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

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

For Fiscal year ended: December 31, 2008 **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)

Brookfield Place
TD Canada Trust Tower
Suite 3700
161 Bay Street, P.O. Box 212
Toronto, Canada M5J 2S1
(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:

x Annual Information Form x 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 872,471,775

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 x

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 x No o

CONTROLS AND PROCEDURES

The disclosure provided under “Controls and Procedures” on page 110 of Exhibit 99.1, Barrick’s Annual Information Form, is incorporated by reference herein.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Barrick’s “Management’s Report on Internal Control Over Financial Reporting” contained in Exhibit 99.2 is incorporated by reference herein.

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

The disclosure provided under “Independent Auditors’ Report” on pages 80 through 81 of Exhibit 99.3, Barrick’s Comparative Audited Consolidated Financial Statements, is incorporated by reference herein.

AUDIT COMMITTEE

The disclosure provided under “Composition of the Audit Committee” on pages 108 through 109 of Exhibit 99.1, Barrick’s Annual Information Form, is incorporated by reference herein. Barrick has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended.

CODE OF ETHICS

Barrick has adopted a code of ethics entitled, “Barrick Gold Corporation Code of Business Conduct and Ethics”. The Code of Business Conduct and Ethics applies to all directors, officers and employees of Barrick, including Barrick’s principal executive officer, principal financial officer and principal accounting officer. The Code of Business Conduct and Ethics is available at Barrick’s Internet website, www.barrick.com, in the Company — Corporate Governance section and is available in print to any shareholder upon written request to the Secretary of Barrick.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The disclosure provided under “External Auditor Service Fees” on pages 109 through 110 of Exhibit 99.1, Barrick’s Annual Information Form, is incorporated by reference herein.

AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

The disclosure provided under “Audit Committee Pre-Approval Policies and Procedures” on page 109 of Exhibit 99.1, Barrick’s Annual Information Form, is incorporated by reference herein. No audit-related fees, tax fees or other non-audit fees were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Regulation S-X.

OFF-BALANCE SHEET ARRANGEMENTS

The disclosure provided under “Off-Balance Sheet Arrangements” on pages 58 to 61 of Exhibit 99.4, Management’s Discussion and Analysis of Financial and Operating Results, is incorporated by reference herein.

CONTRACTUAL OBLIGATIONS

The disclosure provided under “Contractual Obligations and Commitments” on page 61 of Exhibit 99.4, Management’s Discussion and Analysis of Financial and Operating Results, is incorporated by reference herein.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking

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

The Registrant’s annual report on Form 40-F is incorporated by reference into the Registration Statement on Form F-9 and Form F-3 of the Registrant, Barrick North America Finance LLC and Barrick Gold Financeco LLC (File Nos. 333-151327, 333-151327-02 and 333-151327-01).

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: Senior Vice President, Assistant General Counsel and Secretary
Dated: March 30, 2009

EXHIBIT INDEX

Exhibits	Description
99.1	Annual Information Form dated as of March 30, 2009
99.2	Management's Report on Internal Control Over Financial Reporting
99.3	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, 2008 and 2007 and for the years ended December 31, 2008, 2007 and 2006, together with the Independent Auditors' report thereon
99.4	Barrick Gold Corporation's Management's Discussion and Analysis (US GAAP) for the year ended December 31, 2008
99.5	Consent of PricewaterhouseCoopers LLP
99.6	Consent of PricewaterhouseCoopers LLP
99.7	Certification of Aaron W. Regent required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of Sarbanes-Oxley Act of 2002
99.8	Certification of Jamie C. Sokalsky required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of Sarbanes-Oxley Act of 2002
99.9	Certification of Aaron W. Regent pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of Sarbanes-Oxley Act of 2002
99.10	Certification of Jamie C. Sokalsky pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of Sarbanes-Oxley Act of 2002

Exhibit 99.1



BARRICK GOLD CORPORATION
Brookfield Place
TD Canada Trust Tower, Suite 3700
P.O. Box 212
161 Bay Street
Toronto, Ontario
M5J 2S1

ANNUAL INFORMATION FORM

For the year ended December 31, 2008

Dated as of March 30, 2009

BARRICK GOLD CORPORATION
ANNUAL INFORMATION FORM

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GLOSSARY OF TERMS

Assay

Analysis to determine the amount or proportion of the element of interest contained within a sample.

Autoclave system

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

Ball mill

A horizontal rotating steel cylinder which grinds ore to fine particles. The grinding is carried out by the pounding and rolling of a charge of steel balls carried within the cylinder.

By-product

A secondary metal or mineral product that is recovered along with the primary metal or mineral product during the ore concentration process.

Carbonaceous

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

Concentrate

A processing product containing the valuable ore mineral from which most of the waste mineral has been eliminated.

Contained ounces

Represents total ounces in a mineral reserve before reduction to account for 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

Breaking of ore from the size delivered from the mine into smaller and more uniform fragments to be then fed to grinding mills or to a leach pad.

Cut-off grade

The minimum metal grade at which material can be economically mined and processed (used in the calculation of ore reserves).

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 and/ or waste rock.

Dilution

Sub-economic material that is unavoidably included with the mined ore, lowering the mined grade.

Doré

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

Drift

A horizontal tunnel generally driven within or alongside an orebody and aligned parallel to the long dimension of the ore.

Drift-and-fill

A method of underground mining used for flat-lying mineralization or where ground conditions are less competent.

Drilling

Core: a drilling method that uses a rotating barrel and an annular-shaped, diamond-impregnated rock-cutting bit to produce cylindrical rock cores and lift such cores to the surface, where they may be collected, examined and assayed.

Reverse circulation: a drilling method that uses a rotating cutting bit within a double-walled drill pipe and produces rock chips rather than core. Air or water is circulated down to the bit between the inner and outer wall of the drill pipe. The chips are forced to the surface through the centre of the drill pipe and are collected, examined and assayed.

Conventional rotary: a drilling method that produces rock chips similar to reverse circulation except that the sample is collected using a single-walled drill pipe. Air or water circulates down through the center of the drill pipe and returns chips to the surface around the outside of the pipe.

In-fill: The collection of additional samples between existing samples, used to provide greater geological detail and to provide more closely-spaced assay data.

Exploration

Prospecting, sampling, mapping, diamond-drilling and other work involved in locating the presence of economic deposits and establishing their nature, shape and grade.

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 gangue or waste.

Grade

The amount of metal 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.

Grinding (Milling)

Powdering or pulverising of ore, by pressure or abrasion, to liberate valuable minerals for further metallurgical processing.

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.

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 underground 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 may or may not be filled with supporting material.

Metric conversion

Troy ounces	×	31.10348	=	Grams
Troy ounces per short ton	×	34.28600	=	Grams per tonne
Pounds	×	0.00045	=	Tonnes
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. Also the device used to perform grinding (milling).

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 mine

A mine where materials are removed entirely from a working that is open to 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 is contiguous and can be mined economically.

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 will be readily dissolved.

Qualified Person

See “Scientific and Technical Information”.

Realized Price

See “Non-GAAP Financial Measures — Realized Price”.

Reclamation

The process by which lands disturbed as a result of mining activity are modified to support beneficial land use. Reclamation activity may include the removal of buildings, equipment, machinery and other physical remnants of mining, closure of tailings storage facilities, leach pads and other mine features, and contouring, covering and re-vegetation of waste rock 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.

Refining

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

Refractory material

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

Roasting

The treatment of sulphide ore by heat and air, or oxygen enriched air, in order to oxidize sulphides and remove other elements (carbon, antimony or arsenic).

Shaft

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

Tailings

The material that remains after all economically and technically recoverable precious metals have been removed from the ore during processing.

Tailings storage facility

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

See “Non-GAAP Financial Measures — Total Cash Costs”.

REPORTING CURRENCY, FINANCIAL AND RESERVE 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 2008 and the exchange rate at December 31, 2008 were one Canadian dollar per 0.9382 and 0.8166 U.S. dollars, respectively. For Australian dollars to U.S. dollars, the average exchange rate for 2008 and the exchange rate at December 31, 2008 were one Australian dollar per 0.8525 and 0.6928 U.S. dollars, respectively.

Barrick Gold Corporation (“Barrick” or the “Company”) prepares its financial statements in accordance with United States generally accepted accounting principles (“U.S. GAAP”). Accordingly, unless otherwise indicated, financial information in this Annual Information Form is presented in accordance with U.S. GAAP. The audited consolidated financial statements of the Company for the year ended December 31, 2008 (the “Consolidated Financial Statements”) are incorporated by reference in this Annual Information Form. The Consolidated Financial Statements are available electronically from the Canadian System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com and from the U.S. Securities and Exchange Commission’s (the “SEC”) Electronic Document Gathering and Retrieval System (“EDGAR”) at www.sec.gov.

