirement benefits	28	32
Derivative liabilities (note 23)	58	60
Restricted stock units (note 20)	7	8
Other	25	14
	$422	$443

A Reclamation and closure costs

We accrue estimates of future reclamation and closure costs at active mines over the life of the mines as revenue is recognized. Each period we expense an amount calculated using the units-of-production method based on the latest estimates of future reclamation and closure costs and recoverable ounces of gold contained in proven and probable reserves. After closure we record changes in estimates of reclamation and closure costs in earnings at the time of revision. Our accounting policy for reclamation and closure costs will change on adoption of FAS 143 in 2003 (refer to note 2). At December 31, 2002, accrued costs at inactive mines totaled $169 million (2001 - $250 million).

Estimates of reclamation and closure costs reflect:

> work that is required under applicable laws and regulations;

> obligations under existing permits; and

> where applicable, government mandated assumptions and methodologies.

We estimate that future reclamation and closure costs under present environmental regulations are $461 million. The major parts of this $461 million estimate are for: tailing and heap leach pad closure/rehabilitation - $83 million; demolition of buildings/mine facilities - $121 million; ongoing water treatment - $67 million; ongoing monitoring and care and maintenance - $129 million; and other costs - $61 million. At December 31, 2002, we had accrued a total of $302 million (2001 - $347 million), including the current part of $53 million.

B Other post-retirement benefits

We provide post-retirement medical, dental, and life insurance benefits to certain employees. We use the corridor approach in the accounting for post-retirement benefits, under which all actuarial gains and losses resulting from variances between actual results and economic estimates or actuarial assumptions are deferred. We amortize the deferred amounts when the net gains or losses exceed 10% of the accumulated post-retirement benefit obligation at the beginning of the year. The amortization period is the average remaining life expectancy of participants. For 2002, we recorded a benefit expense of $nil (2001 - $2 million credit, 2000 - $1 million expense).

We have assumed a health care cost trend of 7% in 2002, 7.5% in 2001 and 8% in 2000, decreasing ratability to 5% in 2006 and thereafter. The assumed health care cost trend had a minimal effect on the amounts reported. A one percentage point change in the assumed health care cost trend rate at December 31, 2002 would have increased or decreased the post-retirement benefit obligation by $2 million and would have had no significant effect on the benefit expense for 2002.

18 > DEFERRED INCOME TAXES

Net deferred income tax liabilities

At December 31	2002	2001
Assets		
Operating loss carryforwards	$ 389	$ 312
Reclamation and closure costs	82	81
Property, plant and equipment	93	32
Post-retirement benefit plan obligations	46	48
Alternative minimum tax credit carryforwards	110	111
Other	43	61
Gross deferred tax assets	763	645
Valuation allowances	(476)	(433)
Net assets	287	212
Liabilities		
Property, plant and equipment	(487)	(444)
Other	(16)	(59)
	$(216)	$(291)
Net deferred income tax liabilities consist of:		
Non-current assets (note 14)	45	—
Non-current liabilities	(261)	(291)
	$(216)	$(291)

A Recognition and Measurement

We recognize deferred income tax assets and liabilities for the future tax consequences of temporary differences between the carrying amounts of assets and liabilities in our balance sheet and their tax bases. We measure deferred income tax assets and liabilities using enacted rates that apply to the years when we expect to recover or settle the temporary differences. Our income tax expense or recovery includes the effects of changes in our deferred income tax assets and liabilities. We reduce deferred income tax assets by a valuation allowance if we decide it is more likely than not that some or all of the assets will not be realized.

We measure and recognize deferred income tax assets and liabilities based on: our interpretation of relevant tax legislation; our tax planning strategies; estimates of the tax bases of individual assets and liabilities; and the deductibility of expenditures for income tax purposes. We will recognize the effects of changes in our assessment of these estimates and factors when they occur.

We have not recorded deferred income taxes relating to undistributed earnings of foreign subsidiaries that are indefinitely invested. Undistributed earnings amounted to about $1,251 million at December 31, 2002, and $1,499 million at December 31, 2001. If the undistributed earnings of those foreign subsidiaries were not indefinitely invested, a deferred income tax liability of $63 million at December 31, 2002, and $75 million at December 31, 2001, would be recorded.

Operating loss carryforwards amount to $1,456 million, of which $1,032 million do not expire and $424 million expire at various times over the next 20 years. Alternative minimum tax credit carryforwards amount to $110 million and do not expire.

Our income tax returns for the major jurisdictions where we operate have been fully examined through the following years: Canada - 1997, United States - 1998 and Peru - 2000. Other than the matter described in note 22C relating to interest and penalties associated with a Peruvian tax assessment, we are not aware of any tax matters outstanding in any country in which we operate that could potentially have a material adverse effect on our financial position or results of operations.

B Valuation allowances

Because we operate in multiple tax jurisdictions, we consider the need for a valuation allowance on a country-by-country basis, taking into account the effects of local tax law. When a valuation allowance is not recorded, we believe that there is sufficient positive evidence to support this conclusion.

When facts or circumstances change, we record an adjustment to a valuation allowance to reflect the economic effects of the change. The main factors that affect the amount of a valuation allowance are:

> expected levels of future taxable income;

> opportunities to implement tax plans that affect whether tax assets can be realized; and

> the nature and amount of taxable temporary differences.

Levels of taxable income are affected by, among other things, prevailing gold prices; cash operating costs; changes in proven and probable gold

reserves; and changes in interest rates and foreign currency exchange rates. It is reasonably possible that circumstances could occur resulting in a material change in the valuation allowances.

19 > CAPITAL STOCK

A Authorized capital

Our authorized capital stock includes an unlimited number of common shares, 9,764,929 First preferred shares, Series A (issued nil); 9,047,619 Series B (issued nil); 1 Series C special voting share (issued 1); and 14,726,854 Second preferred shares Series A (issued nil).

B Homestake Canada Inc. ("HCI") Exchangeable Shares

In connection with a 1998 acquisition, HCI issued 11.1 million HCI exchangeable shares. Each HCI exchangeable share is exchangeable for 0.53 of a Barrick common share at any time at the option of the holder and has essentially the same voting, dividend (payable in Canadian dollars), and other rights as 0.53 of a Barrick common share. At December 31, 2002, 1.6 million (2001 - 3 million) HCI exchangeable shares were outstanding, which are equivalent to 0.8 million Barrick common shares (2001 - 1.6 million common shares). The equivalent common share amounts are reflected in the number of common shares outstanding.

At any time on or after December 31, 2008, or when fewer than 1.4 million HCI exchangeable shares are outstanding, we have the right to require the exchange of each outstanding HCI exchangeable share for 0.53 of a Barrick common share.

Summarized financial information for HCI

For the years ended December 31	2002	2001	2000
Total revenues and other income	$203	$ 175	$203
Less: costs and expenses	191	281	233
Income (loss) before taxes	$ 12	$(106)	$ (30)
Net loss	$ (1)	$ (84)	$ (30)

At December 31	2002	2001
Assets		
Current assets	$ 91	$ 43
Non-current assets	236	345
Total assets	$ 327	$ 388
Liabilities and Shareholder's equity		
Other current liabilities	75	76
Notes payable	407	416
Other long-term liabilities	18	12
Deferred income taxes	122	121
Shareholders' equity	(295)	(237)
	$ 327	$ 388

C Dividends

In 2002, we declared and paid dividends in US dollars totaling $0.22 per share (2001 - $0.22 per share, 2000 - $0.22 per share).

20 > EMPLOYEE STOCK-BASED COMPENSATION

A Common stock options

At December 31, 2002, 22 million common stock options were outstanding, expiring at various dates to December 2, 2012. The exercise price of the options is set at our closing share price on the day before the grant date. They vest over four years at a rate of one quarter each year, beginning in the year after granting, and are exercisable over 10 years. At December 31, 2002, 5 million (2001 - 9 million, 2000 - 6 million) common shares, in addition to those currently outstanding, were available for granting options.

Besides the common stock options in the table on page 81, we are obliged to issue about 0.5 million common shares (2001 - 0.7 million common shares) in connection with outstanding stock options assumed as part of the Sutton acquisition. The options have an average exercise price of C$19.68 (2001 - C$19.34) and an average remaining term of three years (2001 - four years).

Stock option activity (shares in millions)

	2002		2001		2000	
	Shares (number)	Average price	Shares (number)	Average price	Shares (number)	Average price
C$ options						
At January 1	19		22		21	
Granted	6	$ 24.71	1	$ 24.32	5	$ 24.24
Exercised	(4)	$ 24.79	—	$ 22.77	—	$ 22.95
Cancelled or expired	(2)	$ 33.99	(4)	$ 29.66	(4)	$ 32.77
At December 31	19		19		22	
US$ options						
At January 1	6		4		3	
Granted	—	—	2	$ 9.03	1	$ 13.72
Exercised	(2)	$ 11.99	—	$ 13.44	—	—
Cancelled or expired	(1)	$ 25.10	—	$ 26.10	—	$ 29.45
At December 31	3		6		4	

Stock options outstanding (shares in millions)

	Outstanding			Exercisable	
Range of exercise prices	Shares (number)	Average price	Average life (years)	Shares (number)	Average price
C$ options					
$22.55 - $31.05	17	$ 25.43	8	7	$ 26.73
$31.25 - $44.25	2	$ 39.46	4	2	$ 39.84
	19		8	9	
US$ options					
$8.96 - $17.68	2	$ 12.24	5	1	$ 13.62
$17.75 - $40.66	1	$ 25.22	2	1	$ 25.47
	3		4	2	

Under APB 25, we recognize compensation cost for stock options in earnings based on the excess, if any, of the quoted market price of the stock at the grant date of the award over the option exercise price. Generally, the exercise price for stock options granted to employees equals the fair market value of our common stock at the date of grant, resulting in no compensation cost.

FASB Statement No. 123 (Accounting for Stock-Based Compensation) (FAS 123) encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans based on the fair value of options granted. We have elected to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25 (Accounting for Stock Issued to Employees) (APB 25) and its related interpretations, and to provide disclosures of the pro forma effects of adoption had we recorded compensation expense under the fair value method.

Option value information

For the years ended December 31 (per share and option amounts in dollars)	2002	2001	2000
Fair value per option	$6.40	$5.10	$ 5.90
Valuation assumptions:			
Expected option term (years)	6	10	6
Expected volatility	40%	30%	30%
Expected dividend yield	1.4%	1.4%	1.4%
Risk-free interest rate	5.0%	5.5%	6.0%
Pro forma effects			
Net income (loss), as reported	$ 193	$ 96	$ (1,189)
Stock-option expense	(21)	(31)	(30)

Pro forma net income (loss)	$ 172	$ 65	$ (1,219)
Net income (loss) per share:			
As reported[1]	$ 0.36	$ 0.18	$ (2.22)
Pro forma[1]	$ 0.32	$ 0.12	$ (2.28)

1 Basic and diluted.

B Restricted stock units

In 2001, we put in place a restricted stock unit incentive plan (RSU Plan). Under the RSU Plan, a participant is granted a number of RSUs, where each unit has a value equal to one Barrick common share at the time of grant. Each RSU, which vests and will be paid out on the third anniversary of the date of grant, has a value equivalent to the market price of a Barrick common share. RSUs are recorded at their fair value on the grant date, with a corresponding amount recorded as deferred compensation that is amortized on a straight-line basis over the vesting period. Changes in the fair market value of the units during the vesting period are recorded, with a corresponding adjustment to the carrying amount of deferred compensation. Compensation expense for the year ended December 31, 2002 was $3 million (2001 - $nil). At December 31, 2002, the weighted average contractual life was two years. At December 31, 2002, the fair value of outstanding RSUs was $7 million and is included in other long-term obligations.

RSU activity

	RSUs (in thousands)	Fair value per unit (in dollars)
Balance at December 31, 2000	—	$ —
Granted	495	15.49
Balance at December 31, 2001	495	15.95
Cancelled	(30)	19.74
Balance at December 31, 2002	465	$ 15.41

21 > PENSION PLANS

A Defined benefit pension plans

We have various qualified defined benefit pension plans that cover certain of our United States employees and provide benefits based on employees' years of service. Our policy for these plans is to fund, at a minimum, the amounts necessary on an actuarial basis to provide enough assets to meet the benefits payable to plan members under the Employee Retirement Income Security Act of 1974. Independent trustees administer assets of the plans, which are invested mainly in fixed-income securities and equity securities.

As well as the qualified plans, we have nonqualified defined benefit pension plans covering certain employees and a director of the Company. An irrevocable trust ("rabbi trust") was set up to fund these plans. The diversified assets held in this trust, which include cash of $1 million and short-term investments of $30 million are recorded in our consolidated balance sheet and accounted for under our accounting policies for such assets. At December 31, 2002, the fair value of assets held in the trust was $31 million (2001 - $47 million).

Our pension expense includes the cost of employee benefits earned in the year, interest expense on the accrued benefit obligation, the expected return on the market value of plan assets, and amortization of deferred actuarial gains and losses.

Actuarial gains and losses arise when the actual return on plan assets for a period differs from the expected return on plan assets for that period, and when actual experience causes the expected and actuarial accrued benefit obligations to differ at the end of the year. We amortize actuarial gains and losses over the average remaining life expectancy of participants.

Pension expense

For the years ended December 31	2002	2001	2000
Expected return on plan assets	$(17)	$(21)	$(21)
Service cost for benefits earned	3	4	3
Interest cost on benefit obligation	16	16	17
Prior service cost	—	1	1
Actuarial gains	(1)	(2)	(1)
Special termination charges[1]	—	39	10
Effect of curtailments/settlements	1	(4)	2
	$ 2	$ 33	$ 11

1 In 2001, the planned closure of certain mine sites caused some terminated employees at the sites to receive extra pension entitlements. As well, certain employees with change of control clauses in their employment agreements became entitled to enhanced pension benefits on the closing of the merger. We recorded a charge of $39 million included in merger and related costs to reflect the impact of these events. In 2000, we recorded a charge of $10 million for special termination benefits arising due to the closure of the Homestake mine in provisions for mining assets and other unusual charges.

B Defined contribution pension plans

Certain employees take part in defined contribution employee benefit plans. We also have a retirement plan for certain officers of the Company, under which we contribute 15% of the officer's annual salary and bonus. Our share of contributions to these plans was $12 million in 2002, $12 million in 2001 and $11 million in 2000.

C Defined benefit pension plan actuarial information

	2002	2001
Accumulated benefit obligation (ABO)		
Balance at January 1	$279	$238
Service cost for benefits earned	3	4
Interest cost on benefit obligation	16	16
Plan amendments and special terminations	—	39
Actuarial (gains) losses	(1)	17
Benefits paid	(70)	(24)
Curtailments	—	(11)
Balance at December 31	$227	$279
Fair value of plan assets		
Balance at January 1	$235	$255
Actual return on plan assets	(2)	3
Company contributions	7	1
Benefits paid	(70)	(24)
Balance at December 31	$170	$235
Funded status	$ (57)	$ (44)
Unrecognized net actuarial (gains) losses	9	(9)
Net liability recognized	$ (48)	$ (53)

Pension plans where ABO exceeds the fair value of plan assets

At December 31	2002	2001
Projected benefit obligation	$ 193	$238
ABO	$ 193	$236
Fair value of plan assets	$ 132	$184

Benefit asset (liability)

At December 31	2002	2001
Prepaid pension asset	$ 7	$ 5
Accrued benefit plan liability - current	(7)	(1)
Accrued benefit plan liability - non-current	(48)	(57)
Additional minimum liability (note 9)	(7)	(5)
	$ (55)	$ (58)

Actuarial assumptions

For the years ended December 31	2002	2001	2000
Discount rate	6.50%	6.75%	7.25%
Expected return on plan assets	8.50%	8.50%	8.50%
Compensation increases	5.00%	5.00%	5.00%

Sensitivity analysis of actuarial assumptions[1]

	Effect on ABO	Effect on earnings
Expected return on plan assets	$ —	$ 1
Discount rate	$ 18	$ 3

1 Effect of a one-percent change

22 > COMMITMENTS AND CONTINGENCIES

A Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. Management and, where appropriate, legal counsel, assess such contingent liabilities, which inherently involves an exercise of judgement.

In assessing loss contingencies related to legal proceedings that are pending against us or unasserted claims that may result in such proceedings, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency suggests that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability is accrued in the financial statements. If the assessment suggests that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent loss, together with an estimate of the range of possible loss, if determinable, are disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case we disclose the nature of the guarantee.

B Environmental

Our mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. We conduct our operations so as to protect public health and the environment, and we believe that our operations are materially in compliance with all applicable laws and regulations. We have made, and expect to make in the future, expenditures to meet such laws and regulations.

The Comprehensive Environmental Response, Compensation and Liability Act imposes heavy liabilities on persons who discharge hazardous substances. The Environmental Protection Agency publishes a National Priorities List ("NPL") of known or threatened releases of such substances. Homestake's former uranium millsite near Grants, New Mexico is listed on the NPL.

C Litigation and claims

Inmet litigation

In October 1997, Homestake Canada Inc. ("HCI"), a wholly-owned subsidiary of Barrick, entered into an agreement with Inmet Mining Corporation ("Inmet") to purchase the Troilus mine in Quebec for $110 million plus working capital. In December 1997, HCI terminated the agreement after deciding that, on the basis of due diligence studies, conditions to closing the arrangement would not be satisfied.

On February 23, 1998, Inmet filed suit against HCI in the British Columbia Supreme Court, disputing the termination of the agreement and alleging that HCI had breached the agreement. On January 15, 2002, the Supreme Court of British Columbia released its decision in the matter and found in favor of Inmet and against HCI. Specifically, the Court held that Inmet should be awarded equitable damages in the amount of C$88.2 (US$59) million, which was accrued at December 31, 2001. The Court did not award Inmet pre-judgement interest. Inmet requested the Court to re-open the trial to let Inmet make submissions on its claim for pre-judgement interest from the date of the breach by HCI. The request to re-open was denied by the Court on May 17, 2002.

On February 7, 2002, HCI filed a Notice of Appeal of the decision with the British Columbia Court of Appeal. Inmet filed a Cross-Appeal of the decision regarding pre-judgement interest. A letter of credit of about C$95 million was posted on August 20, 2002 by HCI with the British Columbia Court of Appeal, pending a decision on the appeal.

Bre-X Minerals

On April 30, 1998, we were added as a defendant in a class action lawsuit initiated against Bre-X Minerals Ltd., certain of its directors and officers or former directors and officers and others in the United States District Court for the Eastern District of Texas, Texarkana Division. The class action alleges, among other things, former that statements made by us in connection with our efforts to secure the right to develop and operate the Busang gold deposit in East Kalimantan, Indonesia were materially false and misleading and omitted to state material facts relating to the preliminary due diligence investigation undertaken by us in late 1996.

On July 13, 1999, the Court dismissed the claims against us and several other defendants on the grounds that the plaintiffs had failed to state a claim under United States securities laws. On August 19, 1999, the plaintiffs filed an amended complaint restating their claims against us and certain other defendants and on June 14, 2000, filed a further amended complaint, the Fourth Amended Complaint.

On March 31, 2001, the Court granted in part and denied in part our Motion to Dismiss the Fourth Amended Complaint. As a result, we remain a defendant in the case. We believe that the remaining claims against us are without merit. We filed our formal answer to the Fourth Amended Complaint on April 27, 2001, denying all relevant allegations of the plaintiffs against us. Discovery in the case has been stayed by the Court pending the Court's decision on whether or not to certify the case as a class action. The amount of potential loss, if any, which we may incur arising out of the plaintiffs' claims is not presently determinable.

Blanchard complaint

On January 7, 2003, we were served with a Complaint for Injunctive Relief by Blanchard and Company, Inc. ("Blanchard"), and Herbert Davies ("Davies"). The complaint, which is pending in the US District Court for the Eastern District of Louisiana, also names J.P. Morgan Chase & Company ("J.P. Morgan") as the defendant, along with an unspecified number of additional defendants to be named later. The complaint alleges that we and bullion banks with which we entered into spot deferred contracts have manipulated the price of gold, in violation of US antitrust laws and the Louisiana Unfair Trade Practices and Consumer Protection Law. Blanchard alleges that it has been injured as a seller of gold due to reduced interest in gold as an investment. Davies, a customer of Blanchard, alleges injury due to the reduced value of his gold investments. The complaint does not seek damages, but seeks an injunction terminating certain of our trading agreements with J.P. Morgan and other bullion banks. We intend to defend the action vigorously.

Peruvian tax assessment

On December 27, 2002, one of our Peruvian subsidiaries received an income tax assessment of $41 million, excluding interest and penalties, from the Peruvian tax authority SUNAT. The tax assessment relates to a recently completed tax audit of our Pierina Mine for the 1999-2000 fiscal years. The assessment mainly relates to the revaluation of the Pierina mining concession and associated tax basis. Under the valuation proposed by SUNAT, the tax basis of Pierina assets would change from what we have previously assumed with a resulting increase in current and deferred income taxes. While we believe the tax assessment is incorrect and we will appeal the decision, the full life of mine effect on our current and deferred income tax liabilities of $141 million is recorded at December 31, 2002, as well as other payments of about $21 million due for periods through 2002.

We intend to pursue all available administrative and judicial appeals. If we are successful on appeal and our original asset valuation is confirmed as the appropriate tax basis of assets, we would benefit from a $141 million reduction in tax liabilities recorded at December 31, 2002. The effect of this contingent gain, if any, will be recorded in the period the contingency is resolved.

Under Peruvian law, we are not required to make payment pending the outcome of the appeal process, which routinely takes several years.

We have not provided for $51 million of potential interest and penalties assessed in the audit. Even if the tax assessment is upheld, we believe that we will prevail on the interest and penalties part, because the assessment runs counter to applicable law and previous Peruvian tax audits. The potential amount of interest and penalties will increase over time while we contest the tax assessment. A liability for interest and penalties will only be recorded should it become probable that SUNAT's position on interest and penalties will be upheld, or if we exhaust our appeals.

Other

From time to time, we are involved in various claims, legal proceedings and complaints arising in the ordinary course of business. We are also subject to reassessment for income and mining taxes for certain years. We do not believe that adverse decisions in any pending or threatened proceedings related to any potential tax assessments or other matters, or any amount which we may be required to pay by reason thereof, will have a material adverse effect on our financial condition or future results of operations.

D Commitments

We have entered into various commitments in the ordinary course of business, including commitments to perform assessment work and other obligations necessary to maintain or protect our interests in mining properties, financing and other obligations to joint ventures and partners under venture and partnership agreements, and commitments under federal and state/provincial environmental, health and safety permits.

23 > DERIVATIVE INSTRUMENTS

A Use of derivative instruments

We use derivative financial instruments to reduce or eliminate the inherent risks of certain identifiable transactions and balances that occur in the normal course of our business. The inherent risks in these transactions and balances arise from changes in commodity prices (gold and silver), interest rates and foreign currency exchange rates. The purpose of our derivative program is to ensure that disadvantageous changes in the values of cash flows from these transactions and balances are offset by changes in the values of the derivatives. We do not hold derivatives for the purpose of speculation; our derivative program is designed to enable us to plan our operations on the basis of secure assumptions that will not be jeopardized by future movements of gold and silver prices, interest rates and currency exchange rates.

In the normal course of our business, the main types of derivatives we hold and/or issue are:

Spot deferred and variable-price sales contracts: These contracts provide for the sale of future gold production in fixed quantities with delivery dates at our discretion over a period of up to 15 years.

Interest rate swaps: These instruments are used to counteract the volatility of variable short-term interest rates by substituting fixed interest rates over longer terms on cash and short-term investments.

Foreign currency contracts: These instruments are used for the cash flows at our operating mines from forecasted expenditures denominated in Canadian and Australian dollars to insulate them from currency fluctuations.

Gold lease rate swap contracts: These contracts are used to manage gold lease rate exposure.

In the most significant of these programs - the spot deferred and variable-price sales contracts - the contracts set a price for future gold and silver sales with significant flexibility to capture gold price upside in periods of higher prices. This effect is achieved as a result of our strong balance sheet, large reserves and diversified operations.

We mainly use over-the-counter (“OTC”) derivative contracts. These privately negotiated agreements, which provide superior terms compared to exchange-traded contracts, allow us to obtain favorable credit, tenor and flexibility terms. We do not enter into derivative instruments which we would consider leveraged.

B Accounting for derivative instruments and hedging activities

Under US GAAP rules, companies are required to include on their balance sheet the fair value of derivative instruments, which are defined under FAS 133. This definition excludes certain derivative instruments from its scope, including instruments that meet the definition of “normal sales contracts”, and whose obligations are met by physical delivery of gold or silver, as set out in paragraph 10(b). Our spot deferred and variable price sales contracts meet the terms of this paragraph, so FAS 133 does not apply to them. We apply our normal revenue recognition principles to our normal sales contracts, which results in recognition of proceeds from the contracts as revenue at the date of physical delivery.

All other derivatives are recognized on our balance sheet at their fair value as either an asset or a liability. On the date we enter into a derivative contract, we designate the derivative as either:

> a fair value hedge of a recognized asset or liability;

> a cash flow hedge of either a forecasted transaction or the variability of cash flows associated with a recognized asset or liability;

> a foreign currency cash flow hedge of forecasted transactions; or

> an instrument that is held for non-hedging purposes.

Fair-value hedges of recognized assets or liabilities: we record in earnings any changes in the fair value of the derivatives as they occur, along with changes in the fair value of the hedged asset or liability.

Derivatives that qualify as cash flow hedges: we record changes in the fair value of the derivative in Other Comprehensive Income (OCI) until earnings are affected by the forecasted transaction.

Interest-rate swaps designated as hedges of future interest receipts arising on our cash and short-term investments: gains and losses on the derivatives are recorded in OCI until the related interest receipts are recorded in earnings, at which time the gains and losses are transferred to interest income.

Foreign-currency contracts for Canadian or Australian capital and operating expenditures at our operating mines: gains and losses on the derivatives are recorded in OCI until these costs are recorded in earnings, at which time the gains and losses are transferred to amortization or operating costs.

Non-hedge derivatives: Changes in the fair value are recorded in earnings as they occur.

All cash flows relating to derivative instruments are included under operating cash flows.

We formally document all relationships between derivative instruments and the items they are hedging, as well as the risk-management goals and strategy for entering into hedge transactions. This documentation includes linking all derivatives designated as fair-value, cash flow, or foreign-currency hedges to either specific assets and liabilities in the balance sheet, specific firm commitments or specific forecasted transactions.

For these documented relationships, we formally assess (both at the start of the hedge and on an ongoing basis) whether the derivatives used in hedging transactions are highly effective in offsetting changes in the fair value or cash flows of hedged items, and whether those derivatives are expected to remain highly effective in the future. If it is clear that a derivative is not highly effective as a hedge, we stop hedge accounting prospectively.

Other circumstances under which we stop hedge accounting prospectively include:

> a derivative expires or is sold, terminated, or exercised;

> it is no longer probable that the forecasted transaction will occur; or

> if we decide to remove the designation as a hedge from a derivative.

If it is clear that a forecasted transaction will not occur by the originally specified time, or within a further two-month period, gains and losses accumulated in OCI are recognized at once in earnings.

In all situations in which hedge accounting stops and a derivative remains outstanding, future changes in its fair value are recognized in earnings as they occur.

C Gold and silver contracts outstanding as at December 31, 2002

Maturity/Scheduled for delivery in	2003	2004	2005	2006	2007	2008+	Total
Gold contracts							
Spot deferred contracts							
Ounces (thousands)	2,800	1,350	1,550	1,540	1,500	7,200	15,940
Average price per ounce	$ 340	$ 345	$ 335	$ 338	$ 340	$ 343	$ 341
Variable price gold sales and option contracts							
With “caps”							
Ounces (thousands)	250	300	300	250	—	900	2,000
Average price per ounce at cap expiry date	$ 344	$ 310	$ 317	$ 332	—	$ 369	$ 345
With “caps” and “floors”							
Ounces (thousands)	150	—	—	—	—	—	150
Cap price per ounce	$ 310	—	—	—	—	—	$ 310
Floor price per ounce	$ 280	—	—	—	—	—	$ 280
Total gold ounces (thousands)	3,200	1,650	1,850	1,790	1,500	8,100	18,090
Average price per ounce	$ 339	$ 339	$ 332	$ 337	$ 340	$ 346	$ 341
Silver contracts							
Spot deferred contracts							
Ounces (thousands)	11,000	9,000	9,000	3,300	3,000	—	35,300
Average price per ounce	$ 4.95	$ 5.14	$ 5.14	$ 5.19	$ 5.19	—	$ 5.09
Written silver call options							
Ounces (thousands)	3,750	5,000	2,000	—	—	—	10,750
Average exercise price per ounce	$ 5.27	$ 5.28	$ 5.00	—	—	—	$ 5.22
Total silver ounces (thousands)	14,750	14,000	11,000	3,300	3,000	—	46,050
Average price per ounce	$ 5.03	$ 5.19	$ 5.11	$ 5.19	$ 5.19	—	$ 5.12

We also have off-take contracts which allow (but do not commit) us to sell 1.7 million ounces of gold spread over 10 years, at then prevailing spot prices.

The largest single counterparty as of December 31, 2002 made up 13% of outstanding gold sales commitments.

Spot deferred gold sales contracts

We have entered into spot deferred gold sales contracts, with various counterparties, that fix selling prices at interim delivery dates for future gold production, and which act as an economic hedge against possible price fluctuations in gold. The contracts have a final delivery date of up to 15 years from the start date, but we have the right to set a delivery date for any time during this period. At the time an interim delivery date is rescheduled, the contract price is adjusted based on the difference between the prevailing forward gold market price and the original contract price.

The average price of the spot deferred gold sales contracts in the table on page 88 reflects fixed prices at interim delivery dates and expected future price assumptions for periods where expected delivery dates differ from interim delivery dates. The large majority of contracts are fixed through 2006. The expected prices incorporate an average gold lease rate assumption of 1.5% and assumptions of US dollar interest rates consistent with market quotations for such rates. Variations between the gold lease rate and interest rate assumptions and the actual gold lease rates and interest rates will affect the final realized selling prices. Gold lease rate exposure is accounted for separately from our spot deferred gold sales contracts, and the economic impact flows through our earnings each quarter as part of non-hedge derivative gains (losses). This gold lease rate exposure is 6.4 million ounces spread from 2004 to 2012, mainly for contracts with expected delivery dates beyond 2006.

Variable-price gold sales contracts

Variable price gold sales contracts are contracts to deliver a specified quantity of gold on a future date determined by us. The contracts have a final delivery date of up to 15 years from the start date, but we have the right to set a delivery date at any time during this 15-year period. All of the variable-price gold sales contracts have expected delivery dates beyond 2007. The contract price equals the gold spot price on the interim delivery date subject to a specified maximum (“cap”) based on market conditions in the years shown in the table on page 88, plus a fixed premium payable to us. The contract price will be adjusted in the same manner as price adjustments to spot deferred contracts for the period from these interim delivery dates to the expected delivery date beyond 2007. Certain of these contracts also have a specified minimum (“floor”) price.

Spot deferred silver sales contracts and written silver call options

Spot deferred silver sales contracts have the same delivery terms and pricing mechanism as spot deferred gold sales contracts. A group of these contracts totaling 14.3 million ounces of silver are accounted for as normal sales contracts, as we physically deliver silver production into the contracts. For a separate group of contracts totaling 21 million ounces, we have elected hedge accounting treatment, and we designated these contracts as cash flow hedges beginning on November 8, 2002.

Changes in fair value of our written silver call options are recorded in earnings as they occur.

D Other derivative instruments outstanding as at December 31, 2002

Maturity	2003	2004	2005	2006	2007	2008+	Total
Interest rate contracts							
Receive fixed - swaps and swaptions							
Notional amount (millions)	—	$ 250	$ 75	$ 100	$475	—	$ 900
Fixed rate (%)	—	3.5%	2.7%	3.0%	5.6%	—	4.5%
Pay fixed - swaps and swaptions							
Notional amount(millions)	—	—	—	—	—	$ 344	$ 344
Fixed rate (%)	—	—	—	—	—	5.6%	5.6%
Net notional position	—	$ 250	$ 75	$ 100	$475	$(344)	$ 556
Total return swaps							
Notional amount (millions)	—	—	$ 17	—	—	—	$ 17
Foreign currency contracts							
Canadian dollar forwards							
C$ (millions)	$ 101	$ 118	$ 91	—	—	—	$ 310
Average price (US¢)	0.65	0.64	0.63	—	—	—	0.64
Canadian dollar min-max contracts							
C$ (millions)	$ 173	—	—	—	—	—	$ 173
Average cap price (US¢)	0.65	—	—	—	—	—	0.65
Average floor price (US¢)	0.63	—	—	—	—	—	0.63
Australian dollar forwards							
A$ (millions)	$ 175	$ 311	$ 283	$ 10	—	—	$ 779
Average price (US¢)	0.51	0.51	0.51	0.52	—	—	0.51
Australian dollar min-max contracts							
A$ (millions)	$ 339	$ 10	$ 10	$ 10	—	—	$ 369
Average cap price (US¢)	0.55	0.52	0.52	0.52	—	—	0.55
Average floor price (US¢)	0.52	0.51	0.51	0.51	—	—	0.52
Fuel contracts							
Barrels WTI (thousands)	240	—	—	—	—	—	240
Cap	$ 30	—	—	—	—	—	$ 30
Floor	$ 18	—	—	—	—	—	$ 18

Our interest rate and foreign currency contracts are recorded at fair value on our balance sheet, with changes in fair value recorded in earnings as they occur, with the following exceptions:

> we have elected cash flow hedge accounting treatment for Canadian dollar foreign currency contracts with a total notional amount of C$457 million, and Australian dollar foreign currency contracts with a total notional amount of A$1,065 million;

> we have elected receive fixed interest rate swaps with a total notional amount of $650 million to be accounted for as cash flow hedges of expected future interest receipts arising on our cash and short-term investments (note 28); and we have elected receive fixed interest rate swaps with a total notional amount of $250 million to be accounted for as a fair value hedge of fixed-rate debentures (refer to note 16A).

> we have elected an amortizing pay fixed interest rate swap with a total notional amount of $194 million as at December 31, 2002 to be accounted for as a cash flow hedge of future interest payments relating to the project financing for Bulyanhulu (refer to note 16B).

E Unrealized fair value of derivative instruments (excluding normal sales contracts)

	2002	2001
At January 1	$(16)	$(42)
Derivative instruments entered into or settled	(2)	(7)
Change in fair value of derivative instruments:		
Non-hedge derivative gains (losses)	(6)	33
Cash flow hedges	49	—
Fair value hedges	4	—
At December 31	$ 29	$(16)

The fair values of recorded derivative related assets and liabilities reflect the netting of the fair values of individual derivative instruments, and amounts due to/from counterparties that arise from derivative instruments, when the conditions of FIN No. 39, Offsetting of Amounts Related to Certain Contracts, have been met. Amounts receivable from counterparties that have been offset against derivative liabilities totaled $16 million at December 31, 2002.

F Change in fair value of cash flow hedge contracts

	Commodity contracts	Foreign currency contracts	Interest rate contracts	Total
At January 1, 2001	$ (4)	—	—	$ (4)
Losses transferred to earnings	29[1]	—	—	29
At December 31, 2001	$ 25	$ —	$ —	$ 25
Change in fair value	(4)	33	20	49
Gains transferred to earnings	(12)[1]	(7)[2]	(6)[3]	(25)
At December 31, 2002	$ 9	$ 26	$ 14	$ 49

[1] Included under revenues and by-product credits

[2] Included under operating expenses

[3] Included under interest income

In the next twelve months, we expect to transfer gains of $27 million from OCI to earnings. For the year ended December 31, 2002, the amount of hedge ineffectiveness recorded and recognized in non-hedge derivative gains (losses) was a loss of $1 million.

G Non-hedge derivative gains (losses)

For the years ended December 31	2002	2001
Commodity contracts	$ (2)	$ 57
Currency contracts	8	(15)
Interest and lease rate contracts	(12)	(9)
	$ (6)	$ 33

H Credit and market risks

By using derivative instruments, we expose ourselves to credit and market risk. Market risk is the risk that the value of a financial instrument might be adversely affected by a change in commodity prices, interest rates, gold lease rates, or currency exchange rates. We manage the market risk associated with commodity prices, interest rate, gold lease rate, and foreign currency contracts by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Credit risk is the risk that a counterparty might fail to fulfill its performance obligations under the terms of a derivative contract, or in the case of total return swaps, the risk that a deterioration in credit quality of the underlying reference asset, or a credit default event, will give rise to a loss under the derivative instrument. If a counterparty fails to fulfill its performance obligations under a derivative contract, our credit risk will equal the fair value gain in a derivative. For our total return swaps, the maximum amount of credit risk is limited to the notional amount of the contract, plus or minus unrealized gains or losses. When the fair value of a derivative contract is positive, this indicates that the counterparty owes us, thus creating a repayment risk for us. When the fair value of a derivative contract is negative, we owe the counterparty and, therefore, we assume no repayment risk. We minimize our credit (or repayment) risk in derivative instruments by:

> entering into transactions with high-quality counterparties whose credit ratings are generally “AA” or higher;

> limiting the amount of exposure to each counterparty;

> monitoring the financial condition of counterparties; and

> ensuring that the reference assets in total return swaps are highly diversified so that concentrations of credit risk do not arise.

When we have more than one outstanding derivative transaction with the same counterparty and we also have a legally enforceable master netting agreement with that counterparty, the net credit exposure represents the net of the positive and negative exposures with that counterparty. When there is a net negative exposure, we regard our credit exposure to the counterparty as being zero. The net mark-to-market position with a particular counterparty represents a reasonable measure of credit risk when there is a legally enforceable master netting agreement (i.e., a legal right to a setoff of receivable and payable derivative contracts) between ourselves and that counterparty. Our policy is to use master netting agreements with all counterparties.

24 > FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the value at which positions could be closed out or sold in a transaction with a willing and knowledgeable counterparty over a period of time consistent with our risk management or investment strategy.

The accounting for an asset or liability may differ based on the type of instrument and/or its use in a risk management or investing strategy. The measurement approaches used in financial statements include the following:

> recorded at fair value on the balance sheet with changes in fair value recorded each period in the earnings;

> recorded at fair value on the balance sheet with changes in fair value recorded each period in a separate component of shareholders’ equity and as part of other comprehensive income;

> recorded at cost (less other-than-temporary impairments) with changes in fair value not recorded in the financial statements but disclosed in the notes thereto; or

> recorded at the lower of cost or market.

Fair value is based on quoted market prices, where available. If listed prices or quotes are not available, fair value is based on internally developed models that primarily use market-based or independent information as inputs. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Fair value information

At December 31	2002		2001	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Financial assets				
Cash and equivalents[1]	$1,044	$ 1,044	$ 574	$ 574
Accounts receivable[1]	72	72	60	60
Available-for-sale securities[2]	30	30	46	46
Derivative assets[3]	115	115	57	57
	$1,261	$ 1,261	$ 737	$ 737
Financial liabilities				
Accounts payable[1]	$ 164	$ 164	$ 175	$ 175
Long-term debt[4]	781	858	802	853
Derivative liabilities[3]	86	86	73	73
	$1,031	$ 1,108	$1,050	$ 1,101

1 Fair values of cash and deposits with banks, accounts receivable and accounts payable approximate their carrying amounts due to their short-term nature and generally negligible credit losses.