Mineral reserves have been calculated in accordance with *National Instrument 43-101 — Standards of Disclosure for Mineral Projects* (“National Instrument 43-101”), as required by Canadian securities regulatory authorities. For United States reporting purposes, Industry Guide 7 (under the U.S. *Securities Exchange Act of 1934*), as interpreted by Staff of the SEC, applies different standards in order to classify mineralization as a reserve (See Note 7 of “ — Notes to the Mineral Reserves, Resources and Reconciliation Tables” in “Narrative Description of the Business — Mineral Reserves and Mineral Resources”). For U.S. reporting purposes, as at December 31, 2008, the mineralization at Cerro Casale was classified as mineralized material and approximately 600,000 ounces of reserves at Pueblo Viejo (Barrick’s 60% interest) were classified as mineralized material. In addition, while the terms “measured”, “indicated” and “inferred” mineral resources are required pursuant to National Instrument 43-101, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC, and mineral resource information contained herein is not comparable to similar information regarding mineral reserves disclosed in accordance with the requirements of the SEC. Investors should understand that “inferred” mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. In addition, investors are cautioned not to assume that any part or all of Barrick’s mineral resources constitute or will be converted into reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Changes in Definitions of Non-GAAP Measures

Barrick uses certain non-GAAP financial measures in its financial reports. In this Annual Information Form, Barrick has changed the definition of “total cash costs” and “realized price”. For a description of the change in the definition of (a) “adjusted net income”, please see pages 72 and 73 of Barrick’s Management’s Discussion and Analysis of Financial and Operating Results for the year ended December 31, 2008 contained in Barrick’s 2008 Annual Report (the “MD&A”), (b) “total cash costs”, please see pages 38 and 73 to 74 of the MD&A, (c) “EBITDA”, please see page 75 of the MD&A, (d) “realized price”, please see pages 75 to 76 of the MD&A, and (e) “cash margin”, please see page 76 of the MD&A. See “Non-GAAP Financial Measures” for a detailed discussion of

each of the non-GAAP measures used in this Annual Information Form.

FORWARD-LOOKING INFORMATION

Certain information contained or incorporated by reference in this Annual Information Form, including any information as to Barrick's strategy, plans or future financial or operating performance, 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 us, 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: the impact of global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future cash flows; fluctuations in the currency markets (such as Canadian and Australian dollars, South African rand, Chilean peso, Argentine peso, Peruvian sol and Papua New Guinean kina versus U.S. dollar); fluctuations in the spot and forward price of gold, copper or certain other commodities (such as silver, diesel fuel and electricity); changes in U.S. 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, Dominican Republic, Australia, Papua New Guinea, Chile, Peru, Argentina, Tanzania, South Africa, Pakistan, Russia or Barbados or other countries in which we do or may carry on business in the future; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; employee relations; availability and costs associated with mining inputs and labor; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our 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 mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion or copper cathode losses (and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. 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 — 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, 2008" 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 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 SEC 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, except as required by applicable law.

SCIENTIFIC AND TECHNICAL INFORMATION

Unless otherwise indicated, scientific or technical information in this Annual Information Form relating to mineral reserves or mineral resources is based on information prepared by employees of Barrick, its joint venture partners or its joint venture operating companies, as applicable, under the supervision of, or has been reviewed by, Ivan Mullany, Senior Director, Metallurgy and Process Development, Technical Services of Barrick, Rick Allan, Senior Director, Mining of Barrick, and Rick Sims, Senior Director, Resources and Reserves of Barrick.

Scientific or technical information in this Annual Information Form relating to the geology of particular properties and exploration programs is based on information prepared by employees of Barrick, its joint venture partners or its joint venture operating companies, as applicable, under the supervision of Robert Krcmarov, Senior Vice President, Global Exploration of Barrick.

Each of Messrs. Mullany, Allan, Sims and Krcmarov 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 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 Company ("Homestake"), the Company amended its articles to create a special voting share, which has special voting rights designed to permit holders of Barrick Gold Inc. (formerly Homestake Canada Inc.) ("BGI") exchangeable shares to vote as a single class with the holders of Barrick common shares. In March 2009, in connection with Barrick's redemption of all of the outstanding BGI exchangeable shares, the single outstanding special voting share outstanding was redeemed and cancelled. In connection with its acquisition of Placer Dome Inc. ("Placer Dome"), Barrick amalgamated with Placer Dome pursuant to articles of amalgamation dated May 9, 2006 (see " — General Development of the Business"). In connection with the acquisition of Arizona Star Resources Corp. ("Arizona Star"), Barrick amalgamated with Arizona Star pursuant to articles of amalgamation dated January 1, 2009. Barrick's head and registered office is located at Brookfield Place, TD Canada Trust Tower, 161 Bay Street, Suite 3700, Toronto, Ontario, M5J 2S1.

Subsidiaries

A significant portion of Barrick's business is carried on through its subsidiaries. A chart showing Barrick's mines, projects, related operating subsidiaries, other significant subsidiaries and certain associated subsidiaries as at March 17, 2009 and their respective locations or jurisdictions of incorporation, as applicable, is set out at the end of this "General Information" section. All subsidiaries, mines and projects referred to in the chart are 100% owned, unless otherwise noted.

Areas of Interest

A map showing Barrick's mining operations and projects as at March 17, 2009 is set out at the end of this "General Information" section.

General Development of the Business

Barrick entered the gold mining business in 1983 and is now the leading gold mining company in the world in terms of production, reserves and market capitalization. The Company has operating mines or projects in Canada, the United States, Dominican Republic, Australia, Papua New Guinea, Peru, Chile, Argentina, Pakistan, Russia, South Africa and Tanzania. The Company's principal products and sources of earnings are gold and copper.

During its first ten years, Barrick focused on acquiring and developing properties in North America, notably the Company's Goldstrike property on the Carlin Trend in Nevada. Since 1994, Barrick has strategically expanded beyond its North American base and now also operates in Chile, Peru, Argentina, the Dominican Republic, Tanzania, Australia, Papua New Guinea and Pakistan.

Barrick has employed a strategy that involves acquisitions, a district development program and exploration. In 2006, Barrick completed the acquisition of Placer Dome, which included twelve mines and four significant projects. In connection with the acquisition of Placer Dome, Barrick completed the sale to Goldcorp Inc. of all of Placer Dome's Canadian properties and operations, including all historic mining, reclamation and exploration properties, Placer Dome's interest in the La Coipa mine in Chile, and a 40% interest in the Pueblo Viejo project. Barrick sold its interest in the South Deep mine, acquired in connection with the Placer Dome acquisition, in late 2006. In 2007, Barrick continued to expand its projects through the acquisition of a 51% interest in the Cerro Casale copper-gold deposit in Chile, and a package of exploration licenses in Papua New Guinea from Highlands Pacific. Barrick also increased its interest in the Porgera mine from 75% to 95%. In 2008, Barrick increased its ownership in the Cortez property from 60% to 100%. In 2008, Barrick also acquired all of the issued and outstanding shares of Cadence Energy Inc. as well as oil and gas assets at Sturgeon Lake, Alberta from Daylight Resources Trust. The Cadence Energy Inc. and Daylight Resources Trust acquisitions together comprise Barrick Energy Inc. (formerly Cadence Energy Inc.) ("Barrick Energy"), which was formed as part of Barrick's long-term strategy to economically hedge its exposure to oil prices. In January 2009, Barrick entered into an agreement to acquire an additional 50% interest in the Hemlo property from Teck Cominco Limited in order to consolidate Barrick's 100% ownership of the Hemlo property. For additional information regarding certain of Barrick's recent acquisitions, see "General Information — Transactions" and see "Narrative Description of the Business".

Barrick's exploration strategy includes both its district development program and its early stage exploration program. The district development program involves focusing exploration on and around existing properties. Through this program, the Company discovered and brought into production the Goldstrike underground mine and related mineral deposits on the Goldstrike property and added additional resources at several of its operations.

Barrick's exploration is focused on prospective land positions and Barrick prioritizes exploration targets to optimize the investment in exploration programs. Barrick's exploration program continues to focus both on areas around our existing mines and early stage exploration activities in the United States, Canada, Peru, Tanzania, Australia, Argentina, Chile, Papua New Guinea, Russia, Pakistan and South Africa. In 2009, the exploration focus is on near mine resource additions and reserve conversion and targets that have a potential to make near term contributions to Barrick's earnings and cash flow. For

additional information regarding Barrick's exploration programs, see "Exploration, Development and Business Development".

Through a combination of acquisitions and its exploration program, Barrick has several projects at varying stages of development. The successful development of Barrick's projects is expected to have a significant impact on Barrick's future operations. Barrick expects to have a new mine entering production in each of the next three years — Buzwagi in 2009, Cortez Hills in 2010 and Pueblo Viejo in 2011. All three projects are currently on schedule and in line with their respective pre-production capital budgets. Barrick expects its 2009 project development expenses to increase from 2008, primarily as a result of its commitment to complete the feasibility studies for its Reko Diq, Cerro Casale, Donlin Creek and Kabanga projects, as well as development costs associated with the extension of the mine life at Golden Sunlight. Barrick expects 2009 capital expenditures to increase from 2008 mainly due to higher expenditures at the Pueblo Viejo, Cortez Hills and Pascua-Lama projects, partly offset by the completion of the Buzwagi project. At the Pueblo Viejo and Cortez Hills Projects, construction activities are expected to accelerate significantly in 2009. For 2009, subject to permitting and other matters, the timing of which are not in Barrick's control, Barrick expects to spend approximately $1.3 to $1.5 billion on capital expenditures for its projects. For additional information regarding Barrick's projects, see "Exploration, Development and Business Development".

Total revenues in 2008 were $7.9 billion, an increase of $1.6 billion, or 25%, compared to 2007, primarily due to higher realized gold and copper prices, which were partially offset by a decrease in sales volumes. Realized gold prices of $870 per ounce in 2008 were 41% higher than in 2007, principally due to higher market gold prices. Realized gold prices in 2007 reflected a reduction of $636 million (2006: $367 million), or $76 per ounce (2006: $44 per ounce), due to the voluntary delivery of 2.5 million ounces (2006: 1.2 million ounces) into Barrick's gold forward sales contracts at average prices below the prevailing spot price. In 2008, net income decreased by $334 million, or 30%, to a total of $785 million. This decrease relates primarily to impairment charges related to goodwill and long-lived assets of $749 million and investments of $205 million. The goodwill and long-lived asset impairments were mainly due to: higher discount factors and lower valuation multiples reflecting present equity market conditions; lower copper price assumptions, which resulted in a significant reduction in assumed production levels and remaining economic life at the Osborne copper mine; a significant decline in the oil price since the acquisition date of Barrick Energy; and the expected closure of the Henty mine on exhausting reserves in 2009.

In 2007, Barrick produced 8.06 million ounces of gold and 402 million pounds of copper. Prior to 2006, Barrick did not produce a significant amount of copper. In 2008, Barrick's production was 7.66 million ounces of gold and 370 million pounds of copper, with total cash costs of $443 per ounce and $1.19 per pound and cost of sales of $3.43 billion and $436 million, respectively (for an explanation of total cash costs per ounce/pound, refer to "Non-GAAP Financial Measures — Total Cash Costs"). Lower production in Africa, Australia and North America, partially offset by higher production in South America, contributed to the decrease in 2008 gold production from 2007. Gold production in 2008 was 403 thousand ounces or 5% lower than in 2007. (see also "Narrative Description of the Business — Production").

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

Gold Mines	Ownership(1)	2008 (thousands of ounces)	2007 (thousands of ounces)
North America			
Goldstrike Property, Nevada	100%	1,706	1,629
Eskay Creek Mine, British Columbia *(7)*	100%	13	68
Round Mountain Mine, Nevada *(2)*	50%	234	289
Hemlo Property, Ontario *(2),(9)*	50%	130	169
Marigold Mine, Nevada *(2)*	33%	48	47
Bald Mountain Mine, Nevada	100%	105	123
Cortez Mine, Nevada *(2), (6)*	100%	428	323
Turquoise Ridge Mine, Nevada *(2)*	75%	124	184
Golden Sunlight Mine, Montana	100%	120	198
Ruby Hill Mine, Nevada *(3)*	100%	98	154
Storm Mine, Nevada *(2), (4)*	60%	22	17
		3,028	3,201
South America			
Veladero Mine, Argentina	100%	536	473
Pierina Mine, Peru	100%	400	520
Lagunas Norte Mine, Peru	100%	1,175	1,086
		2,111	2,079
Australia Pacific			
Plutonic Mine, Western Australia	100%	127	208
Yilgarn South , Western Australia *(8)*	100%	325	410
Kalgoorlie Mine, Western Australia *(2)*	50%	303	304
Kanowna Mine, Western Australia	100%	267	362
Osborne Mine, Queensland, Australia	100%	33	42
Henty Mine, Tasmania	100%	61	70
Cowal Mine, Central New South Wales, Australia	100%	191	240
Porgera Mine, Papua New Guinea *(2),(5)*	95%	627	487
		1,942	2,123
Africa			
Bulyanhulu Mine, Tanzania	100%	200	243
Tulawaka Mine, Tanzania *(2)*	70%	148	125
North Mara Mine, Tanzania	100%	197	237
		545	605
Other		31	52
Company Total		7,657	8,060

(1) Barrick's interest is subject to royalty obligations at certain mines.
(2) Barrick's proportional share.
(3) The Ruby Hill mine commenced production in February 2007.
(4) The Storm mine commenced production in April 2007.
(5) Barrick increased its interest in the Porgera mine from 75% to 95% in August 2007.
(6) Barrick increased its interest in the Cortez mine from 60% to 100% in March 2008.
(7) In the first quarter of 2008, the Eskay Creek mine ceased production.
(8) Effective in the first quarter of 2008, the Darlot, Lawlers and Granny Smith mines have been consolidated under Yilgarn South for reporting purposes.
(9) In January 2009, Barrick entered into an agreement with Teck Cominco Limited to acquire the remaining 50% of the Hemlo mine.

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

Copper Mines	Ownership	2008	2007

		(millions of pounds)	(millions of pounds)
Zaldívar Mine, Chile	100%	295	315
Osborne Mine, Queensland, Australia	100%	75	87
Company Total		370	402

See Note 4 “Segment Information” to the Consolidated Financial Statements and the MD&A for further information on the Company’s operating and geographic segments.

2009 gold production is targeted at approximately 7.2 to 7.6 million ounces at expected average total cash costs of $450 to $475 per ounce and cost of sales is expected to be between $3.2 and $3.6 billion, assuming a market gold price of $850 per ounce. Lower gold production is expected in North America as a result of lower production at Goldstrike, Ruby Hill and Golden Sunlight, which is anticipated to be partly offset by increased production in Africa as production at Buzwagi is expected to begin in the second quarter of 2009. Production in South America and Australia is expected to be similar to 2008 levels. Gold cost of sales and total cash costs in 2009 are forecast to be higher than 2008 primarily due to lower production levels as a result of a decrease in gold recovery rates; an increase in waste tons mined;

and lower silver and copper by-product credits as a result of decreases in realized prices and the closure of Eskay Creek in the first quarter of 2008. Beyond 2009, gold production for 2010 is expected to increase to approximately 7.7 to 8.1 million ounces with the expected production startup of Cortez Hills, at lower cash costs. 2009 copper production is targeted at approximately 375 to 400 million pounds at expected total cash costs of approximately $1.25 to $1.35 per pound and cost of sales is expected to be between $470 and $540 million. Copper cash costs and cost of sales are expected to be higher than 2008 due principally to higher electricity costs. Gold total cash costs guidance for 2009 include currency/fuel hedge opportunity losses totaling approximately $30 per ounce based on a spot oil price assumption of $50 per barrel (WTI) and a U.S. dollar to Australian dollar exchange rate assumption of $0.70.

At December 31, 2008, proven and probable gold mineral reserves for Barrick were 138.5 million ounces with measured and indicated gold mineral resources of 65.0 million ounces of gold and inferred gold mineral resources of 34.8 million ounces. Barrick also had proven and probable copper mineral reserves of 6.4 billion pounds, with measured and indicated copper mineral resources of 12.5 billion pounds and inferred copper mineral resources of 9.9 billion pounds. For a breakdown of Barrick’s reserves and resources by category, see “Narrative Description of the Business — Mineral Reserves and Mineral Resources”.