2 Our investment in debt and equity securities are recorded at their estimated fair value. Quoted market prices, when available, are used to determine fair value. If quoted market prices are not available, then fair values are estimated by using quoted prices of instruments with similar characteristics or discounted cash flows.

3 The fair value for derivative instruments is determined based on liquid market pricing as evidenced by exchange traded prices, broker-dealer quotations or related input factors which assume all counterparties have the same credit rating.

4 The fair value of long-term debt is based on current market interest rates, adjusted for our credit quality.

25 > SEGMENT INFORMATION

We operate in the gold mining industry and our operations are managed on a district basis. The Goldstrike District includes the Betze-Post and Meikle Mines in the United States. Our “other” segment includes mainly operations which have been or are being closed.

Income statement information

	Gold sales			Operating costs			Segment income before income taxes		
For the years ended December 31	2002	2001	2000	2002	2001	2000	2002	2001	2000
Goldstrike	$ 676	$ 767	$ 784	$ 440	$ 473	$401	$ 89	$156	$255
Pierina	303	297	272	96	45	41	46	77	55
Bulyanhulu	134	56	—	78	35	—	16	4	—
Kalgoorlie	124	117	128	84	80	76	21	20	34
Eskay Creek	121	98	101	16	16	7	57	42	36
Hemlo	97	93	92	65	61	56	22	22	26
Plutonic	105	89	82	58	49	54	36	28	18
Round Mountain	132	116	73	79	77	50	32	21	11
Other	275	356	404	155	244	265	58	38	58
	$1,967	$1,989	$1,936	$1,071	$1,080	$950	$377	$408	$493

Asset information

For the years ended December 31	Segment assets		Amortization			Segment capital expenditures		
	2002	2001	2002	2001	2000	2002	2001	2000
Goldstrike	$1,496	$1,617	$147	$138	$128	$ 46	$ 122	$ 176
Pierina	546	726	161	175	176	5	12	49
Bulyanhulu	644	659	40	17	—	56	153	203
Pascua-Lama	192	218	—	—	—	11	69	107
Kalgoorlie	232	247	19	17	18	14	6	15
Eskay Creek	258	313	48	40	58	8	10	6
Hemlo	60	69	10	10	10	6	6	5
Plutonic	59	51	11	12	10	20	11	12
Round Mountain	79	95	21	18	12	8	15	3
Other	234	147	62	74	81	54	70	36
	$3,800	$4,142	$519	$501	$493	$ 228	$ 474	$ 612
Cash and short-term investments	1,074	779						
Other	387	281						
Enterprise total	$5,261	$5,202						

Geographic information

For the years ended December 31	Assets		Gold sales		
	2002	2001	2002	2001	2000
United States	$1,834	$1,873	$ 905	$1,041	$1,007
Peru	733	731	303	297	272
Australia	472	470	316	288	291
Canada	533	525	299	269	283
Tanzania	678	666	134	56	—
Chile/Argentina	245	257	4	38	83
Other	766	680	6	—	—
	$5,261	$5,202	$1,967	$1,989	$1,936

Segment income before income taxes

For the years ended December 31	2002	2001	2000
Segment total	$ 377	$ 408	$ 493
Provision for mining assets and other unusual charges:			
Pascua-Lama	—	—	(1,036)
Goldstrike	—	—	(300)
Pierina	—	—	(184)
Other	—	(59)	(107)
Exploration and business development	(104)	(103)	(149)
Merger and related costs	2	(117)	—
Corporate expenses, net	(98)	(47)	(115)
Income taxes	16	14	209
Net income (loss)	$ 193	$ 96	$(1,189)

26 > JOINT VENTURES

Our major interests in joint ventures are our 50% interest in the Kalgoorlie Mine in Australia; our 50% interest in the Round Mountain Mine in the United States; and our 50% interest in the Hemlo Mine in Canada.

Summary financial information for joint ventures (100%)

Income statement and cash flow information

For the years ended December 31	2002	2001	2000
Revenues	$650	$578	$494
Costs and expenses	582	522	426
Net income	$ 68	$ 56	$ 68
Operating activities[1]	$175	$163	$ 42
Investing activities[1]	$ (54)	$ (78)	$ (68)
Financing activities[1]	$ —	$ —	$ —

[1] Net cash inflow (outflow)

Balance sheet information

At December 31	2002	2001
Assets		
Inventories	$ 46	$ 88
Property, plant and equipment	553	658
Other assets	79	48
	$678	$794
Liabilities		
Current liabilities	116	124
Long-term obligations	67	78
	$183	$202

27 > CASH AND EQUIVALENTS

Cash and equivalents include cash, term deposits and treasury bills with original maturities of less than 90 days. We anticipate holding these cash balances for an extended period of time. We have entered into receive fixed interest rate swaps with a total notional amount of $650 million that have been designated, and are effective, as cash flow hedges of expected future floating rate interest receipts. These swaps mature at various times from 2004 to 2007 (refer to note 23).

28 > SUPPLEMENTAL CASH FLOW INFORMATION

For the years ended December 31	2002	2001	2000
Components of other net operating activities			
Merger and related costs	$ (2)	$ 117	$ —
Reclamation costs	34	54	35
Non-cash charges (credits):			
Foreign currency translation adjustments (note 6)	(2)	11	35
(Gains) losses on short-term investments (note 10)	4	(1)	(7)
Gains on sale of property, plant and equipment	(4)	(9)	(8)
Amortization of deferred stock compensation (note 20)	3	—	—
Cumulative effect of changes in recognition policies (note 2)	—	1	23
Changes in operating assets and liabilities:			
Accounts receivable	(12)	(2)	21
Inventories and other current assets	32	67	(33)
Accounts payable and other current liabilities	50	(135)	81
Payments of merger and related costs	(50)	(13)	—
Derivative instruments	(22)	16	13
Payments of reclamation and closure costs	(70)	(35)	(39)
Other items	(38)	(47)	38

Other net operating activities	$(77)	$ 24	$159
Cash payments included in operating activities:			
Interest, net of amounts capitalized	$ 57	$ 24	$ 22
Income taxes	$ 46	$ 37	$ 39

EXHIBIT 2

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL AND OPERATING RESULTS

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STRATEGIC PERSPECTIVES

Barrick Gold Corporation is among the world's largest gold producers in terms of market capitalization, production and reserves, with operating properties and development projects on four continents. With 2003 marking Barrick's 20th year in the gold business, we believe that we are positioned to benefit from the opportunities presented by a favorable gold price environment.

Since its founding, Barrick has been run in accordance with clear and concise business principles, focusing on profitability and financial performance rather than sheer size. We know that the key drivers of performance in our business are spot gold prices, production, reserves and costs per ounce. In 2002, our financial results were below our expectations, primarily due to higher costs at our operations. As we move into 2003, we intend to focus on optimizing our operating mines and setting achievable targets based on each mine's stage of operation. Overall, we have a solid portfolio of operating — albeit mature — properties. Even as the average ore grade mined at each of our operations declines toward reserve grade, these mines remain long-life, low-cost operations compared to the industry. The key feature of these properties is their ability to generate significant free cash flow, which we plan to use in part to fund our exploration and development programs.

In addition to our operating mines, we have the largest portfolio of development projects in the industry, and the financial and development strengths to build them. For the last five years, as the lower gold price environment reduced exploration spending across the industry, we invested extensively in our exploration program. This investment paid dividends in 2002 with a major gold discovery — Alto Chicama in Peru. By early 2003, our work at Alto Chicama allowed us to add 6.5 million ounces to reserves (for Canadian reporting purposes), bringing our total reserves to 86.9 million ounces[1], one of the largest gold asset bases in the industry.

Coupled with the development projects obtained through our Homestake merger in 2001, we now have a four mine, $2-billion development program that we expect to contribute to production, earnings and cash flows beginning in 2005. At full production, we expect this group of projects to add 2 million ounces of low-cost gold production annually to our portfolio. With such a sizeable development program underway, our strategic focus for the immediate future will be to continue our exploration efforts in ways that further enhance our operating mines and development projects. While our strategy does not make us dependent on acquisitions, we will consider transactions that we believe are capable of increasing earnings and cash flows.

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[1] For United States reporting purposes, Industry Guide 7 (under the Securities Exchange Act of 1934) as interpreted by the Staff of the U.S. Securities and Exchange Commission applies different standards in order to classify mineralization as a reserve. Accordingly, Alto Chicama and Veladero are classified for U.S. reporting purposes as mineralized material. Total reserves for U.S. reporting purposes are 71.0 million ounces.

We have the financial resources to move ahead with our exploration and development programs without diluting our shareholders because of our solid balance sheet, strong free cash flows from our existing operations and the support of our forward sales program.

HIGHLIGHTS

For 2002, our net income was $193 million ($0.36 per share) compared to $96 million ($0.18 per share) in 2001, while operating cash flow was $589 million ($1.09 per share) for 2002 versus $588 million ($1.10 per share) for 2001.

For the year, we produced 5.7 million ounces of gold at total cash costs of $177 per ounce [1] compared to 6.1 million ounces of gold at $162 per ounce in 2001. Lower 2002 production was largely due to the planned phase-out of five mines over the course of the year as reserves were depleted.

Overall, we met our production target for the year as solid contributions from our Pierina mine in Peru and two of our North American operations offset lower production from four of our seven underground mines. The lower production and the resulting higher cash costs at the four underground mines were due largely to difficulties in accessing higher-grade ores. The four mines spent 2002 improving mine planning and increasing development to provide better production flexibility in 2003 and beyond.

The $15 per ounce increase in total cash costs in 2002 over 2001 was due to our ongoing operations processing more ore (5% higher) at lower grades (5% lower) at marginally higher unit costs (up 1%).

Our 2002 earnings were also affected by a sharp increase in our exploration and development expense to $104 million — double what we originally planned to spend. Activity at our Alto Chicama discovery increased our exploration expense by $24 million. At the same time, we also expensed all of the feasibility work at Veladero ($15 million) over the course of 2002. While the impact on our 2002 earnings was negative, both Alto Chicama and Veladero represent key assets that we expect to contribute to our operating and financial performance beginning in 2005 and 2006, respectively.

We generated solid cash flows from our operating mines and as a result of our lowest capital expenditures in 14 years, our free cash flows reached $361 million[1], the highest in Company history. Our forward sales program also contributed, generating $168 million in additional revenue in 2002. As a result, we ended the year with more than $1 billion in cash, and no net debt.

Our forward sales program provides us the flexibility to deliver at our forward price or the spot gold price — whichever is higher. For the first time in 15 years, in the first quarter of 2003 spot gold prices increased above our current year forward price, allowing us to defer delivery of our forward contracts and sell at the higher spot gold price. Our forward sales program has performed as it was designed, providing a higher floor price during periods of low gold prices and the flexibility to sell all of our mine production at higher spot prices.

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[1] See non-GAAP measures page 60.

For the year ended December 31, (US GAAP basis)	2002	2001	% Change
Gold production – ounces (thousands)	5,695	6,124	-7
Revenue per ounce	$ 339	$ 317	7
Cash operating costs per ounce	170	155	10
Royalties	6	6	–
Production taxes	1	1	–
Total cash costs per ounce	177[1]	162	9
Amortization and reclamation	91	85	7
Total production costs per ounce	$ 268	$ 247	9
Capital expenditures (millions)	$ 228	$ 474	-52
Mineral reserves (millions of ounces)	86.9	82.3	6

[1] See non-GAAP measures page 60.

We believe that our forward sales program's flexibility is one of the significant strengths of this Company. At a time when spot gold prices rose by more than $100 per ounce and our unrealized mark-to-market loss increased, our program remained solid. What makes gold hedging unique — in sharp contrast to derivative instruments in general — is the fact that our program is supported by gold in the ground which can be delivered in the normal course of our business. Every ounce hedged represents a product we own — and we only have one in five ounces sold forward under our program.

While the program has worked well for us in the past and remains an important asset, changing circumstances make adjustments necessary. Given the present environment of low interest rates and concerns over complex financial transactions, we intend to make our forward selling program both smaller and simpler. Accordingly, over the course of 2002 we reduced the size of our program and focused on "plain vanilla" spot deferred forward sales contracts.

OUTLOOK

While no company can predict future performance with certainty, we have a solid portfolio of assets capable of generating significant free cash flows. Our pipeline of development projects gives us the flexibility to add to our production profile without the necessity of acquisitions. While we believe that consolidation and rationalization of the gold industry will continue, our primary focus is on optimizing our existing mines and the development of our new mines.

For 2003, we expect to produce between 5.4 and 5.5 million ounces at a cash cost of $180 to $190 per ounce. Including amortization, total production costs for the year are expected to be between $275 and $285 per ounce. Our forward sales program provides us with the ability to sell our production at a minimum selling price of $340 per ounce for 2003; however, as our objective is to maximize the value of every ounce we produce, we plan to sell our production at the higher of the spot price or our forward price.

We expect administration costs to be approximately $70 million, with exploration and business development in the $100 to $110 million range. Our projections assume the expensing of all of Alto Chicama's and a portion of Veladero's development costs. Interest expense is expected to be about $70 million (including accretion expense). Based on $350 per ounce gold, our tax rate is expected to be between 15% and 20%; at $400 per ounce gold, our tax rate would increase to 25% to 30%.

We plan to begin implementing our development program in 2003, increasing capital expenditures to approximately $380 to $390 million from a sustaining capital level of $228 million last year, with the increase aimed at starting construction at the Veladero and Cowal projects. In addition to the steady stream of free cash flow generated by our existing operations, we bring the strength of our balance sheet — with $1-billion in cash and low levels of debt — to provide the financial base to proceed with these projects.

The accompanying consolidated financial statements and related notes are presented in accordance with United States generally accepted accounting principles ("US GAAP") and are expressed in US dollars. These statements, together with the following discussion and analysis, are intended to provide investors with a reasonable basis for assessing our operational and financial performance as well as certain forward looking information relating to potential future performance.

The forward looking statements included in this discussion and analysis involve risks and uncertainties and are based upon assumptions, which we believe are reasonable, but which could prove incorrect. Factors which could cause actual results to differ from those implied in the forward looking statements include: changes in the price of gold and certain other commodities; currency fluctuations; regulatory, political or economic developments in the areas in which we carry on business; and changes in mining or processing rates. With a large proportion of our reserve base undeveloped, the timing of commencement of production, as well as capital cost, production and cash costs of our development projects will have a significant impact on future financial performance in 2005 and beyond. For a more detailed discussion of risks relevant to Barrick, see our Form 40-F/Annual Information Form on file with securities regulatory authorities.

The consolidated financial statements have been prepared based on United States reserves standards. Our reserves for United States reporting purposes are the same as our reserves for Canadian reporting purposes with the exception of two projects (Veladero and Alto Chicama), which we expect to qualify as reserves for United States reporting purposes within the next twelve months.

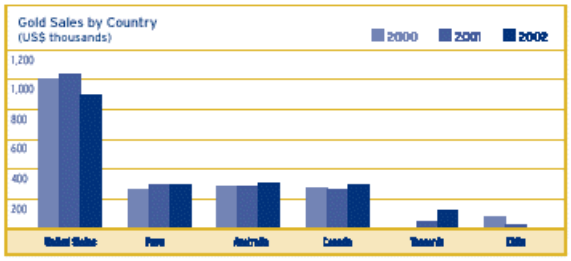
INCOME STATEMENT

GOLD SALES

Revenue for 2002 totaled $1,967 million on gold sales of 5.8 million ounces, compared with $1,989 million on gold sales of 6.3 million ounces in 2001. 2002 gold sales were approximately 100,000 ounces higher than 2002 production, reflecting the impact of ounces produced at the end of 2001 but not sold until 2002. The marginally lower 2002 revenue compared to the prior year resulted from an 8% decrease in gold sales, partially offset by a $22 per ounce, or 7%, increase in the average realized price. The lower gold sales in 2002 relate to the planned closure of five mines during the year due to the depletion of their economic reserves. With the exception of one further mine closure in 2004, our existing operations should continue to produce at similar levels for the next several years.

In 2002, gold prices rose to their highest level since 1997, averaging $310 per ounce, compared to 2001, when gold averaged $271 per ounce. Higher spot gold prices, combined with deliveries into our forward sales program, allowed us to realize an average price of $339 per ounce compared to an average realized price of $317 per ounce in 2001. The forward sales program generated $168 million in additional revenue in 2002 and $289 million in additional revenue in 2001. The decline in additional revenue generated through our forward sales program in 2002 was due to higher gold prices, reducing the amount of the premium over the spot price from $76 per ounce in 2001 to $42 per ounce in 2002.

As we saw in 2002 when spot gold prices rise toward our higher forward sale price, the additional revenue earned through the program decreases. When spot gold prices rise above our forward sale price, as occurred in early 2003, we can sell all of our gold production at the higher spot price and defer delivery of our forward sales contracts to a future date. While the value of our reserves and cash flows increase as spot gold prices rise, the unrealized mark-to-market loss on our program also rises. The mark-to-market value declined from an unrealized gain of $356 million at the end of 2001 to an unrealized loss of $639 million at the end of 2002. The decline in the mark-to-market value is primarily due to increasing spot gold prices (year end

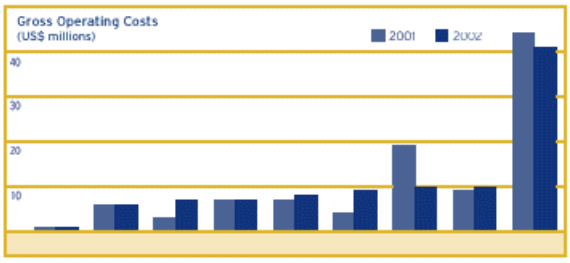


spot gold prices, 2002 — $347 compared to 2001 — $279) and the realization of $168 million of additional contract revenue during 2002, partially offset by unrealized gains on changes in forward gold price differentials (or contango), which are influenced principally by changes in interest and gold lease rates and premiums (US interest rates less gold lease rates) earned during the year. For additional detail see Off-Balance Sheet Arrangements — Significance of mark-to-market gains and losses page 57.

Future gold production committed under our forward sales program totaled 18.1 million ounces at December 31, 2002. This represents approximately 21% of proven and probable reserves (for Canadian reporting purposes), deliverable over the next 10 to 15 years at an average estimated future price of $341 per ounce at the scheduled delivery dates. For 2003, we have the ability to sell our production into the forward sales program at an average price of $340 per ounce. In early 2003, the delivery dates on those contracts have been extended pursuant to their terms, as we elected to sell our production at the higher spot price of approximately $360 per ounce. This is the first time in 15 years that gold prices have risen above our current year forward sales price, leading us to defer scheduled deliveries under those contracts and sell our production at the higher spot price.

Gold deliveries into these forward sales contracts can be deferred for up to 10 to 15 years; as they are deferred, the delivery price under these contracts increases over time. The increase in the delivery price of these deferred contracts is based on the present spot-forward gold price differential, primarily influenced by US dollar interest rates. In a high US dollar interest rate environment, the delivery price rises quickly, while in the present low interest rate environment, the delivery price rises at a slower rate.

In an effort to make our program smaller and simpler, we delivered production against forward sales contracts without replacing those contracts, and we reduced our variable price sales commitments by approximately two-thirds. These steps allowed us to close the year at 18.1 million ounces committed under our forward sales program, leaving approximately 80% of our reserves unhedged. With our positive outlook for the gold price, interest rates at 40-year lows (leading to lower forward sales premiums), and our strong financial position, we intend to continue to manage the program down to a lower portion of overall reserves.



OPERATIONS REVIEW BY GEOGRAPHIC AREA

As noted in the Highlights, 2002 production decreased to 5.7 million ounces from 6.1 million ounces in 2001, with lower production in 2002 due largely to the planned phase-out of five mines over the course of the year as economic reserves were depleted. Total operating costs, including reclamation, were similar over the two years, at $1,071 million in 2002 and $1,080 million in 2001. However, on a per ounce basis, total cash costs for the year increased to $177, from $162 in 2001. Higher cash costs were attributable to three main factors:

> Mining and processing more lower-grade tons during the year;

> Increased amortization of deferred mining costs; and

> Increased royalty and mining tax payments due to higher gold prices.

One of the operational facts inherent in our industry is that as operations mature, grades decline and it becomes more difficult to add reserves at these operations. The lower grades lead to less production flexibility as the operations have fewer choices of which areas to mine. Most of our operations have reduced controllable unit mining, processing and administrative costs through productivity improvements, resulting in higher mining and processing rates. However, comparatively small changes in tons and grades processed and recovery rates have a more pronounced impact on production, cash costs and earnings than before.

A variety of unrelated operating difficulties accessing higher-grade ores in 2002 at Bulyanhulu, Hemlo, Plutonic and Meikle led to lower production and higher costs per ounce, overshadowing strong contributions from Round Mountain, Pierina, and Eskay Creek. We responded to the operational issues by enhancing mine planning, scheduling and budgeting to ensure better information and providing greater production flexibility, giving us greater ability to optimize the value of our underground mines. In addition, we have reviewed our operating systems and procedures to improve controls to facilitate timely updating of forecast information at our mines. Our efforts centered on improving the accuracy of periodic forecasting by the General Managers and putting a stronger emphasis on achievability through the corporate office review process.

In addition, planned increases in expensing of deferred mining costs at Betze-Post and Pierina resulted in higher cash costs at those operations as mining moved into lower-grade areas of the open pits.

With the closure of six mines over the past 15 months and our new projects not expected to begin to contribute to production until 2005, we anticipate lower production in 2003 and 2004. Production for 2003 is expected to be between 5.4 and 5.5 million ounces, at a cash cost of between $180 and $190 per ounce. Following is a summary of each of our mines and development projects. For a more detailed discussion of our operations and development projects see the most current Annual Information Form (AIF — on file with the securities regulatory authorities in Canada and the US).



NORTH AMERICAN PROPERTIES

> Goldstrike, Nevada
  Betze-Post
  Meikle

> Round Mountain, Nevada

> Eskay Creek, British Columbia

> Hemlo, Ontario

> Holt-McDermott, Ontario

NORTH AMERICA

> Largest producing region, accounting for 62% of the Company's total production.

> Region represents 50% of our developed reserve base at 26.2 million ounces.

> Long-life asset base.

> Fully developed operations generating the majority of the Company's free cash flow, which will be used to fund exploration and to build our new generation of mines.

GOLDSTRIKE PROPERTY (NEVADA)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	144,533	155,606	-7
Tons Processed (000's)	11,960	10,562	13
Grade Processed (ounces per ton)	0.20	0.25	-20
Gold Production (000's of ounces)	2,050	2,263	-9
Mineral Reserves (000's of ounces)	19,939	20,379	-2
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 209	$ 183	14
Royalties and production taxes	9	10	-10
Total cash costs	218	193	13
Amortization and reclamation	74	60	23
Total production costs	$ 296	$ 253	17
Capital Expenditures (millions)	$ 46	$ 122	-62

The Goldstrike Property remains the Company's single largest producer and has just completed its eighth straight year producing more than 2 million ounces. Cash costs have increased over the past five years as the Property has moved from mining and processing high-grade material to near reserve grade material in both the open pit and underground. As well, electric power and fuel cost increases have pressured costs higher. Power costs increased in the Western United States in 2001, causing our supplier to increase our rates substantially (4.3 cents per kwh to over 7 cents per kwh). We are looking at alternative power suppliers to lower our power costs.

While the Property has matured, it replaced 80% of production in 2002 through reserve expansion in both the open pit (1.3 million ounces) and the underground (642,000 ounces), its best showing since 1999. Overall, the Property is expected to continue to produce at the 2 million ounce level for at least the next four years. Cash costs are expected to remain relatively constant. With the large capital program

completed, the Property contributes the majority of the free cash flow from our existing operations — free cash flow that will play a key role in funding our exploration program and developing our new generation of mines.

In 2002, production declined 9% compared to 2001, while total cash costs increased to $218 per ounce, up from $193 a year earlier. The lower production and higher cash costs were largely due to processing more tons (up 13%) at lower grade (down 20%). In addition, higher power costs (up $6 per ounce) and expensing of deferred stripping costs at Betze-Post (up $14 per ounce) led to higher costs.

In 2003, the Property is expected to produce 2,115,000 ounces of gold (3% higher than 2002) at cash costs of $225 per ounce. The increase in cash costs is largely due to higher royalties and production taxes resulting from higher gold prices.

BETZE-POST MINE

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	142,898	154,233	-7
Tons Processed (000's)	10,322	9,187	12
Grade Processed (ounces per ton)	0.16	0.20	-20
Gold Production (000's of ounces)	1,410	1,550	-9
Mineral Reserves (000's of ounces)	16,051	16,433	-2
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 221	$ 207	7
Royalties and production taxes	7	8	-14
Total cash costs	228	215	6
Amortization and reclamation	58	52	12
Total production costs	$ 286	$ 267	7
Capital Expenditures (millions)	$ 12	$ 32	-63

Betze-Post production declined 9% from the previous year. The lower production was due to lower grades processed (down 20%), partially offset by higher throughput (up 12%). To maximize investment returns, the mine plan was designed to process higher-grade ore first and stockpile the lower-grade material in the earlier years of its life. Over the past four years (1999-2002), the average grade processed declined by 41%, while in the past two years the cost of power increased by $19 per ounce. Despite the lower grade, cash costs increased by only $6 per ounce or 3% (excluding power cost increases) over the four-year period because of the mine's productivity improvements and cost-reduction initiatives.

Proven and probable gold reserves at Betze-Post decreased to 16.1 million ounces from 16.4 million ounces in 2001. The partial reserve replacement

in 2002 was due to lower unit mining and processing costs, which allowed the conversion of a small underground reserve into a larger open pit reserve, as well as the discovery of lower-grade material at the pit bottom last year.

For 2003, production is expected to increase to 1,495,000 ounces due to better grades mined and processed (up 6%) and increased tons processed (up 5%). Lower unit mining costs, combined with higher recovery rates and throughput, are expected to more than offset another power cost increase, resulting in a 4% reduction in cash operating costs per ounce before royalties and production taxes. However, higher spot gold prices are expected to result in higher royalties and production taxes, resulting in total cash costs similar to 2002 at $228 per ounce.

MEIKLE MINE

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	1,635	1,372	19
Tons Processed (000's)	1,638	1,375	19
Grade Processed (ounces per ton)	0.43	0.56	-23
Gold Production (000's of ounces)	640	713	-10
Mineral Reserves (000's of ounces)	3,888	3,946	-1
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 184	$ 133	38
Royalties and production taxes	14	14	–
Total cash costs	198	147	35
Amortization and reclamation	121	74	64
Total production costs	$ 319	$ 221	44
Capital Expenditures (millions)	$ 34	$ 90	-62

Meikle production declined 10% from 2001, as total cash costs increased to $198 per ounce from $147 per ounce in 2001. The lower production relates to lower grades processed (down 23%), partially offset by higher mining and processing rates (up 19%), as the Rodeo deposit ramps up to full production. The higher cash costs were due to lower grades mined and processed and higher unit mining costs, particularly in the remnant material of the Main Meikle zone.

In recent years, Meikle has been transitioning from a compact high-grade mining operation to a lower-grade operation spread over a much larger area. Between 1999 and 2002, the average grade mined and processed declined (by 57%) while cash costs per ounce doubled. As the mine has matured, mining in Main Meikle is now focused on secondary stopes where ground conditions are not as competent, leading to production difficulties and higher unit mining costs in 2002.

As a result, the mine focused on improving planning and scheduling during the year to ensure a more stable production plan going forward.

Proven and probable reserves at year end 2002 declined marginally to 3.89 million ounces from 3.95 million in 2001, as the mine replaced about 85% of 2002 production. Most of the material added in 2002 had been removed from reserves a year earlier when management determined that more drilling was required to classify the material as reserves. While exploration drilling will continue at depth below Main Meikle and in the Rodeo area, the best potential for reserve additions is likely north of Main Meikle, in an area known as Banshee. Surface drilling is expected to be completed in first quarter 2003; based on the assessment of economic potential, a decision on a Meikle-to-Banshee access drift is expected by mid-2003.

Production for 2003 is expected to decline to 620,000 ounces, while total cash costs are expected to rise to $219 per ounce. The lower production is largely due to expected lower recovery rates (down 2%), as lower grades processed (down 7%) are offset by higher mining rates (up 7%). Beginning in 2003, Meikle is mining and processing at the average grade of its remaining reserves; as a result, production and costs should be stable around current levels for the remainder of its mine life.

ROUND MOUNTAIN MINE (NEVADA)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	63,146	70,243	-10
Tons Processed (000's)	62,222	58,660	6
Grade Processed (ounces per ton)	0.019	0.017	9
Gold Production (000's of ounces)	755	747	1
Gold Production (Barrick's share) (000's of ounces)	378	373	1
Mineral Reserves (000's of ounces)	1,875	2,245	-16
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 172	$ 176	-2
Royalties and production taxes	15	11	36
Total cash costs	187	187	–
Amortization and reclamation	69	62	11
Total production costs	$ 256	$ 249	3
Capital Expenditures (millions)	$ 8	$ 15	-47

The Round Mountain joint venture had another strong year, contributing 377,747 ounces of gold to our 50 percent account in 2002. Total cash costs were $187 per ounce, in line with the previous year. The results were better than plan for both production and costs, as a result of better than anticipated grades processed through the mill as well as to the leach pad.

Proven and probable reserves decreased from 2.2 million to 1.9 million ounces, as only a small portion of production was replaced during the year. This is a solid but mature operation with an expected remaining mine life of four years. Future potential beyond the current deposit resides in an exploration program at the Gold Hill property (located 5 miles from Round Mountain), where follow-up drilling continues to yield encouraging results. The work planned for 2003 will further test the potential economics of this pit and continue to delineate the mineralized zone.

For 2003, the mine is expected to have another solid year. The marginally lower production of 363,000 ounces and higher costs of $198 per ounce, are primarily due to lower production from the leach pad, as longer haulage cycles result in fewer tons being placed on the pad.

ESKAY CREEK MINE (BRITISH COLUMBIA)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	254	230	10
Tons Processed (000's)	256	229	12
Grade Processed (ounces per ton)	1.50	1.55	-3
Grade – Silver (ounces per ton)	72.18	71.07	2
Gold Production (000's of ounces)	359	321	12
Silver Production (000's of ounces)	17,763	15,454	15
Mineral Reserves (000's of ounces)	1,430	1,775	-19
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 36	$ 46	-22
Royalties and production taxes	4	3	33
Total cash costs	40	49	-18
Amortization and reclamation	134	127	6
Total production costs	$ 174	$ 176	-1
Capital Expenditures (millions)	$ 8	$ 10	-20

Eskay Creek had its best year for production despite lower grades and a strike at one of the mine's key third-party smelters. Production increased 12% in 2002 as cash costs decreased by 18%. The increase in production and lower cash costs were primarily the result of a 10% increase in tons mined and an increase in silver by-product credits.

To mitigate the impact of the third- party smelter strike which began in July 2002, the mine optimized its milling capacity, increasing throughput (by 12%), re-sequenced the mining efforts to source higher grade ore, and arranged for increased sales to its other main smelter. Though the labor strike continues, shipments of ore and concentrate in late 2002 and early 2003 were close to pre-strike levels, and we anticipate being able to sustain these rates through the balance of this year, even without a labor strike settlement. Proven and probable gold reserves at Eskay decreased to 1.4 million from 1.8 million ounces due to production during the year. A development ramp was completed during the year to follow up on encouraging exploration results. Future reserve expansion is most likely to come from this program. In addition, the surface program generated positive results, with follow-up scheduled in 2003.

For 2003, production is expected to increase marginally to 363,000 ounces, as higher mining and processing rates (up 11%) are expected to more than offset the lower grades processed. Cash costs are expected to rise to $64 per ounce, primarily due to lower silver grades significantly reducing by-product credits. Longer term, based on current reserves, production is expected to decline and cash costs are expected to rise as the mining and processing move to the average grade of the reserve.

HEMLO PROPERTY (ONTARIO)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	3,785	3,893	-3
Tons Processed (000's)	3,812	3,849	-1
Grade Processed (ounces per ton)	0.149	0.167	-11
Gold Production (100%)			
(000's of ounces)	538	632	-15
Gold Production (Barrick's share)			
(000's of ounces)	269	307	-12
Mineral Reserves (000's of ounces)	2,118	2,517	-16
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 216	$ 189	14
Royalties and production taxes	8	7	14
Total cash costs	224	196	14
Amortization and reclamation	40	36	11
Total production costs	$ 264	$ 232	14
Capital Expenditures (millions)	$ 6	$ 6	–

Hemlo, of which we own a 50 percent interest, is a joint venture comprised of the David Bell and Williams underground mines and the Williams open pit. In 2002, production declined (by 12%) while cash costs increased (by 14%) to $224 per ounce. The lower production and higher costs were primarily due to ground control problems that began early in 2002 and resulted in restricted access to some high-grade areas and increased dilution levels. A revised mine sequence, new backfill methods and improved planning should provide the foundation for more secure and predictable results from the underground operation in the future.

Hemlo's proven and probable reserves at year end 2002 stood at 2.1 million ounces compared to 2.5 million ounces one year earlier. In addition to not replacing 2002 production, mining recovery rates used for reserve estimation purposes were adjusted in those areas affected by the ground control problems, resulting in an additional 115,000 ounces being removed from reserves.

For 2003, production for our account is expected to be 253,000 ounces, resulting in marginally higher cash costs of $231 per ounce. The lower production and higher cash costs are primarily due to lower grades, only partially offset by an increase in mill throughput. Longer term production and costs are expected to be similar to 2003.

HOLT-MCDERMOTT MINE (ONTARIO)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Mine			
Tons Mined (000's)	520	489	6
Tons Processed (000's)	520	497	5
Grade Processed (ounces per ton)	0.17	0.18	-4
Gold Production (000's of ounces)	84	84	–
Mineral Reserves (000's of ounces)	154	293	-47
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 173	$ 163	6
Royalties and production taxes	–	2	-100
Total cash costs	173	165	5
Amortization and reclamation	96	93	3
Total production costs	$ 269	$ 258	4
Capital Expenditures (millions)	$ 7	$ 7	–

While Holt-McDermott's 2002 production was the same as the prior year, cash costs were higher (up 5%). Higher costs were a result of an increase in tons mined and processed combined with a 4% decline in grade.

Proven and probable reserves at year end 2002 stood at 154,000 ounces. Based on mining experience, anticipated reserve grades were adjusted down, resulting in a loss of 51,000 ounces net of 2002 production.

For 2003, production is expected to rise 16% to 97,000 ounces as cash costs rise to $218 per ounce. Production will be up as a result of accessing higher-grade ore, while costs will rise primarily due to the expensing of mining costs relating to ongoing development.

SOUTH AMERICA

> Home of Barrick's second-largest cash flow generator, the Pierina mine.

> Three development projects that make up the majority of our current pipeline:

  > Our recently discovered Alto Chicama Property in Peru.

  > Our largest development project, the Pascua-Lama and Veladero district, straddling the Chilean and Argentinean border.

> Large grass roots exploration programs in Peru and Argentina.

PIERINA MINE (PERU)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Mine			
Tons Mined (000's)	32,311	30,742	5
Leach – Tons to pad (000's)	13,414	10,968	22
Grade Processed (ounces per ton)	0.080	0.097	-18
Gold Production (000's of ounces)	898	911	-1
Mineral Reserves (000's of ounces)	3,602	4,748	-24
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 80	$ 40	100
Royalties and production taxes	–	–	–
Total cash costs	80	40	100
Amortization and reclamation	191	195	-2
Total production costs	$ 271	$ 235	15
Capital Expenditures (millions)	$ 5	$ 12	-58

Pierina production declined marginally (down 1%) compared to the prior year, at cash costs of $80 per ounce compared to $40 per ounce in 2001. Cash costs included an unbudgeted increase of $6 per ounce related to higher operating costs caused by a tax assessment received late in the year. Cash costs doubled over the prior year, largely as a result of deferred mining costs being charged as mining activity moves to lower-grade areas of the pit. Similar to the Goldstrike Property, Pierina's higher-grade material was mined and processed early in the mine's life to maximize cash flows and investment returns. To date, the mine has been able to increase mining and processing rates and lower unit costs to offset declining grades.

At year end 2002, proven and probable reserves declined to 3.6 million ounces of gold, as the mine did not replace 2002 production. The 2002 exploration program identified a resource south and southeast of the pit, targets located near surface at the north end of the pit, as well as one adjacent to the final wall of the south end of the pit, all of which are scheduled for follow-up in 2003. Any positive exploration results would likely only extend the mine life marginally past its remaining mine life of five years.

In 2003, production and total cash costs are expected to rise marginally to 908,000 ounces at $86 per ounce. Grades mined are expected to decline by 5%, but should be more than offset by a 22% increase in tons mined. Beginning in 2004, the mine is expected to move to lower grades in the open pit, resulting in lower production and marginally higher cash costs.

ALTO CHICAMA PROJECT (PERU)

In April 2002, we announced a significant discovery at our Alto Chicama Property. The initial inferred resource at the time of the announcement was estimated at 3.5 million ounces of gold. As a result of drilling during the course of the year, 6.5 million ounces were brought into probable reserves for Canadian reporting purposes[1]. In addition, we have 2 million ounces in the measured and indicated resource category and 1 million ounces of inferred resource for a total reserve and resource of 9.5 million ounces of gold (as of January 31, 2003).

We began exploring the Alto Chicama area in the first quarter of 2001, when we acquired the option to explore the Property from the Peruvian state mining company (Centromin). In November 2002, we exercised our rights under the option agreement to acquire the Property by completing a technical evaluation and paying a $2 million advance royalty. We now have a 100% interest in the Property subject to a 2.51% net smelter return royalty to Centromin.

The preliminary feasibility study estimates Alto Chicama will produce 500,000 ounces per year beginning in 2005, at an average cash cost over the first decade of $130 per ounce. Capital costs are projected at $300 to $350 million. As 2002 ended, work focused on infill drilling, mine planning and condemnation drilling. Metallurgical tests indicate the oxide ore is amenable to heap leaching with recoveries in the range of 80%.

For 2003, the focus at Alto Chicama will be to complete the Environmental Impact Statement and a final feasibility study. Subject to Board approval and final permitting, construction is expected to start in late 2003 or early 2004. The timing of construction and production is most dependent on when we receive our permits. Based on the work to date, the construction, geologic, mining and processing risks appear low, as the project is very similar in many respects to our Pierina mine.

PASCUA-LAMA AND VELADERO PROJECTS (CHILE/ARGENTINA)

Veladero

The Veladero feasibility study was completed during third quarter 2002. It defines an operation mining ore from two open pits (Filo Federico and Amable), a two-stage crushing circuit and a valley fill heap leach, very similar to our Pierina mine in Peru, at an estimated initial construction cost of $425 million. Veladero is expected to commence production in early 2006, producing 530,000 ounces of gold at a cash cost of $155 per ounce over the first decade of the mine's operation. The Property's Environmental Impact Statement was submitted in January 2003.

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[1] For United States reporting purposes, Industry Guide 7 (under the Securities Exchange Act of 1934) as interpreted by the Staff of the U.S. Securities and Exchange Commission applies different standards in order to classify mineralization as a reserve. Accordingly, Alto Chicama is classified as mineralized material for U.S. reporting purposes.

Definition drilling during the year expanded the reserves (for Canadian reporting purposes) for the two pits to 9.4 million ounces [1], compared to 8.4 million in 2001. Between these two pits is a third mineralized zone, Cuatro Esquinas, which provides future exploration potential.

Veladero's 2003 field program will focus on the construction of the access road and camp infrastructure. Full construction is expected to commence September 2003, subject to receiving all permits and arranging any project financing. However, this schedule is dependent on our ability to gain comfort with the political and economic uncertainty in Argentina. Based on the work to date, the geologic, mining and processing risks appear manageable, as the project is very similar to our Pierina mine.

Pascua-Lama

In late 2000, a decision was made to postpone construction start-up at Pascua-Lama, based on the then low gold and silver price environment. Now, with the inclusion of nearby Veladero in the portfolio (as a result of our Homestake merger) and the higher gold price environment, Pascua-Lama is expected to commence production in 2008, subject to final permitting, completing optimization of the feasibility study and arranging any project financing. Over the past year, work on Pascua-Lama has been directed at further optimization of the development plan to reduce the capital and operating cost structure. With the completion of the Veladero feasibility study, we are now in a position to evaluate synergies in terms of infrastructure, administrative support and construction activities. The mine is planned as an open pit, centered at an elevation of 4,600 meters. The majority of the gold is expected to come from oxide ores in the first several years of operation. As deeper sulfide ores are encountered, a flotation circuit is expected to be added to maintain recovery rates. On the processing front, Pascua-Lama's metallurgy is challenging, but based on the extensive work we have done to date, we believe we can successfully process the various ores Pascua-Lama presents. While the property is located very high in the Andes, the altitude is not dissimilar to our former El Indio/Tambo operations in Chile or several large copper mines.

Proven and probable reserves at year end 2002 were unchanged at 16.9 million ounces of gold and 594 million ounces of silver, as the project did not have any further reserve development activity during the year.

The optimized feasibility study is expected to be completed in 2004, with construction start-up potentially occurring in late 2005. Production is targeted at 800,000 ounces of gold annually at cash costs of $85 per ounce for the first decade. The initial construction cost is currently estimated at $1,175 million.

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1 For United States reporting purposes, Industry Guide 7 (under the Securities Exchange Act of 1934) as interpreted by the Staff of the U.S. Securities and Exchange Commission applies different standards in order to classify mineralization as a reserve. Accordingly, Veladero is classified as mineralized material for U.S. reporting purposes.

AFRICA

> Tanzania (East Africa) represents Barrick's African expansion.

> Bulyanhulu completed its first full year of production in 2002.

> A significant land position in the Lake Victoria goldfields of northern Tanzania with a large and active exploration program.

> Geology in the Lake Victoria area is similar to the gold belts in Northern Ontario and Quebec and Western Australia, two of the most successful gold producing regions of the world.

BULYANHULU MINE (TANZANIA)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Mine			
Tons Mined (000's)	944	455	107
Tons Processed (000's)	1,075	778	38
Grade Processed (ounces per ton)	0.39	0.38	2
Gold Production (000's of ounces)	356	242	47
Mineral Reserves (000's of ounces)	11,653	12,009	-3
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 190	$ 186	2
Royalties and production taxes	8	11	-27
Total cash costs	198	197	1
Amortization and reclamation	102	98	4
Total production costs	$ 300	$ 295	2
Capital Expenditures (millions)	$ 56	$ 153	-63

In its first full year of operation, Bulyanhulu produced 356,319 ounces of gold at a cash cost of $198 per ounce. Production was marginally lower than plan (by 2%), while cash costs exceeded our 2002 estimates by $25 per ounce. The slightly lower production and higher costs were due to two main factors. First, we mined and processed more tons at lower than planned grade to produce total ounces similar to plan. Grades were lower as a result of delays in accessing higher-grade stopes and higher than planned dilution. Second, higher concentrate transportation and treatment costs and royalties also pushed costs up. While full-year costs were above plan, the trend within the year shows improvement, as cash costs in fourth quarter 2002 decreased to $185 per ounce as grades increased.

While Bulyanhulu has experienced teething pains ramping up to full production, we see positive signs moving forward. Mining and processing rates are now exceeding feasibility study levels and grades mined continue to improve as the mining team gains experience. The $194 million outstanding under the project loan has become non-recourse to Barrick as the mine met the physical and technical requirements of completion during the first quarter of 2003.

For 2003, production is expected to increase to 415,000 ounces (up 16%) as total cash costs decline to $175 per ounce, reflecting a full year of expected better grades and recovery rates. The mining and processing rates are expected to rise with both the September 2002 completion of the mine-shaft, allowing ore and waste to be transported faster than the current ramp system and the installation of a second tailings pipeline.

TANZANIAN EXPLORATION UPDATE

2003 will mark the beginning of our fourth year of exploration in Tanzania, one of the more prospective areas in the world. The strategy of land acquisition and cost-effective grass roots exploration that succeeded in evaluating a large ground position and generating drill targets, is now nearly complete. Our focus in 2003 will be on fewer properties with higher exploration potential.

During 2002, engineering studies were carried out at Tulawaka. A feasibility study for a small open pit, milling operation is nearing completion. Preparation of an Environmental Impact Statement is progressing on schedule, and a development decision is expected in the first half of 2003 for the operation. Exploration drilling is scheduled for second quarter 2003 on the West Zone as well as on other targets outlined in 2002.

The Kabanga nickel property was part of a 1999 acquisition, which also gave us Bulyanhulu. We have been evaluating the potential of the project over the course of 2002, expanding the resource and completing a scoping study to ascertain the value of the asset.

AUSTRALIA

> Second-largest-producing region for the Company.

> Two key assets:

  > Yilgarn District, comprised of three mines (Plutonic, Darlot and Lawlers)

  > Kalgoorlie Super Pit, Australia's largest gold mine – 50 percent interest

> A portfolio of exploration properties, plus the Cowal development project with 2.8 million ounces of proven and probable reserves.

AUSTRALIAN PROPERTIES

> Yilgarn District

    Plutonic

    Darlot

    Lawlers

> Kalgoorlie

> Cowal

PLUTONIC MINE (WESTERN AUSTRALIA)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Open Pit Tons Mined (000's)	13,233	11,328	17
U/G Tons Mined (000's)	1,056	806	31
Tons Processed (000's)	3,532	3,496	1
Grade Processed (ounces per ton)	0.097	0.091	7
Gold Production (000's of ounces)	307	288	7
Mineral Reserves (000's of ounces)	2,533	1,588	60
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 175	$ 159	10
Royalties and production taxes	9	7	29
Total cash costs	184	166	11
Amortization and reclamation	38	45	-16
Total production costs	$ 222	$ 211	5
Capital Expenditures (millions)	$ 20	$ 11	82

Plutonic, the largest of the three Yilgarn District mines, consists of both open pit and underground operations. 2002 production increased (by 7%) over 2001, while total cash costs increased (by 11%) to $184 per ounce. Production was lower and costs higher due to delays in meeting the timetable for mining the new higher-grade under- ground Timor zone. To substitute for the lower underground production, the mine accelerated production of higher-cost open pit ore and low-grade stockpiles.

Proven and probable reserves increased net of production by 945,000 ounces (adding three years of production to the mine life) to 2.5 million ounces. This made 2002 the fourth consecutive year the mine more than replaced production – and, more importantly, at better grade than the existing reserves. We view the exploration potential of this mine favorably and will continue with a significant exploration program in the area in 2003.

For 2003, production is expected to decline to 295,000 ounces due to lower throughput and recovery rates, resulting in marginally higher cash costs of $194 per ounce. The lower production and higher cost are primarily due to lower throughput, resulting from lower open pit mining rates and depletion of low-grade stockpiles.

DARLOT MINE (WESTERN AUSTRALIA)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	840	794	6
Tons Processed (000's)	849	806	5
Grade Processed (ounces per ton)	0.176	0.161	9
Gold Production (000's of ounces)	145	125	16
Mineral Reserves (000's of ounces)	1,269	1,341	-5
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 160	$ 167	-4
Royalties and production taxes	8	6	27
Total cash costs	168	173	-3
Amortization and reclamation	47	46	3
Total production costs	$ 215	$ 219	-2
Capital Expenditures (millions)	$ 7	$ 11	-36

DARLOT

2002 production at Darlot increased (by 16%) over 2001, while total cash costs declined (by 3%) to $168 per ounce, primarily due to higher throughput and higher grades. The mine replaced half of its production in 2002, finishing the year with approximately 1.3 million ounces of proven and probable reserves. Based on its current reserve base, the mine has a remaining mine life of about 10 years.

For 2003, Darlot expects to have a similar year in terms of both production at 143,000 ounces and cash costs of $176 per ounce.

LAWLERS

Production at Lawlers increased (by 9%) over 2001, at a cash cost of $179 per ounce, 6% lower than the prior year mainly due to an increase in grades processed (15%). The mine replaced production in 2002, finishing the year with about 500,000 ounces of proven and probable reserves. Based on its current reserve base, Lawlers has about five years remaining in its mine life. An extensive 2003 exploration program will test deeper extensions to the ore body.

Lawlers expects production similar to 2002 at 111,000 ounces, but at higher costs of $213 per ounce, due to lower grades, recovery rates and higher-cost open pit production.

LAWLERS MINE (WESTERN AUSTRALIA)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Open Pit Tons Mined (000's)	4,030	—	100
U/G Tons Mined (000's)	716	628	14
Tons Processed (000's)	718	775	-7
Grade Processed (ounces per ton)	0.162	0.141	15
Gold Production (000's of ounces)	113	104	9
Mineral Reserves (000's of ounces)	509	505	1
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 171	$ 184	-7
Royalties and production taxes	8	7	14
Total cash costs	179	191	-6
Amortization and reclamation	42	52	-19
Total production costs	$ 221	$ 243	-9
Capital Expenditures (millions)	$ 7	$ 5	40

KALGOORLIE MINE (WESTERN AUSTRALIA)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Open Pit Tons Mined (000's)	91,843	91,248	1
U/G Tons Mined (000's)	805	1,353	-40
Tons Processed (000's) (100%)	14,101	13,192	7
Grade Processed (ounces per ton)	0.061	0.066	-8
Gold Production (100%) (000's of ounces)	720	769	-6
Gold Production (Barrick's share) (000's of ounces)	360	385	-6
Mineral Reserves (000's of ounces)	5,551	5,724	-3
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$ 215	$ 196	10
Royalties and production taxes	7	7	—
Total cash costs	222	203	9
Amortization and reclamation	57	49	16
Total production costs	$ 279	$ 252	11
Capital Expenditures (millions)	$ 14	$ 19	-26

2002 production at the Kalgoorlie joint venture (50%) was 6% lower than in the prior year, while total cash costs were 9% higher, due primarily to lower grades (down 8%) and recovery rates (off 2%). The Mt. Charlotte underground deposit was originally scheduled for closure at the end of 2001, but remained open, contributing 63,200 ounces (Barrick's share) to total production in 2002. Mt. Charlotte is not budgeted for production in 2003, but is still mining residual ore that may prolong its life by a few months.

Barrick's share of proven and probable reserves at year end declined to 5.6 million ounces compared to 5.7 million in the prior year. Extensive inpit drilling during the year and remodeling of proven and probable reserves resulted in a reduction of the mineral resource base. The 2003 exploration program will concentrate on testing deep structurally controlled targets under the Super Pit and to the east of Mt. Charlotte. While Kalgoorlie remains one of the longest-life assets, the asset is maturing, and future reserve additions are less likely to be identified.

For 2003, our share of production is expected to be lower at 344,000 ounces (down 4%) and cash costs higher at $237 per ounce (up 7%), with lower throughput after the winding down of the higher-grade underground operation in 2002, partially offset by an increase in open pit tons mined. A technical committee made up of the two joint venture partners was formed last year to explore ways to improve the production and cost profiles at Kalgoorlie. The committee's recommendations are expected by mid-year.

COWAL PROJECT (NEW SOUTH WALES)

The Cowal project, acquired in early 2001, came to us with a completed Environmental Impact Statement and feasibility study. In the latter part of 2001, we began a technical program, including drilling and engineering studies, to optimize the feasibility study, which we anticipate will be completed in 2003.

Cowal's mine plan and process facilities have been designed to produce approximately 270,000 ounces of gold per year at an average cash cost of $170 per ounce. The main deposit contains proven and probable reserves of 2.8 million ounces. While the total contained ounces remained the same as the year earlier, the grade declined (by 25%) due to additional drilling and more conservative reserve modeling. However, cash costs are expected to be similar because of the optimization work completed during the year.

Construction is expected to commence in 2003, with production expected mid-2005, subject to final permitting and an optimized feasibility study. In 2003, we will continue metallurgical test work aimed at further optimizing the scope and economics of the project. The timing of construction and production is most dependent on the timing of receiving our final permits.

Our Australian asset base represents solid long-term production. The principal risk to that production is the impact of a stronger Australian dollar that would push cash costs up. To mitigate that risk, we have entered into currency hedge contracts for most of our Australian dollar costs through 2005. For additional detail regarding foreign currency contracts, see note 23 (D) “Other derivative instruments outstanding” to our consolidated financial statements.

OTHER PROPERTIES

Other Properties include five mines (El Indio, Bousquet, McLaughlin, Ruby Hill and Agua de la Falda) that were closed during the year due to the depletion of reserves, as well as the Marigold mine in Nevada, in which we have a 33% interest and which remains in operation. In 2002, our Other Properties produced 374,774 ounces of gold, 7% of our production, at an average total cash cost of $189 per ounce, compared to 721,771 ounces at total cash costs of $198 per ounce in the prior year.

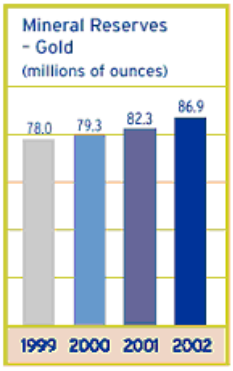
For 2003, Marigold is expected to produce 45,000 ounces at a cash cost of $170 per ounce. The decline in overall production for the Company in 2003, relates to the closure of the five mines over the course of 2002.

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Gold Production (000’s of ounces)	375	722	-48
Mineral Reserves (000’s of ounces)	678	1,100	-38
FINANCIAL STATISTICS			
Production cost per ounce			
Cash operating costs	$180	$ 195	-8
Royalties and production taxes	9	3	200
Total cash costs	189	198	-5
Amortization and reclamation	50	84	-40
Total production costs	$239	$ 282	-15
Capital Expenditures (millions)	$ 15	$ 2	650

COSTS AND EXPENSES

EXPLORATION AND BUSINESS DEVELOPMENT

Our exploration strategy is to maintain a geographic mix of projects at different stages in the exploration process. Our early stage exploration effort focuses on four major areas where we possess significant infrastructure: Peru, Tanzania, Australia and Chile/Argentina.



> Exploration and Business Development Expense

	2003E	2002	2001
North America	$ 17	$ 13	$ 17
Australia	11	8	8
South America			
Veladero	10	20	44
Alto Chicama district	31	29	—
Other	9	8	7
Africa	8	9	9
Other/Business Development	24	17	18
	$110	$104	$103

In 2002, our most significant expenditures were incurred at our Veladero and Alto Chicama projects. At the beginning of 2002, our plan assumed that Veladero would achieve reserve status during the year. During 2002, we concluded that greater certainty was required in connection with certain matters to warrant presentation as a reserve under SEC rules. As a result, we expensed costs incurred throughout 2002. We expect Veladero to achieve reserve status under SEC rules during 2003. Until the project achieves this status, we will expense costs incurred, totaling about $10 million.

Following our exploration success at Alto Chicama in 2002, we increased our initial exploration budget from $5 million, with actual expenditures for the year reaching $29 million. For 2003, we expect to spend $31 million to advance the project, which will be expensed as the resource does not yet qualify as a reserve for U.S. reporting purposes.

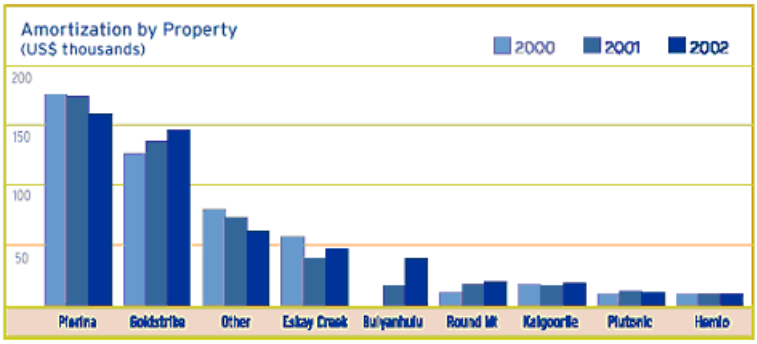
AMORTIZATION

Amortization totaled $519 million ($85 per ounce) in 2002, compared to $501 million or $76 per ounce in 2001. The overall increase in amortization expense was caused by a rise in amortization charges per ounce at some mines, offset by an 8% decrease in the number of ounces sold.

The overall increase in amortization per ounce in 2002 reflects two main factors: a change in the mix of gold sales at our mines, with a greater proportion of sales coming from mines with higher amortization rates, and higher amortization of $17 million at Meikle. The completion of construction of Rodeo in 2001 and the reduction of proven and probable reserves at the beginning of 2002 raised Meikle's amortization expense per ounce from $72 to $119 in 2002.

For 2003, amortization is expected to increase to $533 million, or $95 per ounce. A large part of this increase is due to the low amortization rates at mines that closed in 2002, with the remainder being mainly a function of the changing mix of production and capital additions. Beyond 2003, we expect amortization to be in the $80 to $90 per ounce range, depending on the extent of exploration success at our operating mines. Our new development projects are expected to have amortization rates of between $50 and $75 per ounce, which could bring our overall per ounce amortization charge down over time.

We are presently reviewing recent regulatory and accounting developments in the preferred practice for amortizing underground development costs. Once we finalize our review, we may modify our amortization policy, which will result in changes to amortization charges for 2003 and beyond. At this point, we have yet to estimate the impact of any potential changes.



ADMINISTRATION

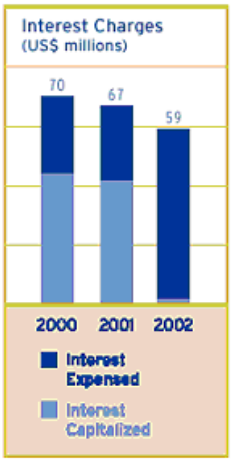
In 2002, administration costs decreased by $22 million to $64 million. We achieved administrative savings of about $27 million, reflecting the synergies of integrating Barrick and Homestake, but this was partially offset by a $3 million compensation expense for our restricted share unit plan, and a $3 million increase in World Gold Council fees. World Gold Council fees totaled $13 million in 2002. For 2003, administration costs are expected to be about $70 million.

In 2002, we recorded a pension benefit expense of $2 million (2001 — $6 million credit, excluding benefit enhancement charges of $39 million related to the Homestake merger). We do not expect that our future earnings will be significantly affected by our existing defined benefit pension plans due to the relatively small size of the plans. Also, most members in these plans are no longer actively employed by us, and have therefore ceased earning benefits under the plans.

Through 2002, a significant portion of our defined benefit pension plan assets were invested in fixed income securities, with the remainder invested in equity securities. Because of this mix of investments, the return on plan assets and funding status of our plans was not as adversely affected by the general decline in equity markets compared to plans operated by some other companies. At the end of 2002, we had an unfunded liability of $27 million. As a result, based on current markets, we may be required to make a contribution to more fully fund the plans in the future.

INTEREST EXPENSE

We incurred $59 million in interest costs and financing charges in 2002, related mainly to our debentures and our Bulyanhulu project financing. Overall, our effective interest rate declined slightly in 2002 to 7.2%, from 7.3% in 2001. In 2002, we expensed interest of $57 million and capitalized $2 million to mine development activities at Cowal. In 2001, we expensed $25 million and capitalized $42 million to development and construction activities at Pascua-Lama, Bulyanhulu and Rodeo.



We use interest rate swaps to manage the effective rates of interest we pay on our long-term debt. On $250 million of our $500 million debentures, we have converted the fixed 7.5% interest rate to a floating rate through 2007, taking advantage of low market interest rates. Through this strategy, we managed to reduce the effective rate on this portion of the debentures to 5.7% in 2002. On our Bulyanhulu financing, we have taken advantage of the present low interest rates to fix the interest rate for the term of the debt at a rate of about 7%. For 2003, we expect to incur a similar amount of interest as in 2002, but interest expense is expected to decline to about $49 million after capitalizing about $10 million at Cowal and Veladero.

MERGER AND RELATED COSTS

The cost of completing the 2001 merger with Homestake of $117 million was recorded in 2001 earnings. In 2002, cash payments of merger and related costs totaled $50 million. Other amounts totaling $10 million were settled through pension plan enhancements. We also recorded a small adjustment to the accrual of $2 million in 2002 earnings that reflects the difference between actual and estimated costs.

LITIGATION COSTS

On January 15, 2002 the Supreme Court of British Columbia ruled in favor of Inmet Mining Corporation and against Homestake Canada Inc. (“HCI”) in connection with litigation relating to the proposed sale of the Troilus gold mine to HCI in 1997. The judgement, which we have appealed, was for $59 million, and we recorded a provision for this amount in 2001. We expect a judgement to be rendered on our appeal in 2004.

INTEREST AND OTHER INCOME

Interest and other income decreased slightly to $29 million in 2002 from $32 million in 2001. The decrease primarily reflects $8 million lower interest income on cash balances, mainly due to declining interest rates, partially offset by foreign currency translation losses which totaled $10 million in 2001.

In 2002, we earned an effective interest rate on our cash of 3.4% compared to 5.3% in 2001. The decrease in the effective rate in 2002

reflects a general decline in market interest rates from 3.8% to 1.8% over the last two years. Through interest rate swaps we earned a fixed rate of 4.1% for 2002 on $500 million of our cash balances, with the additional cash earning interest at lower market interest rates.

For 2003, we expect interest and other income to decrease further to about $23 million, reflecting a full year's effect of lower market interest rates. Through the use of interest rate swaps we have locked in a fixed rate of 3.8% on $650 million of our cash balances, with the excess cash earning interest at market interest rates.

> **Non-Hedge Derivative Gains (Losses)**

(millions)	2002	2001
Commodity contracts	$ (2)	$ 57
Currency contracts	8	(15)
Interest and lease rate contracts	(12)	(9)
	$ (6)	$ 33

Non-hedge derivative gains and losses arise on derivative instruments used in our risk management strategy that do not qualify for hedge accounting treatment. These gains and losses do not include any gains or losses on our gold sales contracts. The gains and losses occur because of changes in commodity prices, currency exchange rates and interest rates.

Commodity Contracts

In 2001, gains of $57 million on written call options outstanding at that time were mainly due to changes in spot gold prices. In 2002, we did not have a significant call option position outstanding and incurred net losses of $2 million.

Currency Contracts

Gains on currency contracts in 2002 were mainly caused by the impact of a strengthening Australian dollar on non-hedge contracts. Losses in 2001 were due to changes in both the Canadian and Australian dollar. At the end of 2002, we held foreign currency contracts with notional amounts of A$83 million and C$26 million, which do not qualify for hedge accounting treatment. The contracts act as an economic hedge, but do not meet the strict FAS 133 criteria for hedge accounting treatment, due to a mismatch in the timing of contract maturities and the forecasted expenditures. These contracts are being marked-to-market through earnings.

Interest and Lease Rate Contracts

Losses on interest and lease rate swaps in 2002 were $12 million (2001 — $9 million loss). The losses were primarily related to our total return swaps and were largely the result of the widening of credit spreads over yields on government securities. During 2002, we closed out substantially all of the total return swaps, so our future results will not be significantly affected by these contracts. At the end of 2002, we held pay-fixed US dollar interest rate swaps with notional amounts of $150 million (2001 — $275 million) and receive-fixed gold lease rate swaps with notional amounts of 6.4 million ounces or about $2 billion (2001 — 6.2 million ounces). Both are being marked-to-market through earnings. These gold lease rate swaps represent all of our current gold lease rate exposure.

INCOME TAXES

In 2002, we recorded a tax credit of $16 million compared to a credit of $14 million in 2001. In fourth quarter 2002, we recorded a tax credit of $22 million, mainly reflecting the resolution of certain tax uncertainties. Excluding the credit recorded in fourth quarter 2002, our relatively low effective tax rate is mainly because a significant portion of our earnings are generated in a low tax-rate jurisdiction. We have also begun to realize the benefit of tax synergies from the Homestake merger through the integration of our North American operations.

Should gold prices remain in the $350 per ounce range, we expect our underlying effective tax rate to rise to about 15 to 20%, because a larger portion of our earnings would come from tax jurisdictions with higher tax rates. At spot gold prices in excess of $400, we estimate that our effective tax rate would be about 30%.

Our income tax expense is also affected by changes in the level of valuation allowances recorded against deferred tax assets. Valuation allowances are recorded where there is substantial uncertainty over the realization of a tax asset. Among other things, a sustained upward trend in gold prices may result in a decrease in valuation allowances with corresponding tax credits recorded in earnings.

STATEMENT OF COMPREHENSIVE INCOME

Comprehensive income consists of net income or loss, together with certain other economic gains and losses that are collectively described as “other comprehensive income” and are excluded from the income statement.

In 2002, other comprehensive income included: losses of $21 million arising on translation of the financial statements of our Argentinean subsidiaries due to the devaluation of the Argentinean Peso; unrealized gains of $28 million arising on interest rate swaps and foreign currency contracts that are accounted for as cash flow hedges; and the transfer of $21 million of gains on these cash flow hedges to earnings in the year.

In 2001, other comprehensive income included losses of $26 million arising on translation of the financial statements of our Australian subsidiaries due to the devaluation of the Australian dollar; and the transfer of losses of $25 million on cash flow hedges to earnings in 2001. After the merger with Homestake in 2001, changes in circumstances indicated that the functional currency of our Australian subsidiaries is the United States dollar, which means that, for 2002 and beyond, the financial statements of our Australian subsidiaries are translated at historic exchange rates rather than current market rates. Therefore, translation of these subsidiaries’ financial statements no longer results in the recognition of unrealized gains and losses in other comprehensive income.

LIQUIDITY & CAPITAL RESOURCES

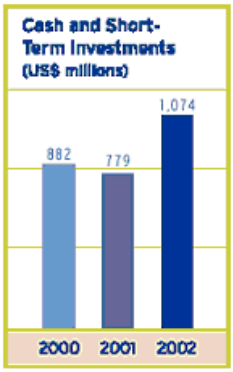
LIQUIDITY

Liquidity can be described as the ability of an enterprise to generate adequate amounts of cash to meet its needs. In recent history, the main sources of liquidity for us have been our net cash inflow from operating activities, our large cash position, and our various debt-financing facilities. Currently, our debt facilities include our publicly traded debentures, our Bulyanhulu project financing, and our $1 billion revolving credit facility with a syndicate of global banks.

In the last three years we have generated substantial levels of operating cash flow, and we believe this to be one of our fundamental financial strengths. We expect capital needs of about $2 billion over the next five years to build our four development projects, as well as between $100 and $200 million per year for sustaining capital at our existing operations. Our alternatives for sourcing this capital include our $1 billion cash position, our future operating cash flows and project financings. We are evaluating these alternatives to determine the optimal mix of capital resources for the projects. We expect that present levels of liquidity in these sources of financing will be adequate to meet our expected capital needs.

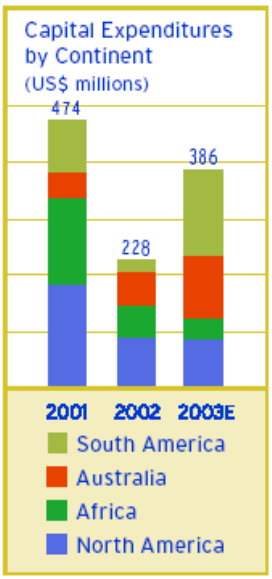
While a deterioration in our credit rating would not adversely affect our existing debt obligations or gold sales contracts, it could impact the cost of borrowing for any new financings. There are a number of factors that are important to our “A” credit rating, including: our market capitalization; the strength of our balance sheet, including the amount of net debt and our debt-to-equity ratio; our cash generating ability, including cash generated by operating activities and expected capital expenditure requirements; the quantity of our gold reserves; and our relatively low geopolitical risk profile due to the location of our mines.

Like most financial contracts, our revolving credit facility and our gold sales contracts require us to comply with certain financial covenants. These covenants include: (a) Maintaining a minimum consolidated tangible net worth of over $2.0 billion (our consolidated net worth as at December 31, 2002 was over $3.3 billion); and (b) Maintaining a maximum long-term debt to consolidated net worth ratio below 1.5:1 (the ratio as at December 31, 2002 was under 0.25:1). The calculation of net worth excludes the unrealized mark-to-market gain or loss on our derivative instruments and gold sales contracts.



In the unlikely event that we breach these covenants, we would be in default of our gold sales contracts, which could result in the counterparties requiring settlement of these contracts; and also the syndicate of banks in our credit facility could require repayment of amounts outstanding at that time.

In this discussion of financial resources and liquidity, we address our Consolidated Statements of Cash Flows, our Consolidated Balance Sheets and our Consolidated Statements of Shareholders’ Equity.



STATEMENTS OF CASH FLOWS

Our consolidated cash and equivalents totaled $1,044 million at the end of 2002, up from $574 million at the end of 2001. The main reasons for the increase in 2002 were the maturity of term deposits totaling $159 million, and free cash flow generated in the year of $361 million[1] (2001 – $114 million; 2000 – $230 million). The increase in free cash flow is mainly due to lower capital expenditures in 2002 compared with prior years. Our free cash flow will be reduced by capital expenditures relating to our development plan over the next few years.

OPERATING ACTIVITIES

Our operating cash flow is significantly affected by the volume of gold sales, as well as realized gold prices and cash operating costs. In 2002, our average realized gold price per ounce sold increased by $22, although this was offset by a $15 per ounce increase in total cash operating costs. Overall, our operating cash flow remained similar to 2001, due to the combined effect of a variety of factors, including: increased cash margins in 2002 (defined as gold sales less cash operating costs), which generated extra operating cash flow of about $40 million, combined with a $34 million inflow due to reduced inventory levels offset by lower sales volumes that reduced operating cash flow by about $25 million; and an increase in cash payments for reclamation and closure costs by $35 million, mainly at inactive mines.

For 2003, we expect our operating cash flow to remain at similar levels to 2002, assuming an average realized gold price of $350, as higher gold prices are offset by higher cash operating costs and lower gold sales volumes.

INVESTING ACTIVITIES

Our most significant ongoing investing activities are for capital expenditures at our mines. Annually, we invest in sustaining capital at our mines, including expenditures relating to underground development activities. We also incur significant capital expenditures in the development and construction phases of new mines, although the yearly level varies depending on the status of our development projects.

Capital expenditures decreased by $246 million in 2002 to $228 million. In 2002, expenditures were mainly for sustaining capital and underground development. Higher expenditures in the previous two years were mainly due to: underground development at Meikle and Rodeo (2001 – $90 million; 2000 – $80 million); construction of the Bulyanhulu Mine (2001 – $153 million; 2000 – $203 million); and higher levels of development activity at Pascua-Lama (2001 – $69 million; 2000 – $107 million).

For 2003, we expect to spend a total of $386 million, including $218 million for sustaining capital, which is similar to 2002, and $168 million on our development plan ($123 million at Veladero, $34 million at Cowal, $11 million at Alto Chicama).

We sometimes invest excess cash in term deposits with initial maturities greater than 90 days, which are excluded from cash and equivalents and included in short-term investments. At the end of 2001, we held cash of $159 million in the form of term deposits that were included under short-term investments. As the term deposits matured in 2002, the cash received was reflected as an inflow under investing activities and is included in cash and equivalents.

[1] Defined as operating cash flow less capital expenditures - see Reconciliation of Free Cash Flow page 61.

FINANCING ACTIVITIES

Our most significant ongoing financing activities are repayments/drawdowns of debt obligations, dividend payments, and proceeds from issuing capital stock.

The most significant financing cash flows in 2002 were $83 million received on the exercise of employee stock options and dividend payments totaling $119 million, which were $26 million higher than in 2001. We also made scheduled payments under our long-term debt obligations totaling $25 million in 2002.

For 2003, we will be required to make scheduled long-term debt repayments of $20 million. The amount of any dividends will be determined by the Board of Directors.

CONSOLIDATED BALANCE SHEET

Working Capital

Our non-cash working capital position was largely unchanged from 2001. Inventories declined by $34 million as gold sales exceeded production in 2002, which was offset by an increase in derivative assets included in current assets reflecting higher unrealized gains on cash flow hedge contracts, and an increase in accounts receivable by $12 million.

Capitalized Mining Costs

Amounts decreased in 2002 primarily due to mining in areas of the Betze-Post pit where the actual ounces to total ore and waste ratio was lower than the life-of-mine ratio. As a result, amortization exceeded incurred cash expenditures.

Other Assets

The increase resulted from the inclusion of deferred tax assets totaling $45 million in 2002, and an increase in derivative assets reflecting higher unrealized gains on cash flow hedge contracts.

STATEMENT OF SHAREHOLDERS' EQUITY

Shareholders' equity increased by $142 million in 2002. The increase is mainly attributable to net income of $193 million and an increase in capital stock by $86 million (from the exercise of employee stock options), offset by dividends totaling $119 million.

FINANCIAL RISK MANAGEMENT

In the normal course of business, the main financial risks that affect us arise from changes in commodity prices, interest rates, foreign currency exchange rates and energy prices. We use privately negotiated contracts (rather than exchange-traded contracts) with a group of 19 leading international counterparties to manage our risk exposures. Because of the long-life, low-cost nature of our mines, as well as our financial strength, we have been able to secure trading lines and terms that we believe are the most favorable offered to companies in our industry.

These contracts are valued using pricing inputs that are readily available from independent sources. Changes in the value of the contracts are mainly affected by, among other things, changes in commodity prices, interest rates, gold lease rates and currency exchange rates.

Our use of these contracts is based on established practices and parameters, which are subject to the oversight of the Finance Committee of the Board of Directors. We also maintain a separate compliance function to independently monitor our hedging and financial risk management activities and segregate the duties of personnel responsible for entering into transactions from those responsible for recording transactions.

GOLD AND SILVER PRICE RISK

We manage our exposure to volatility in gold prices through our forward sales contracts. A detailed discussion of the nature of these contracts, how we use them in our business, and the historic benefits we have derived from them is included on page 54.

Certain of our mines, and in particular Eskay Creek, produce significant quantities of silver as a by-product. The quantities of silver present in the ore processed, as well as prices realized for silver production, significantly impact our cash operating costs per ounce at these mines because by-product revenue is deducted from operating costs. We use spot deferred silver contracts as a means to sell silver production and to act as an economic hedge of our exposure to changes in silver prices. Substantially all of our silver production in 2003 is protected by these contracts, at an average price of about $4.95 per ounce.

INTEREST RATE RISK

Our interest rate risk exposure mainly relates to future contango returns in our spot deferred contracts, the fair value and ongoing payments under lease rate and US dollar interest-rate swaps, and interest receipts on our cash balances. We are more adversely affected by lower interest rates than higher rates, because the net amount of assets less liabilities affected by interest rates is an asset and also because the forward price of gold is significantly affected by US dollar interest rates. In higher interest rate environments, we realize higher prices under our spot deferred sales contracts because the premium on the forward gold price over spot prices is greater, and we receive higher interest income on our cash balances.

Most of our $774 million of outstanding long-term debt obligations are at fixed interest rates. The exceptions are $250 million of our debentures where we have converted the interest rate from fixed to floating rates, and our $80 million of variable-rate bonds. For $650 million of our cash balances, we have fixed the interest return we are earning through 2006 – 2007, with the excess generating interest income at variable US dollar interest rates.

The excess of interest-bearing assets over liabilities recognized on our balance sheet, which are subject to variable interest rates, was $64 million at December 31, 2002 (representing cash of $394 million, less the floating-rate portion of debentures of $250 million, and our $80 million of variable-rate bonds).

Like all fixed price sales contracts with future fixed cash flows, the mark-to-market value of our existing gold sales contracts is affected by changes in the

forward price of gold, which in turn is affected by market US dollar interest rates and gold lease rates. As we explain on page 57, the mark-to-market value is not recorded on our balance sheet, and it does not affect the level of our future earnings or cash flows.

For new gold sales contracts, the level of market US dollar interest rates and gold lease rates at that time will influence forward gold prices and will therefore affect the realized gold prices under these contracts.

As disclosed in note 23 to our financial statements, we enter into gold lease rate swaps as part of our overall gold price optimization strategy. Because these gold lease rate swaps include fixed US dollar cash flows, changes in the fair value of these swaps (which flow through earnings each period) are affected by changes in US dollar interest rates. Changes in US dollar interest rates affect only the mark-to-market value of these gold lease rate swaps, and do not impact the actual cash flows arising on the swaps.

FOREIGN CURRENCY EXCHANGE RISK

Although we operate on four continents, we do not view currency fluctuations as a significant risk in the next few years at most of our operations because all our revenues and most of our cash expenditures are denominated in US dollars, and we have hedged most of our non-US dollar operating costs. Nearly half of our production comes from our United States mines, while most of our Peruvian and Tanzanian operating and capital expenditures – such as diesel fuel, reagents and equipment – are denominated in United States dollars.

Our main foreign currency exposures relate to cash expenditures at our Canadian and Australian mines that are denominated in local currencies. We use foreign currency contracts to economically hedge our exposure to changes in the Canadian and Australian dollar against the US dollar. With the recent strengthening of the Canadian dollar and Australian dollar against the US dollar, unhedged producers with operations in these countries could be facing significantly higher US dollar operating costs.

In 2002, substantially all of our Canadian dollar expenditures were hedged at $0.65 and substantially all of our Australian dollar expenditures were hedged at $0.54. For 2003, we have hedged about 90% of our Canadian dollar expenditures at $0.65 and substantially all of our Australian dollar expenditures at $0.53. Beyond 2003, we have contracts in place to reduce our currency risk exposure on about 60 – 70% of our Australian and Canadian dollar exposures through 2005. Consequently, we do not expect fluctuations in these currencies to significantly affect our near term earnings or operating cash flows.

ENERGY PRICE RISK

Our operating costs reflect the quantities of electricity and diesel fuel consumed, at prices that are mainly based on the market prices of these commodities. These costs represent approximately 16% of our total cash costs per ounce for 2002.

	Electricity	Diesel
Quantity consumed in 2002	1.9 billion kilowatt hours	1.3 million barrels
Cost (dollars)	$0.06 per kilowatt hour	$38 per barrel [1]
Impact on total cash costs per ounce (dollars)	$20	$9

[1] Includes transportation and refining charges

The table above illustrates our actual consumption of these commodities, the average purchase cost and the impact on our average total cash costs per ounce.

Substantially all of our costs arising from consumption of these items is subject to variations in market prices, except that we have hedged about 20% of diesel fuel requirements for 2003. We are evaluating ways in which to mitigate these risk exposures, and we may take steps to hedge these costs in the future or utilize alternative sources of supply to lower costs.

DERIVATIVES RISK

The derivative contracts we enter into are an integral part of our financial risk management strategy. The contracts act as economic hedges of our underlying exposures that arise in the normal course of our business and are not held for speculative purposes. Because we produce gold and silver, incur costs in foreign currencies and invest and borrow in US dollars and are therefore subject to US interest rates, all of our derivative contracts cover natural underlying asset or liability positions. By using derivative instruments, we have various financial risks, which we manage in the following manner.