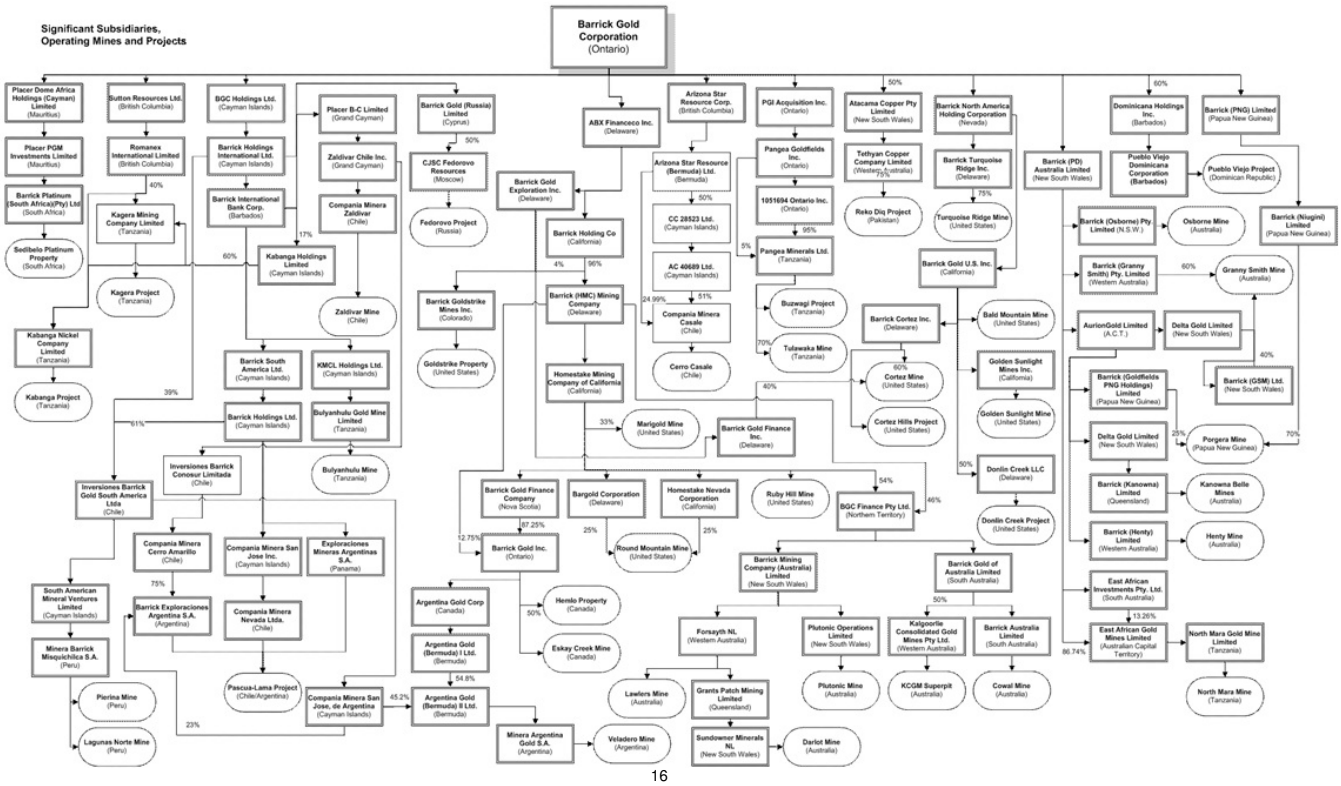
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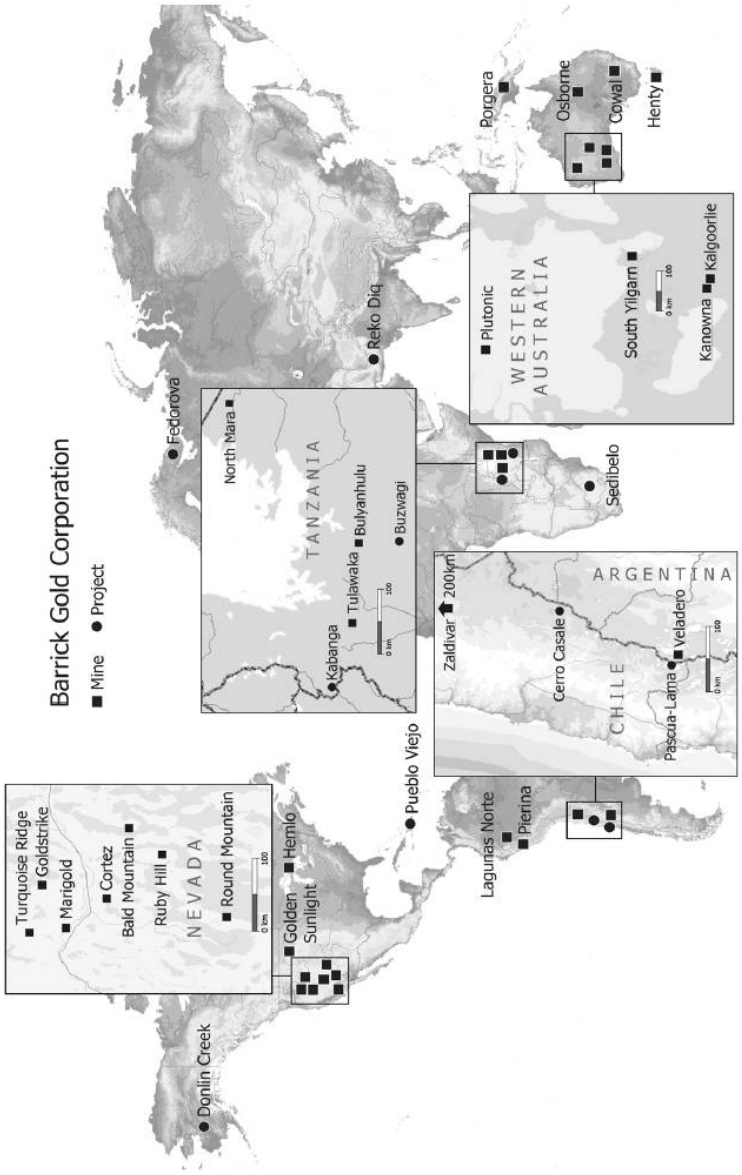
Acquisition of Arizona Star Resource Corp.

In December 2007, Barrick acquired approximately a 94% interest in Arizona Star f or cash consideration of approximately $730 million. In March 2008, Barrick acquired the remaining shares of Arizona Star by way of a compulsory acquisition. Arizona Star owns a 51% interest in the Cerro Casale deposit in the Maricunga district of Region III in Chile. Kinross Gold Corporation (“Kinross”) owns the remaining 49% of the Cerro Casale deposit.

Acquisition of Additional 40% Interest in Cortez Property

In March 2008, Barrick acquired an additional 40% interest in the Cortez property from Kennecott Explorations (Australia) Ltd., a subsidiary of Rio Tinto plc (“Rio Tinto”), for consideration of $1.695 billion in cash, with a further $50 million payable if and when an additional 12 million ounces of contained gold resources are added to Barrick’s December 31, 2007 reserve statement for Cortez, and a sliding scale royalty payable to Rio Tinto on 40% of all Cortez production in excess of 15 million ounces on and after January 1, 2008. This acquisition consolidates 100% ownership for Barrick of the existing Cortez mine and the Cortez Hills development project plus any future potential from the property.





NARRATIVE DESCRIPTION OF THE BUSINESS

Barrick is engaged in the production and sale of gold, as well as related activities such as exploration and mine development. Barrick also produces significant amounts of copper, principally from the Zaldívar mine, and holds interests in a platinum group metals development project and a nickel development project, both located in Africa, a platinum group metals project located in Russia, a copper-gold project in Pakistan and oil and gas properties located in Canada. Unless otherwise specified, the description of Barrick's business, including products, principal markets, distribution methods, employees and labor relations contained in this Annual Information Form, applies to each of its regional business units ("RBU") (as described below) and Barrick as a whole. For an explanation of total cash costs per ounce/pound, refer to "Non-GAAP Financial Measures — Total Cash Costs".

Capital Projects Group

In 2007, reflecting the importance of its projects, Barrick expanded the capacity of the group responsible for the development and construction of projects through the addition of experienced staff with the necessary specialized skill set associated with project management. In 2008, Barrick formed a dedicated Capital Projects group that is distinct from the RBUs to focus on managing large projects and building new mines. This specialized group manages all project activities up to and including the commissioning of new mines, at which point responsibility for mine operations rests with the RBUs. Efforts will continue in 2009 to enhance Barrick's capacity to deliver on its significant projects in the coming years (for additional information regarding Barrick's projects, see "Exploration, Development and Business Development").

Regional Business Units

Barrick has four RBUs: North America, Australia Pacific, Africa and South America. This structure reflects how Barrick manages its business and how it classifies its operations for planning and measuring performance. Set out below is a brief description of the mines and projects of each RBU. Each region receives direction from Barrick's corporate office, but has responsibility for certain aspects of its business, such as strategy and sustainability of mining operations, including exploration, production and closure. For details regarding 2008 production for the mines in each RBU, see "General Information — General Development of the Business". For additional details regarding each RBUs reserves and resources, see " — Mineral Reserves and Resources". See also Note 4 "Segment Information" to the Consolidated Financial Statements and the MD&A for further financial and other information on the Company's operating and geographic segments.

North America

Barrick's North American operations consist of its Goldstrike property (a material property for the purposes of this Annual Information Form, see "Material Properties — Goldstrike Property"), its Cortez property (consisting of the Cortez mine and Cortez Hills project, and also a material property for purposes of this Annual Information Form, see "Material Properties — Cortez Mine"), its 50% interest in the Round Mountain mine, its Ruby Hill mine, its Eskay Creek mine (which ceased production in the first quarter of 2008), its 50% interest in the Hemlo property, its 33% interest in the Marigold mine, its Bald Mountain mine, its Golden Sunlight mine and its 75% interest in the Turquoise Ridge mine. Barrick's North American projects are its

50% interest in the Donlin Creek project and its 60% interest in the Pueblo Viejo project (see “Exploration, Development and Business Development”). In March 2008, Barrick acquired the remaining 40% of the Cortez property (including the Cortez Hills project) (see “General Information — Transactions — Acquisition of Additional 40% Interest in Cortez Property”). In January 2009, Barrick entered into an agreement with Teck Cominco Limited to acquire the remaining 50% of the Hemlo mine with effect from January 1, 2009. In 2008, the region produced approximately 3 million ounces of gold at total cash costs of $493 per ounce and cost of sales at $1.5 billion, compared to approximately 3.2 million ounces of gold at total cash costs of $363 per ounce and cost of sales at approximately $1.2 billion produced in the region in 2007. In 2009, the region is expected to produce 2.55 to 2.7 million ounces of gold. Cost of sales applicable to gold is expected to be in the range of $1.3 to $1.5 billion, or $520 to $550 per ounce on a total cash costs basis. Production is expected to be lower than 2008 primarily due to lower processed grade and recovery rates of alkaline ore at Goldstrike and at Golden Sunlight, where the mine will no longer be in production and will be entering into a 3-year waste stripping phase, and due to lower grades at Round Mountain, which is anticipated to be partially offset by higher production expected at Cortez. Total cash costs per ounce are expected to be higher in 2009 mainly due to the impact of lower production levels.

Australia Pacific

Barrick’s Australia Pacific operations consist of its 95% interest in the Porgera mine in Papua New Guinea (a material property for purposes of this Annual Information Form, see “Material Properties — Porgera Mine”), its Cowal mine, its 50% interest in the Kalgoorlie mine, its operating mines located in the Yilgarn District in Western Australia (Plutonic, Darlot and Lawlers), its Granny Smith mine, its Henty mine (expected to close on exhausting reserves in 2009), its Kanowna mine and its Osborne mine, as well as its Kainantu property in Papua New Guinea. In 2008, the region produced approximately 1.9 million ounces of gold at total cash costs of $550 per ounce and cost of sales of $1.05 billion compared to approximately 2.1 million ounces of gold at total cash costs of $447 per ounce and cost of sales of $934 million produced in the region in 2007. In 2009, the region is expected to produce 1.85 to 2.0 million ounces of gold. Cost of sales applicable to gold is expected to be in the range of $1.1 to $1.2 billion, or $580 to $610 per ounce on a total cash costs basis. Total cash costs per ounce are expected to be higher in 2009 than 2008 due to increased costs related to a fleet expansion at Kalgoorlie resulting in higher diesel consumption and maintenance, labor rate increases and higher royalty costs.

Africa

Barrick’s African operations are its Bulyanhulu mine, its 70% interest in the Tulawaka mine and its North Mara mine, each in Tanzania. Barrick’s African projects are its Buzwagi project and its 50% interest in the Kabanga project, located in Tanzania, and its Sedibelo project, located in South Africa (see “Exploration, Development and Business Development”). The Buzwagi project was approved for construction on August 1, 2007, and is expected to begin production in the second quarter of 2009 (see “Exploration, Development and Business Development”). The region produced approximately 545,000 ounces of gold in 2008 at total cash costs of $560 per ounce and cost of sales of $327 million. In 2007, the region produced approximately 665,000 ounces of gold at total cash costs of $405 per ounce and cost of sales of $293 million. In 2009, the region is expected to produce 0.71 to 0.8 million ounces of gold. Cost of sales applicable to gold is expected to be in the range of $315 to $395 million, or $445 to $495 per ounce on a total cash costs basis. Production is expected to be higher than 2008 primarily due to the commencement of mining operations at Buzwagi and higher production expected at Bulyanhulu

due to ongoing training designed to increase mining productivity, which is anticipated to be partially offset by lower production expected at Tulawaka due to the cessation of open pit operations in the third quarter of 2008. Total cash costs per ounce are expected to be lower in 2009 than in 2008, reflecting the increase in production levels and inclusion of lower cost Buzwagi production.

South America

The South American RBU’s Lagunas Norte mine in Peru, Veladero mine in Argentina, and Zaldívar copper mine in Chile are each material properties for the purposes of this Annual Information Form (see “Material Properties — Lagunas Norte, — Veladero, and — Zaldívar”). Its other operation consists of its Pierina mine in Peru. Barrick’s South American projects consist of its Pascua-Lama project in Chile and Argentina and its 51% interest in the Cerro Casale project in Chile (see “Exploration, Development and Business Development”). In 2008, the region produced approximately 2.1 million ounces of gold, at total cash costs of $251 per ounce and cost of sales at $531 million, and 295 million pounds of copper, at total cash costs of $1.08 per pound and cost of sales at $315 million. In 2007, the region produced approximately 2.08 million ounces of gold at total cash costs of $193 per ounce and cost of sales at $400 million, and 315 million pounds of copper at total cash costs of $0.69 per pound and cost of sales at $231 million. In 2009, the South American RBU is expected to produce 1.95 to 2.06 million ounces of gold. Cost of sales applicable to gold is expected to be in the range of $550 to $640 million, or $285 to $310 per ounce on a total cash costs basis. Production of gold is expected to be slightly lower than 2008, as higher production at Veladero is expected to be offset by lower production at Pierina. Total cash costs per ounce are expected to be higher in 2009 than in 2008 as a result of this production mix. In 2009, production of copper is expected to increase to a range of 305 to 320 million pounds due to higher expected recovery rates reflecting the resolution of sulfuric acid supply constraints. Cost of sales applicable to copper and total cash costs per pound in 2008 were impacted by the increased cost of fuel and acid, along with inflationary pressures on labor and consumables, and higher electricity prices resulting from the transition to a new higher-cost power contract in mid-2008. In 2009, cost of sales applicable to copper is expected to be in the range of $350 to $400 million, and total cash costs are expected to be in the range of $1.15 to $1.25 per pound.

Production

For the year-ended December 31, 2008, Barrick produced 7.66 million ounces of gold at average total cash costs of $443 per ounce and cost of sales attributed to gold of $3.43 billion and produced 370 million pounds of copper at average total cash costs of $1.19 per pound and cost of sales attributed to copper of $436 million. Barrick’s 2009 gold production is targeted at approximately 7.2 to 7.6 million ounces at expected average total cash costs of $450 to $475 per ounce and cost of sales in the range of $3.2 to $3.6 billion, assuming a market gold price of $850 per ounce. Lower gold production is expected in North America as a result of lower production at Goldstrike, Ruby Hill and Golden Sunlight, which is anticipated to be partly offset by increased production in Africa as production at Buzwagi is expected to begin in the second quarter of 2009. Production in South America and Australia in 2009 is expected to be similar to 2008 levels. Gold total cash costs in 2009 are forecast to be higher than 2008 primarily due to lower production levels as a result of a decrease in gold recovery rates; an increase in waste tons mined; and lower silver and copper by-product credits, as a result of decreases in realized prices and the closure of Eskay Creek in the first quarter of 2008. These cost increases are expected to

be partially offset by lower royalties and production taxes and lower energy costs. Beyond 2009, gold production for 2010 is expected to increase to approximately 7.7 to 8.1 million ounces with the expected production startup of Cortez Hills, at lower cash costs. 2009 copper production is targeted at approximately 375 to 400 million pounds at expected total cash costs of approximately $1.25 to $1.35 per pound. Cost of sales applicable to copper is expected to be in the range of $470 to $540 million. Copper cash costs are expected to be higher due principally to higher electricity costs. See “Forward-Looking Information”.

Mineral Reserves and Mineral Resources

At December 31, 2008, Barrick’s total proven and probable gold mineral reserves were 138.5 million ounces. In aggregate, Barrick increased its total reserves from year-end 2007 by approximately 13.9 million ounces. This increase in gold reserves is a combination of Barrick acquiring approximately 5.6 million contained ounces of gold reserves in connection with its acquisition of the remaining 40% interest in its Cortez property in March 2008 and adding approximately 17.3 million contained ounces of gold reserves (primarily attributable to additional reserves at Cortez, Pueblo Viejo and the Cerro Casale project (acquired in 2007), partially offset by production of 7.66 million ounces of gold (approximately 9 million contained ounces) (see “ — Reconciliation of Mineral Reserves”). At December 31, 2008, Barrick’s total proven and probable copper mineral reserves were 6.4 billion pounds. During 2008, Barrick produced 370 million pounds of copper (484 million contained pounds) as compared to approximately 4.02 million pounds of copper at December 31, 2007 (501 million contained pounds).

Except as noted below, 2008 reserves have been calculated using an assumed gold price of $725 (A$850) per ounce , an assumed silver price of $13.50 per ounce, an assumed copper price of $2.00 per pound and exchange rates of $1.10 C$/U.S.$ and $0.85 U.S.$/A$. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property.

Unless otherwise noted, Barrick’s reserves and resources have been calculated as at December 31, 2008 in accordance with definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum and incorporated into National Instrument 43-101 (see “Definitions” below). Varying cut-off grades have been used depending on the mine, methods of extraction 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 Mineral 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 employees of Barrick, its joint partners or its joint venture operating companies, as applicable, under the supervision of Qualified Persons, and/or independent Qualified Persons (see “Scientific and Technical Information”). Verification procedures include industry-standard quality control practices. For details of data verification and quality control practices at each material property, see “Material Properties”.

Barrick reports its reserves in accordance with National Instrument 43-101, as required by Canadian securities regulatory authorities and, for United States reporting purposes, Industry Guide 7 under the U.S. *Securities Exchange Act of 1934*, which (as interpreted by the Staff of the SEC) applies different standards in order to classify mineralization as a reserve (see Note 7 of the “ — Notes to the Mineral Reserves, Resources and Reconciliation Tables”). For U.S. reporting

purposes, as at December 31, 2008, the mineralization at Cerro Casale was classified as mineralized material and approximately 600,000 ounces of reserves at Pueblo Viejo (Barrick's 60% interest) were classified as mineralized material. In addition, while the terms "measured", "indicated" and "inferred" mineral resources are required pursuant to National Instrument 43-101, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC, and mineral resource information contained herein is not comparable to similar information regarding mineral reserves disclosed in accordance with the requirements of the SEC. Investors should understand that "inferred" mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. In addition, investors are cautioned not to assume that any part or all of Barrick's mineral resources constitute or will be converted into reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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, which are, in part, based on forward-looking information and certain assumptions, and no assurance can be given that the indicated level of mineral will be produced. Estimated reserves may have to be recalculated based on actual production experience. Market price fluctuations of gold, copper and silver, as well as increased production costs or reduced recovery rates and other factors, may render the present proven and probable reserves unprofitable to develop at a particular site or sites. See "Risk Factors" and "Forward-Looking Information" for additional details concerning factors and risks that could cause actual results to differ from those set out below.

Definitions

A ***mineral resource*** is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals 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 and 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 and 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.