Credit risk is the risk that one or more counterparties will fail to perform on an obligation to us. We mitigate credit risk by dealing with high quality counterparties, by spreading our credit risk exposure over a number of counterparties, by limiting our exposure to individual counterparties, and by using master netting arrangements such that our credit risk exposure is limited to the net positive fair value of contracts with individual counterparties.

Market liquidity risk is the risk that a derivative position cannot be eliminated quickly, by either liquidating derivative instruments or by establishing an offsetting position. Under the terms of our trading agreements with counterparties, the counterparties cannot require us to immediately settle outstanding contracts, unless we breach any financial covenants (see page 55). We mitigate market liquidity risk by spreading out the maturity of our derivative instruments over time. This ensures that the size of positions maturing is such that for commodity contracts we are able to physically deliver gold and silver against the contracts, and for other contracts the relevant markets for currencies and interest rates will be able to absorb the contracts.

Mark-to-market risk is the risk that an adverse change in market prices for commodities, currencies or interest rates will affect our financial condition. We have mitigated this risk by establishing trading agreements with counterparties under which we are not required to post any collateral or make any margin calls on our derivative instruments. Also, the counterparties cannot require settlement of a derivative solely because of an adverse change in the mark-to-market value. We enter into derivative instruments to act as economic hedges of underlying exposure to commodity prices, foreign

currency exchange rates and interest rates that arise in the normal course of our business. Consequently, for most of the derivative instruments we use, changes in the mark-to-market value do not affect earnings.

CRITICAL ACCOUNTING ESTIMATES

What follows is a discussion of our application of critical accounting policies that require us to make assumptions about matters that are highly uncertain at the time the accounting estimate is made, and where different estimates that we reasonably could have used in the current period – or changes in the accounting estimate that are reasonably likely to occur from period to period – would have a material impact on our financial statements. We have identified the following accounting estimates as critical:

> amortization of property, plant and equipment;

> impairment assessments of long-lived assets;

> mine reclamation and closure costs;

> the measurement and recognition of valuation allowances against deferred income tax assets; and

> contingencies.

We also have certain accounting policies that we consider to be important – such as our policies for revenue recognition, exploration costs and derivative instruments that do not meet the definition of critical accounting estimates as they do not require us to make estimates or judgements that are subjective or highly uncertain.

Management has discussed the development and selection of our critical accounting estimates with the Audit Committee of the Board of Directors, and the Audit Committee has reviewed the disclosure relating to such estimates in this Management's Discussion and Analysis.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and capitalized mining costs, which totaled $3.6 billion at December 31, 2002, represent a significant portion of our assets (68%). Due to the large size of these assets, the application of our accounting policies for these assets has a material impact on our reported earnings.

AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

We capitalize mine development and construction costs incurred at a property after we have identified proven and probable reserves. Upon commencement of gold production, we amortize these costs over the expected life of the property, based on proven and probable reserves and other factors.

The process of estimating quantities of gold reserves is complex, requiring significant decisions in the evaluation of all available geological, geophysical, engineering and economic data. The data for a given ore body may also change substantially over time as a result of numerous factors, including, but not limited to, additional development activity, evolving production history and the continual reassessment of the viability of production under various economic conditions.

A material revision (upward or downward) to existing reserve estimates could occur because of, among other things: revisions to geological data

or assumptions; a change in the assumed gold prices; and the results of drilling and exploration activities. We make every effort to ensure that reported reserve estimates represent the most accurate assessment possible However, because of the subjective decisions we have to make, as well as variances in available data for each ore body, these estimates are generally uncertain.

Changes in reserve quantities, including changes resulting from gold and silver price assumptions, would cause corresponding changes in amortization expense in periods subsequent to the revision, and could result in impairment of the carrying amount of property, plant and equipment and capitalized mining costs.

For the past three years, we estimated reserves assuming a $300 per ounce gold price. At December 31, 2002 a $25 per ounce reduction (8%) in gold price would reduce our reserves by about 4 million contained ounces (6%), relating primarily to our Kalgoorlie and Bulyanhulu operating mines and the Pascua-Lama development project. Such a decrease in reserves would increase annual amortization by about $20 million and decrease net income by about $15 million ($0.03 per share). Conversely, a $25 per ounce increase in gold price would increase our reserves by about 2 million contained ounces (3%), relating primarily to Kalgoorlie, Goldstrike and Pascua-Lama. Such an increase in reserves would decrease annual amortization by about $15 million and increase net income by about $10 million ($0.02 per share).

In addition to changes in gold prices, reserve quantities can also change for other reasons, including but not limited to, new drilling results, changes in production costs and changes in geological assumptions. The mines where amortization charges would be most significantly affected by changes in reserve estimates are Pierina, Meikle, Eskay Creek and Bulyanhulu. These mines generally have the largest amounts of property, plant and equipment subject to amortization using the units of production method and the highest per ounce amortization charges. The effect of a 10% change in reserves at these mines on amortization would be as follows:

	Impact of a 10% change in gold reserves on amortization (per ounce)	Impact on earnings, based on ounces sold in 2002 (millions)
Pierina	$ 18	$ 16
Meikle	12	8
Eskay Creek	13	5
Bulyanhulu	10	4

IMPAIRMENT ASSESSMENTS OF LONG-LIVED ASSETS

We believe that our estimates are critical for these assets because they are susceptible to change from period to period and the potentially material effect that recognizing an impairment could have on the assets reported on our balance sheet and on our reported earnings.

They are based on estimates of future cash flows, which include estimates of:

> the quantity of gold reserves at our mines;

> future gold and silver prices; and

> future operating and capital costs to mine and process our reserves over extended periods of time (5 to 25 years).

In 2000 we recorded a $1.6 billion provision to reduce the carrying values of various assets. With the recent rise in spot gold prices, the current likelihood of a significant impairment at our operating mines has diminished. Based on a long-term gold price of $300 per ounce and our gold mineral reserves at December 31, 2002, we have completed a sensitivity analysis that indicates that a 10% decrease in net cash flows resulting from a combination of a lower spot gold price and an increase in operating and capital costs at each of our properties would not result in the recognition of a provision for impairment.

RECLAMATION AND CLOSURE COSTS

Our mining, exploration and development activities are subject to various levels of federal, provincial and state laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties. In general, these laws and regulations are continually changing and, over time, becoming more restrictive.

We estimate that future site reclamation and closure obligations will be $169 million at our closed mines and $292 million at our operating mines. At December 31, 2002, we had fully accrued for the future costs at our closed mines ($169 million), and we had accrued $133 million for our current operating mines. Based on our existing accounting policy, the remaining $159 million for our operating mines will be accrued over their estimated lives, based on the units of production method as gold is produced and sold. Changes in estimated costs are recognized prospectively as a revision to future cost accruals. On adoption of FAS 143 in 2003, we will recognize these liabilities at fair value on our balance sheet, with a corresponding adjustment to the carrying amount of the related assets that give rise to these obligations. Our financial statements will continue to be materially affected by our estimates of reclamation and closure costs.

Our operating mines and approximately 50 closed mines are located in the United States, Canada, Australia, Chile, Peru and Tanzania. We expect to spend about $135 to $160 million over the next five years on reclamation and closure activities, with about 85% of these amounts at our closed mines. Our current operating mines have estimated productive lives, based on reserves at December 31, 2002, ranging from 2 to 25 years.

Significant management judgments and estimates are made when estimating reclamation and closure costs, which will be incurred, in some cases, many years from the date of estimate. A 10% change in the current overall estimate of reclamation and closure costs for our closed mines would increase or decrease net income by about $12 million or $0.02 per share. A 10% change at each of our operating mines may not have a significant effect on net income in a period because the effect of the change would be accrued over the estimated remaining life of each mine.

As described in note 2 to our financial statements, effective January 1, 2003, we will adopt FAS 143, Accounting for Asset Retirement Obligations, which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. In summary, FAS 143 requires us to record the fair value of legal liabilities for asset retirement obligations in the period in which they are incurred. When a liability is initially recorded, we will capitalize the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability will be increased each period to reflect the interest element (accretion) reflected in its initial measurement at fair value, and the capitalized cost is amortized over the useful life of the related asset. While FAS 143 will not change the amounts spent on these activities, it will affect the timing of recognition of amounts on our balance sheet and in our income statement.

VALUATION ALLOWANCES AGAINST DEFERRED TAX ASSETS

For each deferred tax asset, we evaluate the likelihood of whether some portion or all of the asset will not be realized. This evaluation is based on, among other things, expected levels of future taxable income. If, based on the weight of available evidence, we determine that it is more likely than not (a likelihood of more than 50 percent) that all or some portion of a deferred tax asset will not be realized, then we record a valuation allowance against it. As of December 31, 2002, we have recorded a valuation allowance of $476 million on a portion of our net deferred tax assets totaling $497 million.

(millions)	Valuation allowance
United States	$ 173
Chile/Argentina	120
Tanzania	85
Canada	67
Australia	24
Other	7
	$ 476

Our most significant valuation allowances, and the related tax jurisdictions are:

> In the United States, Chile and Argentina, valuation allowances relate to tax assets in subsidiaries that do not have any present sources of income against which to utilize the assets. In the event these subsidiaries have sources of income in the future, we may be able to reduce the level of valuation allowances recorded.

> In Canada, substantially all of the valuation allowances relate to capital losses that will only be utilized if we realize any capital gains in the future.

> In Australia, the valuation allowances relate to operating losses in subsidiaries that have had a history of losses over the last three years. In the event there is a sustained upward movement in the price of gold or other factors occur that increase the profitability of these subsidiaries over the next few years, we may reduce the level of valuation allowances against these assets.

> In Tanzania, the tax legislation provides for a compounding of unused tax depreciation which results in an additional deduction for tax purposes for amounts spent on property, plant and equipment. After considering the effect of this compounding, and the expected levels of future taxable income at the Bulyanhulu Mine, we recorded a valuation allowance against the portion of the deferred tax assets that we believe will more than likely not be realized. In the event that levels

of future taxable income at Bulyanhulu are higher than we presently expect, which could be because of a number of factors, including a sustained upward movement in gold prices, operating efficiencies or the discovery of additional reserves, we may reduce the level of valuation allowances against these assets.

In future years, levels of taxable income will be affected by, among other things, changes in gold prices, cash operating costs, proven and probable gold reserves, interest rates and foreign currency exchange rates. Significant changes in these and other factors could have a material impact on the amount of valuation allowances recorded and on income tax expense.

CONTINGENCIES

We account for contingencies in accordance with FAS 5, "Accounting for Contingencies." FAS 5 requires us to record an estimated loss for a loss contingency when information available indicates that it is probable that an asset has been impaired or a liability has been incurred, and the amount of the loss can be reasonably estimated. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur – and typically those events will occur a number of years in the future. We assess such contingent liabilities, which inherently involves the exercise of significant management judgment and estimates of the outcome of future events.

Income tax contingencies

We record liabilities for known tax contingencies when, in our judgment, it is probable that a liability has been incurred. It is reasonably possible that actual amounts payable resulting from audits by tax authorities could be materially different from the liabilities we have recorded, due to the complex nature of the tax legislation that affects us.

As described in note 22 to our financial statements, we have recorded current and deferred income tax liabilities of $141 million for the cost arising from the denial by the Peruvian tax authorities (SUNAT) of our right to revalue the Pierina mining concession. This reduction on the Pierina cost base for tax purposes results in a temporary timing difference between income for tax and accounting purposes, and the recognition of liabilities for income taxes under our accounting policy for income taxes. We have appealed this decision, a process that we expect to take several years. Until the appeal is resolved, we will not be required to make any payments of this incremental tax liability. However, if at the end of the appeal process we are unsuccessful, we will be required to pay SUNAT the additional taxes owing at that time. Through the end of 2002, the impact on current income taxes payable amounts to $41 million, and this current part will continue to increase each year up to the full $141 million over the remaining life of the mine.

We have not recorded any potential interest and penalties, currently estimated at $51 million based on the SUNAT assessment, because we believe that it is not probable that these amounts are payable to SUNAT. A liability for interest and penalties will only be recorded should it become probable that SUNAT's position on interest and penalties will be upheld or settled. In the event that we are unsuccessful in our appeal of the assessment of interest and penalties in Peru, based on the amounts potentially payable at the end of 2002, we would recognize a charge of about $51 million ($0.09 per share).

Legal contingencies

As described in note 22 to our financial statements, we are involved in claims and legal proceedings, the resolution of which could have a material effect on our financial condition or future results of operations. In assessing these contingencies, we evaluated the perceived merits of the legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or that we expect to seek.

Inmet Litigation

As disclosed in note 22 to our financial statements, we have accrued the amount of judgement awarded to Inmet, and in August 2002 we posted a letter of credit for C$95 million pending a decision on our appeal. We expect to receive a decision on our appeal in 2004, at which time, if we are unsuccessful, we will be required to satisfy the judgement.

In the event that the income tax and Inmet contingencies described above and that we have recorded in our financial statements are resolved in our favor, we would recognize in income gains of about $182 million ($0.34 per share), net of tax, in aggregate.

OFF-BALANCE SHEET ARRANGEMENTS

We do not enter into off-balance sheet arrangements with special purpose entities in the normal course of our business, nor do we have any unconsolidated affiliates. In the case of joint ventures, our proportionate interest for consolidation purpose is equivalent to the economic returns to which we are entitled as a joint venture partner. Our only significant off-balance sheet arrangements are our gold sales contracts.

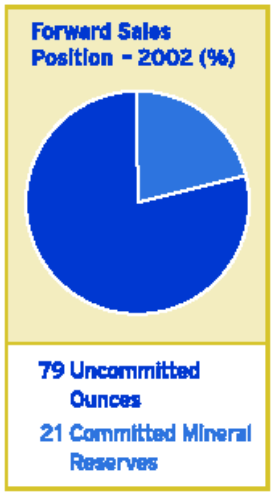
GOLD SALES CONTRACTS

Overview

We have entered into gold sales contracts with high quality banking counterparties. The banking counterparties with whom we enter into these contracts engage in derivative transactions with numerous third parties in addition to us. We do not have any relationships with special purpose entities whose sole business purpose is to enter into derivative transactions with us.

We use gold sales contracts to protect our earnings and cash flow from declining gold prices, while permitting us to sell our gold production in the gold spot market in a rising gold price environment, as we have done in early 2003. At the end of 2002, our gold sales commitments under these contracts totaled 18.1 million ounces.

These contracts meet the US GAAP definition of a derivative, but because they qualify for the normal sales exception under FAS 133, they are not recorded on our balance sheet at fair value. Instead, we account for these agreements as sales contracts with the proceeds under the contract recorded as revenue at the date we physically deliver gold to the counterparties.



Under these contracts:

> We can deliver gold to meet our commitments at any time we choose over periods of up to 10 or 15 years. We have the flexibility over this period to sell our production in either the spot gold market or through these contracts. Generally, our strategy is to sell our gold production in the spot market if the market price exceeds the price under our sales agreements.

> We are not subject to any margin calls, regardless of the price of gold.

> There are no credit downgrade provisions in these contracts.

> We carefully manage credit exposure to our counterparties under these contracts. Generally, the counterparties have credit ratings of “AA”, and any credit exposure is spread over the 19 counterparties.

> We regularly review our gold sales commitments to ensure that we have the gold mineral reserves and future gold production that substantially exceed our contract commitments.

Through the use of these contracts over the last three years, we have realized higher revenues than if we had sold our gold production in the spot gold market at average spot gold prices. The benefits of using these contracts can be illustrated as follows:

> Revenues from Forward Sales Contracts

	2002	2001	2000
Total revenues from contract sales (millions)	$1,401	$1,307	$1,341
Average contract selling price ($/oz)	$ 352	$ 347	$ 365
Average spot price ($/oz)	$ 310	$ 271	$ 279
Incremental revenues from contracts in excess of average spot gold prices (millions)	$ 168	$ 289	$ 315

The terms of our gold sales contracts provide flexibility and benefits that we believe are unique to us and unavailable to any other gold producer. We are able to realize benefits from the contracts mainly because we are able to choose a suitable delivery date at any time over the 10 to 15 year term of the contract. Over this period, we can sell our gold at the spot price, but if the spot price is lower than the contract price, our production is protected because we are able to sell at the contract price. These advantageous terms reflect, among other things, our strong credit rating and our high quality, long-life, low-cost asset base. We believe that the benefits we derive from these contracts give us a substantial economic and financial advantage over other companies in the gold mining industry.

The main factors that affect our future ability to derive benefits from these agreements are two financial covenants: maintain a consolidated net worth of at least $2 billion (2002 – $3.3 billion) and our debt to equity ratio must not exceed 1.5:1 (2002 – less than 0.25:1).

KEY CONTRACT TERMS AND CONDITIONS

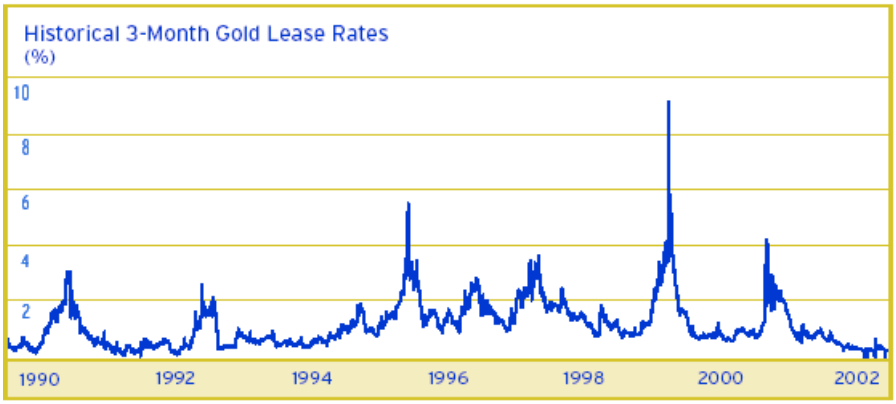
Spot deferred sales contracts

A spot deferred sales contract is an agreement that we will sell a fixed number of ounces of gold to the contract counterparty on a delivery date in the future at an agreed price. We have the flexibility to choose the delivery date at any time over a 10 to 15 year period from the start of the contract. Our rights and obligations under these contracts are defined by Master Trading Agreements ("MTA's") that we have executed with our counterparties.

The selling price under the contract is based on the forward price of gold at the future delivery date, which is essentially a function of the spot gold price on the date the contract is entered into plus a premium (commonly referred to as "contango") through the future delivery date. The amount of contango is often quoted as a percentage return that reflects the spread between market LIBOR interest rates (i.e., US dollar interest rates) and gold lease rates. Generally, US dollar interest rates are higher than the gold lease rate, which means that the future price is higher than the current price under the contract. The longer the period of time until delivery, the greater the amount of the forward premium or contango and – so long as US dollar interest rates are higher than gold lease rates – the greater the contract price compared to the spot price at the start of the contract.

Over the past five years, three-month US dollar interest rates have averaged 4.6% and gold lease rates have averaged 1.2%, resulting in an average contango rate of 3.4%. With the recent decline in interest rates, three-month US dollar interest rates have been about 1.8% and gold lease rates have been about 0.4%, resulting in a contango rate of 1.4%. The level of contango rates is one of the most significant factors that affect the price we realize from these contracts. At the end of 2002, the average rate of contango implied in our gold spot deferred contracts was 3.2%. The selling prices under our spot deferred contracts are fixed over an average future period of two years.

Beyond the dates that contango is presently fixed, future premiums earned under the spot deferred contracts will be based on market contango rates at that time, for those future periods until the actual delivery date. In the event gold lease rates are higher than US dollar interest rates, the



“premium” becomes negative (known as “backwardation”). Over the past five years, backwardation has occurred only once, and only for a period of two days.

Since we have the flexibility to deliver gold under our sales contracts at any time over the next 10 to 15 years, we can sell our gold at the higher of the spot price or the contract price well into the future. In the event spot prices consistently exceed the contract price for the next 10 to 15 years, and assuming that we choose to deliver our gold at spot prices over this period, we would eventually deliver gold at a price of about $500 per ounce under our existing contracts (assuming typical historical long-term contango rates of 4%); however, if today’s low interest rate environment persists, the forward price of the contract would rise to about $400 per ounce. By choosing to deliver gold at higher spot gold prices, we are able to take advantage of those higher prices, but it remains probable that we will physically deliver gold over the term of the contract, and we will not be required to cash settle the contracts. In most cases, under the terms of our MTA’s, the period over which we are required to deliver gold is extended annually by one year, or kept “evergreen,” regardless of our intended delivery dates, unless otherwise notified by the counterparty. This means that, with each year that passes, the Termination Date is extended into the future by one year.

Variable price sales contracts

A variable price sales contract is a version of our spot deferred sales contract, the difference being that the price of gold is variable within certain limits. While most of our spot deferred contracts are to sell gold at a fixed price in the future, the “variable price” sales contracts have a variable price for gold, typically either i) within a range, or ii) capped to a maximum level based on the spot price at an agreed future date.

The variable price sales contracts enjoy all the same benefits and flexibility as our spot deferred sales contracts: we can deliver gold against our variable price sales contracts at any time up to 10 to 15 years in the future; most contracts have the “evergreen” clause; low and they are not subject to margin calls.

Significance of mark-to-market gains and losses

Mark-to-market gains and losses represent unrealized changes in the fair value of our gold sales contracts. For example, if we had a contract to sell gold currently at $340 an ounce and the spot price of gold was $375 an ounce, then the mark-to-market value the of the contract is about negative $35 per ounce. This has no impact on the selling price under the contract, which remains intact at $340 per ounce.

The mark-to-market value represents a calculation of the fair value of the contracts at a point in time, based on market conditions at that time. Because we intend to physically deliver future production against our sales contracts, we do not expect to ever have to financially settle this gain or loss and record it in our income statement. On delivery of gold under the contract, we receive cash equivalent to the selling price in the contract and we record this amount under gold sales in our income statement. Therefore, we do not expect a significant increase in the price of gold and an adverse change in the mark-to-market value of these contracts to result in the mark-to-market value being recorded in our earnings and cash flow.

A short-term spike in gold lease rates would not have a material negative impact on us because we are not exposed under our gold sales contracts to short-term gold lease rate variations. A prolonged rise in gold lease rates could result in lower contango (or negative contango i.e. “backwardation”) and therefore a smaller forward premium (or backwardation) under the contract. However, because of the large amount of Central Bank gold available for lending relative to demand, gold lease rates tend to be low and any spikes short-lived.

The estimated fair value of the gold contracts at December 31, 2002 was approximately negative $639 million, and the fair value of silver contracts was $7 million positive. The most significant factors affecting this mark-to-market value are spot gold prices and market contango rates. The mark-to-market value of our gold sales contracts would approach zero (breakeven) at a spot gold price of approximately $310 per ounce, assuming all other variables are constant. The fair value of our foreign currency contracts at December 31, 2002 was $25 million positive. The value of gold contracts is based on the net present value of cash flows under the contracts, based on a gold spot price of $347 per ounce and market rates for LIBOR and gold lease rates. The year-to-date change in the fair value of our gold contracts is detailed as follows:

> Continuity Schedule of the Change in the Mark-to-Market Value of our Gold Sales Contract Position (millions)

Fair value as at December 31, 2001 - Gain	$ 356
Impact of realized gains in the year	(168)
Impact of change in spot price (from $279 per ounce to $347 per ounce)	(1,353)
Contango earned in the year	182
Impact of change in valuation inputs other than spot metal prices (e.g., interest rates, lease rates, and volatility)	344
Fair value as at December 31, 2002 - Loss	$ (639)

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

(millions)	2003	2004 – 2005	Payments due in 2006 – 2007	2008+	Total
Contractual obligations					
Long-term debt	$ 20	$ 72	$ 568	$114	$ 774
Reclamation and closure costs	45	51	50	357	503
Capital leases	—	3	—	—	3
Operating leases	6	7	5	10	28
Purchase obligations:					
Supplies inventory and consumables	50	21	4	—	75
Power contracts	18	24	44	—	86
Capital expenditures	20	—	—	—	20
Other	57	20	18	19	114
Total	$216	$ 198	$ 689	$500	$1,603

Long-term debt

Our debt obligations do not include any subjective acceleration clauses or other clauses that enable the holder of the debt to call for early repayment, except in the event that we breach any of the terms and conditions of the debt. We are not required to post any collateral under any debt obligations, and the terms of the obligations would not be affected by a deterioration in our credit rating.

Reclamation and closure costs

The amounts included in the table for reclamation and closure costs represent our present legal obligations for costs at all our existing operating mines and mines in various stages of closure. For those mining operations where our interest is in a joint venture arrangement, the table reflects our proportionate share of the liability for reclamation and closure costs.

Under our present accounting policy, we accrue these costs on an undiscounted basis, using the units of production method over the life of each mine. After closure, changes to future cost estimates are recorded in earnings as they occur. The liability recorded on our balance sheet under this accounting policy represents the difference between costs accrued to date and actual payments made. On January 1, 2003, we will adopt FASB Statement No. 143, Asset Retirement Obligations. Under FAS 143, we will record our legal obligations for reclamation and closure costs at each balance sheet date at their fair value on January 1, 2003, resulting in an increase in the obligations by $32 million.

The most significant contingent liability relating to reclamation and closure activities, which is not recorded on our balance sheet, relates to potential obligations to monitor water quality and treat ground water on an ongoing basis. We record a liability for these activities if environmental laws and regulations require us to conduct these activities.

Power Purchase Agreements

We enter into contracts to purchase power at each of our operating mines. The contracts provide for fixed prices,

which in certain circumstances are adjusted for inflation. Some agreements obligate us to purchase fixed quantities per hour, seven days a week, while others are based on a percentage of actual consumption. These contracts extend through various dates in 2004 to 2007.

In addition to the purchase obligations set out in the table, we purchase about 0.9 billion kilowatt-hours annually at market rates that were about 7 cents per kilowatt-hour in 2002. Under the terms of one contract, we purchase power based on actual consumption, which has an exit fee of $12 million should we decide to switch to an alternate power supplier.

COMMITMENTS

Royalties

Virtually all of our royalty commitments only give rise to obligations at the time we produce gold. In the event that we do not produce gold at our mining properties, we have no obligation to the royalty holders. The amounts that we expect to pay in the future are: 2003 – $37 million; 2004 to 2005 – $92 million; 2006 to 2007 – $89 million; and 2008 and beyond – $297 million. These amounts are estimated based on our expected gold production from proven and probable reserves (under Canadian reporting standards) for the periods indicated, assuming a $300 gold price. The most significant royalty arrangements are disclosed in note 4 to our financial statements.

Payments to maintain land tenure and mineral property rights

In the normal course of business, we are committed to make annual payments to maintain title to certain of our properties and to maintain our rights to mine gold at certain of our properties. In the event we choose to abandon a property or discontinue mining operations, the payments relating to that property can be suspended, resulting in our rights to the property lapsing.

NON GAAP MEASURES

We have included cash costs per ounce data because we understand that certain investors use this information to assess our performance and also determine our ability to generate cash flow for use in investing and other activities. The inclusion of cash costs per ounce statistics enables investors to better understand year-on-year changes in production costs, which in turn affect our profitability and cash flow. We also make reference to the term “free cash flow,” which we define as cash flow from operations less cash used in the purchase of property, plant and equipment. This cash is available to reinvest in our business or to return to shareholders, either through dividends or share repurchases. Because we operate in a capital-intensive industry, the illustration of free cash flow enables investors to appreciate the year-on-year performance of our mines in generating cash for other purposes. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The measures are not necessarily indicative of operating costs or cash flow measures presented under GAAP.

RECONCILIATION OF CASH COSTS PER OUNCE

(in millions of US dollars except per ounce amounts)	2002	2001	2000
Operating costs per financial statements	$1,071	$1,080	$ 950
Reclamation, closure and other costs [1]	(43)	(60)	(50)
Operating costs for per ounce calculation	$1,028	$1,020	$ 900
Ounces sold (thousands)	5,805	6,278	5,794
Total cash costs per ounce	$ 177	$ 162	$ 155

1 In 2002, includes costs totaling $15 million in connection with the Peruvian tax assessment.

Total cash costs per ounce data is calculated in accordance with The Gold Institute Production Cost Standard (the "Standard"). Adoption of the Standard is voluntary, and the data presented may not be comparable to data presented by other gold producers. Cash costs per ounce are derived from amounts included in the Statements of Income and include mine site operating costs such as mining, processing, administration, royalties and production taxes, but exclude amortization, reclamation costs, financing costs, and capital, development and exploration.

RECONCILIATION OF FREE CASH FLOW

(in millions of US dollars except per ounce amounts)	2002	2001	2000
Free cash flow	$361	$114	$230
Capital expenditures and mine development costs	228	474	612
Operating cash flow	$589	$588	$842

EXHIBIT 3

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared by and are the responsibility of the Board of Directors and Management of the Company. The consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in Canada and reflect Management's best estimates and judgements based on currently available information. The Company has developed and maintains a system of internal accounting controls in order to ensure, on a reasonable and cost effective basis, the reliability of its financial information.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Accountants. Their report outlines the scope of their examination and opinion on the financial statements.



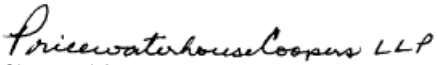
Jamie C. Sokalsky
Senior Vice President and Chief Financial Officer
Toronto, Canada
February 5, 2003

AUDITORS' REPORT TO THE SHAREHOLDERS OF BARRICK GOLD CORPORATION

We have audited the consolidated balance sheets of Barrick Gold Corporation as at December 31, 2002 and 2001, the consolidated statements of income, cash flow and shareholders' equity for each of the three years in the period ended December 31, 2002. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2002 and 2001 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2002, in accordance with accounting principles generally accepted in Canada.



Chartered Accountants
Toronto, Canada
February 5, 2003

CONSOLIDATED STATEMENTS OF INCOME

Barrick Gold Corporation

For the years ended December 31, 2002, 2001 and 2000
(in millions of United States dollars, except per share data, CANADIAN GAAP Basis)

	2002	2001 (note 2B)	2000 (note 2B)
Gold Sales *(note 24)*	$ 1,947	$ 1,324	$ 1,307
Costs and expenses			
Operating *(notes 4 and 24)*	1,073	633	533
Amortization – property, plant and equipment	450	343	332
Amortization – intangible assets	33	—	—
Administration	64	46	35
Exploration and business development	52	40	41
Provision for mining assets *(note 5)*	—	—	1,330
	1,672	1,062	2,271
Interest and other income *(note 6)*	42	11	10
Interest expense *(note 15)*	(57)	(14)	(6)
Non-hedge derivative gains (losses) *(note 22)*	(32)	27	17
Income (loss) before income taxes	228	286	(943)
Income taxes *(note 7)*	1	(15)	175
Net income (loss) for the year	$ 229	$ 271	$ (768)
Earnings per share data *(note 8)*:			
Net income (loss)			
Basic and diluted	$ 0.42	$ 0.68	$ (1.94)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Barrick Gold Corporation

For the years ended December 31, 2002, 2001 and 2000
(in millions of United States dollars, CANADIAN GAAP Basis)

	2002	2001	2000
		(note 2B)	(note 2B)
OPERATING ACTIVITIES			
Net income (loss) for the year	$ 229	$ 271	$ (768)
Amortization	483	343	332
Changes in capitalized mining costs	29	17	39
Provision for mining assets *(note 5)*	—	—	1,330
Future income taxes *(note 7)*	(60)	(9)	(232)
Other items *(note 27)*	(29)	57	171
Net cash provided by operating activities	652	679	872
INVESTING ACTIVITIES			
Property, plant and equipment	(291)	(549)	(698)
Short-term investments	159	(157)	—
Business combinations and property acquisitions *(note 3)*	—	18	(115)
Other	11	(9)	23
Net cash used in investing activities	(121)	(697)	(790)
FINANCING ACTIVITIES			
Proceeds from stock options exercised	83	7	6
Long term debt			
Proceeds	—	49	137
Repayments	(25)	—	(15)
Dividends	(119)	(87)	(87)
Net cash (used in) provided by financing activities	(61)	(31)	41
Net increase (decrease) in cash and equivalents	470	(49)	123
Cash and equivalents at beginning of year *(note 26)*	574	623	500
Cash and equivalents at end of year *(note 26)*	$ 1,044	$ 574	$ 623

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

Barrick Gold Corporation

At December 31, 2002 and 2001
(in millions of United States dollars, CANADIAN GAAP Basis)

	2002	2001
ASSETS		
Current assets		
Cash and equivalents *(note 26)*	$ 1,044	$ 574
Short-term investments *(note 9)*	36	209
Accounts receivable *(note 10)*	72	56
Inventories and other current assets *(note 11)*	176	214
	1,328	1,053
Property, plant and equipment *(note 12)*	3,881	4,812
Capitalized mining costs *(note 2B)*	272	301
Intangible assets *(note 3)*	724	—
Goodwill *(note 3)*	1,247	1,347
Other assets *(note 13)*	252	175
Total assets	$ 7,704	$ 7,688
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 164	$ 155
Other current liabilities *(note 14)*	282	308
	446	463
Long-term debt *(note 15)*	757	793
Other long-term obligations *(note 16)*	353	379
Future income taxes *(note 17)*	552	632
Total liabilities	2,108	2,267
Shareholders' equity		
Capital stock *(note 18)*	5,040	4,954
Retained earnings	577	467
Cumulative foreign currency translation adjustments	(21)	—
Total shareholders' equity	5,596	5,421
Commitments and contingencies *(note 21)*		
Total liabilities and shareholders' equity	$ 7,704	$ 7,688

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Barrick Gold Corporation

For the years ended December 31, 2002, 2001 and 2000
(in millions of United States dollars, CANADIAN GAAP Basis)

	2002	2001	2000
Common shares (number in millions)			
At January 1	536	396	396
Issued for cash/on exercise of stock options	6	—	—
In full consideration for all outstanding shares of Homestake Mining Company *(note 3A)*	—	140	—
At December 31	542	536	396
Common shares (amount in millions)			
At January 1	$ 4,954	$ 2,715	$ 2,709
Issued for cash/on exercise of stock options	86	7	6
In full consideration for all outstanding shares of Homestake Mining Company *(note 3A)*	—	2,232	—
At December 31	$ 5,040	$ 4,954	$ 2,715
Retained earnings			
At January 1	$ 467	$ 283	$ 1,445
Change in accounting policy for revenue recognition *(note 2B)*	—	—	(23)
Change in accounting policy for income taxes *(note 2B)*	—	—	(284)
Net income (loss)	229	271	(768)
Dividends	(119)	(87)	(87)
At December 31	$ 577	$ 467	$ 283
Cumulative foreign currency translation adjustments	$ (21)	$ —	$ —
Total shareholders' equity at December 31	$ 5,596	$ 5,421	$ 2,998

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Barrick Gold Corporation

Tabular dollar amounts in millions of United States dollars, unless otherwise shown. References to C$ and A$ are to Canadian and Australian dollars, respectively.

1 NATURE OF OPERATIONS

Barrick Gold Corporation ("Barrick" or the "Company") engages in the production and sale of gold, including related mining activities such as exploration, development, mining and processing. We also use derivative instruments in a risk management program that seeks to mitigate the effect of volatility in commodity prices, interest rates and foreign currency exchange rates on our business (note 22). Our operations are mainly located in the United States, Canada, Australia, Peru, Tanzania, Chile and Argentina. They require specialized facilities and technology, and we rely on those facilities to support our production levels. The market price of gold, gold production levels, cash operating costs, interest rates and the level of exploration expenditures are some of the things that affect our operating cash flow and profitability. Due to the global nature of our operations, we are also affected by such things as fluctuations in foreign currency exchange rates, political risk and varying levels of taxation. We seek to mitigate the risks associated with our business, but many of the factors affecting these risks are beyond our control.

2 SIGNIFICANT ACCOUNTING POLICIES

A Basis of presentation

The United States dollar is the principal currency of our operations. We prepare and file our primary consolidated financial statements in United States dollars and under United States generally accepted accounting principles ("US GAAP"). We include consolidated financial statements prepared under Canadian GAAP (in United States dollars) in our Proxy Statement that we file with various Canadian regulatory authorities. Summarized below are the accounting policies under Canadian GAAP that we consider particularly significant to us. References to the Company in these financial statements relate to Barrick and its consolidated subsidiaries. We have reclassified certain prior-year amounts to conform with the current year presentation.

The preparation of financial statements under Canadian GAAP requires us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities;
- disclosures of contingent assets and liabilities; and
- revenues and expenses recorded in each reporting period.

The most significant estimates and assumptions that affect our financial position and results of operations are those that use estimates of proven and probable gold reserves and non-reserve material expected to be converted into proven and probable reserves, and/or assumptions of future gold prices. Such estimates and assumptions affect:

- the values of assets and liabilities acquired in business combinations, as well as allocations of goodwill to reporting units;
- the value of inventories (which are stated at the lower of average cost and net realizable value);
- decisions as to when exploration and mine development costs should be capitalized or expensed;
- whether property, plant and equipment, capitalized mining costs, intangible assets and goodwill may be impaired;
- our ability to realize income tax benefits recorded as future income tax assets; and
- the rate at which we charge amortization to earnings.

We also estimate:

- costs associated with reclamation and closure of mining properties;
- remediation costs for inactive properties;
- the fair values of derivative instruments; and
- the likelihood and amounts associated with contingencies.

We regularly review the estimates and assumptions that affect our financial statements, however, what actually happens could differ from those estimates and assumptions.

B Accounting changes

Deferred stripping costs

Historically, we classified deferred stripping costs as part of *Property, plant and equipment* on our *Consolidated Balance Sheet*. In 2002 we began classifying these costs as a separate line item, *Capitalized mining costs*. Total capitalized mining costs at December 31, 2002 were $272 million. The comparative amount at December 31, 2001 of $301 million, has also been reclassified.

Also, we historically classified expenditures for stripping costs as part of *Purchases of property, plant and equipment* in *Investing activities* in our *Consolidated Statement of Cash Flows*. In 2002, we began classifying these expenditures as part of *Changes in capitalized mining costs, in Operating activities*. Expenditures for stripping costs for the year ended December 31, 2002 were $121 million. We also reclassified the comparative amounts for 2001 of $133 million and 2000 of $98 million. We made these changes to reflect the operating nature of stripping activities. The changes had no effect on earnings.

Revenue recognition

Effective January 1, 2002, we changed our accounting policy for revenue recognition. Previously, revenue from the sale of gold and by-products was recognized when the product was in saleable form; a sales agreement had been entered into that established quantities and price; and collectibility was reasonably assured. Under our amended revenue recognition policy, which is consistent with our accounting policy under United States generally accepted accounting principles, revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred in accordance with the terms of the arrangement, the price is fixed or determinable and collectibility is reasonably assured. For gold bullion sold under spot deferred contracts or in the spot market, revenue is recognized on transfer of title to the gold to counterparties. For gold concentrate, revenue is recognized on transfer of legal title to the concentrate to third party smelters based on the estimated gold and silver content of the concentrate at market spot prices. Adjustments to accounts receivable between the date of recognition and the settlement date, caused by changes in the market prices for gold and silver, are reflected in the statement of income when they occur. This accounting change has been applied retroactively with restatement of all prior periods presented. The effect of the change was an increase in net income of $12 million or $0.02 per share in 2002; an increase in net income of $13 million or $0.03 per share in 2001; an increase in net loss of $2 million or $0.01 per share in 2000 net of income tax effects of $5 million, $5 million and $3 million, respectively as well as a cumulative reduction of retained earnings at January 1, 2000 of $23 million.

Goodwill and other intangible assets

On January 1, 2002, we changed our accounting policy for goodwill and other intangible assets as required by CICA Handbook section 3062, Goodwill and Other Intangible Assets ("CICA 3062"). Under this new standard, goodwill and intangible assets with an indefinite life are no longer amortized to income over time, but tested for impairment on adoption of the standard and at least annually thereafter to ensure that the fair value remains greater than, or equal to, book value. Any excess of book value over fair value would be charged to income in the period in which the impairment is determined. In accordance with the requirements of CICA 3062, we have adopted this new accounting standard prospectively, and amounts presented for prior periods have not been restated.

Stock-based compensation

Effective January 1, 2002, we adopted the new recommendations for accounting for stock-based compensation as required by CICA Handbook section 3870, Stock-based Compensation and Other Stock-based Payments ("CICA 3870"). CICA 3870 establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. It applies to transactions, including non-reciprocal transactions, in which an enterprise grants shares of common stock, stock options, or other equity instruments, or incurs liabilities based on the price of common stock or other equity instruments. The recommendations of CICA 3870 are generally applied prospectively to awards granted on or after the date of adoption except that retroactive application, without restatement, is required for outstanding awards at January 1, 2002 where the awards call for settlement in cash or other assets, or for stock appreciation rights that call for settlement by the issuance of equity instruments.

As permitted by CICA 3870, we have elected not to apply fair value accounting and to measure compensation cost using the intrinsic value method for awards of stock options awarded to employees under our stock-based compensation plan. Accordingly, no compensation cost is recognized for our stock options when the exercise price is equal to the market price on the date of grant. Entities that do not apply the fair value based method of accounting are required to disclose for each period, for which an income statement is provided, the pro forma net income and net income per share, as if the fair value based accounting method had been used to account for stock-based compensation cost. Details of pro forma net income and net income per share are set out in note 19A.

Under CICA 3870, awards under our Restricted Stock Unit plan (the “RSU plan”) are required to be accounted for based on their fair value, which is consistent with our existing accounting policy for these awards.

Income taxes

We adopted CICA Handbook section 3465, *“Income Taxes”* in 2000. In accordance with CICA Emerging Issues Committee Abstract No. 108, we chose not to restate prior period comparative carrying amounts of assets acquired whose tax bases, at acquisition date, differed from the assigned values for accounting purposes. Initial implementation of the new provisions had the effect of: increasing property, plant and equipment by $69 million; increasing future income tax liabilities by $353 million; and reducing retained earnings by $284 million. The adoption of the new standards had no effect on net income for fiscal 2000.

C Basis of consolidation

These consolidated financial statements include the accounts of Barrick and its subsidiaries. Intercompany transactions and balances are eliminated upon consolidation. We control our subsidiaries through existing majority voting interests. We present our proportionate interest in the assets, liabilities, revenues, expenses and cash flows of unincorporated joint ventures in our financial statements.

D Foreign currency translation

The functional currency of all our operations, except for our Argentinean operations where it is the Argentinean peso, is the United States dollar (“the US dollar”). Except for our Argentinean operations, we remeasure balances into US dollars as follows:

- non-monetary assets and liabilities using historical rates;
- monetary assets and liabilities using period-end exchange rates; and
- income and expenses using average exchange rates, except for expenses related to assets and liabilities remeasured at historical exchange rates.

Gains and losses arising from remeasurement of foreign currency financial statements into US dollars, and from foreign currency transactions, are included in earnings.

For our Argentinean operations, we translate assets and liabilities into US dollars using period-end exchange rates; and revenues and expenses using average rates. We record the resulting translation adjustments in a cumulative translation adjustments account, a part of shareholders’ equity.

E Other significant accounting policies

Other aspects of our financial statements including our other significant accounting policies, and the note and page where they can be found are:

	Note	Page
Business combinations and property acquisitions	3	10
Operating costs	4	12
Provision for mining assets	5	12
Interest and other income	6	13
Income taxes	7	13
Earnings per share	8	13
Short-term investments	9	14
Accounts receivable and revenue recognition	10	14
Inventories and other current assets	11	14
Property, plant and equipment	12	15
Other assets	13	16
Other current liabilities	14	16
Long-term debt	15	16
Other long-term obligations	16	17
Other post-retirement benefits	16	17
Future income taxes	17	18
Capital stock	18	19
Employee stock-based compensation	19	20
Pension plans	20	21
Commitments and contingencies	21	23
Derivative instruments	22	25
Fair value of financial instruments	23	29
Segment information	24	30
Joint ventures	25	32
Cash and equivalents	26	32
Supplemental cash flow information	27	32

3 BUSINESS COMBINATIONS AND PROPERTY ACQUISITIONS

A Homestake Mining Company

On December 14, 2001, a wholly-owned subsidiary of Barrick acquired Homestake Mining Company ("Homestake"). Homestake was a global gold mining company with its primary operations in the United States, Australia, Canada and Argentina. Under the terms of the agreement, approximately 140 million shares of Barrick common stock were issued in exchange for all of the outstanding shares of Homestake common shares based upon an exchange ratio of 0.53:1. The acquisition has been accounted for as a purchase for Canadian GAAP purposes, with the results of Homestake's operations included in the consolidated financial statements effective December 31, 2001. For US GAAP purposes, the acquisition has been accounted for as a pooling-of-interests. Under Canadian GAAP, the method of accounting used for business combinations depends upon whether or not one of the combining companies can be identified as an acquirer. In the Barrick/Homestake combination, where voting shares were exchanged to effect the combination, factors relating to control over the resultant combined company must be considered. A company whose shareholders (as a group) hold more than 50% of the voting shares of the combined company will normally be identified as the acquirer. In this case, the Barrick shareholders (as a group) held in excess of 70% of the voting shares of the combined company and Barrick was therefore identified as the acquirer. Accordingly, the combination has been accounted for as a purchase for Canadian GAAP purposes.

The aggregate purchase price was $2,250 million comprising common stock of $2,220 million and the fair value of stock options issued to Homestake employees of $30 million. In addition, we incurred $18 million in share issue costs, which have been offset against capital stock. The value of the 140 million common shares issued was determined based on the average market price of our common shares over the five-day period before and after the terms of the acquisition were agreed to and announced.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition. Current assets include cash and equivalents of $36 million. Accounts payable and accrued liabilities include termination and restructuring costs of $65 million.

Current assets	$ 205
Property, plant and equipment	687
Other long term assets	144
Intangible assets	757
Goodwill	1,247
Total assets acquired	3,040
Current liabilities	(202)
Long-term debt	(74)
Future income taxes	(215)
Other long term obligations	(299)
Total liabilities assumed	(790)
Net assets acquired	$ 2,250

During 2002 we finalized the valuations of tangible and intangible assets acquired, as well as the allocation of goodwill to reporting units.

The major adjustments during 2002 to the provisional purchase price allocation at the end of 2001 were: a decrease in property, plant and equipment of $753 million reflecting the final valuations of these assets and reclassification of the fair value of rights to mine reserves and resources of $757 million under intangible assets; an increase in intangible assets by $757 million reflecting the fair values of acquired mining rights for mineral reserves and resources; a decrease in future income tax liabilities by $50 million and a decrease in goodwill acquired by $100 million reflecting the net effect of the changes in fair values of acquired tangible and intangible assets and liabilities.

We allocated goodwill to reporting units by preparing estimates of the fair value of the entire reporting unit and comparing this amount to the fair value of assets and liabilities (including intangibles) in the reporting unit. The difference represents the amount of goodwill allocated to each reporting unit. Details of allocations of goodwill to operating segments are as follows:

Kalgoorlie	$ 262
Pascua-Lama	251
Veladero	154
Cowal	186
Hemlo	109
Plutonic	130
Eskay Creek	27
Round Mountain	25
Other	103
	$ 1,247

We test goodwill for impairment annually in the fourth quarter of our fiscal year. This impairment assessment involves estimating the fair value of each reporting unit that includes goodwill. We compare this fair value to the total carrying amount of the reporting unit (including goodwill). If the fair value exceeds this carrying amount, we consider that goodwill is not impaired. If the fair value is less than this carrying amount, then we estimate the fair values of all assets and liabilities in the reporting unit, and compare the net amount of assets less liabilities to the estimated fair value of the entire reporting unit. The difference represents the fair value of goodwill, and if necessary, we reduce the carrying amount to this fair value. No provisions were required in 2002 to reflect the impairment of goodwill. We do not expect any of the acquired goodwill to be deductible for income tax purposes.

Details of acquired intangible assets are as follows:

	As at December 31, 2002		As at December 31, 2001	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Mining rights for proven and probable reserves	$ 533	$ 33	$ —	$ —
Mining rights for mineralized material	224	—	—	—
Total	$ 757	$ 33	$ —	$ —

Amortization of intangible assets

We amortize the carrying amounts of mining rights for proven and probable reserves as gold is produced and sold using the units of production method based on the estimated recoverable ounces in proven and probable reserves. Amortization of the carrying amounts of mining rights for mineralized material will commence when the mineralized material is converted into proven and probable reserves.

Impairment assessments for intangible assets

We review and test the carrying amounts of intangible assets for impairment in accordance with the policy described in note 12C for property, plant and equipment.

B Pangea Goldfields Inc.

On July 27, 2000, we acquired Pangea Goldfields Inc., an exploration company, for cash of $131 million. We accounted for the acquisition as a purchase, and assigned values of $140 million to total assets acquired, including $16 million in cash, and $9 million to liabilities assumed.

4 OPERATING COSTS

For the years ended December 31	2002	2001	2000
Cost of goods sold	$ 985	$ 478	$ 384
Amortization of capitalized mining costs	150	150	137
By-product revenues	(119)	(40)	(37)
Royalty expenses	37	25	31
Production taxes	5	3	5
Reclamation and closure costs	15	17	13
	$ 1,073	$ 633	$ 533

Amortization of capitalized mining costs

We charge most mine operating costs to inventory as incurred. However, we defer and amortize certain mining costs associated with open-pit deposits that have diverse ore grades and waste-to-ore ton ratios over the mine life. These mining costs arise from the removal of waste rock at our open-pit mines, and we commonly refer to them as “deferred stripping costs.” We record amortization of amounts deferred based on a “stripping ratio” using the units-of-production method. This accounting method results in the smoothing of these costs over the life of mine, rather than expensing them as incurred. Some mining companies expense these costs as incurred, which may result in the reporting of greater volatility in period to period results of operations. The application of our deferred stripping accounting policy in 2002 resulted in an increase in operating costs by $29 million compared to actual costs incurred (2001 — $17 million increase, 2000 — $39 million increase).

Capitalized mining costs represent the excess of costs capitalized over amortization recorded, although it is possible that a liability could arise if cumulative amortization exceeds costs capitalized. The carrying amount of capitalized mining costs is included with related mining property, plant and equipment for impairment testing purposes.

Average stripping ratios (1)

For the years ended December 31	2002	2001	2000
Betze-Post (Goldstrike)	112:1	98:1	98:1
Pierina	48:1	21:1	19:1

(1) The stripping ratio is calculated as the ratio of total tons (ore and waste) of material to be moved compared to total recoverable proven and probable gold reserves.

The average remaining life of the above open-pit mine operations for which we capitalize mining costs is 9 years. The full amount of stripping costs incurred will be expensed by the end of the mine lives.

Royalties

Most of our properties are subject to royalty obligations based on mineral production at the properties, under various methods of calculation. The most significant royalties are at Goldstrike, Bulyanhulu and Pascua-Lama. Most Goldstrike production is subject to a net smelter return (NSR) or net profits interest (NPI) royalty payable on the value of mineral production. The highest Goldstrike royalties are a 5% NSR and a 6% NPI. Bulyanhulu is subject to an NSR-type royalty of 3%. A part of Pascua-Lama gold production will be subject to a gross proceeds sliding scale royalty, ranging from 1.5% to 10%, and a 2% NSR royalty on copper production. Another part of Pascua-Lama is subject to a 3% NSR royalty on extraction of all gold, silver, and other ores.

5 PROVISION FOR MINING ASSETS

In 2000, we completed a review of our property, plant and equipment that was mainly triggered by the level of gold prices at the time, using the policy described in note 12C. As a result, we reduced the carrying values of various assets. The review was triggered by a number of events, including our long-term view of the price of gold at the time of the review. We recorded a $1.1 billion non-cash provision, net of income taxes of $230 million to write down various assets, including the Pascua-Lama Project in Chile and Argentina; the Pierina property in Peru and certain exploration properties; low-grade stockpile inventories and the carrying amounts of our SJ royalty claims at the Betze-Post Mine in the United States; and the Bousquet Mine in Canada.

6 INTEREST AND OTHER INCOME

For the years ended December 31	2002	2001	2000
Interest income	$ 28	$ 26	$ 27
Foreign currency translation gains (losses)	2	(8)	—
Other	12	(7)	(17)
	$ 42	$ 11	$ 10

7 INCOME TAXES

For the years ended December 31	2002	2001	2000
Current			
Canada	$ (44)	$ (4)	$ (3)
Foreign	(15)	(20)	(54)
	(59)	(24)	(57)
Future *(note 17)*			
Canada	58	33	49
Foreign	2	(24)	183
	60	9	232
Income tax credit (expense)	$ 1	$ (15)	$ 175

Because we operate in a specialized industry and in several tax jurisdictions, our income is subject to varying rates of taxation. Major items causing our income tax rate to differ from the Canadian federal statutory rate of 38% are:

For the years ended December 31	2002	2001	2000
Income tax (expense) credit based on statutory rate	$ (87)	$ (102)	$ 358
(Increase) decrease resulting from:			
Resource and depletion allowances	12	4	28
Earnings in foreign jurisdictions at different tax rates	67	97	76
Provision for mining assets	—	—	(276)
Non-deductible expenses	(9)	(18)	(4)
Change in valuation allowance	(3)	(37)	(25)
Outcome of income tax uncertainties	22	—	—
Other	(1)	41	18
Income tax credit (expense)	$ 1	$ (15)	$ 175
The main temporary differences and their tax effects are:			
Amortization	$ 23	$ (20)	$ (2)
Reclamation costs	(4)	(6)	(1)
Net operating losses	22	35	2
Provision for mining assets	—	—	230
Other	19	—	3
	$ 60	$ 9	$ 232

8 EARNINGS PER SHARE

We compute basic earnings per share by dividing net income or loss (the numerator) by the weighted-average number of outstanding common shares for the period (the denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options. In periods where a net loss is reported, such as in 2000, basic and diluted loss per share are the same because the effect of exercise of stock options would be anti-dilutive.

The weighted average number of common shares outstanding for the year was 541 million shares (2001 — 396 million shares, 2000 — 396 million shares). The number of shares for the diluted net income per share calculation was 541 million shares (2001 — 397 million shares, 2000 — 396 million shares).

9 SHORT-TERM INVESTMENTS

Debt and equity securities

Carrying amount at December 31	2002	2001
Commercial paper and term deposits[1]	$ —	$ 159
Fixed-income securities[2]	7	14
Total debt securities	7	173
Equity securities[2]	29	36
	$ 36	$ 209

(1) As part of our cash management program, we invest in commercial paper and term deposits with initial maturities in excess of three months, but less than one year.

(2) Under a deferred compensation plan for certain former Homestake executives we hold a portfolio of marketable fixed-income and equity securities. Declines in market value judged to be other than temporary are recognized in determining net income. The fair value of the investments at December 31, 2002 are reflected in note 23.

10 ACCOUNTS RECEIVABLE AND REVENUE RECOGNITION

At December 31	2002	2001
Amounts due from customers	$ 30	$ 38
Taxes recoverable	12	11
Other	30	7
	$ 72	$ 56

Amounts due from customers

We recognize revenue from the sale of gold and by-products when the following conditions are met:

- persuasive evidence of an arrangement exists;
- delivery has occurred under the terms of the arrangement;
- the price is fixed or determinable; and
- collectibility is reasonably assured.

For gold bullion sold under forward sales contracts or in the spot market, we recognize revenue on transfer of title to the gold to counterparties. For gold concentrate, we recognize revenue from the measurable quantities of gold and silver on transfer of legal title to the concentrate to third-party smelters. Revenue from the sale of by-products such as silver and copper is credited against operating costs.

11 INVENTORIES AND OTHER CURRENT ASSETS

At December 31	2002	2001
Gold in process and ore in stockpiles	$ 105	$ 134
Mine operating supplies	59	57
Derivative assets	—	8
Prepaid expenses	12	15
	$ 176	$ 214

Gold in process and ore in stockpiles

We record gold in process, ore in stockpiles and mine operating supplies at the lower of average cost and net realizable value. For gold in process and ore in stockpiles, cost includes materials and labor as well as an allocation of amortization of property, plant and equipment.

Gold in process and ore in stockpiles excludes $61 million (2001 — $46 million) of stockpiled ore that we do not expect to process in the next 12 months. This amount is included in other assets. We process ore in stockpiles under a life of mine plan that is intended to optimize use of our known mineral reserves, present plant capacity and pit design. Historically, the market price of gold has not significantly affected the timing of processing of ore in stockpiles.

Our Goldstrike property is the only one that has significant stockpiled ore. The stockpiles consist of two ore types: ore that will require autoclaving; and ore that will require roasting. Processing of roaster ore commenced on start-up of the roaster facility in 2000. We are now processing ore from both the autoclave and roaster stockpiles. We expect to fully process the autoclave stockpile by 2009 and the roaster stockpile by 2016.

12 PROPERTY, PLANT AND EQUIPMENT

At December 31	2002	2001
Property acquisition and mine development costs	$ 4,096	$ 4,636
Buildings, plant and equipment	1,460	2,041
	5,556	6,677
Accumulated amortization	(1,675)	(1,865)
	$ 3,881	$ 4,812

A Property acquisition and mine development costs

We capitalize payments for the acquisition of land and mineral rights. After acquisition, a number of things affect the recoverability of the cost of land and mineral rights, and in particular the results of exploration drilling. The length of time between the acquisition of land and mineral rights and the time when we undertake exploration work varies based on the prioritization of our exploration projects and the size of our exploration budget.

We capitalize mine development costs on our properties after proven and probable reserves have been found. We also capitalize costs for certain material that does not meet all the criteria required for classification as proven or probable reserves. Management's determination as to whether the existence of non-reserve material should result in the capitalization of costs or the material should be included in the amortization and recoverability calculations is based on the existence of various factors, including, but not limited to: the existence and nature of known mineralization; the location of the property (for example, whether the presence of existing mines and ore bodies in the immediate vicinity increases the likelihood of development of a mine on the property); the existence of proven and probable reserves on the property; whether the ore body is an extension of an existing producing ore body on an adjacent property; the results of recent drilling on the property; and the existence of a feasibility study or other analysis to demonstrate that the ore is commercially recoverable.

We start amortizing capitalized costs when production begins. Amortization is calculated using the units-of-production method based on the estimated recoverable ounces of gold in proven and probable reserves and non-reserve material expected to be converted into proven and probable reserves.

We capitalize financing costs, including interest, relating to mine development costs while development or construction activities at the properties are in progress. Capitalization occurs without restriction to specific borrowings. We stop capitalizing financing costs when the asset or mine is substantially complete and ready for its intended use.

B Buildings, plant and equipment

We record buildings, plant and equipment at cost and amortize them net of their residual value, using the straight-line method over their estimated useful lives. The longest estimated useful life for buildings and mill equipment is 25 years; and for mine equipment is 15 years.

We expense repairs and maintenance expenditures as incurred. We capitalize major improvements and replacements that increase productive capacity or extend the useful life of an asset, and amortize them over the remaining estimated useful life of the related asset.

C Property evaluations

We review and test the carrying amounts of our mineral properties and related buildings, plant and equipment when events or changes in circumstances suggest that the carrying amount may not be recoverable. If we have reason to suspect an impairment may exist, we prepare estimates of future net cash flows that we expect to generate for the related asset or group of assets. The cash flow estimates are based on:

- estimated recoverable ounces of gold (considering proven and probable mineral reserves and non-reserve material expected to be converted into mineral reserves);
- estimated future commodity prices (considering historical and current prices, price trends and related factors); and
- expected future operating costs, capital expenditures and reclamation expenditures.

We record a reduction of the assets or group of assets to their estimated net recoverable amount as a charge to earnings, if the estimated undiscounted future net cash flows are less than the carrying amount.

13 OTHER ASSETS

At December 31	2002	2001
Ore in stockpiles *(note 11)*	$ 61	$ 46
Taxes recoverable	35	36
Derivative assets	16	16
Future income tax assets *(note 17)*	45	—
Note receivable	14	17
Restricted cash	8	12
Debt issue costs	11	11
Deferred stock compensation *(note 20A)*	5	8
Prepaid pension asset *(note 20)*	7	5
Other	50	24
	$ 252	$ 175

14 OTHER CURRENT LIABILITIES

At December 31	2002	2001
Current part of reclamation and closure obligations *(note 16)*	$ 34	$ 80
Merger and related costs[1]	3	65
Litigation *(note 21)*	58	56
Derivative liabilities	32	—
Income taxes payable	52	43
Pension benefits *(note 20)*	9	1
Current part of long-term debt *(note 15)*	20	9
Deferred revenue[2]	35	30
Other	39	24
	$ 282	$ 308

(1) In 2002, cash payments of merger and related costs totaled $50 million. Other amounts totaling $10 million were settled through pension plan benefit enhancements.

(2) Deferred revenue will be recorded in earnings in: 2003 — $17 million; 2004 — $7 million; 2005 — $4 million; 2010 — $7 million.

15 LONG-TERM DEBT

At December 31	2002	2001
Debentures	$ 500	$ 500
Project financing – Bulyanhulu	194	200
Variable rate bonds	80	80
Capital leases	3	22
	777	802
Current part	(20)	(9)
	$ 757	$ 793

Interest expense

For the years ended December 31	2002	2001	2000
Interest incurred	$ 59	$ 56	$ 50
Less: capitalized	(2)	(42)	(44)
Interest expense	$ 57	$ 14	$ 6

A Debentures

On April 22, 1997, we issued $500 million of redeemable, non-convertible debentures. The debentures bear interest at 7.5% per annum, payable semi-annually, and mature on May 1, 2007. In 2002, we entered into interest-rate swap contracts as a fair value hedge of our interest rate risk exposure on $250 million of the debentures, effectively converting them to floating-rate debt instruments (note 22). Under the swaps, we receive fixed-rate interest receipts at 7.5% in exchange for floating-rate interest payments of LIBOR plus a credit spread of 4.0%, which resulted in an effective rate of 5.7%.

B Project financing – Bulyanhulu

One of our wholly-owned subsidiaries, Kahama Mining Corporation Ltd. in Tanzania, has a limited recourse amortizing loan for $194 million. We have guaranteed the loan until completion, which occurred in March 2003. After completion, the loan became non-recourse. The loan is insured for political risks equally by branches of the Canadian government and the World Bank. The interest rate, inclusive of political risk insurance premiums, is LIBOR plus 2.6% before completion, and increases after completion to about LIBOR plus 3.6%. The effective interest rate for 2002, including amortization of debt-issue costs and political risk insurance, was 7.2% (2001 — 7.3%, 2000 — 9.2%). Interest includes payments made under a receive-floating, pay-fixed interest-rate swap which matches the loan principal over the term to repayment and has a fixed rate of 4.4%.

Scheduled repayments for each of the next five years are: 2003 — $20 million, 2004 — $24 million, 2005 — $31 million, 2006 — $34 million, 2007 — $34 million, 2008 and thereafter — $51 million.

C Variable rate bonds

Certain of our wholly-owned subsidiaries have issued variable rate, tax-exempt bonds of $17 million (due 2004), $25 million (due 2029) and $38 million (due 2032) for a total of $80 million. We pay interest monthly on the bonds based on variable short-term, tax-exempt obligation rates. The average interest rate for 2002 was 1.4% (2001 — 1.9%). No principal repayments are due until cancellation, redemption or maturity.

D Credit facilities

We have a credit and guarantee agreement ("Credit Agreement") with a group of banks, which requires the group to make available to us a credit facility of up to $1 billion or the equivalent amount in Canadian currency. The Credit Agreement, which is unsecured, matures in April 2007 and has an interest rate of LIBOR plus 0.27% to 0.35 % when used, and an annual fee of 0.08%. We have not drawn any amounts under the Credit Agreement.

16 OTHER LONG-TERM OBLIGATIONS

At December 31	2002	2001
Reclamation and closure costs	$ 247	$ 273
Pension benefits *(note 20C)*	48	57
Other post-retirement benefits	28	32
Restricted stock units *(note 19B)*	7	8
Other	23	9
	$ 353	$ 379

Reclamation and closure costs

We accrue estimates of future reclamation and closure costs at active mines over the life of the mines as revenue is recognized. Each period we expense an amount calculated using the units-of-production method based on the latest estimates of future reclamation and closure costs and recoverable ounces of gold contained in proven and probable reserves. After closure we record changes in estimates of reclamation and closure costs in earnings at the time of revision. At December 31, 2002 accrued costs at inactive mines totaled $169 million (2001 — $250 million).

Estimates of reclamation and closure costs reflect:

- work that is required under applicable laws and regulations;
- obligations under existing permits; and
- where applicable, government mandated assumptions and methodologies.

We estimate that future reclamation and closure costs under present environmental regulations are $461 million. The major parts of this $461 million estimate are for: tailing and heap leach pad closure/rehabilitation — $83 million; demolition of buildings/mine facilities — $121 million; ongoing water treatment — $67 million; ongoing monitoring and care and maintenance — $129 million; and other costs — $61 million. At December 31, 2002 we had accrued a total of $281 million, (2001 — $353 million), including the current part of $34 million (2001 — $80 million).

Other post-retirement benefits

We provide post-retirement medical, dental, and life insurance benefits to certain employees. We use the corridor approach in the accounting for post-retirement benefits, under which all actuarial gains and losses resulting from variances between actual results and economic estimates or actuarial assumptions are deferred. We amortize the deferred

amounts when the net gains or losses exceed 10% of the accumulated post-retirement benefit obligation at the beginning of the year. The amortization period is the average remaining life expectancy of participants. For 2002, we recorded a benefit expense of $nil.

We have assumed a health care cost increases of 7% in 2002, 7.5% in 2001 and 8% in 2000, decreasing ratability to 5% increases in 2006 and thereafter. The assumed health care cost trend had a minimal effect on the amounts reported. A one percentage point change in the assumed health care cost trend rate at December 31, 2002 would have increased or decreased the post-retirement benefit obligation by $2 million and would have had no effect on the benefit expense.

17 FUTURE INCOME TAXES

Net future income tax liabilities

At December 31	2002	2001
Assets		
Operating loss carryforwards	$ 389	$ 312
Reclamation and closure costs	75	81
Property, plant and equipment	93	32
Post-retirement benefit plan obligations	46	48
Alternative minimum tax credit carryforwards	110	111
Other	56	61
Gross future tax assets	769	645
Valuation allowances	(436)	(433)
Net future income tax assets	$ 333	$ 212
Liabilities		
Property, plant and equipment	(824)	(785)
Other	(16)	(59)
Future income tax liabilities	$ (840)	$ (844)
Net future income tax liabilities	$ (507)	$ (632)
Net future income tax liabilities consist of:		
Future income tax assets – non-current	$ 45	$ —
Future income tax liabilities – non-current	(552)	(632)
	$ (507)	$ (632)

Recognition and measurement

We recognize future income tax assets and liabilities for the future tax consequences of temporary differences between the carrying amounts of assets and liabilities in our balance sheet and their tax bases. We measure future income tax assets and liabilities using substantively enacted rates that apply to the years when we expect to recover or settle the temporary differences. Our income tax expense or recovery includes the effects of changes in our future income tax assets and liabilities. We reduce future income tax assets by a valuation allowance, if we decide it is more likely than not that some or all of the assets will not be realized.

We measure and recognize future income tax assets and liabilities based on: our interpretation of relevant tax legislation; our tax planning strategies; estimates of the tax bases of individual assets and liabilities; and the deductibility of expenditures for income tax purposes. We recognize the effects of changes in our assessment of these estimates and factors when they occur.

We have not recorded future income taxes relating to undistributed earnings of foreign subsidiaries that are indefinitely invested. Such undistributed earnings amounted to about $1,251 million at December 31, 2002 and $1,499 million at December 31, 2001. If the undistributed earnings of those foreign subsidiaries were not indefinitely invested, a future income tax liability of $63 million at December 31, 2002, and $75 million at December 31, 2001, would be recorded.

Operating loss carryforwards amount to $1,456 million, of which $1,032 million do not expire and $424 million expire at various times over the next 20 years. Alternative minimum tax credit carryforwards amount to $110 million and do not expire.

Our income tax returns for the major jurisdictions where we operate have been fully examined through the following years: Canada — 1997, United States — 1998 and Peru — 2000. Other than the matter described in Note 21C relating to interest and penalties associated with a Peruvian tax assessment, we are not aware of any tax matters

outstanding in any country in which we operate that could potentially have material adverse effect on our financial position or results of operations.

Valuation allowances

Because we operate in multiple tax jurisdictions, we consider the need for a valuation allowance on a country-by-country basis, taking into account the effects of local tax law. When a valuation allowance is not recorded, we believe that there is sufficient positive evidence to support this conclusion.

When facts or circumstances change, we record an adjustment to a valuation allowance to reflect the economic effects of the change. The main factors that affect the amount of a valuation allowance are:

- expected levels of future taxable income;
- opportunities to implement tax plans that affect whether tax assets can be realized; and
- the nature and amount of taxable temporary differences.

Levels of taxable income are affected by, among other things, prevailing gold prices; cash operating costs; changes in proven and probable gold reserves; and changes in interest rates and foreign currency exchange rates. It is reasonably possible that circumstances could occur resulting in a material change in the valuation allowances.

18 CAPITAL STOCK

A Authorized capital

Our authorized capital stock includes an unlimited number of common shares, 9,764,929 First preferred shares, Series A (issued nil); 9,047,619 Series B (issued nil); 1 Series C special voting share (issued 1); and 14,726,854 Second preferred shares Series A (issued nil).

B Homestake Canada Inc. (“HCI”) Exchangeable shares

In connection with a 1998 acquisition, HCI issued 11.1 million HCI exchangeable shares. Each HCI exchangeable share is exchangeable for 0.53 of a Barrick common share at any time at the option of the holder and has essentially the same voting, dividend (payable in Canadian dollars), and other rights as 0.53 of a Barrick common share. At December 31, 2002, 1.6 million (2001 — 3 million) HCI exchangeable shares were outstanding, which are equivalent to 0.8 million Barrick common shares (2001 — 1.6 million common shares). The equivalent common share amounts are reflected in the number of common shares outstanding.

At any time on or after December 31, 2008, or when fewer than 1.4 million HCI exchangeable shares are outstanding, we have the right to require the exchange of each outstanding HCI exchangeable share for 0.53 of a Barrick common share for each HCI exchangeable share.

Summarized financial information for HCI

For the year ended December 31	2002
Total revenues and other income	$ 203
Less: costs and expenses	191
Income before taxes	$ 12
Net loss	$ (1)

At December 31	2002	2001
Current assets	$ 91	$ 43
Non-current assets	236	345
Total assets	327	388
Current liabilities	75	76
Notes payable	407	416
Other long-term liabilities	18	12
Future income taxes	122	121
Shareholders’ equity	(295)	(237)
Liabilities and shareholders’ equity	$ 327	$ 388

C Dividends

In 2002, we declared and paid dividends in US dollars totaling $0.22 per share (2001 — $0.22 per share, 2000 — $0.22 per share).

19 EMPLOYEE STOCK-BASED COMPENSATION

A Common stock options

At December 31, 2002, 22 million common stock options were outstanding, expiring at various dates to December 2, 2012. The exercise price of the options is set at our closing share price on the day before the grant date. They vest over four years at a rate of one quarter each year, beginning in the year after granting, and are exercisable over 10 years. At December 31, 2002, 5 million (2001 — 9 million, 2000 — 6 million) common shares, in addition to those currently outstanding, were available for granting options.

Stock option activity (shares in millions)

	Shares (number)	Average Price (C$)	Shares (number)	Average Price (US$)
At December 31, 1999	21		—	
Granted	5	$ 24.24	—	
Exercised	—	$ 22.95	—	
Cancelled or expired	(4)	$ 32.77	—	
At December 31, 2000	22		—	
Granted	1	$ 24.32	—	
Assumed in connection with the acquisition of Homestake	—		6	$ 16.67
Exercised	—	$ 22.77	—	
Cancelled or expired	(4)	$ 29.66	—	
At December 31, 2001	19		6	
Granted	6	$ 24.71	—	—
Exercised	(4)	$ 24.79	(2)	$ 11.99
Cancelled or expired	(2)	$ 33.99	(1)	$ 25.10
At December 31, 2002	19		3	

Stock options outstanding (shares in millions)

	Outstanding			Exercisable	
Range of exercise prices	Shares (number)	Average Price	Average Life (years)	Shares (number)	Average Price
C$ options					
C$22.55 – C$31.05	17	$ 25.43	8	7	$26.73
C$31.25 – C$44.25	2	$ 39.46	4	2	$39.84
Total	19		8	9	
US$ options					
US$8.96 – US$17.68	2	$ 12.24	5	1	$13.62
US$17.75 – US$40.66	1	$ 25.22	2	1	$25.47
Total	3		4	2	

Besides the above common stock options, we are obliged to issue about 0.5 million common shares (2001 — 0.7 million common shares) in connection with outstanding stock options assumed as part of an acquisition. The options have an average exercise price of C$19.68 (2001 — C$19.34) and an average remaining term of three years (2001 — four years).

CICA 3870 encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans based on the fair value of options granted. We have elected to continue to account for stock-based compensation using the intrinsic value method prescribed in CICA 3870 and to provide disclosures of the pro forma effects of adoption had we recorded compensation expense under the fair value method.

Under CICA 3870, we recognize compensation cost for stock options in earnings based on the excess, if any, of the quoted market price of the stock at the grant date of the award over the option exercise price. Generally, the exercise price for stock options granted to employees equals the fair market value of our common stock at the date of grant, resulting in no compensation cost.

Option value information

For the years ended December 31 (per share and option amounts in dollars)	2002	2001	2000
Fair value per option	$ 6.40	$ 6.80	$ 5.80
Valuation assumptions:			
Expected option term (years)	6	10	6
Expected volatility	40%	30%	30%
Expected dividend yield	1.4%	1.4%	1.4%
Risk-free interest rate	5.0%	5.5%	6.0%
Pro forma effects			
Net income (loss), as reported	$ 229	$ 271	$ (768)
Stock option expense	(21)	(25)	(26)
Pro forma net income (loss)	$ 208	$ 246	$ (794)
Net income (loss) per share:			
As reported			
Basic and diluted	$ 0.42	$ 0.68	$ (1.94)
Pro-forma			
Basic and diluted	$ 0.38	$ 0.62	$ (2.01)

B Restricted stock units

In 2001, we put in place a restricted stock unit incentive plan (RSU Plan). Under the RSU Plan, a participant is granted a number of RSU's, where each unit has a value equal to one Barrick common share at the time of grant. Each RSU, which vests and is paid out on the third anniversary of the date of grant, has a value equivalent to the market price of a Barrick common share. RSU's are recorded at their fair value on the grant date, with a corresponding amount recorded as deferred compensation that is amortized on a straight-line basis over the vesting period. Changes in the value of the units during the vesting period are recorded, with a corresponding adjustment to the carrying amount of deferred compensation. Compensation expense for the year ended December 31, 2002 was $3 million (2001 — $ nil). At December 31, 2002, the weighted average contractual life of outstanding RSUs was two years. At December 31, 2002 the value of outstanding RSU's was $7 million, and is included in other long-term obligations.

RSU activity

	RSU's (in thousands)	Fair value per unit (in dollars)
At December 31, 2000	—	$ —
Granted	495	15.49
At December 31, 2001	495	$ 15.95
Cancelled	(30)	19.74
At December 31, 2002	465	$ 15.41

20 PENSION PLANS

A Defined benefit pension plans

We have various qualified defined benefit pension plans that cover certain of our United States employees and provide benefits based on employees' years of service. Our policy for these plans is to fund, at a minimum, the amounts necessary on an actuarial basis to provide enough assets to meet the benefits payable to plan members under the Employee Retirement Income Security Act of 1974. Independent trustees administer assets of the plans, which are invested mainly in fixed income securities and equity securities.

As well as the qualified plans, we have nonqualified defined benefit pension plans covering certain employees and a director of the Company. An irrevocable trust ("rabbi trust") was set up to fund these plans. The diversified assets held in this trust, which include cash of $1 million and short-term investments of $30 million, are recorded in our consolidated balance sheet and accounted for under our accounting policies for such assets. At December 31, 2002, the fair value of assets held in the trust was $31 million (2001 — $47 million).

Our pension expense includes the cost of employee benefits earned in the year, interest expense on the accrued benefit obligation, the expected return on the market value of plan assets, and amortization of deferred actuarial gains and losses.

Actuarial gains and losses arise when the actual return on plan assets for a period differs from the expected return on plan assets for that period, and when actual experience causes the expected and actuarial accrued benefit obligations to differ at the end of the year. We amortize actuarial gains and losses over the average remaining life expectancy of participants.

Pension expense

For the year ended December 31	2002
Expected return on plan assets	$(17)
Service cost for benefits earned	3
Interest cost on benefit obligation	16
Actuarial gains	(1)
Effect of curtailments/settlements	1
Total cost	$ 2

B Defined contribution pension plans

Certain employees take part in defined contribution employee benefit plans. We also have a retirement plan for certain officers of the Company, under which we contribute 15% of the officer's annual salary and bonus. Our share of contributions to these plans was $12 million in 2002 and $12 million in 2001.

C Defined benefit pension plan actuarial information

	2002
Accumulated benefit obligation (ABO)	
Balance at January 1	$279
Service cost for benefits earned	3
Interest cost on benefit obligation	16
Actuarial gains	(1)
Benefits paid	(70)
Balance at December 31	$227
Fair value of plan assets	
Balance at January 1	$235
Actual return on plan assets	(2)
Company contributions	7
Benefits paid	(70)
Balance at December 31	$170
Funded status	$ (57)
Unrecognized net actuarial losses	9
Net liability recognized	$ (48)

Pension plans where ABO exceeds the fair value of plan assets

At December 31	2002	2001
Projected benefit obligation	$193	$238
ABO	$193	$236
Fair value of plan assets	$132	$184

Benefit asset (liability)

At December 31	2002	2001
Prepaid pension asset	$ 7	$ 5
Accrued benefit plan liability — current	(7)	(1)
Accrued benefit plan liability — non-current	(48)	(57)
	$(48)	$(53)

Actuarial assumptions

For the years ended December 31	2002	2001
Discount rate	6.50%	6.75%
Expected return on plan assets	8.50%	8.50%
Compensation increases	5.00%	5.00%

Sensitivity analysis of actuarial assumptions(1)

	Effect on ABO	Effect on earnings
Expected return on plan assets	$ —	$ 1
Discount rate	$ 18	$ 3

(1) Effect of a one-percent change

21 COMMITMENTS AND CONTINGENCIES

A Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. Management and, where appropriate, legal counsel, assess such contingent liabilities, which inherently involves an exercise of judgement.

In assessing loss contingencies related to legal proceedings that are pending against us or unasserted claims that may result in such proceedings, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency suggests that it is likely that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability is accrued in the financial statements. If the assessment suggests that a potentially material loss contingency is not likely but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent loss, together with an estimate of the range of possible loss, if determinable, is disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case we disclose the nature of the guarantee.