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 is justified.

GOLD MINERAL RESERVES (1) (3), (4), (7), (10), (11)

As at December 31, 2008	PROVEN			PROBABLE			TOTAL		
Based on attributable ounces	Tons (000s)	Grade (8) (oz/ton)	Contained ozs (9) (000s)	Tons (000s)	Grade (8) (oz/ton)	Contained ozs (9) (000s)	Tons (000s)	Grade (8) (oz/ton)	Contained ozs (9) (000s)
NORTH AMERICA									
Goldstrike Open Pit	56,404	0.113	6,397	29,850	0.131	3,897	86,254	0.119	10,294
Goldstrike Underground	2,815	0.461	1,299	4,108	0.303	1,246	6,923	0.368	2,545
Goldstrike Property Total	59,219	0.130	7,696	33,958	0.151	5,143	93,177	0.138	12,839
Pueblo Viejo (60%) (7)	7,658	0.103	787	140,288	0.090	12,653	147,946	0.091	13,440
Cortez (100%) (12)	19,379	0.077	1,491	202,746	0.059	11,893	222,125	0.060	13,384
Bald Mountain	77,326	0.019	1,491	80,349	0.017	1,355	157,675	0.018	2,846
Turquoise Ridge (75%)	5,746	0.507	2,914	2,215	0.484	1,071	7,961	0.501	3,985
Round Mountain (50%)	34,305	0.021	723	58,276	0.015	898	92,581	0.018	1,621
Ruby Hill	846	0.056	47	17,998	0.044	784	18,844	0.044	831
Hemlo (50%) (13)	5,993	0.076	455	1,082	0.101	109	7,075	0.080	564
Marigold (33%)	9,929	0.023	228	15,533	0.018	283	25,462	0.020	511
Golden Sunlight	2,188	0.077	168	6,477	0.057	372	8,665	0.062	540
SOUTH AMERICA									
Cerro Casale (51%)	126,562	0.019	2,375	485,711	0.017	8,456	612,273	0.018	10,831
Pascua-Lama	42,680	0.050	2,132	397,546	0.039	15,674	440,226	0.040	17,806
Veladero	31,720	0.025	804	459,596	0.025	11,429	491,316	0.025	12,233
Lagunas Norte	13,515	0.045	606	217,120	0.038	8,343	230,635	0.039	8,949
Pierina	10,900	0.026	286	18,282	0.022	397	29,182	0.023	683
AUSTRALIA PACIFIC									
Porgera (95%)	48,836	0.097	4,758	30,139	0.102	3,070	78,975	0.099	7,828
Kalgoorlie (50%)	37,486	0.049	1,854	40,030	0.063	2,506	77,516	0.056	4,360
Cowal	9,960	0.025	247	69,540	0.037	2,548	79,500	0.035	2,795
Plutonic	298	0.181	54	5,530	0.179	988	5,828	0.179	1,042
Kanowna	3,189	0.217	692	3,105	0.182	564	6,294	0.200	1,256
Darlot	2,900	0.118	341	1,494	0.145	216	4,394	0.127	557
Granny Smith	1,067	0.105	112	2,553	0.148	379	3,620	0.136	491
Lawlers	261	0.084	22	2,223	0.149	331	2,484	0.142	353
Henty	—	—	—	402	0.229	92	402	0.229	92
Osborne	1,282	0.026	33	892	0.013	12	2,174	0.021	45
AFRICA									
Bulyanhulu	2,122	0.313	664	35,606	0.318	11,313	37,728	0.317	11,977
North Mara	17,944	0.102	1,824	12,561	0.096	1,207	30,505	0.099	3,031
Buzwagi	833	0.047	39	64,255	0.051	3,245	65,088	0.050	3,284
Tulawaka (70%)	382	0.079	30	132	0.379	50	514	0.156	80
OTHER	—	—	—	538	0.468	252	538	0.468	252
TOTAL	**574,526**	**0.057**	**32,873**	**2,406,177**	**0.044**	**105,633**	**2,980,703**	**0.046**	**138,506**

COPPER MINERAL RESERVES (1) (3), (4), (7), (11)

	PROVEN			PROBABLE			TOTAL		
Based on attributable pounds	Tons (000s)	Grade (8) (%)	Contained lbs (9) (millions)	Tons (000s)	Grade (8) (%)	Contained lbs (9) (millions)	Tons (000s)	Grade (8) (%)	Contained lbs (9) (millions)
Zaldivar	241,550	0.555	2,681	351,041	0.515	3,613	592,591	0.531	6,294
Osborne	1,282	2.652	68	892	1.682	30	2,174	2.254	98
TOTAL	**242,832**	**0.566**	**2,749**	**351,933**	**0.518**	**3,643**	**594,765**	**0.537**	**6,392**

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

GOLD MINERAL RESOURCES (1), (2), (3), (5)

As at December 31, 2008	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED		
Based on attributable ounces	Tons (000s)	Grade (8) (oz/ton)	Contained ozs (9) (000s)	Tons (000s)	Grade (8) (oz/ton)	Contained ozs (9) (000s)	Contained ozs (9) (000s)	Tons (000s)	Grade (8) (oz/ton)	Contained ozs (9) (000s)
NORTH AMERICA										
Goldstrike Open Pit	11,584	0.056	654	4,167	0.051	214	868	479	0.092	44
Goldstrike Underground	1,465	0.362	531	3,002	0.304	913	1,444	3,424	0.393	1,346
Goldstrike Property Total	13,049	0.091	1,185	7,169	0.157	1,127	2,312	3,903	0.356	1,390
Pueblo Viejo (60%) (7)	2,613	0.054	142	74,455	0.056	4,188	4,330	7,823	0.059	461
Cortez (100%) (12)	5,997	0.030	177	75,091	0.047	3,566	3,743	29,912	0.129	3,848
Bald Mountain	28,951	0.023	660	61,423	0.017	1,058	1,718	71,004	0.021	1,525
Turquoise Ridge (75%)	1,708	0.436	745	759	0.433	329	1,074	3,330	0.505	1,683
Round Mountain (50%)	7,649	0.021	163	20,921	0.017	366	529	6,491	0.012	77
Ruby Hill	415	0.048	20	11,504	0.040	460	480	3,495	0.037	129
Hemlo (50%) (13)	939	0.063	59	375	0.120	45	104	1,410	0.134	189
Marigold (33%)	3,268	0.017	55	12,405	0.016	198	253	16,461	0.014	229
Golden Sunlight	57	0.070	4	74	0.054	4	8	1,050	0.043	45
South Arturo (60%)	—	—	—	22,114	0.045	987	987	1,952	0.013	26
Donlin Creek (50%)	5,443	0.073	397	264,053	0.066	17,340	17,737	38,098	0.064	2,428
SOUTH AMERICA										
Cerro Casale (51%)	15,281	0.011	162	179,441	0.012	2,210	2,372	129,204	0.011	1,476
Pascua-Lama	12,505	0.039	487	118,989	0.035	4,200	4,687	16,423	0.036	593
Veladero	1,944	0.014	28	48,247	0.014	678	706	79,038	0.009	683
Lagunas Norte	1,557	0.024	38	54,016	0.023	1,240	1,278	8,171	0.043	353
Pierina	2,320	0.015	34	8,821	0.014	122	156	134	0.022	3
AUSTRALIA PACIFIC										
Porgera (95%)	26,960	0.076	2,042	34,065	0.058	1,989	4,031	17,800	0.130	2,306
Kalgoorlie (50%)	2,964	0.060	177	5,647	0.059	335	512	1,625	0.135	220
Cowal	—	—	—	31,463	0.034	1,072	1,072	1,458	0.030	44
Plutonic	118	0.186	22	10,919	0.157	1,711	1,733	4,888	0.246	1,204
Kanowna	2,781	0.157	438	2,453	0.172	421	859	8,122	0.117	950
Darlot	512	0.133	68	3,086	0.124	383	451	137	0.212	29
Granny Smith	470	0.172	81	2,044	0.167	342	423	5,354	0.237	1,267
Lawlers	53	0.113	6	6,738	0.151	1,017	1,023	1,889	0.136	256
Henty	—	—	—	199	0.231	46	46	35	0.200	7
Osborne	1,175	0.023	27	2,235	0.028	62	89	3,527	0.020	71
Reko Diq (37.5%)	639,161	0.008	4,968	485,910	0.007	3,519	8,487	895,089	0.009	8,398
AFRICA										
Bulyanhulu	—	—	—	4,936	0.339	1,675	1,675	12,415	0.370	4,592
North Mara	9,209	0.061	563	9,837	0.064	628	1,191	682	0.063	43
Buzwagi	1	—	—	20,370	0.043	886	886	983	0.039	38
Tulawaka (70%)	—	—	—	267	0.330	88	88	44	0.364	16
OTHER	—	—	—	—	—	—	—	592	0.294	174
TOTAL	**787,100**	**0.016**	**12,748**	**1,580,026**	**0.033**	**52,282**	**65,040**	**1,372,539**	**0.025**	**34,733**

COPPER MINERAL RESOURCES (1), (2), (3), (5)