B Environmental

Our mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. We conduct our operations so as to protect public health and the environment, and we believe that our operations are materially in compliance with all applicable laws and regulations. We have made, and expect to make in the future, expenditures to meet such laws and regulations.

The Comprehensive Environmental Response, Compensation and Liability Act imposes heavy liabilities on persons who discharge hazardous substances. The Environmental Protection Agency publishes a National Priorities List (“NPL”) of known or threatened releases of such substances. Homestake’s former uranium millsite near Grants, New Mexico is listed on the NPL.

C Litigation and claims

Inmet litigation

In October 1997, Homestake Canada Inc. (“HCI”), a wholly-owned subsidiary of Barrick, entered into an agreement with Inmet Mining Corporation (“Inmet”) to purchase the Troilus mine in Quebec for $110 million plus working capital. In December 1997, HCI terminated the agreement after deciding that, on the basis of due diligence studies, conditions to closing the arrangement would not be satisfied.

On February 23, 1998, Inmet filed suit against HCI in the British Columbia Supreme Court, disputing the termination of the agreement and alleging that HCI had breached the agreement. On January 15, 2002, the Supreme Court of British Columbia released its decision in the matter and found in favour of Inmet and against HCI. Specifically, the Court held that Inmet should be awarded equitable damages in the amount of C$88.2 million (US $59 million), which was accrued at December 31, 2001. The Court did not award Inmet pre-judgement interest. Inmet requested the Court to re-open the trial to let Inmet make submissions on its claim for pre-judgement interest from the date of the breach by HCI. The request to re-open was denied by the Court on May 17, 2002.

On February 7, 2002, HCI filed a Notice of Appeal of the decision with the British Columbia Court of Appeal. Inmet filed a Cross Appeal of the decision regarding pre-judgement interest. A letter of credit of about C$95 million was posted on August 20, 2002 by HCI with the British Columbia Court of Appeal, pending a decision on the appeal.

Bre-X Minerals

On April 30, 1998, we were added as a defendant in a class action lawsuit initiated against Bre-X Minerals Ltd., certain of its directors and officers or former directors and officers and others in the United States District Court for the Eastern District of Texas, Texarkana Division. The class action alleges, among other things, that statements made by us in connection with our efforts to secure the right to develop and operate the Busang gold deposit in East Kalimantan, Indonesia were materially false and misleading and omitted to state material facts relating to the preliminary due diligence investigation undertaken by us in late 1996.

On July 13, 1999, the Court dismissed the claims against us and several other defendants on the grounds that the plaintiffs had failed to state a claim under United States securities laws. On August 19, 1999, the plaintiffs filed an amended complaint restating their claims against us and certain other defendants and on June 14, 2000 filed a further amended complaint, the Fourth Amended Complaint.

On March 31, 2001, the Court granted in part and denied in part our Motion to Dismiss the Fourth Amended Complaint. As a result, we remain a defendant in the case. We believe that the remaining claims against us are without merit. We filed our formal answer to the Fourth Amended Complaint on April 27, 2001 denying all relevant allegations of the plaintiffs against us. Discovery in the case has been stayed by the Court pending the Court's decision on whether or not to certify the case as a class action. The amount of potential loss, if any, which we may incur arising out of the plaintiffs' claims is not presently determinable.

Blanchard complaint

On January 7, 2003, we were served with a Complaint for Injunctive Relief by Blanchard and Company, Inc. ("Blanchard"), and Herbert Davies ("Davies"). The complaint, which is pending in the U. S. District Court for the Eastern District of Louisiana, also names J. P. Morgan Chase & Company ("J.P. Morgan") as the defendant, along with an unspecified number of additional defendants to be named later. The complaint alleges that we and bullion banks with which we entered into spot deferred contracts have manipulated the price of gold, in violation of U.S. antitrust laws and the Louisiana Unfair Trade Practices and Consumer Protection Law. Blanchard alleges that it has been injured as a seller of gold due to reduced interest in gold as an investment. Davies, a customer of Blanchard, alleges injury due to the reduced value of his gold investments. The complaint does not seek damages, but seeks an injunction terminating certain of our trading agreements with J. P. Morgan and other bullion banks. We intend to defend the action vigorously.

Peruvian tax assessment

On December 27, 2002, one of our Peruvian subsidiaries received an income tax assessment of $41 million, excluding interest and penalties, from the Peruvian tax authority SUNAT. The tax assessment relates to a recently completed tax audit of our Pierina Mine for the 1999-2000 fiscal years. The assessment mainly relates to the revaluation of the Pierina mining concession and associated tax basis. Under the valuation proposed by SUNAT, the tax basis of Pierina assets would change from what we have previously assumed with a resulting increase in current and deferred income taxes. While we believe the tax assessment is incorrect and we will appeal the decision, the full life of mine effect on our current and deferred income tax liabilities of $141 million is recorded at December 31, 2002, as well as other payments of about $21 million due for periods through 2002.

We intend to pursue all available administrative and judicial appeals. If we are successful on appeal and our original asset valuation is confirmed as the appropriate tax basis of assets, we would benefit from a $141 million reduction in tax liabilities recorded at December 31, 2002. The effect of this contingent gain, if any, will be recorded in the period the contingency is resolved.

Under Peruvian law, we are not required to make payment pending the outcome of the appeal process, which routinely takes several years.

We have not provided for $51 million of potential interest and penalties assessed in the audit. Even if the tax assessment is upheld, we believe that we will prevail on the interest and penalties part, because the assessment runs counter to applicable law and previous Peruvian tax audits. The potential amount of interest and penalties, will increase over time while we contest the tax assessment. A liability for interest and penalties will only be recorded should it become probable that SUNAT's position on interest and penalties will be upheld, or if we exhaust our appeals.

Other

From time to time, we are involved in various claims, legal proceedings and complaints arising in the ordinary course of business. We are also subject to reassessment for income and mining taxes for certain years. We do not believe that adverse decisions in any pending or threatened proceedings related to any potential tax assessments or other matters, or any amount which we may be required to pay by reason thereof, will have a material adverse effect on our financial condition or future results of operations.

D Commitments

We have entered into various commitments in the ordinary course of business, including commitments to perform assessment work and other obligations necessary to maintain or protect our interests in mining properties, financing and other obligations to joint ventures and partners under venture and partnership agreements, and commitments under federal and state environmental, health and safety permits.

22 DERIVATIVE INSTRUMENTS

A Use of derivative instruments

We use derivative financial instruments to reduce or eliminate the inherent risks of certain identifiable transactions and balances that occur in the normal course of our business. The inherent risks in these transactions and balances arise from changes in: commodity prices (gold and silver), interest rates and foreign currency exchange rates. The purpose of our derivative program is to ensure that disadvantageous changes in the values or cash flows from these transactions and balances are offset by changes in the values of the derivatives. We do not hold derivatives for the purpose of speculation; our derivative program is designed to enable us to plan our operations on the basis of secure assumptions that will not be jeopardized by future movements of gold and silver prices, interest rates and currency exchange rates.

In the normal course of our business, the main types of derivatives we hold and/or issue are:

Spot deferred and variable price sales contracts: These contracts provide for the sale of future gold production in fixed quantities with delivery dates at our discretion over a period of up to 15 years.

Interest rate swaps: These instruments are used to counteract the volatility of variable short-term interest rates by substituting fixed interest rates over longer terms on cash and short term investments.

Foreign currency contracts: These instruments are used for the cash flows at our operating mines from forecasted expenditures denominated in Canadian and Australian dollars, to insulate them from currency fluctuations.

Gold lease rate swap contracts: These contracts are used to manage gold lease rate exposure.

In the most significant of these programs – the spot deferred and variable-price sales contracts – the contracts set a price for future gold and silver sales with significant flexibility to capture gold price upside in periods of higher prices. This effect is achieved as a result of our strong balance sheet, large reserves and diversified operations.

We mainly use over-the-counter ("OTC") derivative contracts. These privately negotiated agreements, which provide superior terms compared to exchange-traded contracts, allow us to obtain favourable credit, tenor and flexibility terms. We do not enter into derivative instruments which we would consider leveraged.

B Accounting for derivative instruments and hedging activities

Our spot deferred and variable price sales contracts are accounted for as executory sales contracts, as such we apply our normal revenue recognition principles to these contracts, which results in recognition of proceeds from the contracts as revenue at the date of physical delivery.

On the date we enter into a derivative contract, we designate it as either:

- a fair value hedge of a recognized asset or liability;
- a cash flow hedge of either a forecasted transaction or the variability of cash flows associated with a recognized asset or liability;
- a foreign currency cash flow hedge of forecasted transactions; or
- an instrument that is held for non-hedging purposes.

Fair-value hedges of recognized assets or liabilities: we record in earnings the net interest income/expense accrued on an interest rate derivative as an adjustment to the yield of the item being hedged over the term of the derivative.

Derivatives that qualify as cash-flow hedges: we record the fair value of the derivative in earnings at the same time as the forecasted transaction.

Interest-rate swaps designated as hedges of future interest receipts arising on our cash and short-term investments: gains and losses on the derivatives are recorded when the related interest receipts are recorded in earnings.

Foreign-currency contracts for Canadian or Australian capital and operating expenditures at our operating mines: gains and losses on the derivatives are recorded in earnings when these costs are recorded in earnings.

Non-hedge derivatives: Changes in the fair value are recorded in earnings as they occur.

All cash flows relating to derivative instruments are included under operating cash flows.

We formally document all relationships between derivative instruments and the items they are hedging, as well as the risk-management goals and strategy for entering into hedge transactions. This documentation includes linking all derivatives designated as fair-value, cash flow, or foreign-currency hedges to either specific assets and liabilities on the balance sheet or specific firm commitments or forecasted transactions.

For these documented relationships, we formally assess (both at the start of the hedge and on an ongoing basis) whether the derivatives used in hedging transactions are highly effective in offsetting changes in the fair value or cash flows of hedged items, and whether those derivatives are expected to remain highly effective in the future.

If it is clear that a derivative is not highly effective as a hedge, we stop hedge accounting prospectively. Other circumstances under which we stop hedge accounting prospectively include:

- a derivative expires or is sold, terminated, or exercised;
- it is no longer probable that the forecasted transaction will occur; or
- if we decide to remove the designation as a hedge from a derivative.

If it is clear that a forecasted transaction will not occur by the originally specified time, or within a further two-month period, gains and losses are recognized at once in earnings.

In all situations in which hedge accounting stops and a derivative remains outstanding, future changes in its fair value are recognized in earnings as they occur.

C Gold and silver contracts outstanding at December 31, 2002

Maturity/Scheduled for delivery in	2003	2004	2005	2006	2007	2008+	Total
Gold contracts							
Spot deferred contracts							
Ounces (thousands)	2,800	1,350	1,550	1,540	1,500	7,200	15,940
Average price per ounce	$ 340	$ 345	$ 335	$ 338	$ 340	$ 343	$ 341
Variable price gold sales and option contracts							
With “caps”							
Ounces (thousands)	250	300	300	250	—	900	2,000
Average price per ounce at cap expiry date	$ 344	$ 310	$ 317	$ 332	—	$ 369	$ 345
With “caps” and “floors”							
Ounces (thousands)	150	—	—	—	—	—	150
Cap price per ounce	$ 310	—	—	—	—	—	$ 310
Floor price per ounce	$ 280	—	—	—	—	—	$ 280
Total gold ounces (thousands)	3,200	1,650	1,850	1,790	1,500	8,100	18,090
Average price per ounce	$ 339	$ 339	$ 332	$ 337	$ 340	$ 346	$ 341
Silver contracts							
Spot deferred contracts							
Ounces (thousands)	11,000	9,000	9,000	3,300	3,000	—	35,300
Average price per ounce	$ 4.95	$ 5.14	$ 5.14	$ 5.19	$ 5.19	—	$ 5.09
Written silver call options							
Ounces (thousands)	3,750	5,000	2,000	—	—	—	10,750
Average exercise price per ounce	$ 5.27	$ 5.28	$ 5.00	—	—	—	$ 5.22
Total silver ounces (thousands)	14,750	14,000	11,000	3,300	3,000	—	46,050

Average price per ounce	$ 5.03	$ 5.19	$ 5.11	$ 5.19	$ 5.19	—	$ 5.12

We also have off-take contracts for the sale of 1.7 million ounces of gold spread over 10 years, at then prevailing spot prices.

The largest single counterparty as of December 31, 2002 made up 13% of outstanding gold sales commitments.

Spot deferred gold sales contracts

We have entered into spot deferred gold sales contracts, with various counterparties, that fix selling prices at interim delivery dates for future gold production, and which act as an economic hedge against possible price fluctuations in gold. The contracts have a final delivery date of up to 15 years from the start date, but we have the right to set a delivery date for any time during this period. At the time an interim delivery date is rescheduled, the contract price is adjusted based on the difference between the prevailing forward gold market price and the original contract price.

The average price of the spot deferred gold sales contracts in the table above reflects fixed prices at interim delivery dates and expected future price assumptions for periods where expected delivery dates differ from interim delivery dates. The large majority of contracts are fixed through 2006. The expected contract prices are determined based on estimated gold forward market prices. Forward gold market prices are principally influenced by the spot price of gold, gold lease rates and US dollar interest rates. In estimating these forward prices, we have incorporated an average gold lease rate assumption of 1.5% and assumptions of U.S. dollar interest rates consistent with market quotations for such rates. Variations between the gold lease rate and interest rate assumptions and the actual gold lease rates and interest rates will affect the final realized selling prices. Gold lease rate exposure is accounted for separately from our spot deferred gold sales contracts, and the economic impact flows through our earnings as part of “non-hedge derivative gains (losses)”. This gold lease rate exposure is 6.4 million ounces spread from 2004 to 2012, mainly for contracts with expected delivery dates beyond 2006.

Variable price gold sales contracts

Variable price gold sales contracts are contracts to deliver a specified quantity of gold on a future date determined by us. The contracts have a final delivery date of up to 15 years from the start date, but we have the right to set a delivery date at any time during this 15-year period. All of the variable price gold sales contracts have expected delivery dates beyond 2007. The contract price equals the gold spot price on the interim delivery date subject to a specified maximum (“cap”) based on market conditions in the years shown in the table above, plus a fixed premium payable to us. The contract price will be adjusted in the same manner as price adjustments to spot deferred contracts for the period from these interim delivery dates to the expected delivery date beyond 2007. Certain of these contracts also have a specified minimum (“floor”) price.

Spot deferred silver sales contracts and written silver call options

Spot deferred silver sales contracts have the same delivery terms and pricing mechanism as spot deferred gold sales contracts. A group of these contracts totaling 14.3 million ounces of silver are accounted for as executory contracts, as we physically deliver silver production into the contracts. For a separate group of contracts totaling 21 million ounces, we intend to financially settle these contracts. These contracts were marked to market until November 8, 2002 when we designated them as cash flow hedges.

Changes in fair value of our written silver call options are recorded in earnings as they occur.

D Other derivative instruments outstanding as at December 31, 2002

Maturity	2003	2004	2005	2006	2007	2008+	Total
Interest rate contracts							
Receive fixed — swaps and swaptions							
Notional amount (millions)	—	$ 250	$ 75	$ 100	$ 475	—	$ 900
Fixed rate (%)	—	3.5%	2.7%	3.0%	5.6%	—	4.5%
Pay fixed — swaps and swaptions							
Notional amount (millions)	—	—	—	—	—	$ (344)	$ (344)
Fixed rate (%)	—	—	—	—	—	5.6%	5.6%
Net notional position	—	$ 250	$ 75	$ 100	$ 475	$ (344)	$ 556
Total return swaps							
Notional amount (millions)	—	—	$ 17	—	—	—	$ 17
Foreign currency contracts							
Canadian Dollar Forwards							
C$ (millions)	$ 101	$ 118	$ 91	—	—	—	$ 310
Average Price (US$)	0.65	0.64	0.63	—	—	—	0.64
Canadian Dollar Min-Max Contracts							
C$ (millions)	$ 173	—	—	—	—	—	$ 173
Average Cap Price (US$)	0.65	—	—	—	—	—	0.65
Average Floor Price (US$)	0.63	—	—	—	—	—	0.63
Australian Dollar Forwards							
A$ (millions)	$ 175	$ 311	$ 283	$ 10	—	—	$ 779
Average Price (US$)	0.51	0.51	0.51	0.52	—	—	0.51
Australian Dollar Min-Max Contracts							
A$ (millions)	$ 339	$ 10	$ 10	$ 10	—	—	$ 369
Average Cap Price (US$)	0.55	0.52	0.52	0.52	—	—	0.55
Average Floor Price (US$)	0.52	0.51	0.51	0.51	—	—	0.52
Fuel contracts							
Barrels WTI (thousands)	240	—	—	—	—	—	240
Cap	$ 30	—	—	—	—	—	$ 30
Floor	$ 18	—	—	—	—	—	$ 18

Our interest rate and foreign currency contracts are recorded at fair value on our balance sheet, with changes in fair value recorded in earnings as they occur, with the following exceptions:

- we have elected cash flow hedge accounting treatment for Canadian dollar foreign currency contracts with a total notional amount of C$483 million, and Australian dollar foreign currency contracts with a total notional amount of A$1,148 million;
- we have elected receive fixed interest rate swaps with a total notional amount of $650 million to be accounted for as cash flow hedges of expected future interest receipts arising on our cash and short-term investments (note 26); and we have elected receive fixed interest rate swaps with a total notional amount of $250 million to be accounted for a fair value hedge of fixed-rate debentures (refer note 15A).
- we have elected an amortizing pay fixed interest rate swap with a total notional amount of $194 million as at December 31, 2002 to be accounted as a cash flow hedge of future interest payments relating to the project financing for Bulyanhulu (refer note 15B).

E Non-hedge derivative gains (losses)

For the years ended December 31	2002	2001
Interest and lease rate contracts	$ (30)	$ (9)
Commodity contracts	(2)	51
Currency contracts	—	(15)
	$ (32)	$ 27

F Credit and market risks

By using derivative instruments, we expose ourselves to credit and market risk. Market risk is the risk that the value of a financial instrument might be adversely affected by a change in commodity prices, interest rates, gold lease rates, or currency exchange rates. We manage the market risk associated with commodity prices, interest rate, gold lease rate, and foreign currency contracts by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Credit risk is the risk that a counterparty might fail to fulfill its performance obligations under the terms of a derivative contract, or in the case of total return swaps, the risk that a deterioration in credit quality of the underlying reference asset, or a credit default event, will give rise to a loss under the derivative instrument. If a counterparty fails to fulfill its performance obligations under a derivative contract, our credit risk will equal the fair-value gain in a derivative. For our total return swaps, the maximum amount of credit risk is limited to the notional amount of the contract, plus or minus unrealized gains or losses. When the fair value of a derivative contract is positive, this indicates that the counterparty owes us, thus creating a repayment risk for us. When the fair value of a derivative contract is negative, we owe the counterparty and, therefore, we assume no repayment risk. We minimize our credit (or repayment) risk in derivative instruments by:

- entering into transactions with high-quality counterparties whose credit ratings are generally “AA” or higher;
- limiting the amount of exposure to each counterparty;
- monitoring the financial condition of counterparties; and
- by ensuring that the reference assets in total return swaps are highly diversified such that concentrations of credit risk do not arise.

When we have more than one outstanding derivative transaction with the same counterparty and we also have a legally enforceable master netting agreement with that counterparty, the “net” credit exposure represents the net of the positive and negative exposures with that counterparty. When there is a net negative exposure, we regard our credit exposure to the counterparty as being zero. The net mark-to-market position with a particular counterparty represents a reasonable measure of credit risk when there is a legally enforceable master netting agreement (i.e., a legal right of a setoff of receivable and payable derivative contracts) between ourselves and that counterparty. Our policy is to use master netting agreements with all counterparties.

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the value at which positions could be closed out or sold in a transaction with a willing and knowledgeable counterparty over a period of time consistent with our risk management or investment strategy.

The accounting for an asset or liability may differ based on the type of instrument and/or its use in a risk management or investing strategy. The measurement approaches used in financial statements include the following:

- recorded at fair value on the balance sheet with changes in fair value recorded each period in earnings;
- recorded at cost (less other-than-temporary impairments) with changes in fair value not recorded in the financial statements but disclosed in the notes thereto; or
- recorded at the lower of cost or market.

Fair value is based on quoted market prices, where available. If listed prices or quotes are not available, fair value is based on internally developed models that primarily use market-based or independent information as inputs. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Fair value information

At December 31	2002		2001	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Financial assets				
Cash and equivalents[1]	$1,044	$ 1,044	$ 574	$ 574
Accounts receivable[1]	72	72	56	56
Investments[2]	36	30	209	205
Derivative assets[3]	—	—	24	57
	$1,152	$ 1,146	$ 863	$ 892
Financial liabilities				
Accounts payable[1]	$ 164	$ 164	$ 155	$ 155
Long-term debt[4]	777	858	802	853
Derivative liabilities[3]	—	43	—	73
	$ 941	$ 1,065	$ 957	$ 1,081

(1) Fair values of cash and deposits with banks, accounts receivable and accounts payable approximate their carrying amounts due to their short-term nature and the expectation of negligible credit losses.

(2) Our investments in debt and equity securities are recorded at their estimated fair value. Quoted market prices, when available, are used to determine fair value. If quoted market prices are not available, then fair values are estimated by using quoted prices of instruments with similar characteristics or discounted cash flows.

(3) The fair value of derivative instruments is determined based on liquid market pricing as evidenced by exchange traded prices, broker-dealer quotations or related input factors which assume all counterparties have the same credit rating.

(4) The fair value of long-term debt is based on current market interest rates, adjusted for our credit quality.

24 SEGMENT INFORMATION

We operate in the gold mining industry and our operations are managed on a district basis. The Goldstrike District includes the Betze-Post and Meikle Mines in the United States. Our “other” segment includes mainly operations which have been, or are being, closed.

Income statement information

	Gold Sales			Operating costs			Segment income before income taxes		
For the years ended December 31	2002	2001	2000	2002	2001	2000	2002	2001	2000
Goldstrike	$ 669	$ 806	$ 850	$ 440	$473	$401	$ 114	$ 195	$ 321
Pierina	300	320	295	96	45	41	52	100	78
Bulyanhulu	132	85	—	78	35	—	8	33	—
Kalgoorlie	123	—	—	86	—	—	21	—	—
Eskay Creek	120	—	—	21	—	—	58	—	—
Hemlo	96	—	—	63	—	—	21	—	—
Plutonic	104	—	—	60	—	—	29	—	—
Round Mountain	131	—	—	85	—	—	22	—	—
Other	272	113	162	144	80	91	66	20	43
	$1,947	$1,324	$1,307	$1,073	$633	$533	$ 391	$ 348	$ 442

Asset information

For the years ended December 31	Segment assets		Amortization			Segment capital expenditures		
	2002	2001	2002	2001	2000	2002	2001	2000
Goldstrike	$1,689	$1,765	$115	$138	$128	$ 46	$ 257	$ 284
Pierina	512	642	152	175	176	5	12	49
Bulyanhulu	849	877	46	17	—	56	153	203
Pascua-Lama	626	475	—	—	—	11	83	149
Kalgoorlie	544	393	16	—	—	14	—	—
Eskay Creek	276	378	41	—	—	8	—	—
Hemlo	214	181	12	—	—	6	—	—
Plutonic	302	136	15	—	—	20	—	—
Round Mountain	136	157	24	—	—	8	—	—
Other	1,152	333	62	13	28	117	44	13
	$6,300	$5,337	$483	$343	$332	$ 291	$ 549	$ 698
Cash and short-term investments	1,080	783						
Goodwill[1]	—	1,347						
Other	324	221						
Enterprise total	$7,704	$7,688						

(1) In 2002, following the allocation of goodwill to reporting units, segment assets include goodwill. In 2001, allocations of goodwill had not been finalized and therefore goodwill was presented separately from segment assets.

Segment income before income taxes

For the years ended December 31	2002	2001	2000
Segment total	$ 391	$ 348	$ 442
Provision for mining assets			
Pascua-Lama	—	—	(883)
Goldstrike	—	—	(170)
Pierina	—	—	(184)
Other	—	—	(93)
Exploration and business development	(52)	(40)	(41)
Corporate expenses, net	(111)	(22)	(14)
Income taxes	1	(15)	175
Net income (loss)	$ 229	$ 271	$ (768)

Geographic information

For the years ended December 31	Assets		Gold sales		
	2002	2001	2002	2001	2000
United States	$ 2,209	$ 2,108	$ 895	$ 806	$ 850
Peru	728	647	300	320	295
Australia	1,466	845	314	—	—
Canada	606	748	296	83	80
Tanzania	904	884	132	85	—
Chile/Argentina	1,019	513	10	30	82
Goodwill	—	1,347	—	—	—
Other	772	596	—	—	—
	$ 7,704	$ 7,688	$ 1,947	$ 1,324	$ 1,307

25 JOINT VENTURES

Our major interests in joint ventures are our 50% interest in the Kalgoorlie Mine in Australia; our 50% interest in the Round Mountain Mine in the United States; and our 50% interest in the Hemlo Property in Canada. We acquired interests in the joint ventures in our merger with Homestake.

Summary financial information for joint ventures (100%)

For the years ended December 31	2002
Income statement information	
Revenues	$ 647
Costs and expenses	577
Net income	$ 70
Cash flow information	
Net cash provided by operating activities	$ 175
Net cash used in investing activities	$ (54)
Net cash used in financing activities	$ —

At December 31	2002	2001
Balance sheet information		
Inventories	$ 51	$ 88
Property, plant and equipment	574	658
Intangible assets	103	—
Other assets	81	48
Goodwill	396	—
Total assets	$ 1,205	$ 794
Current liabilities	116	124
Long-term obligations	45	78
Total liabilities	$ 161	$ 202

26 CASH AND EQUIVALENTS

Cash and equivalents include cash, term deposits and treasury bills, with original maturities of less than 90 days. We anticipate having substantial cash balances for an extended period of time. As a result, we have entered into received fixed interest rate swaps with a total notional amount of $650 million that have been designated, and are effective, as cash flow hedges of expected future floating rate interest receipts. These swaps mature at various times from 2004 — 2007 (note 22).

27 SUPPLEMENTAL CASH FLOW INFORMATION

For the years ended December 31	2002	2001	2000
Components of other net operating activities			
Reclamation costs	$ 15	$ 17	$ 13
Non-cash charges (credits):			
Foreign currency translation adjustments (note 6)	(2)	8	—
Losses on short-term investments (note 9)	4	—	—
(Gains) losses on sale of property, plant and equipment	(4)	4	(1)
Amortization of deferred stock compensation (note 20A)	3	—	—
Changes in operating assets and liabilities:			
Accounts receivable	(16)	(14)	20
Inventories and other current assets	45	34	(7)
Accounts payable and other current liabilities	(7)	117	50
Payments of merger and related costs	(50)	(13)	—
Derivative instruments	24	20	(21)
Payments of reclamation and closure costs	(70)	(35)	(9)
Other items	29	(81)	126
Other net operating activities	$ (29)	$ 57	$ 171
Cash payments included in operating activities:			
Interest, net of amounts capitalized	$ 57	$ 12	$ 4

Income taxes	$ 46	$ 7	$ 21

EXHIBIT 4

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL AND OPERATING RESULTS

The Company prepares its primary consolidated financial statements and related notes under United States GAAP, which are included in the Company's annual report. The accompanying consolidated financial statements and related notes are presented in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and are expressed in US dollars. These statements, together with the following discussion and analysis, are intended to provide investors with a reasonable basis for assessing our operational and financial performance as well as certain forward looking information relating to potential future performance.

STRATEGIC PERSPECTIVES

Barrick Gold Corporation is among the world's largest gold producers in terms of market capitalization, production and reserves, with operating properties and development projects on four continents. With 2003 marking Barrick's 20th year in the gold business, we believe that we are positioned to benefit from the opportunities presented by a favorable gold price environment.

Since its founding, Barrick has been run in accordance with clear and concise business principles, focusing on profitability and financial performance rather than sheer size. We know that the key drivers of performance in our business are spot gold prices, production, reserves and costs per ounce.

In 2002, our financial results were below our expectations, primarily due to higher costs at our operations. As we move into 2003, we intend to focus on optimizing our operating mines and setting achievable targets based on each mine's stage of operation. Overall, we have a solid portfolio of operating - albeit mature — properties. Even as the average ore grade mined at each of our operations declines toward reserve grade, these mines remain long-life, low-cost operations compared to the industry. The key feature of these properties is their ability to generate significant free cash flow, which we plan to use in part to fund our exploration and development programs.

In addition to our operating mines, we have the largest portfolio of development projects in the industry, and the financial and development strengths to build them. For the last five years, as the lower gold price environment reduced exploration spending across the industry, we invested extensively in our exploration program. This investment paid dividends in 2002 with a major gold discovery — Alto Chicama in Peru. By early 2003, our work at Alto Chicama allowed us to add 6.5 million ounces to reserves, bringing our total reserves to 86.9 million ounces, one of the largest gold asset bases in the industry.

Coupled with the development projects obtained through our Homestake merger in 2001, we now have a four mine, $2-billion development program that we expect to contribute to production, earnings and cash flows beginning in 2005. At full production, we expect this group of projects to add 2 million ounces of low-cost gold production annually to our portfolio for their first decade of operation. With such a sizeable development program underway, our strategic focus for the immediate future will be to continue our exploration efforts in ways that further enhance our operating mines and development projects. While our strategy does not make us dependent on acquisitions, we will consider transactions that we believe are capable of increasing earnings and cash flows.

We have the financial resources to move ahead with our exploration and development programs without diluting our shareholders because of our solid balance sheet, strong free cash flows from our existing operations and the support of our forward sales program.

HIGHLIGHTS

We completed the merger with Homestake on December 14, 2001. The merger has been accounted for as a purchase under Canadian GAAP, with the results of Homestake's operations included in our consolidated financial statements effective December 31, 2001. Consequently, the statements of income and cash flows for 2002 include the following principal Homestake mines: Round Mountain; Eskay Creek; Hemlo; Plutonic; Darlot; Lawlers and Kalgoorlie. We have not provided comparative financial information and statistics for these mines and instead we focused our analysis on any known trends or factors that will affect their future performance compared to fiscal 2002.

For 2002, our net income was $229 million ($0.42 per share) compared to $271 million ($0.68 per share) in 2001, while operating cash flow was $652 million ($1.20 per share) for 2002 versus $679 million ($1.71 per share) for 2001.

For the year, we produced 5.7 million ounces of gold at total cash costs of $177 per ounce compared to 3.7 million ounces of gold at $159 per ounce in 2001. Higher 2002 production was largely due to the inclusion of production from the Homestake mines acquired at the end of 2001.

Overall, we met our production target for the year as solid contributions from our Pierina mine in Peru and two of our North American operations offset lower production from four of our seven underground mines. The lower production and the resulting higher cash costs at the four underground mines were due largely to difficulties in accessing higher-grade ores. The four mines spent 2002 improving mine planning and increasing development to provide better production flexibility in 2003 and beyond.

The $18 per ounce increase in total cash costs in 2002 over 2001 was mainly due to our ongoing operations processing more ore at lower grades at marginally higher unit costs.

Our 2002 earnings were also affected by an increase in our exploration and development expense by $12 million to $52 million.

We generated solid cash flows from our operating mines and as a result of our lowest capital expenditures in 14 years, our free cash flows reached $361 million[(1)], the highest in Company history. Our forward sales program also contributed, generating $148 million in additional revenue in 2002. As a result, we ended the year with more than $1 billion in cash, and no net debt.

Our forward sales program provides us the flexibility to deliver at our forward price or the spot gold price — whichever is higher. For the first time in 15 years, in the first quarter of 2003 spot gold prices increased above our current year forward price, allowing us to defer delivery of our forward contracts and sell at the higher spot gold price. Our forward sales program has performed as it was designed, providing a higher floor price during periods of low gold prices and the flexibility to sell all of our mine production at higher spot prices.

We believe that our forward sales program's flexibility is one of the significant strengths of this Company. At a time when spot gold prices rose by more than $100 per ounce and our unrealized mark-to-market loss increased, our program remained solid. What makes gold hedging unique — in sharp contrast to derivative instruments in general — is the fact that our program is supported by gold in the ground which can be delivered in the normal course of our business. Every ounce hedged represents a product we own — and we only have about one in five ounces sold forward under our program.

While the program has worked well for us in the past and remains an important asset, changing circumstances make adjustments necessary. Given the present environment of low interest rates and concerns over complex financial transactions, we intend to make our forward selling program both smaller and simpler. Accordingly, over the course of 2002 we reduced the size of our program and focused on "plain vanilla" spot deferred forward sales contracts.

Global — Results

For the year ended December 31 (Canadian GAAP Basis)	2002	2001	% Change
Gold production — ounces (thousands)	5,695	3,739	52
Revenue per ounce	$ 336	$ 341	(1)
Cash operating costs per ounce	170	152	12
Royalties	6	6	
Production taxes	1	1	
Total cash costs per ounce	177	159	11
Amortization and reclamation	82	94	(13)
Total production costs per ounce	$ 259	$ 253	2
Capital expenditures (millions)	$ 291	$ 549	(47)
Mineral reserves (millions of ounces)	86.9	82.3	6

(1) See non-GAAP measures page 63.

OUTLOOK

While no company can predict future performance with certainty, we have a solid portfolio of assets capable of generating significant free cash flows. Our pipeline of development projects gives us the flexibility to add to our production profile without the necessity of acquisitions. While we believe that consolidation and rationalization of the gold industry will continue, our primary focus is on optimizing our existing mines and the development of our new mines.

For 2003, we expect to produce between 5.4 and 5.5 million ounces at a cash cost of $180 to $190 per ounce. Including amortization, total production costs for the year are expected to be between $270 and $280 per ounce. Our forward sales program provides us with the ability to sell our production at a minimum selling price of $340 per ounce for 2003; however, as our objective is to maximize the value of every ounce we produce, we plan to sell our production at the higher of the spot price or our forward price.

We expect administration costs to be approximately $70 million, with exploration and business development of about $70 million. Interest expense is expected to be about $50 million. Based on $350 per ounce gold, our tax rate is expected to be between 15% and 20%; at $400 per ounce gold, our tax rate would increase to 25% to 30%.

We plan to begin implementing our development program in 2003, increasing capital expenditures to approximately $430 million compared to $291 million last year, with the increase aimed at starting construction at the Veladero and Cowal projects. In addition to the steady stream of free cash flow generated by our existing operations, we bring the strength of our balance sheet — with $1 billion in cash and low levels of debt — to provide the financial base to proceed with these projects.

The forward looking statements included in this discussion and analysis involve risks and uncertainties and are based upon assumptions, which we believe are reasonable, but which could prove incorrect. Factors which could cause actual results to differ from those implied in the forward looking statements include: changes in the price of gold and certain other commodities; currency fluctuations; regulatory, political or economic developments in the areas in which we carry on business; and changes in mining or processing rates. With a large proportion of our reserve base undeveloped, the timing of commencement of production, as well as capital cost, production and cash costs of our development projects will have a significant impact on future financial performance in 2005 and beyond. For a more detailed discussion of risks relevant to Barrick, see our Form 40-F/Annual Information Form on file with securities regulatory authorities.

INCOME STATEMENT

Gold Sales

Revenue for 2002 totaled $1,947 million on gold sales of 5.8 million ounces, compared with $1,324 million on gold sales of 3.9 million ounces in 2001. In 2002, gold sales were 1.9 million ounces higher than 2001, reflecting the contributions of mines acquired in the Homestake merger at the end of 2001. With the exception of one mine closure in 2004, our existing operations should continue to produce at similar levels for the next several years.

The higher 2002 revenue compared to the prior year resulted from a 49% increase in gold sales due to the inclusion of the Homestake operations, partially offset by a $5 per ounce, or 1% decrease in the average realized price.

In 2002, gold prices rose to their highest level since 1997, averaging $310 per ounce, compared to 2001, when gold averaged $271 per ounce. Higher spot gold prices, combined with deliveries into our forward sales program, allowed us to realize an average price of $336 per ounce compared to an average realized price of $341 per ounce in 2001. The forward sales program generated $148 million in additional revenue in 2002 and $276 million in additional revenue in 2001. The decline in additional revenue generated through our forward sales program in 2002 was due to higher spot gold prices, reducing the amount of the premium over the spot price from $83 per ounce in 2001 to $37 per ounce in 2002.

As we saw in 2002 when spot gold prices rise toward our higher forward sale price, the additional revenue earned through the program decreases. When spot gold prices rise above our forward sale price, as occurred in early 2003, we can sell all of our gold production at the higher spot price and defer delivery of our forward sales contracts to a future date. While the value of our reserves and cash flows increase as spot gold prices rise, the unrealized mark-to-market loss on our program also rises. The mark-to-market value declined from an unrealized gain of $356 million at the end of 2001 to an unrealized loss of $639 million at the end of 2002. The decline in the mark-to-market value is primarily due to increasing spot gold prices (year end spot gold prices, 2002 — $347 compared to 2001 — $279) and the realization of $148 million of additional contract revenue during 2002, partially offset by unrealized gains on changes in forward gold price differentials (or contango), which are influenced principally by changes in interest and gold lease rates and premiums (US interest rates less gold lease rates) earned during the year. For additional detail see Off-Balance Sheet Arrangements — Significance of mark-to-market gains and losses page 61.

Future gold production committed under our forward sales program totaled 18.1 million ounces at December 31, 2002. This represents approximately 21% of proven and probable reserves, deliverable over the next 10 to 15 years at an average estimated future price of $341 per ounce at the scheduled delivery dates. For 2003, we have the ability to sell our production into the forward sales program at an average price of $340 per ounce. In early 2003, the delivery dates on those contracts have been extended pursuant to their terms, as we elected to sell our production at the higher spot price of approximately $360 per ounce. This is the first time in 15 years that gold prices have risen above our current year forward sales price, leading us to defer scheduled deliveries under those contracts and sell our production at the higher spot price.

Gold deliveries into these forward sales contracts can be deferred for up to 10 to 15 years; as they are deferred, the delivery price under these contracts increases over time. The increase in the delivery price of these deferred contracts is based on the present spot-forward gold price differential, primarily influenced by US dollar interest rates. In a high US dollar interest rate environment, the delivery price rises quickly, while in the present low interest rate environment, the delivery price rises at a slower rate.

In an effort to make our program smaller and simpler, we delivered production against forward sales contracts without replacing those contracts, and we reduced our variable price sales commitments by approximately two-thirds. These steps allowed us to close the year at 18.1 million ounces committed under our forward sales program, leaving approximately 80% of our reserves unhedged. With our positive outlook for the gold price, interest rates at 40-year lows (leading to lower forward sales premiums), and our strong financial position, we intend to continue to manage the program down to a lower portion of overall reserves.

OPERATIONS REVIEW BY GEOGRAPHIC AREA

North America
South America
Africa
Australia

As noted in the Highlights, 2002 production increased to 5.7 million ounces from 3.7 million ounces in 2001. Total operating costs, including reclamation, increased to $1,073 million in 2002 from $633 million in 2001 mainly due to the increase in gold sales volumes. On a per ounce basis, total cash costs for the year increased to $177, from $159 in 2001. Higher cash costs were attributable to three main factors:

- Mining and processing more lower-grade tons during the year;
- Increased amortization of deferred mining costs; and
- Increased royalty and mining tax payments due to higher gold prices.

One of the operational facts inherent in our industry is that as operations mature, grades decline and it becomes more difficult to add reserves at these operations. The lower grades lead to less production flexibility as the operations have fewer choices of which areas to mine. Most of our operations have reduced controllable unit mining, processing and administrative costs through productivity improvements, resulting in higher mining and processing rates. However, comparatively small changes in tons and grades processed and recovery rates have a more pronounced impact on production, cash costs and earnings than before.

A variety of unrelated operating difficulties accessing higher-grade ores in 2002 at Bulyanhulu, Hemlo, Plutonic and Meikle led to lower production and higher costs per ounce, overshadowing strong contributions from Round Mountain, Pierina, and Eskay Creek. We responded to the operational issues by enhancing mine planning, scheduling and budgeting to ensure better information and providing greater production flexibility, giving us greater ability to optimize the value of our underground mines. In addition, we have reviewed our operating systems and procedures to improve controls to facilitate timely updating of forecast information at our mines. Our efforts centered on improving the accuracy of periodic forecasting by the General Managers and putting a stronger emphasis on achievability through the corporate office review process.

In addition, planned increases in expensing of deferred mining costs at Betze-Post and Pierina resulted in higher cash costs at those operations as mining moved into lower-grade areas of the open pits.

With the closure of five mines in 2002 and our new projects not expected to begin to contribute to production until 2005, we anticipate lower production in 2003 and 2004. Production for 2003 is expected to be between 5.4 and 5.5 million ounces, at a cash cost of between $180 and $190 per ounce. Following is a summary of each of our mines and development projects. For a more detailed discussion of our operations and development projects see the most current Annual Information Form (AIF — on file with the securities regulatory authorities in Canada and the U.S.).

NORTH AMERICA

- Largest producing region, accounting for 62% of the Company’s total production.
- Region represents 50% of our developed reserve base at 26.2 million ounces.
- Long-life asset base.
- Fully developed operations generating the majority of the Company’s free cash flow, which will be used to fund exploration and to build our new generation of mines.

NORTH AMERICAN PROPERTIES

Goldstrike, Nevada
  Betze-Post
  Meikle
Round Mountain, Nevada
Eskay Creek, British Columbia
Hemlo, Ontario
Holt-McDermott, Ontario

Goldstrike Property (Nevada)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	144,533	155,606	(7)
Tons Processed (000's)	11,960	10,562	13
Grade Processed (ounces per ton)	0.20	0.25	(20)
Gold Production (000's of ounces)	2,050	2,263	(9)
Mineral Reserves (000's of ounces)	19,939	20,379	(2)
FINANCIAL STATISTICS			
Cash cost per ounce			
Cash operating costs	$ 209	$ 183	14
Royalties and production taxes	9	10	(10)
Total cash costs	$ 218	$ 193	13

The Goldstrike Property remains the Company's single largest producer and has just completed its eighth straight year producing more than 2 million ounces. Cash costs have increased over the past five years as the Property has moved from mining and processing high-grade material to near reserve grade material in both the open pit and underground. As well, electric power and fuel cost increases have pressured costs higher. Power costs increased in the Western United States in 2001, causing our supplier to increase our rates substantially (4.3 cents per kwh to over 7 cents per kwh). We are looking at alternative power suppliers to lower our power costs.

While the Property has matured, it replaced 80% of production in 2002 through reserve expansion in both the open pit (1.3 million ounces) and the underground (642,000 ounces), its best showing since 1999. Overall, the Property is expected to continue to produce at the 2 million ounce level for at least the next four years. Cash costs are expected to remain relatively constant. With the large capital program completed, the Property contributes the majority of the free cash flow from our existing operations — free cash flow that will play a key role in funding our exploration program and developing our new generation of mines.

In 2002, production declined 9% compared to 2001, while total cash costs increased to $218 per ounce, up from $193 a year earlier. The lower production and higher cash costs were largely due to processing more tons (up 13%) at lower grade (down 20%). In addition, higher power costs (up $6 per ounce) and expensing of deferred stripping costs at Betze-Post (up $14 per ounce) led to higher costs.

In 2003, the Property is expected to produce 2,115,000 ounces of gold (3% higher than 2002) at cash costs of $225 per ounce. The increase in cash costs is largely due to higher royalties and production taxes resulting from higher gold prices.

Betze-Post Mine

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	142,898	154,233	(7)
Tons Processed (000's)	10,322	9,187	12
Grade Processed (ounces per ton)	0.16	0.20	(20)
Gold Production (000's of ounces)	1,410	1,550	(9)
Mineral Reserves (000's of ounces)	16,051	16,433	(2)
FINANCIAL STATISTICS			
Cash cost per ounce			
Cash operating costs	$ 221	$ 207	7
Royalties and production taxes	7	8	(14)
Total cash costs	$ 228	$ 215	6

Betze-Post production declined 9% from the previous year. The lower production was due to lower grades processed (down 20%), partially offset by higher throughput (up 12%). To maximize investment returns, the mine plan was designed to process higher-grade ore first and stockpile the lower-grade material in the earlier years of its life. Over the past four years (1999-2002), the average grade processed declined by 41%, while in the past two years the cost of power increased by $19 per ounce. Despite the lower grade, cash costs increased by only $6 per ounce or 3% (excluding power cost increases) over the four-year period because of the mine's productivity improvements and cost-reduction initiatives.

Proven and probable gold reserves at Betze-Post decreased to 16.1 million ounces from 16.4 million ounces in 2001. The partial reserve replacement in 2002 was due to lower unit mining and processing costs, which allowed the conversion of a small underground reserve into a larger open pit reserve, as well as the discovery of lower-grade material at the pit bottom last year.

For 2003, production is expected to increase to 1,495,000 ounces due to better grades mined and processed (up 6%) and increased tons processed (up 5%). Lower unit mining costs, combined with higher recovery rates and throughput, are expected to more than offset another power cost increase, resulting in a 4% reduction in cash operating costs per ounce before royalties and production taxes. However, higher spot gold prices are expected to result in higher royalties and production taxes, resulting in total cash costs similar to 2002 at $228 per ounce.

Meikle Mine

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	1,635	1,372	19
Tons Processed (000's)	1,638	1,375	19
Grade Processed (ounces per ton)	0.43	0.56	(23)
Gold Production (000's of ounces)	640	713	(10)
Mineral Reserves (000's of ounces)	3,888	3,946	(1)
FINANCIAL STATISTICS			
Cash cost per ounce			
Cash operating costs	$ 184	$ 133	38
Royalties and production taxes	14	14	—
Total cash costs	$ 198	$ 147	35

Meikle production declined 10% from 2001, as total cash costs increased to $198 per ounce from $147 per ounce in 2001. The lower production relates to lower grades processed (down 23%), partially offset by higher mining and processing rates (up 19%), as the Rodeo deposit ramps up to full production. The higher cash costs were due to lower grades mined and processed and higher unit mining costs, particularly in the remnant material of the Main Meikle zone.

In recent years, Meikle has been transitioning from a compact high-grade mining operation to a lower-grade operation spread over a much larger area. Between 1999 and 2002, the average grade mined and processed declined (by 57%) while cash costs per ounce doubled. As the mine has matured, mining in Main Meikle is now focused on secondary stopes where ground conditions are not as competent, leading to production difficulties and higher unit mining costs in 2002. As a result, the mine focused on improving planning and scheduling during the year to ensure a more stable production plan going forward.

Proven and probable reserves at year end 2002 declined marginally to 3.89 million ounces from 3.95 million in 2001, as the mine replaced about 85% of 2002 production. Most of the material added in 2002 had been removed from reserves a year earlier when management determined that more drilling was required to classify the material as reserves. While exploration drilling will continue at depth below Main Meikle and in the Rodeo area, the best potential for reserve additions is likely north of Main Meikle, in an area known as Banshee. Surface drilling is expected to be completed in first quarter 2003; based on the assessment of economic potential, a decision on a Meikle-to-Banshee access drift is expected by mid-2003.

Production for 2003 is expected to decline to 620,000 ounces, while total cash costs are expected to rise to $219 per ounce. The lower production is largely due to expected lower recovery rates (down 2%), as lower grades processed (down 7%) are offset by higher mining rates (up 7%). Beginning in 2003, Meikle is mining and processing at the average grade of its remaining reserves; as a result, production and costs should be stable around current levels for the remainder of its mine life.

Round Mountain Mine (Nevada)

For the year ended December 31,	2002
OPERATIONAL STATISTICS	
Tons Mined (000's)	63,146
Tons Processed (000's)	62,222
Grade Processed (ounces per ton)	0.019
Gold Production (000's of ounces)	755
Gold Production (Barrick's share, 000's of ounces)	378
Mineral Reserves (000's of ounces)	1,875
FINANCIAL STATISTICS	
Cash cost per ounce	
Cash operating costs	$ 172
Royalties and production taxes	15
Total cash costs	$ 187

The Round Mountain joint venture had a strong year, contributing 377,747 ounces of gold to our 50 percent account in 2002. Total cash costs were $187 per ounce. The results were better than plan for both production and costs, as a result of better than anticipated grades processed through the mill as well as to the leach pad.

Proven and probable reserves decreased from 2.2 million to 1.9 million ounces, as only a small portion of production was replaced during the year. This is a solid but mature operation with an expected remaining mine life of four years. Future potential beyond the current deposit resides in an exploration program at the Gold Hill property (located 5 miles from Round Mountain), where follow-up drilling continues to yield encouraging results. The work planned for 2003 will further test the potential economics of this pit and continue to delineate the mineralized zone.

For 2003, the mine is expected to have another solid year. The marginally lower production of 363,000 ounces and higher cash costs of $198 per ounce, are primarily due to lower production from the leach pad, as longer haulage cycles result in fewer tons being placed on the pad.

Eskay Creek Mine (British Columbia)

For the year ended December 31,	2002
OPERATIONAL STATISTICS	
Tons Mined (000's)	254
Tons Processed (000's)	256
Grade Processed (ounces per ton)	1.50
Grade — Silver (ounces per ton)	72.18
Gold Production (000's of ounces)	359
Silver Production (000's of ounces)	17,763
Mineral Reserves (000's of ounces)	1,430
FINANCIAL STATISTICS	
Cash cost per ounce	
Cash operating costs	$ 36
Royalties and production taxes	4
Total cash costs	$ 40

Eskay Creek had a good year for production despite lower grades and a strike at one of the mine's key third-party smelters. The good production and cash costs performance were primarily the result of a 10% increase in tons mined and an increase in silver by-product credits compared to periods prior to the acquisition.

To mitigate the impact of the third-party smelter strike which began in July 2002, the mine optimized its milling capacity, increasing throughput (by 12%), re-sequenced the mining efforts to source higher grade ore, and arranged for increased sales to its other main smelter. Though the labor strike continues, shipments of ore and concentrate in late 2002 and early 2003 were close to pre-strike levels, and we anticipate being able to sustain these rates through the balance of this year, even without a labor strike settlement.

Proven and probable gold reserves at Eskay decreased to 1.4 million from 1.8 million ounces due to production during the year. A development ramp was completed during the year to follow up on encouraging exploration results. Future reserve expansion is most likely to come from this program. In addition, the surface program generated positive results, with follow-up scheduled in 2003.

For 2003, production is expected to increase marginally to 363,000 ounces, as higher mining and processing rates (up 11%) are expected to more than offset the lower grades processed. Cash costs are expected to rise to $64 per ounce, primarily due to lower silver grades significantly reducing by-product credits. Longer term, based on current reserves, production is expected to decline and cash costs are expected to rise as the mining and processing move to the average grade of the reserve.

Hemlo Property (Ontario)

For the year ended December 31,	2002
OPERATIONAL STATISTICS	
Tons Mined (000's)	3,785
Tons Processed (000's)	3,812
Grade Processed (ounces per ton)	0.149
Gold Production (000's of ounces)	538
Gold Production (Barrick's share, 000's of ounces)	269
Mineral Reserves (000's of ounces)	2,118
FINANCIAL STATISTICS	
Cash cost per ounce	
Cash operating costs	$ 216
Royalties and production taxes	8
Total cash costs	$ 224

Hemlo, of which we own a 50 percent interest, is a joint venture comprised of the David Bell and Williams underground mines and the Williams open pit. Production and cash costs reflect ground control problems that began early in 2002 and resulted in restricted access to some high-grade areas and increased dilution levels. A revised mine sequence, new backfill methods and improved planning should provide the foundation for more secure and predictable results from the underground operation in the future.

Hemlo's proven and probable reserves at year end 2002 stood at 2.1 million ounces compared to 2.5 million ounces one year earlier. In addition to not replacing 2002 production, mining recovery rates used for reserve estimation purposes were adjusted in those areas affected by the ground control problems, resulting in an additional 115,000 ounces being removed from reserves.

For 2003, production for our account is expected to be 253,000 ounces, resulting in marginally higher cash costs of $231 per ounce. The lower production and higher cash costs are primarily due to lower grades, only partially offset by an increase in mill throughput. Longer term production and costs are expected to be similar to 2003.

Holt-McDermott Mine (Ontario)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	520	489	6
Tons Processed (000's)	520	497	5
Grade Processed (ounces per ton)	0.17	0.18	(4)
Gold Production (000's of ounces)	84	84	—
Mineral Reserves (000's of ounces)	154	293	(47)
FINANCIAL STATISTICS			
Cash cost per ounce			
Cash operating costs	$ 173	$ 163	6
Royalties and production taxes	—	2	(100)
Total cash costs	$ 173	$ 165	5

While Holt-McDermott's 2002 production was the same as the prior year, cash costs were higher (up 5%). Higher costs were a result of an increase in tons mined and processed combined with a 4% decline in grade.

Proven and probable reserves at year end 2002 stood at 154,000 ounces. Based on mining experience, anticipated reserve grades were adjusted down, resulting in a loss of 51,000 ounces net of 2002 production.

For 2003, production is expected to rise 16% to 97,000 ounces as cash costs rise to $218 per ounce. Production will be up as a result of accessing higher-grade ore, while costs will rise primarily due to the expensing of mining costs relating to ongoing development.

SOUTH AMERICA

- Home of Barrick's second-largest cash flow generator, the Pierina mine.
- Three development projects that make up the majority of our current pipeline:
    - Our recently discovered Alto Chicama Property in Peru.
    - Our largest development project, the Pascua-Lama and Veladero district, straddling the Chilean and Argentinean border.
    - Large grass roots exploration programs in Peru and Argentina.

SOUTH AMERICAN PROPERTIES

Pierina, Peru
Alto Chicama, Peru
Pascua-Lama, Chile and Argentina
Veladero, Argentina

Pierina Mine (Peru)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	32,311	30,742	5
Leach — Tons to Pad (000's)	13,414	10,968	22
Grade Processed (ounces per ton)	0.080	0.097	(18)
Gold Production (000's of ounces)	898	911	(1)
Mineral Reserves (000's of ounces)	3,602	4,748	(24)
FINANCIAL STATISTICS			
Cash cost per ounce			
Cash operating costs	$ 80	$ 40	100
Royalties and production taxes	—	—	—
Total cash costs	$ 80	$ 40	100

Pierina production declined marginally (down 1%) compared to the prior year, at cash costs of $80 per ounce compared to $40 per ounce in 2001. Cash costs included an unbudgeted increase of $6 per ounce related to higher operating costs caused by a tax assessment received late in the year. Cash costs doubled over the prior year, largely as a result of deferred mining costs being charged as mining activity moves to lower-grade areas of the pit. Similar to the Goldstrike Property, Pierina's higher-grade material was mined and processed early in the mine's life to maximize cash flows and investment returns. To date, the mine has been able to increase mining and processing rates and lower unit costs to offset declining grades.

At year end 2002, proven and probable reserves declined to 3.6 million ounces of gold, as the mine did not replace 2002 production. The 2002 exploration program identified a resource south and southeast of the pit, targets located near surface at the north end of the pit, as well as one adjacent to the final wall of the south end of the pit, all of which are scheduled for follow-up in 2003. Any positive exploration results would likely only extend the mine life marginally past its remaining mine life of five years. In 2003, production and total cash costs are expected to rise marginally to 908,000 ounces at $86 per ounce. Grades mined are expected to decline by 5%, but should be more than offset by a 22% increase in tons mined. Beginning in 2004, the mine is expected to move to lower grades in the open pit, resulting in lower production and marginally higher cash costs.

Alto Chicama Project (Peru)

In April 2002, we announced a significant discovery at our Alto Chicama Property. The initial inferred resource at the time of the announcement was estimated at 3.5 million ounces of gold. As a result of drilling during the course of the year, 6.5 million ounces were brought into probable reserves. In addition, we have 2 million ounces in the measured and indicated resource category and 1 million ounces of inferred resource for a total reserve and resource of 9.5 million ounces of gold (as of January 31, 2003).

We began exploring the Alto Chicama area in the first quarter of 2001, when we acquired the option to explore the Property from the Peruvian state mining company (Centromin). In November 2002, we exercised our rights under the option agreement to acquire the Property by completing a technical evaluation and paying a $2 million advance royalty. We now have a 100% interest in the Property subject to a 2.51% net smelter return royalty to Centromin.

The preliminary feasibility study estimates Alto Chicama will produce 500,000 ounces per year beginning in 2005, at an average cash cost over the first decade of $130 per ounce. Capital costs are projected at $300 to $350 million. As 2002 ended, work focused on infill drilling, mine planning and condemnation drilling. Metallurgical tests indicate the oxide ore is amenable to heap leaching with recoveries in the range of 80%.

For 2003, the focus at Alto Chicama will be to complete the Environmental Impact Statement and a final feasibility study. Subject to Board approval and final permitting, construction is expected to start in late 2003 or early 2004. The timing of construction and production is most dependent on when we receive our permits. Based on the work to date, the construction, geologic, mining and processing risks appear low, as the project is very similar in many respects to our Pierina mine.

Pascua-Lama and Veladero Projects (Chile/Argentina)

Veladero

The Veladero feasibility study was completed during third quarter 2002. It defines an operation mining ore from two open pits (Filo Federico and Amable), a two-stage crushing circuit and a valley fill heap leach, very similar to our Pierina mine in Peru, at an estimated initial construction cost of $425 million. Veladero is expected to commence production in early 2006, producing 530,000 ounces of gold at a cash cost of $155 per ounce over the first decade of the mine's operation. The Property's Environmental Impact Statement was submitted in January 2003.

Definition drilling during the year expanded the reserves for the two pits to 9.4 million ounces, compared to 8.4 million in 2001. Between these two pits is a third mineralized zone, Cuatro Esquinas, which provides future exploration potential.

Veladero's 2003 field program will focus on the construction of the access road and camp infrastructure. Full construction is expected to commence September 2003, subject to receiving all permits and arranging any project financing. However, this schedule is dependent on our ability to gain comfort with the political and economic uncertainty in Argentina. Based on the work to date, the geologic, mining and processing risks appear manageable, as the project is very similar to our Pierina mine.

Pascua-Lama

In late 2000, a decision was made to postpone construction start-up at Pascua-Lama, based on the then low gold and silver price environment. Now, with the inclusion of nearby Veladero in the portfolio (as a result of our Homestake merger) and the higher gold price environment, Pascua-Lama is expected to commence production in 2008, subject to final permitting, completing optimization of the feasibility study and arranging any project financing. Over the past year, work on Pascua-Lama has been directed at further optimization of the development plan to reduce the capital and operating cost structure. With the completion of the Veladero feasibility study, we are now in a position to evaluate synergies in terms of infrastructure, administrative support and construction activities.

The mine is planned as an open pit, centered at an elevation of 4,600 meters. The majority of the gold is expected to come from oxide ores in the first several years of operation. As deeper sulfide ores are encountered, a flotation circuit is expected to be added to maintain recovery rates. On the processing front, Pascua-Lama's metallurgy is challenging, but based on the extensive work we have done to date, we believe we can successfully process the various ores Pascua-Lama presents. While the property is located very high in the Andes, the altitude is not dissimilar to our former El Indio/Tambo operations in Chile or several large copper mines.

Proven and probable reserves at year end 2002 were unchanged at 16.9 million ounces of gold and 594 million ounces of silver, as the project did not have any further reserve development activity during the year.

The optimized feasibility study is expected to be completed in 2004, with construction start-up potentially occurring in late 2005. Production is targeted at 800,000 ounces of gold annually at cash costs of $85 per ounce for the first decade. The initial construction cost is currently estimated at $1,175 million.

AFRICA

- Tanzania (East Africa) represents Barrick's African expansion.
- Bulyanhulu completed its first full year of production in 2002.
- A significant land position in the Lake Victoria goldfields of northern Tanzania with a large and active exploration program.
- Geology in the Lake Victoria area is similar to the gold belts in Northern Ontario and Quebec and Western Australia, two of the most successful gold producing regions of the world.

AFRICAN PROPERTIES

Bulyanhulu
Tulawaka
Kabanga

Bulyanhulu Mine (Tanzania)

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Tons Mined (000's)	944	455	107
Tons Processed (000's)	1,075	778	38
Grade Processed (ounces per ton)	0.39	0.38	2
Gold Production (000's of ounces)	356	242	47
Mineral Reserves (000's of ounces)	11,653	12,009	(3)
FINANCIAL STATISTICS			
Cash cost per ounce			
Cash operating costs	$ 190	$ 186	2
Royalties and production taxes	8	11	(27)
Total cash costs	$ 198	$ 197	1

In its first full year of operation, Bulyanhulu produced 356,319 ounces of gold at a cash cost of $198 per ounce. Production was marginally lower than plan (by 2%), while cash costs exceeded our 2002 estimates by $25 per ounce. The slightly lower production and higher costs were due to two main factors. First, we mined and processed more tons at lower than planned grade to produce total ounces similar to plan. Grades were lower as a result of delays in accessing higher-grade stopes and higher than planned dilution. Second, higher concentrate transportation and treatment costs and royalties also pushed costs up. While full-year costs were above plan, the trend within the year shows improvement, as cash costs in fourth quarter 2002 decreased to $185 per ounce as grades increased.

While Bulyanhulu has experienced teething pains ramping up to full production, we see positive signs moving forward. Mining and processing rates are now exceeding feasibility study levels and grades mined continue to improve as the mining team gains experience. The $194 million outstanding under the project loan has become non-recourse to Barrick as the mine met the physical and technical requirements of completion during the first quarter of 2003.

For 2003, production is expected to increase to 415,000 ounces (up 16%) as total cash costs decline to $175 per ounce, reflecting a full year of expected better grades and recovery rates.

The mining and processing rates are expected to rise with both the September 2002 completion of the mine-shaft, allowing ore and waste to be transported faster than the current ramp system and the installation of a second tailings pipeline.

Tanzanian Exploration Update

2003 will mark the beginning of our fourth year of exploration in Tanzania, one of the more prospective areas in the world. The strategy of land acquisition and cost-effective grass roots exploration that succeeded in evaluating a large ground position and generating drill targets, is now nearly complete. Our focus in 2003 will be on fewer properties with higher exploration potential.

During 2002, engineering studies were carried out at Tulawaka. A feasibility study for a small open pit, milling operation is nearing completion. Preparation of an Environmental Impact Statement is progressing on schedule, and a development decision is expected in the first half of 2003 for the operation. Exploration drilling is scheduled for second quarter 2003 on the West Zone as well as on other targets outlined in 2002.

The Kabanga nickel property was part of a 1999 acquisition, which also gave us Bulyanhulu. We have been evaluating the potential of the project over the course of 2002, expanding the resource and completing a scoping study to ascertain the value of the asset.

AUSTRALIA

- Second-largest-producing region for the Company
- Two key assets:
  - Yilgarn District, comprised of three mines (Plutonic, Darlot and Lawlers)
  - Kalgoorlie Super Pit, Australia's largest gold mine — 50 percent interest
- A portfolio of exploration properties, plus the Cowal development project with 2.8 million ounces of proven and probable reserves.

AUSTRALIAN PROPERTIES

Yilgarn District
Plutonic
Darlot
Lawlers
Kalgoorlie
Cowal

Plutonic Mine (Western Australia)

For the year ended December 31,	2002
OPERATIONAL STATISTICS	
Open Pits Tons mined (000's)	13,233
U/G Tons of ore mined (000's)	1,056
Tons Processed (000's)	3,532
Grade Processed (ounces per ton)	0.097
Gold Production (000's of ounces)	307
Mineral Reserves (000's of ounces)	2,533
FINANCIAL STATISTICS	
Cash cost per ounce	
Cash operating costs	$ 175
Royalties and production taxes	9
Total cash costs	$ 184

Plutonic, the largest of the three Yilgarn District mines, consists of both open pit and underground operations. Production and cash costs reflect delays in meeting the timetable for mining the new higher-grade underground Timor zone. To substitute for the lower underground production, the mine accelerated production of higher-cost open pit ore and low-grade stockpiles.

Proven and probable reserves increased net of production by 945,000 ounces (adding three years of production to the mine life) to 2.5 million ounces. This made 2002 the fourth consecutive year the mine more than replaced production — and, more importantly, at better grade than the existing reserves. We view the exploration potential of this mine favorably and will continue with a significant exploration program in the area in 2003.

For 2003, production is expected to decline to 295,000 ounces due to lower throughput and recovery rates, resulting in marginally higher cash costs of $194 per ounce. The lower production and higher cost are primarily due to lower throughput, resulting from lower open pit mining rates and depletion of low-grade stockpiles.

Darlot Mine (Western Australia)

For the year ended December 31,	2002
OPERATIONAL STATISTICS	
Tons Mined (000's)	840
Tons Processed (000's)	849
Grade Processed (ounces per ton)	0.176
Gold Production (000's of ounces)	145
Mineral Reserves (000's of ounces)	1,269
FINANCIAL STATISTICS	
Cash cost per ounce	
Cash operating costs	$ 160
Royalties and production taxes	8
Total cash costs	$ 168

Production at Darlot and total cash costs reflect higher throughput and higher grades than in periods prior to the acquisition. The mine replaced half of its production in 2002, finishing the year with approximately 1.3 million ounces of proven and probable reserves. Based on its current reserve base, the mine has a remaining mine life of about 10 years.

For 2003, Darlot expects to have a similar year in terms of both production at 143,000 ounces and cash costs of $176 per ounce.

Lawlers Mine (Western Australia)

For the year ended December 31,	2002
OPERATIONAL STATISTICS	
Open Pits Tons mined (000's)	4,030
U/G Tons of ore mined (000's)	716
Tons Processed (000's)	718
Grade Processed (ounces per ton)	0.162
Gold Production (000's of ounces)	113
Mineral Reserves (000's of ounces)	509
FINANCIAL STATISTICS	
Cash cost per ounce	
Cash operating costs	$ 171
Royalties and production taxes	8
Total cash costs	$ 179

Production at Lawlers and cash costs reflect an increase in grades processed (15%) compared to periods prior to the acquisition. The mine replaced production in 2002, finishing the year with about 500,000 ounces of proven and probable reserves. Based on its current reserve base, Lawlers has about five years remaining in its mine life. An extensive 2003 exploration program will test deeper extensions to the ore body.

Lawlers expects production similar to 2002 at 111,000 ounces, but at higher cash costs of $213 per ounce, due to lower grades, recovery rates and higher-cost open pit production.

Kalgoorlie Mine (Western Australia)

For the year ended December 31,	2002
OPERATIONAL STATISTICS	
Open Pits Tons mined (000's)	91,843
U/G Tons of ore mined (000's)	805
Tons Processed (000's)	14,101
Grade Processed (ounces per ton)	0.061
Gold Production (000's of ounces)	720
Gold Production (Barrick's share, 000's of ounces)	360
Mineral Reserves (000's of ounces)	5,551
FINANCIAL STATISTICS	
Cash cost per ounce	
Cash operating costs	$ 215
Royalties and production taxes	7
Total cash costs	$ 222

2002 production at the Kalgoorlie joint venture and total cash costs reflect lower grades (down 8%) and recovery rates (off 2%) compared to periods prior to the acquisition. The Mt. Charlotte underground deposit was originally scheduled for closure at the end of 2001, but remained open, contributing 63,200 ounces (Barrick's share) to total production in 2002. Mt. Charlotte is not budgeted for production in 2003, but is still mining residual ore that may prolong its life by a few months.

Barrick's share of proven and probable reserves at year end declined to 5.6 million ounces compared to 5.7 million in the prior year. Extensive inpit drilling during the year and remodeling of proven and probable reserves resulted in a reduction of the mineral resource base. The 2003 exploration program will concentrate on testing deep structurally controlled targets under the Super Pit and to the east of Mt. Charlotte. While Kalgoorlie remains one of the longest-life assets, the asset is maturing, and future reserve additions are less likely to be identified.

For 2003, our share of production is expected to be lower at 344,000 ounces (down 4%) and cash costs higher at $237 per ounce (up 7%), with lower throughput after the winding down of the higher-grade underground operation in 2002, partially offset by an increase in open pit tons mined. A technical committee made up of the two joint venture partners was formed last year to explore ways to improve the production and cost profiles at Kalgoorlie. The committee's recommendations are expected by mid-year.

Cowal Project (New South Wales)

The Cowal project, acquired in 2001, came to us with a completed Environmental Impact Statement and feasibility study. In the latter part of 2001, we began a technical program, including drilling and engineering studies, to optimize the feasibility study, which we anticipate will be completed in 2003.

Cowal's mine plan and process facilities have been designed to produce approximately 270,000 ounces of gold per year at an average cash cost of $170 per ounce. The main deposit contains proven and probable reserves of 2.8 million ounces. While the total contained ounces remained the same as the year earlier, the grade declined (by 25%) due to additional drilling and more conservative reserve modeling. However, cash costs are expected to be similar because of the optimization work completed during the year.

Construction is expected to commence in 2003, with production expected mid-2005, subject to final permitting and an optimized feasibility study. In 2003, we will continue metallurgical test work aimed at further optimizing the scope and economics of the project. The timing of construction and production is most dependent on the timing of receiving our final permits.

Our Australian asset base represents solid long-term production. The principal risk to that production is the impact of a stronger Australian dollar that would push cash costs up. To mitigate that risk, we have entered into currency hedge contracts for most of our Australian dollar costs through 2005. For additional detail regarding foreign currency contracts, see note 23D “Other derivative instruments outstanding” to our consolidated financial statements.

OTHER PROPERTIES

Other Properties include five mines (El Indio, Bousquet, McLaughlin, Ruby Hill and Agua de la Falda) that were closed during the year due to the depletion of reserves, as well as the Marigold mine in Nevada, in which we have a 33% interest and which remains in operation. In 2002, our Other Properties produced 374,774 ounces of gold, 7% of our production, at an average total cash cost of $189 per ounce, compared to 239,000 ounces at total cash costs of $241 per ounce in the prior year.

For 2003, Marigold is expected to produce 45,000 ounces at a cash cost of $170 per ounce. The decline in overall production for the Company in 2003, relates to the closure of the five mines over the course of 2002.

For the year ended December 31,	2002	2001	% Change
OPERATIONAL STATISTICS			
Gold Production (000’s of ounces)	375	239	57
Mineral Reserves (000’s of ounces)	678	1,100	(38)
FINANCIAL STATISTICS			
Cash cost per ounce			
Cash operating costs	$ 180	$ 238	(24)
Royalties and production taxes	9	3	200
Total cash costs	$ 189	$ 241	(22)

COSTS AND EXPENSES

Exploration and Business Development

Our exploration strategy is to maintain a geographic mix of projects at different stages in the exploration process. Our early stage exploration effort focuses on four major areas where we possess significant infrastructure: Peru, Tanzania, Australia and Chile/Argentina. The increase in expenditures in 2002 mainly reflects amounts spent on properties acquired through the Homestake merger at the end of 2001.

Exploration and Business Development Expense (in millions)	2003E	2002	2001
North America	$ 17	$ 13	$ 10
Australia	11	8	—
Africa	8	6	10
South America	9	8	10
Other/Business Development	24	17	10
	$ 69	$ 52	$ 40

Amortization

Amortization totaled $483 million ($79 per ounce) in 2002, compared to $343 million or $90 per ounce in 2001. The overall increase in amortization expense was mainly caused by the inclusion of the acquired Homestake mines in 2002. The decrease in amortization charges per ounce reflects overall lower charges per ounce at the Homestake mines, partially offset by an increase in amortization per ounce at Meikle.

Higher absolute amortization of $17 million at Meikle reflects the completion of construction of Rodeo in 2001 and the reduction of proven and probable reserves at the beginning of 2002, which raised Meikle’s amortization expense.

For 2003, amortization is expected to increase to about $500 million, or $90 per ounce. A large part of this increase is a function of the changing mix of production and capital additions. Beyond 2003, we expect amortization to be in the $80 to $90 per ounce range, depending on the extent of exploration success at our operating mines. Our new development

projects are expected to have amortization rates of between $65 and $80 per ounce, which could bring our overall per ounce amortization charge down over time.

Administration

In 2002, administration costs increased by $18 million to $64 million due to the increase in corporate support functions with the increase in size of the Company following the Homestake merger at the end of 2001 ($9 million); a $3 million compensation expense for our restricted share unit plan, and a $6 million increase in World Gold Council fees. World Gold Council fees totaled $13 million in 2002. For 2003, administration costs are expected to be about $70 million.

In 2002, we recorded a pension benefit expense of $2 million relating to pre-existing Homestake pension plans. We do not expect that our future earnings will be significantly affected by our existing defined benefit pension plans due to the relatively small size of the plans. Also, most members in these plans are no longer actively employed by us, and have therefore ceased earning benefits under the plans.

Through 2002, a significant portion of our defined benefit pension plan assets were invested in fixed income securities, with the remainder invested in equity securities. Because of this mix of investments, the return on plan assets and funding status of our plans were not as adversely affected by the general decline in equity markets compared to plans operated by some other companies. At the end of 2002, we had an unfunded liability of $27 million. As a result, based on current markets, we may be required to make a contribution to more fully fund the plans in the future.

Interest Expense

We incurred $59 million in interest costs and financing charges in 2002, related mainly to our debentures and our Bulyanhulu project financing. Overall, our effective interest rate declined slightly in 2002 to 7.2%, from 7.3% in 2001. In 2002, we expensed interest of $57 million and capitalized $2 million to mine development activities at Cowal. In 2001, we expensed $14 million and capitalized $42 million to development and construction activities at Pascua-Lama, Bulyanhulu and Rodeo.

We use interest rate swaps to manage the effective rates of interest we pay on our long-term debt. On $250 million of our $500 million debentures, we have converted the fixed 7.5% interest rate to a floating rate through 2007, taking advantage of low market interest rates. Through this strategy, we managed to reduce the effective rate on this portion of the debentures to 5.7% in 2002. On our Bulyanhulu financing, we have taken advantage of the present low interest rates to fix the interest rate for the term of the debt at a rate of about 7%. For 2003, we expect to incur a similar amount of interest as in 2002, but interest expense is expected to decline to about $50 million after capitalizing about $9 million at Cowal and Veladero.

Interest and Other Income

Interest and other income increased to $42 million in 2002 from $11 million in 2001. The increase primarily reflects other income earned during 2002 at the Homestake operations and year on year variations in foreign currency translation gains and losses.

In 2002, we earned an effective interest rate on our cash of 3.4% compared to 5.3% in 2001. The decrease in the effective rate in 2002 reflects a general decline in market interest rates from 3.8% to 1.8% over the last two years. Through interest rate swaps we earned a fixed rate of 4.1% for 2002 on $500 million of our cash balances, with the additional cash earning interest at lower market interest rates.

For 2003, we expect interest and other income to decrease further to about $23 million, reflecting a full year's effect of lower market interest rates. Through the use of interest rate swaps we have locked in a fixed rate of 3.8% on $650 million of our cash balances, with the excess cash earning interest at market interest rates.

Non-Hedge Derivative Gains (Losses)

Non-Hedge Derivative Gains (Losses) (millions)	2002	2001
Commodity contracts	$ (2)	$ 51
Currency contracts	—	(15)
Interest and lease rate contracts	(30)	(9)
	$ (32)	$ 27

Non-hedge derivative gains and losses arise on derivative instruments used in our risk management strategy that do not qualify for hedge accounting treatment. These gains and losses do not include any gains or losses on our gold sales contracts. The gains and losses occur because of changes in commodity prices, currency exchange rates and interest rates.

Commodity Contracts

In 2001, gains of $51 million on written call options were realized. In 2002, we did not have a significant call option position outstanding and incurred net losses of $2 million.

Currency Contracts

Losses in 2001 were due to the effects of changes in the Canadian dollar. In 2002, all outstanding currency contracts qualified for hedge accounting treatment under Canadian GAAP, and consequently we did not record any non-hedge gains or losses.

Interest and Lease Rate Contracts

Losses on interest and lease rate swaps in 2002 were $30 million (2001 — $9 million loss). The losses were primarily related to our total return swaps and were largely the result of the widening of credit spreads over yields on government securities. During 2002, we closed out substantially all of the total return swaps, so our future results will not be significantly affected by these contracts. At the end of 2002, we held pay-fixed US dollar interest rate swaps with notional amounts of $150 million (2001 — $275 million) and receive fixed gold lease rate swaps with notional amounts of 6.4 million ounces or about $2 billion (2001 — 6.2 million ounces). Both are being marked-to-market through earnings. These gold lease rate swaps represent all of our current gold lease rate exposure.

Income Taxes

In 2002, we recorded a tax credit of $1 million compared to an expense of $15 million in 2001. In fourth quarter 2002, we recorded a tax credit of $22 million, mainly reflecting the resolution of certain tax uncertainties. Excluding the credit recorded in fourth quarter 2002, our relatively low effective tax rate is mainly because a significant portion of our earnings are generated in a low tax-rate jurisdiction. We have also begun to realize the benefit of tax synergies from the Homestake merger through the integration of our North American operations.

Should gold prices remain in the $350 per ounce range, we expect our underlying effective tax rate to rise to about 15 to 20%, because a larger portion of our earnings would come from tax jurisdictions with higher tax rates. At spot gold prices in excess of $400, we estimate that our effective tax rate would be about 25% to 30%.

Our income tax expense is also affected by changes in the level of valuation allowances recorded against future income tax assets. Valuation allowances are recorded where there is substantial uncertainty over the realization of a tax asset. Among other things, a sustained upward trend in gold prices may result in a decrease in valuation allowances with corresponding tax credits recorded in earnings.

LIQUIDITY & CAPITAL RESOURCES

Liquidity

Liquidity can be described as the ability of an enterprise to generate adequate amounts of cash to meet its needs. In recent history, the main sources of liquidity for us have been our net cash inflow from operating activities, our large cash position, and our various debt-financing facilities. Currently, our debt facilities include our debentures, our Bulyanhulu project financing, and our $1 billion revolving credit facility with a syndicate of global banks.

In the last three years we have generated substantial levels of operating cash flow, and we believe this to be one of our fundamental financial strengths. We expect capital needs of about $2 billion over the next five years to build our four development projects, as well as between $100 and $200 million per year for sustaining capital at our existing operations. Our alternatives for sourcing this capital include our $1 billion cash position, our future operating cash flows and project financings. We are evaluating these alternatives to determine the optimal mix of capital resources for the projects. We expect that present levels of liquidity in these sources of financing will be adequate to meet our expected capital needs.

While a deterioration in our credit rating would not adversely affect our existing debt obligations or gold sales contracts, it could impact the cost of borrowing for any new financings. There are a number of factors that are important to our “A” credit rating, including: our market capitalization; the strength of our balance sheet, including the amount of net debt and our debt-to-equity ratio; our cash generating ability, including cash generated by operating activities and expected capital expenditure requirements; the quantity of our gold reserves; and our relatively low geo-political risk profile due to the location of our mines.