As at December 31, 2008	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED		
Based on attributable pounds	Tons (000s)	Grade (8) (%)	Contained lbs (9) (millions)	Tons (000s)	Grade(8) (%)	Contained lbs (9) (millions)	Contained lbs (9) (millions)	Tons (000s)	Grade (8) (%)	Contained lbs (9) (millions)
Zaldivar	27,416	0.474	260	72,249	0.430	621	881	135,182	0.470	1,271
Osborne	1,175	1.830	43	2,235	1.655	74	117	3,527	1.375	97
Reko Diq (37.5%)	639,161	0.535	6,842	485,910	0.477	4,631	11,473	895,089	0.478	8,549
TOTAL	**667,752**	**0.535**	**7,145**	**560,394**	**0.475**	**5,326**	**12,471**	**1,033,798**	**0.480**	**9,917**

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

CONTAINED SILVER WITHIN REPORTED GOLD RESERVES (1) (A)

For the year ended Dec. 31, 2008	IN PROVEN GOLD RESERVES			IN PROBABLE GOLD RESERVES			TOTAL			
Based on attributable ounces	Tons (000s)	Grade (8) (oz/ton)	Contained ozs (9) (000s)	Tons (000s)	Grade (8) (oz/ton)	Contained ozs (9) (000s)	Tons (000s)	Grade (8) (oz/ton)	Contained ozs (9) (000s)	Process recovery %
NORTH AMERICA										
Pueblo Viejo (60%) (7)	7,658	0.66	5,052	140,288	0.53	73,733	147,946	0.53	78,785	87.1%
SOUTH AMERICA										
Cerro Casale (51%)	126,562	0.06	7,302	485,711	0.05	22,810	612,273	0.05	30,112	46.0%
Pascua-Lama	42,680	1.77	75,544	397,546	1.62	642,080	440,226	1.63	717,624	78.5%
Lagunas Norte	13,515	0.11	1,527	217,120	0.11	22,800	230,635	0.11	24,327	20.3%
Veladero	31,720	0.40	12,561	459,596	0.46	213,629	491,316	0.46	226,190	6.4%
Pierina	10,900	0.27	2,924	18,282	0.20	3,728	29,182	0.23	6,652	43.9%
AFRICA										
Bulyanhulu	2,122	0.18	390	35,606	0.25	9,073	37,728	0.25	9,463	65.0%
TOTAL	235,157	0.45	105,300	1,754,149	0.56	987,853	1,989,306	0.55	1,093,153	61.7%

(A) Silver is accounted for as a by-product credit against reported or projected gold production costs.

CONTAINED COPPER WITHIN REPORTED GOLD RESERVES (1) (A)

For the year ended Dec. 31, 2008	IN PROVEN GOLD RESERVES			IN PROBABLE GOLD RESERVES			TOTAL			
Based on attributable pounds	Tons (000s)	Grade (8) (%)	Contained lbs (9) (millions)	Tons (000s)	Grade (8) (%)	Contained lbs (9) (millions)	Tons (000s)	Grade (8) (%)	Contained lbs (9) (millions)	Process recovery %
NORTH AMERICA										
Pueblo Viejo (60%) (7)	7,658	0.119	18.2	140,288	0.091	254.8	147,946	0.092	273.0	79.5%
SOUTH AMERICA										
Cerro Casale (51%)	126,562	0.192	486.2	485,711	0.229	2,221.0	612,273	0.221	2,707.2	82.8%
Pascua-Lama	42,680	0.093	79.6	397,546	0.072	569.9	440,226	0.074	649.5	57.6%
AFRICA										
Buzwagi	833	0.006	0.1	64,255	0.137	176.5	65,088	0.136	176.6	76.4%
Bulyanhulu	2,122	0.339	14.4	35,606	0.604	429.9	37,728	0.589	444.3	84.9%
TOTAL	179,855	0.166	598.5	1,123,406	0.163	3,652.1	1,303,261	0.163	4,250.6	72.4%

(A) Copper is accounted for as a by-product credit against reported or projected gold production costs.

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

CONTAINED SILVER WITHIN REPORTED GOLD RESOURCES (1)

For the year ended Dec. 31, 2008	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED		
Based on attributable ounces	Tons (000's)	Grade(8) (oz/ton)	Contained ozs(9) (000's)	Tons (000's)	Grade(8) (oz/ton)	Contained ozs(9) (000's)	Ounces (9) (000's)	Tons (000's)	Grade(8) (oz/ton)	Contained ozs(9) (000's)
NORTH AMERICA										
Pueblo Viejo (60%) (7)	2,613	0.37	969	74,455	0.33	24,591	25,560	7,823	0.63	4,932
SOUTH AMERICA										
Cerro Casale (51%)	15,281	0.04	569	179,441	0.03	6,061	6,630	129,204	0.03	3,825
Pascua-Lama	12,505	0.69	8,625	118,989	0.66	79,064	87,689	16,423	0.69	11,397
Lagunas Norte	1,557	0.12	191	54,016	0.09	4,813	5,004	8,171	0.08	673
Veladero	1,944	0.39	763	48,247	0.35	17,017	17,780	79,038	0.33	25,731
Pierina	2,320	0.35	802	8,821	0.33	2,912	3,714	134	0.11	15
AFRICA										
Bulyanhulu	—	—	—	4,936	0.32	1,600	1,600	12,415	0.29	3,644
TOTAL	36,220	0.33	11,919	488,905	0.28	136,058	147,977	253,208	0.20	50,217

CONTAINED COPPER WITHIN REPORTED GOLD RESOURCES (1)

For the year ended Dec. 31, 2008	IN MEASURED (M) GOLD RESOURCES			IN INDICATED (I) GOLD RESOURCES			(M) + (I)	INFERRED		
Based on attributable pounds	Tons (000's)	Grade(8) (%)	Contained lbs(9) (millions)	Tons (000's)	Grade(8) (%)	Contained lbs(9) (millions)	Contained lbs(9) (millions)	Tons (000's)	Grade(8) (%)	Contained lbs(9) (millions)
NORTH AMERICA										
Pueblo Viejo (60%) (7)	2,613	0.086	4.5	74,455	0.072	107.9	112.4	7,823	0.040	6.2
SOUTH AMERICA										
Cerro Casale (51%)	15,281	0.159	48.6	179,441	0.194	697.1	745.7	129,204	0.194	500.5
Pascua-Lama	12,505	0.080	20.1	118,989	0 068	160.9	181.0	16,423	0.030	10.0
AFRICA										
Buzwagi	1	0.001	0.0	20,370	0.145	59.2	59.2	237	0.148	0.7
TOTAL	30,400	0.120	73.2	393,255	0.130	1,025.1	1,098.3	153,687	0.168	517.4

NICKEL MINERAL RESOURCES (1), (2)

For the year ended Dec. 31, 2008	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED		
	Tons	Grade(8)	Contained lbs(9)	Tons	Grade(8)	Contained lbs(9)	Contained lbs(9)	Tons	Grade(8)	Contained lbs(9)

Based on attributable pounds	(000's)	(%)	(millions)	(000's)	(%)	(millions)	(millions)	(000's)	(%)	(millions)
AFRICA										
Kabanga (50%)	—	—	—	5,346	2.376	254.0	254.0	20,007	2.802	1,121.0

PLATINUM MINERAL RESOURCES (1), (2)

For the year ended Dec. 31, 2008	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED		
Based on attributable ounces	Tons (000's)	Grade(8) (oz/ton)	Contained ozs(9) (000's)	Tons (000's)	Grade(8) (oz/ton)	Contained ozs(9) (000's)	Ounces (9) (000's)	Tons (000's)	Grade(8) (oz/ton)	Contained ozs(9) (000's)
RUSSIA										
Fedorova (50%)	—	—	—	189,947	0.01	1,136	1,136	17,433	0.01	88
AFRICA										
Sedibelo (10%)	—	—	—	5,841	0.08	440	440	3,528	0.10	352
TOTAL	—	—	—	195,788	0.01	1,576	1,576	20,961	0.02	440

PALLADIUM MINERAL RESOURCES (1), (2)

For the year ended Dec. 31, 2008	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED		
Based on attributable ounces	Tons (000's)	Grade(8) (oz/ton)	Contained ozs(9) (000's)	Tons (000's)	Grade(8) (oz/ton)	Contained ozs(9) (000's)	Ounces (9) (000's)	Tons (000's)	Grade(8) (oz/ton)	Contained ozs(9) (000's)
RUSSIA										
Fedorova (50%)	—	—	—	189,947	0.03	5,100	5,100	17,433	0.03	465
AFRICA										
Sedibelo (10%)	—	—	—	5,841	0.04	206	206	3,528	0.05	177
TOTAL	—	—	—	195,788	0.03	5,306	5,306	20,961	0.03	642

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

Reconciliation of Mineral Reserves (1), (7), (10), (11)
Based on attributable ounces