Like most financial contracts, our revolving credit facility and our gold sales contracts require us to comply with certain financial covenants. These covenants, which are based on our US GAAP financial statements, include:

(a) Maintaining a minimum consolidated tangible net worth of over $2.0 billion (our consolidated net worth as at December 31, 2002 was over $3.3 billion); and

(b) Maintaining a maximum long-term debt to consolidated net worth ratio below 1.5:1 (the ratio as at December 31, 2002 was under 0.25:1). The calculation of net worth excludes the unrealized mark-to-market gain or loss on our derivative instruments and gold sales contracts.

In the unlikely event that we breach these covenants, we would be in default of our gold sales contracts, which could result in the counterparties requiring settlement of these contracts; and also the syndicate of banks in our credit facility could require repayment of amounts outstanding at that time.

In this discussion of financial resources and liquidity, we address our Consolidated Statements of Cash Flows, our Consolidated Balance Sheets and our Consolidated Statements of Shareholders' Equity.

Statements of Cash Flows

Our consolidated cash and equivalents totaled $1,044 million at the end of 2002, up from $574 million at the end of 2001. The main reasons for the increase in 2002 were the maturity of term deposits totaling $159 million, and free cash flow generated in the year of $361 million[(1)] (2001 — $130 million; 2000 — $174 million). The increase in free cash flow is mainly due to lower capital expenditures in 2002 compared with prior years. Our free cash flow will be reduced by capital expenditures relating to our development plan over the next few years.

Operating Activities

Our operating cash flow is significantly affected by the volume of gold sales, as well as realized gold prices and cash operating costs. In 2002, our average realized gold price per ounce sold decreased by $5, and total cash operating costs increased by $18. Overall, our operating cash flow remained similar to 2001, due to the combined effect of a variety of factors, including: increased sales volumes ($364 million), offset by: lower cash margins in 2002 ($134 million) (defined as gold sales less cash operating costs); payments of merger related costs of about $50 million; payments related to non-hedge derivative instruments of about $60 million; a decrease in interest capitalized by about $40 million; and an increase in cash payments for reclamation and closure costs by about $35 million, mainly at inactive mines.

For 2003, we expect our operating cash flow to remain at similar levels to 2002, assuming an average realized gold price of $350, as higher gold prices are offset by higher cash operating costs and lower gold sales volumes.

Investing Activities

Our most significant ongoing investing activities are for capital expenditures at our mines. Annually, we invest in sustaining capital at our mines, including expenditures relating to underground development activities. We also incur significant capital expenditures in the development and construction phases of new mines, although the yearly level varies depending on the status of our development projects.

Capital expenditures decreased by $258 million in 2002 to $291 million. In 2002, expenditures were mainly for sustaining capital and underground development. Higher expenditures in the previous two years were mainly due to: underground development at Meikle and Rodeo (2001 — $90 million; 2000 - $80 million); construction of the Bulyanhulu Mine (2001 — $153 million; 2000 — $203 million); and higher levels of development activity at Pascua-Lama (2001 — $69 million; 2000 — $107 million).

For 2003, we expect to spend a total of $430 million, including $218 million for sustaining capital, which is similar to 2002, and $212 million on our development plan ($136 million at Veladero, $34 million at Cowal, $42 million at Alto Chicama).

We sometimes invest excess cash in term deposits with initial maturities greater than 90 days, which are excluded from cash and equivalents and included in short-term investments. At the end of 2001, we held cash of $159 million in the form of term deposits that were included under short-term investments. As the term deposits matured in 2002, the cash received was reflected as an inflow under investing activities and is included in cash and equivalents.

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(1) See non-GAAP measures page 63.

Financing Activities

Our most significant ongoing financing activities are repayments/drawdowns of debt obligations, dividend payments, and proceeds from issuing capital stock.

The most significant financing cash flows in 2002 were $83 million received on the exercise of employee stock options and dividend payments totaling $119 million, which were $32 million higher than in 2001. We also made scheduled payments under our long-term debt obligations totaling $25 million in 2002.

For 2003, we will be required to make scheduled long-term debt repayments of $20 million. The amount of any dividends will be determined by the Board of Directors.

Consolidated Balance Sheet

Working Capital

Our non-cash working capital position was largely unchanged from 2001. Inventories declined by $29 million as gold sales exceeded production in 2002, which was partially offset by an increase in accounts receivable by $16 million.

Capitalized Mining Costs

Amounts decreased in 2002 primarily due to mining in areas of the Betze-Post pit where the actual ounces to total ore and waste ratio was lower than the life-of-mine ratio. As a result, amortization exceeded incurred cash expenditures.

Other Assets

The increase resulted from the inclusion of future income tax assets totaling $45 million in 2002.

Statement of Shareholders' Equity

Shareholders' equity increased by $175 million in 2002. The increase is mainly attributable to net income of $229 million and an increase in capital stock by $86 million (from the exercise of employee stock options), offset by dividends totaling $119 million.

FINANCIAL RISK MANAGEMENT

In the normal course of business, the main financial risks that affect us arise from changes in commodity prices, interest rates, foreign currency exchange rates and energy prices. We use privately negotiated contracts (rather than exchange-traded contracts) with a group of 19 leading international counterparties to manage our risk exposures. Because of the long-life, low-cost nature of our mines, as well as our financial strength, we have been able to secure trading lines and terms that we believe are the most favorable offered to companies in our industry.

These contracts are valued using pricing inputs that are readily available from independent sources. Changes in the value of the contracts are mainly affected by, among other things, changes in commodity prices, interest rates, gold lease rates and currency exchange rates.

Our use of these contracts is based on established practices and parameters, which are subject to the oversight of the Finance Committee of the Board of Directors. We also maintain a separate compliance function to independently monitor our hedging and financial risk management activities and segregate the duties of personnel responsible for entering into transactions from those responsible for recording transactions.

Gold and Silver Price Risk

We manage our exposure to volatility in gold prices through our forward sales contracts. A detailed discussion of the nature of these contracts, how we use them in our business, and the historic benefits we have derived from them is included on page 60.

Certain of our mines, and in particular Eskay Creek, produce significant quantities of silver as a by-product. The quantities of silver present in the ore processed, as well as prices realized for silver production, significantly impact our cash operating costs per ounce at these mines because by-product revenue is deducted from operating costs. We use spot deferred silver contracts as a means to sell silver production and to act as an economic hedge of our exposure to changes in silver prices. Substantially all of our silver production in 2003 is protected by these contracts, at an average price of about $4.95 per ounce.

Interest Rate Risk

Our interest rate risk exposure mainly relates to future contango returns in our spot deferred contracts, the fair value and ongoing payments under lease rate and US dollar interest-rate swaps, and interest receipts on our cash balances. We are more adversely affected by lower interest rates than higher rates, because the net amount of assets less liabilities affected by interest rates is an asset and also because the forward price of gold is significantly affected by US dollar interest rates. In higher interest rate environments, we realize higher prices under our spot deferred sales contracts because the premium on the forward gold price over spot prices is greater, and we receive higher interest income on our cash balances.

Most of our $774 million of outstanding long-term debt obligations are at fixed interest rates. The exceptions are $250 million of our debentures where we have converted the interest rate from fixed to floating rates, and our $80 million of variable-rate bonds. For $650 million of our cash balances, we have fixed the interest return we are earning through 2006 — 2007, with the excess generating interest income at variable US dollar interest rates.

The excess of interest-bearing assets over liabilities recognized on our balance sheet, which are subject to variable interest rates, was $64 million at December 31, 2002 (representing cash of $394 million, less the floating-rate portion of debentures of $250 million, and our $80 million of variable-rate bonds).

Like all fixed price sales contracts with future fixed cash flows, the mark-to-market value of our existing gold sales contracts is affected by changes in the forward price of gold, which in turn is affected by market US dollar interest rates and gold lease rates. As we explain on page 61, the mark-to-market value is not recorded on our balance sheet, and it does not affect the level of our future earnings or cash flows.

For new gold sales contracts, the level of market US dollar interest rates and gold lease rates at that time will influence forward gold prices and will therefore affect the realized gold prices under these contracts.

As disclosed in note 22 to our financial statements, we enter into gold lease rate swaps as part of our overall gold price optimization strategy. Because these gold lease rate swaps include fixed US dollar cash flows, changes in the fair value of these swaps (which flow through earnings each period) are affected by changes in US dollar interest rates. Changes in US dollar interest rates affect only the mark-to-market value of these gold lease rate swaps, and do not impact the actual cash flows arising on the swaps.

Foreign Currency Exchange Risk

Although we operate on four continents, we do not view currency fluctuations as a significant risk in the next few years at most of our operations because all our revenues and most of our cash expenditures are denominated in US dollars, and we have hedged most of our non-US dollar operating costs. Nearly half of our production comes from our United States mines, while most of our Peruvian and Tanzanian operating and capital expenditures — such as diesel fuel, reagents and equipment — are denominated in United States dollars.

Our main foreign currency exposures relate to cash expenditures at our Canadian and Australian mines that are denominated in local currencies. We use foreign currency contracts to economically hedge our exposure to changes in the Canadian and Australian dollar against the US dollar. With the recent strengthening of the Canadian dollar and Australian dollar against the US dollar, unhedged producers with operations in these countries could be facing significantly higher US dollar operating costs.

In 2002, substantially all of our Canadian dollar expenditures were hedged at $0.65 and substantially all of our Australian dollar expenditures were hedged at $0.54. For 2003, we have hedged about 90% of our Canadian dollar expenditures at $0.65 and substantially all of our Australian dollar expenditures at $0.53. Beyond 2003, we have contracts in place to reduce our currency risk exposure on about 60 — 70% of our Australian and Canadian dollar exposures through 2005. Consequently, we do not expect fluctuations in these currencies to significantly affect our near term earnings or operating cash flows.

Energy Price Risk

Our operating costs reflect the quantities of electricity and diesel fuel consumed, at prices that are mainly based on the market prices of these commodities. These costs represent approximately 16% of our total cash costs per ounce for 2002.

	Electricity	Diesel
Quantity consumed in 2002	1.9 billion kilowatt hours	1.3 million barrels
Cost (dollars)	$0.06 per kilowatt hour	$38 per barrel[1]
Impact on total cash costs per ounce (dollars)	$20	$9

(1) Includes transportation and refining charges

The table above illustrates our actual consumption of these commodities, the average purchase cost and the impact on our average total cash costs per ounce.

Substantially all of our costs arising from consumption of these items is subject to variations in market prices, except that we have hedged about 20% of diesel fuel requirements for 2003. We are evaluating ways in which to mitigate these risk exposures, and we may take steps to hedge these costs in the future or utilize alternative sources of supply to lower costs.

Derivatives Risk

The derivative contracts we enter into are an integral part of our financial risk management strategy. The contracts act as economic hedges of our underlying exposures that arise in the normal course of our business and are not held for speculative purposes. Because we produce gold and silver, incur costs in foreign currencies and invest and borrow in US dollars and are therefore subject to US interest rates, all of our derivative contracts cover natural underlying asset or liability positions. By using derivative instruments, we have various financial risks, which we manage in the following manner.

Credit risk is the risk that one or more counterparties will fail to perform on an obligation to us. We mitigate credit risk by dealing with high quality counterparties, by spreading our credit risk exposure over a number of counterparties, by limiting our exposure to individual counterparties, and by using master netting arrangements such that our credit risk exposure is limited to the net positive fair value of contracts with individual counterparties.

Market liquidity risk is the risk that a derivative position cannot be eliminated quickly, by either liquidating derivative instruments or by establishing an offsetting position. Under the terms of our trading agreements with counterparties, the counterparties cannot require us to immediately settle outstanding contracts, unless we breach any financial covenants. We mitigate market liquidity risk by spreading out the maturity of our derivative instruments over time. This ensures that the size of positions maturing is such that for commodity contracts we are able to physically deliver gold and silver against the contracts, and for other contracts the relevant markets for currencies and interest rates will be able to absorb the contracts.

Mark-to-market risk is the risk that an adverse change in market prices for commodities, currencies or interest rates will affect our financial condition. We have mitigated this risk by establishing trading agreements with counterparties under which we are not required to post any collateral or make any margin calls on our derivative instruments. Also, the counterparties cannot require settlement of a derivative solely because of an adverse change in the mark-to-market value. We enter into derivative instruments to act as economic hedges of underlying exposure to commodity prices, foreign currency exchange rates and interest rates that arise in the normal course of our business. Consequently, for most of the derivative instruments we use, changes in the mark-to-market value do not affect earnings.

CRITICAL ACCOUNTING ESTIMATES

What follows is a discussion of our application of critical accounting policies that require us to make assumptions about matters that are highly uncertain at the time the accounting estimate is made, and where different estimates that we reasonably could have used in the current period — or changes in the accounting estimate that are reasonably likely to occur from period to period — would have a material impact on our financial statements. We have identified the following accounting estimates as critical:

- impairment assessments of goodwill;
- amortization of property, plant and equipment and intangible assets;
- impairment assessments of long-lived assets (including intangible assets);

- mine reclamation and closure costs;
- the measurement and recognition of valuation allowances against future income tax assets; and
- contingencies.

We also have certain accounting policies that we consider to be important — such as our policies for revenue recognition, exploration costs and derivative instruments — that do not meet the definition of critical accounting estimates as they do not require us to make estimates or judgements that are subjective or highly uncertain.

Management has discussed the development and selection of our critical accounting estimates with the Audit Committee of the Board of Directors, and the Audit Committee has reviewed the disclosure relating to such estimates in this Management's Discussion and Analysis.

Impairment Assessments of Goodwill

In accounting for the Homestake merger, we determined that goodwill of $1,247 million existed at the date of acquisition. The allocation of goodwill to reporting units was based on estimates of the individual fair values of those reporting units acquired or benefiting from synergies arising directly from the merger. Subsequent to the acquisition, we are required to test this goodwill annually for impairment. This impairment assessment is fundamentally based on updated estimates of the fair values of those reporting units, which could be affected by, among other things, changes in quantities of gold mineral reserves and resources; changes in the price of gold; changes in expected future operating costs; and changes in expected future capital expenditures and mine closure costs. An adverse change in any one or a number of these factors could cause us to recognize an impairment charge relating to goodwill. In particular if we were unable to replace or increase gold mineral reserves and resources at the mines where we have allocated goodwill, then we would expect the value of goodwill to be depleted over time as we approach the end of the mine life.

Amortization of property, plant and equipment and intangible assets

Property, plant and equipment and capitalized mining costs, which totaled $4.2 billion at December 31, 2002, represent a significant portion of our assets (54%). Due to the large size of these assets, the application of our accounting policies for these assets has a material impact on our reported earnings.

In accordance with our accounting policy for property, plant and equipment, we capitalize costs incurred on properties when proven and probable reserves exist, or when sufficient objective evidence exists to support a conclusion that it is probable non-reserve material will be produced. Upon commencement of gold production, we amortize capitalized property acquisition and mine development costs under the units of production method.

The process of estimating quantities of gold reserves is complex, requiring significant decisions in the evaluation of all available geological, geophysical, engineering and economic data. The data for a given ore body may also change substantially over time as a result of numerous factors, including, but not limited to, additional development activity, evolving production history and the continual reassessment of the viability of production under various economic conditions. A material revision (upward or downward) to existing reserve estimates could occur because of, among other things: revisions to geological data or assumptions; a change in the assumed gold prices; and the results of drilling and exploration activities. We make every effort to ensure that reported reserve estimates represent the most accurate assessment possible. However, because of the subjective decisions we have to make, as well as variances in available data for each ore body, these estimates are generally uncertain.

Changes in reserve quantities, including changes resulting from gold and silver price assumptions, would cause corresponding changes in amortization expense in periods subsequent to the revision, and could result in impairment of the carrying amount of property, plant and equipment, intangible assets and capitalized mining costs.

For the past three years, we estimated reserves assuming a $300 per ounce gold price. At December 31, 2002 a $25 per ounce reduction (8%) in gold price would reduce our reserves by about 4 million contained ounces (6%), relating primarily to our Kalgoorlie and Bulyanhulu operating mines and the Pascua-Lama development project. Such a decrease in reserves would increase annual amortization by about $20 million and decrease net income by about $15 million ($0.03 per share). Conversely, a $25 per ounce increase in gold price would increase our reserves by about 2 million contained ounces (3%), relating primarily to Kalgoorlie, Goldstrike and Pascua-Lama. Such an increase in reserves would decrease annual amortization by about $15 million and increase net income by about $10 million ($0.02 per share).

In addition to changes in gold prices, reserve quantities can also change for other reasons, including but not limited to, new drilling results, changes in production costs and changes in geological assumptions. The mines where amortization charges would be most significantly affected by changes in reserve estimates are Pierina, Meikle, Eskay Creek and Bulyanhulu. These mines generally have the largest amounts of property, plant and equipment and intangible assets subject to amortization using the units of production method and the highest per ounce amortization charges. The effect of a 10% change in reserves at these mines on amortization would be as follows:

	Impact of a 10% change in gold reserves on amortization (per ounce)	Impact on earnings, based on Ounces sold in 2002 (millions)
Pierina	$ 17	$ 15
Meikle	12	8
Eskay Creek	14	5
Bulyanhulu	11	4

Impairment assessments of long-lived assets (including intangible assets)

We believe that our estimates are critical for these assets because they are susceptible to change from period to period and the potentially material effect that recognizing an impairment could have on the assets reported on our balance sheet and on our reported earnings.

They are based on estimates of future cash flows, which include estimates of:

- the quantity of gold reserves at our mines;
- future gold and silver prices; and
- future operating and capital costs to mine and process our reserves over extended periods of time (5 to 25 years).

In 2000 we recorded a $1.3 billion provision to reduce the carrying values of various assets. With the recent rise in spot gold prices, the current likelihood of a significant impairment at our operating mines has diminished. Based on a long-term gold price of $300 per ounce and our gold mineral reserves at December 31, 2002, we have completed a sensitivity analysis that indicates that a 10% decrease in net cash flows resulting from a combination of a lower spot gold price and an increase in operating and capital costs at each of our properties would not result in the recognition of a provision for impairment.

Reclamation and closure costs

Our mining, exploration and development activities are subject to various levels of federal, provincial and state laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties. In general, these laws and regulations are continually changing and, over time, becoming more restrictive.

We estimate that future site reclamation and closure obligations will be $169 million at our closed mines and $292 million at our operating mines. At December 31, 2002, we had fully accrued for the future costs at our closed mines ($169 million), and we had accrued $112 million for our current operating mines. Based on our existing accounting policy, the remaining $180 million for our operating mines will be accrued over their estimated lives, based on the units of production method as gold is produced and sold. Changes in estimated costs are recognized prospectively as a revision to future cost accruals.

Our operating mines and approximately 50 closed mines are located in the United States, Canada, Australia, Chile, Peru and Tanzania. We expect to spend about $135 to $160 million over the next five years on reclamation and closure activities, with about 85% of these amounts at our closed mines. Our current operating mines have estimated productive lives, based on reserves at December 31, 2002, ranging from 2 to 25 years.

Significant management judgements and estimates are made when estimating reclamation and closure costs, which will be incurred, in some cases, many years from the date of estimate. A 10% change in the current overall estimate of reclamation and closure costs for our closed mines would increase or decrease net income by about $12 million or $0.02 per share. A 10% change at each of our operating mines may not have a significant effect on net income in a period because the effect of the change would be accrued over the estimated remaining life of each mine.

Valuation allowances against future income tax assets

For each future income tax asset, we evaluate the likelihood of whether some portion or all of the asset will not be realized. This evaluation is based on, among other things, expected levels of future taxable income. If, based on the

weight of available evidence, we determine that it is more likely than not (a likelihood of more than 50 percent) that all or some portion of a future income tax asset will not be realized, then we record a valuation allowance against it. As of December 31, 2002, we have recorded a valuation allowance of $436 million on a portion of our net future income tax assets totaling $497 million.

Our most significant valuation allowances, and the related tax jurisdictions are:

(millions)	Valuation allowance
United States	$ 166
Chile/Argentina	113
Tanzania	83
Canada	67
Other	7
	$ 436

In the United States, Chile and Argentina, valuation allowances relate to tax assets in subsidiaries that do not have any present sources of income against which to utilize the assets. In the event these subsidiaries have sources of income in the future, we may be able to reduce the level of valuation allowances recorded.

In Canada, substantially all of the valuation allowances relate to capital losses that will only be utilized if we realize any capital gains in the future.

In Australia, the valuation allowances relate to operating losses in subsidiaries that have had a history of losses over the last three years. In the event there is a sustained upward movement in the price of gold or other factors occur that increase the profitability of these subsidiaries over the next few years, we may reduce the level of valuation allowances against these assets.

In Tanzania, the tax legislation provides for a compounding of unused tax depreciation which results in an additional deduction for tax purposes for amounts spent on property, plant and equipment. After considering the effect of this compounding, and the expected levels of future taxable income at the Bulyanhulu Mine, we recorded a valuation allowance against the portion of the future income tax assets that we believe will more than likely not be realized. In the event that levels of future taxable income at Bulyanhulu are higher than we presently expect, which could be because of a number of factors, including a sustained upward movement in gold prices, operating efficiencies or the discovery of additional reserves, we may reduce the level of valuation allowances against these assets.

In future years, levels of taxable income will be affected by, among other things, changes in gold prices, cash operating costs, proven and probable gold reserves, interest rates and foreign currency exchange rates. Significant changes in these and other factors could have a material impact on the amount of valuation allowances recorded and on income tax expense.

Contingencies

We account for contingencies in accordance with CICA Handbook Section 3290, Contingencies (“Section 3290”). Section 3290 requires that we record an estimated loss from a loss contingency when information available prior to issuance of our financial statements indicates that it is likely that a future event will confirm that an asset has been impaired or a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur — and typically those events will occur a number of years in the future. We assess such contingent liabilities, which inherently involves the exercise of significant management judgement and estimates of the outcome of future events.

Income tax contingencies

We record liabilities for known tax contingencies when, in our judgement, it is likely that a liability has been incurred. It is reasonably possible that actual amounts payable resulting from audits by tax authorities could be materially different from the liabilities we have recorded, due to the complex nature of the tax legislation that affects us.

As described in note 21 to our financial statements, we have recorded current and future income tax liabilities of $141 million for the cost arising from the denial by the Peruvian tax authorities (SUNAT) of our right to revalue the Pierina mining concession. This reduction on the Pierina cost base for tax purposes results in a temporary difference between income for tax and accounting purposes, and the recognition of liabilities for income taxes under our accounting policy

for income taxes. We have appealed this decision, a process that we expect to take several years. Until the appeal is resolved, we will not be required to make any payments of this incremental tax liability. However, if at the end of the appeal process we are unsuccessful, we will be required to pay SUNAT the additional taxes owing at that time. Through the end of 2002, the impact on current income taxes payable amounts to $41 million, and this current part will continue to increase each year up to the full $141 million over the remaining life of the mine.

We have not recorded any potential interest and penalties, currently estimated at $51 million based on the SUNAT assessment, because we believe that it is not likely that these amounts are payable to SUNAT. A liability for interest and penalties will only be recorded should it become likely that SUNAT's position on interest and penalties will be upheld or settled. In the event that we are unsuccessful in our appeal of the assessment of interest and penalties in Peru, based on the amounts potentially payable at the end of 2002, we would recognize a charge of about $51 million ($0.09 per share).

Legal contingencies

As described in note 21 to our financial statements, we are involved in claims and legal proceedings, the resolution of which could have a material effect on our financial condition or future results of operations. In assessing these contingencies, we evaluated the perceived merits of the legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or that we expect to seek.

Inmet Litigation

As disclosed in note 21 to our financial statements, we have accrued the amount of judgement awarded to Inmet, and in August 2002 we posted a letter of credit for C$95 million pending a decision on our appeal. We expect to receive a decision on our appeal in 2004, at which time, if we are unsuccessful, we will be required to satisfy the judgement.

In the event that the income tax and Inmet contingencies described above and that we have recorded in our financial statements are resolved in our favor, we would recognize in income gains of about $182 million ($0.34 per share), net of tax, in aggregate.

OFF-BALANCE SHEET ARRANGEMENTS

We do not enter into off-balance sheet arrangements with special purpose entities in the normal course of our business, nor do we have any unconsolidated affiliates. In the case of joint ventures, our proportionate interest for consolidation purpose is equivalent to the economic returns to which we are entitled as a joint venture partner. Our only significant off-balance sheet arrangements are our gold sales contracts.

GOLD SALES CONTRACTS

Overview

We have entered into gold sales contracts with high quality banking counterparties. The banking counterparties with whom we enter into these contracts engage in derivative transactions with numerous third parties in addition to us. We do not have any relationships with special purpose entities whose sole business purpose is to enter into derivative transactions with us.

We use gold sales contracts to protect our earnings and cash flow from declining gold prices, while permitting us to sell our gold production in the gold spot market in a rising gold price environment, as we have done in early 2003. At the end of 2002, our gold sales commitments under these contracts totaled 18.1 million ounces.

We account for these agreements as executory sales contracts with the proceeds under the contract recorded as revenue at the date we physically deliver gold to the counterparties.

Under these contracts:

1. We can deliver gold to meet our commitments at any time we choose over periods of up to 10 or 15 years. We have the flexibility over this period to sell our production in either the spot gold market or through these contracts. Generally, our strategy is to sell our gold production in the spot market if the market price exceeds the price under our sales agreements.

2. We are not subject to any margin calls, regardless of the price of gold.

3. There are no credit downgrade provisions in these contracts.

4. We carefully manage credit exposure to our counterparties under these contracts. Generally, the counterparties have credit ratings of "AA", and any credit exposure is spread over the 19 counterparties.

5. We regularly review our gold sales commitments to ensure that we have the gold mineral reserves and future gold production that substantially exceed our contract commitments.

Through the use of these contracts over the last three years, we have realized higher revenues than if we had sold our gold production in the spot gold market at average spot gold prices. The benefits of using these contracts can be illustrated as follows:

Revenue from Forward Sales Contracts

	2002	2001	2000
Total revenues from contract sales (millions)	$ 1,381	$ 1,179	$ 1,220
Average contract selling price ($/oz)	$ 347	$ 354	$ 363
Average spot price ($/oz)	$ 310	$ 271	$ 279
Incremental revenues from contracts in excess of average spot gold prices (millions)	$ 148	$ 276	$ 299

The terms of our gold sales contracts provide flexibility and benefits that we believe are unique to us and unavailable to any other gold producer. We are able to realize benefits from the contracts mainly because we are able to choose a suitable delivery date at any time over the 10 to 15 year term of the contract. Over this period, we can sell our gold at the spot price, but if the spot price is lower than the contract price, our production is protected because we are able to sell at the contract price. These advantageous terms reflect, among other things, our strong credit rating and our high quality, long-life, low-cost asset base. We believe that the benefits we derive from these contracts give us a substantial economic and financial advantage over other companies in the gold mining industry.

The main factors that affect our future ability to derive benefits from these agreements are two financial covenants, which are based on our financial statements prepared under US GAAP: maintain a consolidated net worth of at least $2 billion (2002 — $3.3 billion) and our debt to equity ratio must not exceed 1.5:1 (2002 — less than 0.25:1).

Key Contract terms and conditions
Spot deferred sales contracts

A spot deferred sales contract is an agreement that we will sell a fixed number of ounces of gold to the contract counterparty on a delivery date in the future at an agreed price. We have the flexibility to choose the delivery date at any time over a 10 to 15 year period from the start of the contract. Our rights and obligations under these contracts are defined by Master Trading Agreements ("MTA's") that we have executed with our counterparties.

The selling price under the contract is based on the forward price of gold at the future delivery date, which is essentially a function of the spot gold price on the date the contract is entered into plus a premium (commonly referred to as "contango") through the future delivery date. The amount of contango is often quoted as a percentage return that reflects the spread between market LIBOR interest rates (i.e., US dollar interest rates) and gold lease rates. Generally, US dollar interest rates are higher than the gold lease rate, which means that the future price is higher than the current price under the contract. The longer the period of time until delivery, the greater the amount of the forward premium or contango and — so long as US dollar interest rates are higher than gold lease rates — the greater the contract price compared to the spot price at the start of the contract.

Over the past five years, three-month US dollar interest rates have averaged 4.6% and gold lease rates have averaged 1.2%, resulting in an average contango rate of 3.4%. With the recent decline in interest rates, three-month US dollar interest rates have been about 1.8% and gold lease rates have been about 0.4%, resulting in a contango rate of 1.4%. The level of contango rates is one of the most significant factors that affect the price we realize from these contracts. At the end of 2002, the average rate of contango implied in our gold spot deferred contracts was 3.2%. The selling prices under our spot deferred contracts are fixed over an average future period of two years.

Beyond the dates that contango is presently fixed, future premiums earned under the spot deferred contracts will be based on market contango rates at that time, for those future periods until the actual delivery date. In the event gold lease rates are higher than US dollar interest rates, the "premium" becomes negative (known as "backwardation"). Over the past five years, backwardation has occurred only once, and only for a period of two days.

Since we have the flexibility to deliver gold under our sales contracts at any time over the next 10 to 15 years, we can sell our gold at the higher of the spot price or the contract price well into the future. In the event spot prices consistently

exceed the contract price for the next 10 to 15 years, and assuming that we choose to deliver our gold at spot prices over this period, we would eventually deliver gold at a price of about $500 per ounce under our existing contracts (assuming typical historical long-term contango rates of 4%); however, if today's low interest rate environment persists, the forward price of the contract would rise to about $400 per ounce. By choosing to deliver gold at higher spot gold prices, we are able to take advantage of those higher prices, but it remains probable that we will physically deliver gold over the term of the contract, and we will not be required to cash settle the contracts. In most cases, under the terms of our MTA's, the period over which we are required to deliver gold is extended annually by one year, or kept "evergreen," regardless of our intended delivery dates, unless otherwise notified by the counterparty. This means that, with each year that passes, the Termination Date is extended into the future by one year.

Variable price sales contracts

A variable price sales contract is a version of our spot deferred sales contract, the difference being that the price of gold is variable within certain limits. While most of our spot deferred contracts are to sell gold at a fixed price in the future, the "variable price" sales contracts have a variable price for gold, typically either i) within a range, or ii) capped to a maximum level based on the spot price at an agreed future date.

The variable price sales contracts enjoy all the same benefits and flexibility as our spot deferred sales contracts: we can deliver gold against our variable price sales contracts at any time up to 10 to 15 years in the future; most contracts have the "evergreen" clause; and they are not subject to margin calls.

Significance of mark-to-market gains and losses

Mark-to-market gains and losses represent unrealized changes in the fair value of our gold sales contracts. For example, if we had a contract to sell gold currently at $340 an ounce and the spot price of gold was $375 an ounce, then the mark-to-market value of the contract is about negative $35 per ounce. This has no impact on the selling price under the contract, which remains intact at $340 per ounce.

The mark-to-market value represents a calculation of the fair value of the contracts at a point in time, based on market conditions at that time. Because we intend to physically deliver future production against our sales contracts, we do not expect to ever have to financially settle this gain or loss and record it in our income statement. On delivery of gold under the contract, we receive cash equivalent to the selling price in the contract and we record this amount under gold sales in our income statement. Therefore, we do not expect a significant increase in the price of gold and an adverse change in the mark-to-market value of these contracts to result in the mark-to-market value being recorded in our earnings and cash flow.

A short-term spike in gold lease rates would not have a material negative impact on us because we are not exposed under our gold sales contracts to short-term gold lease rate variations. A prolonged rise in gold lease rates could result in lower contango (or negative contango i.e. "backwardation") and therefore a smaller forward premium (or backwardation) under the contract. However, because of the large amount of Central Bank gold available for lending relative to demand, gold lease rates tend to be low and any spikes short-lived.

The estimated fair value of the gold contracts at December 31, 2002 was approximately negative $639 million, and the fair value of silver contracts was $7 million positive. The most significant factors affecting this mark-to-market value are spot gold prices and market contango rates. The mark-to-market value of our gold sales contracts would approach zero (breakeven) at a spot gold price of approximately $310 per ounce, assuming all other variables are constant.

The fair value of our foreign currency contracts at December 31, 2002 was $25 million positive. The value of gold contracts is based on the net present value of cash flows under the contracts, based on a gold spot price of $347 per ounce and market rates for Libor and gold lease rates. The year-to-date change in the fair value of our gold contracts is detailed as follows:

Continuity Schedule of the Change in the Mark-to-Market

Value of our Gold Sales Contract Position (millions)

Fair value as at December 31, 2001 — Gain	$ 356
Impact of realized gains in the year	(168)
Impact of change in spot price (from $279 per ounce to $347 per ounce)	(1,353)
Contango earned in the year	182
Impact of change in valuation inputs other than spot metal prices (e.g., interest rates, lease rates, and volatility)	344
Fair value as at December 31, 2002 — Loss	$ (639)

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

(millions)	Payments due in 2003	2004-2005	2006-2007	2008+	Total
Contractual obligations					
Long-term debt	$ 20	$ 72	$ 568	$ 114	$ 774
Reclamation and closure costs	45	51	50	357	503
Capital leases	—	3	—	—	3
Operating leases	6	7	5	10	28
Purchase obligations:					
Supplies inventory and consumables	50	21	4	—	75
Power contracts	18	24	44	—	86
Capital expenditures	20	—	—	—	20
Other	57	20	18	19	114
Total	$ 216	$ 198	$ 689	$ 500	$ 1,603

Long-term debt

Our debt obligations do not include any subjective acceleration clauses or other clauses that enable the holder of the debt to call for early repayment, except in the event that we breach any of the terms and conditions of the debt. We are not required to post any collateral under any debt obligations, and the terms of the obligations would not be affected by a deterioration in our credit rating.

Reclamation and closure costs

The amounts included in the table for reclamation and closure costs represent our present legal obligations for costs at all our existing operating mines and mines in various stages of closure. For those mining operations where our interest is in a joint venture arrangement, the table reflects our proportionate share of the liability for reclamation and closure costs.

Under our present accounting policy, we accrue these costs on an undiscounted basis, using the units of production method over the life of each mine. After closure, changes to future cost estimates are recorded in earnings as they occur. The liability recorded on our balance sheet under this accounting policy represents the difference between costs accrued to date and actual payments made.

The most significant contingent liability relating to reclamation and closure activities, which is not recorded on our balance sheet, relates to potential obligations to monitor water quality and treat ground water on an ongoing basis. We record a liability for these activities if environmental laws and regulations require us to conduct these activities.

Power Purchase Agreements

We enter into contracts to purchase power at each of our operating mines. The contracts provide for fixed prices, which in certain circumstances are adjusted for inflation. Some agreements obligate us to purchase fixed quantities per hour, seven days a week, while others are based on a percentage of actual consumption. These contracts extend through various dates in 2004 to 2007.

In addition to the purchase obligations set out in the table, we purchase about 0.9 billion kilowatt-hours annually at market rates that were about 7 cents per kilowatt-hour in 2002. Under the terms of one contract, we purchase power based on actual consumption, which has an exit fee of $12 million should we decide to switch to an alternate power supplier.

COMMITMENTS

Royalties

Virtually all of our royalty commitments only give rise to obligations at the time we produce gold. In the event that we do not produce gold at our mining properties, we have no obligation to the royalty holders. The amounts that we expect to pay in the future are: 2003 — $37 million; 2004 to 2005 — $92 million; 2006 to 2007 — $89 million; and 2008 and beyond — $297 million. These amounts are estimated based on our expected gold production from proven and probable reserves for the periods indicated, assuming a $300 gold price. The most significant royalty arrangements are disclosed in note 4 to our financial statements.

Payments to maintain land tenure and mineral property rights

In the normal course of business, we are committed to make annual payments to maintain title to certain of our properties and to maintain our rights to mine gold at certain of our properties. In the event we choose to abandon a property or discontinue mining operations, the payments relating to that property can be suspended, resulting in our rights to the property lapsing.

NON GAAP MEASURES

We have included cash costs per ounce data because we understand that certain investors use this information to assess our performance and also determine our ability to generate cash flow for use in investing and other activities. The inclusion of cash costs per ounce statistics enables investors to better understand year-on-year changes in production costs, which in turn affect our profitability and cash flow. We also make reference to the term "free cash flow," which we define as cash flow from operations less cash used in the purchase of property, plant and equipment. This cash is available to reinvest in our business or to return to shareholders, either through dividends or share repurchases. Because we operate in a capital-intensive industry, the illustration of free cash flow enables investors to appreciate the year-on-year performance of our mines in generating cash for other purposes. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The measures are not necessarily indicative of operating costs or cash flow measures presented under GAAP.

Reconciliation of Cash Costs per Ounce

(in millions of US dollars except per ounce amounts)	2002	2001	2000
Operating costs per financial statements	$ 1,073	$ 633	$ 533
Reclamation, closure and other costs [1]	(45)[1]	(17)	(13)
Operating costs for per ounce calculation	$ 1,028	$ 616	$ 520
Ounces sold (thousands)	5,805	3,879	3,614
Total cash costs per ounce	$ 177	$ 159	$ 144

(1) In 2002, includes costs totaling $15 million in connection with the Peruvian tax assessment. Total cash costs per ounce data is calculated in accordance with The Gold Institute Production Cost Standard (the "Standard"). Adoption of the Standard is voluntary, and the data presented may not be comparable to data presented by other gold producers. Cash costs per ounce are derived from amounts included in the Statements of Income and include mine site operating costs such as mining, processing, administration, royalties and production taxes, but exclude amortization, reclamation costs, financing costs, and capital, development and exploration.

Reconciliation of Free Cash Flow (in millions)

	2002	2001	2000
Free cash flow	$ 361	$ 130	$ 174
Capital expenditures and mine development costs	291	549	698
Operating cash flow	$ 652	$ 679	$ 872

QUARTERLY INFORMATION (in millions, except per share data)

	March		June		September		December	
(Canadian GAAP basis)	2002	2001	2002	2001	2002	2001	2002	2001
Gold sales	$ 475	$ 340	$ 483	$ 338	$ 468	$ 306	$ 521	$ 340
Net income	$ 28	$ 77	$ 52	$ 66	$ 38	$ 63	$ 111	$ 65
Net income per share								
Basic and diluted	$ 0.05	$ 0.19	$ 0.10	$ 0.17	$ 0.07	$ 0.16	$ 0.20	$ 0.16

EXHIBIT 5



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CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation in the Registration Statements on Form F-9/F-3 (File Nos. 333-6756 and 333-6756-1) and Form F-3 (File No. 333-14148) of Barrick Gold Corporation of our reports dated February 5, 2003 relating to the consolidated financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 40-F. We also consent to the incorporation by reference of our reports dated February 5, 2003, which appears in this Form 40-F.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Toronto, Ontario
May 14, 2003

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

EXHIBIT 6

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ENACTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

Barrick Gold Corporation (the "Company") is filing with the U.S. Securities and Exchange Commission on the date hereof, its annual report on Form 40-F for the fiscal year ended December 31, 2002 (the "Report").

I, Gregory C. Wilkins, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

a) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 16, 2003

A signed original of this written statement required by section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ GREGORY C. WILKINS

Name: Gregory C. Wilkins
Title: President and Chief Executive Officer

EXHIBIT 7

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ENACTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

Barrick Gold Corporation (the "Company") is filing with the U.S. Securities and Exchange Commission on the date hereof, its annual report on Form 40-F for the fiscal year ended December 31, 2002 (the "Report").

I, Jamie C. Sokalsky, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

a) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 16, 2003

A signed original of this written statement required by section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ JAMIE C. SOKALSKY

Name: Jamie C. Sokalsky
Title: Senior Vice President and Chief Financial Officer