Gold Property (000's of ounces) (9)	Mineral Reserves 12/31/2007 (6)	Processed in 2008	Increase (decrease)	Mineral Reserves 12/31/2008 (4)
NORTH AMERICA				
Goldstrike Open Pit	12,194	1,545	-355	10,294
Goldstrike Underground	2,700	477	322	2,545
Goldstrike Property Total	14,894	2,022	-33	12,839
Pueblo Viejo (60%) (7)	12,258	0	1,182	13,440
Cortez (100%) (12)	6,884	721	7,221	13,384
Bald Mountain	3,059	115	-98	2,846
Turquoise Ridge (75%)	3,858	133	260	3,985
Round Mountain (50%)	1,442	288	467	1,621
Ruby Hill	930	134	35	831
Hemlo (50%) (13)	633	140	71	564
Marigold (33%)	631	54	-66	511
Golden Sunlight	140	158	558	540
Eskay Creek	16	0	-16	0
South Arturo (60%)	0	0	0	0
Donlin Creek (50%)	0	0	0	0
SOUTH AMERICA				
Cerro Casale (51%)	0	0	10,831	10,831
Pascua-Lama	17,978	0	-172	17,806
Veladero	11,660	585	1,158	12,233
Lagunas Norte	8,733	1,386	1,602	8,949
Pierina	1,073	441	51	683
AUSTRALIA PACIFIC				
Porgera (95%)	8,239	734	323	7,828
Kalgoorlie (50%)	4,589	355	126	4,360
Cowal	2,876	249	168	2,795
Plutonic	1,824	142	-640	1,042
Kanowna	1,519	296	33	1,256
Darlot	655	114	16	557
Granny Smith	458	127	160	491
Lawlers	407	111	57	353
Henty	148	66	10	92
Osborne	82	42	5	45
Reko Diq (37.5%)	0	0	0	0
AFRICA				
Bulyanhulu	12,043	218	152	11,977
North Mara	3,594	248	-315	3,031
Buzwagi	3,593	0	-309	3,284
Tulawaka (70%)	227	155	8	80
OTHER	145	16	123	252
TOTAL	124,588	9,050	22,968	138,506

Copper Property (million pounds) (9)	Mineral Reserves 12/31/2007 (6)	Processed in 2008	Increase (decrease)	Mineral Reserves 12/31/2008 (4)
Zaldivar	5,690	419	1,023	6,294
Osborne	316	65	-153	98
TOTAL	6,006	484	870	6,392

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

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 when calculated using mineral reserve assumptions.

(3) Mineral reserves and resources have been calculated as at December 31, 2008, unless otherwise indicated.

(4) Mineral reserves as at December 31, 2008 have been calculated using an assumed gold price of $725 (A$850) per ounce, an assumed silver price of $13.50 per ounce, an assumed copper price of $2.00 per pound and exchange rate of $0.85 $U.S./A$. These assumed metal prices reflect the approximate prior 3 year average spot price of such metals. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property.

(5) Mineral resources as at December 31, 2008 have been estimated using varying cut-off grades, depending on both the type of mine, its maturity and ore type at each property. An assumed gold price of $850 (A$1,000) per ounce, an assumed silver price of $14.50 per ounce and an assumed copper price of $2.50 per pound have been used in estimating resources.

(6) Mineral reserves as at December 31, 2007 have been calculated using an assumed gold price of $575 (A$750) per ounce, a silver price of $10.75 per ounce, a copper price of $2.00 per pound and an exchange rate of $0.77 $U.S./A$. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property.

(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 SEC, applies different standards in order to classify mineralization as a reserve. For U.S. reporting purposes, as at December 31, 2008, the mineralization at Cerro Casale was classified as mineralized material and approximately 600,000 ounces of reserves at Pueblo Viejo (Barrick's 60% interest) were classified as mineralized material. In addition, while the terms "measured", "indicated" and "inferred" mineral resources are required pursuant to National Instrument 43-101, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC, and mineral resource information contained herein is not comparable to similar information regarding mineral reserves disclosed in accordance with the requirements of the SEC. Investors should understand that "inferred" mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. In addition, investors are cautioned not to assume that any part or all of Barrick's mineral resources constitute or will be converted into reserves.

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

(9) Ounces or pounds, as applicable, 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 or pounds.

(10) Mineral reserves as at December 31, 2008 include stockpile material totaling approximately 119 million tons, containing approximately 7.45 million ounces. Properties at which stockpile material represents more than 5% of the reported reserves are as follows:

Property	Tons (000's)	Contained Grade (oz/ton)	Ounces (000's)
Tulawaka	408	0.086	35
Cowal	9,828	0.024	233
Kalgoorlie	15,193	0.032	482
Lawlers	466	0.073	34
Porgera	30,046	0.074	2,229
Goldstrike	37,180	0.096	3,570
Round Mountain	4,648	0.007	34
Golden Sunlight	2,088	0.040	84

(11) The metallurgical recovery applicable at each property and the cut-off grades used to determine mineral reserves as at December 31, 2008 are as follows:

Gold Mine	Metallurgical Recovery (%)	Cut-off Grade (oz/ton)
Goldstrike Property		
Open Pit	80.7	0.050-0.070
Underground	89.2	0.224-0.280
Pueblo Viejo	83.2	0.054-0.064
Cortez	80.6	0.005-0.271
Bald Mountain	72.7	0.009-0.012
Turquoise Ridge	92.0	0.342-0.372
Round Mountain	75.0	0.006-0.046
Ruby Hill	75.5	0.010-0.104
Hemlo Property		
David Bell	93.9	0.084-0.195
Williams	93.9	0.023-0.125
Marigold	73.5	0.010
Golden Sunlight	75.1	0.017-0.022
Pascua-Lama	82.2	0.032-0.094
Veladero	75.1	0.012-0.020
Lagunas Norte	66.3	0.009-0.020
Pierina	83.6	0.005-0.013
Porgera	85.9	0.036-0.102
Kalgoorlie	84.3	0.021-0.074
Cowal	79.6	0.009-0.018
Plutonic	86.6	0.096-0.140
Kanowna	92.2	0.023-0.216
Darlot	95.1	0.047-0.118
Granny Smith	90.8	0.068-0.117
Lawlers	95.2	0.082-0.120
Henty	93.0	0.094-0.145
Osborne	76.2	0.023-0.044
Bulyanhulu	91.9	0.134-0.177
North Mara	88.8	0.030-0.037
Buzwagi	92.0	0.015-0.018
Tulawaka	93.8	0.059-0.221

Copper Mine	Metallurgical Recovery (%)	Cut-off Grade (%)
Zaldivar	74.0	0.210
Osborne	89.9	0.8-1.25

(12) Barrick increased its interest in the Cortez mine from 60% to 100% in March 2008 (see "General Information — Transactions").

(13) In January 2009, Barrick entered into an agreement to acquire the remaining 50% of the Hemlo mine (see "General Information — General Development of the Business" and "Regional Business Units — North America")

Marketing and Distribution

Gold

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. Benchmark prices are generally based on the London gold market quotations. Gold bullion is held as an asset class for a variety of reasons, including as a store of value and safeguard against the collapse of paper assets such as stocks, bonds and other financial instruments that are traded in fiat currencies not exchangeable into gold (at a fixed rate) under a "gold standard", hedges against future inflation and portfolio diversification. Governments, central banks and other official institutions hold significant quantities of gold as a component of exchange reserves. Due to the size of the international bullion market and above ground stocks, individual gold producers or other market participants generally do not significantly influence pricing or total quantities offered and sold. Since there are a large number of available gold purchasers,

Barrick is not dependent upon the sale of gold to any one customer.

The price of gold is subject to volatile price movements over short periods of time , especially in the current market environment and is affected by numerous industry and macroeconomic factors that are beyond Barrick's control. Gold price volatility increased significantly compared to 2007, and the price ranged from $682 to $1,032 per ounce in 2008, with an average market price of $872 per ounce. The uncertainty in the global financial markets, the amount of monetary stimulus being injected into the global economy, possible inflationary pressures in the medium term from an exceptionally low interest rate environment, the possibility of currency revaluations, including U.S. dollar depreciation, and the sharp increase in government spending in response to the financial crisis are all supportive of higher gold prices in 2009 if such trends continue.

Barrick's gold is currently being refined to market delivery standards by several refiners throughout the world. The gold can be sold to various gold bullion dealers at market prices or delivered to meet commitments under gold sale contracts. Certain of Barrick's operations also produce gold concentrate, which is sold to various smelters. The Company believes that, because of the availability of alternative smelters or refiners, no material adverse effect would result if the Company lost the services of any of its current smelters or refiners.

Product fabrication and bullion investment are two principal sources of gold demand. The introduction of more readily accessible and more liquid gold investment vehicles (such as gold exchange traded funds) has further facilitated investment in gold and has been highly successful. 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.

Copper

Copper is a metal with inherent characteristics of excellent electrical conductivity, heat transfer and resistance to corrosion. Copper is used principally in telecommunications, automobiles, construction, and in consumer durables. Copper is traded on the London Metal Exchange (LME), the New York Commodity Exchange (COMEX) and the Shanghai Futures Exchange (SHFE). The price of copper as reported on these exchanges is influenced by numerous factors, including (i) the worldwide balance of copper demand and supply, (ii) rates of global economic growth, trends in industrial production and conditions in the housing and

automotive industries, all of which correlate with demand for copper, (iii) economic growth and political conditions in China, which has become the largest consumer of refined copper in the world, and other major developing economies, (iv) speculative investment positions in copper and copper futures, (v) the availability and cost of substitute materials, and (vi) currency exchange fluctuations, including the relative strength of the U.S. dollar.

The copper market is volatile and cyclical. During the past 15 years, COMEX prices per pound have ranged from a high of approximately $4.08 to a low of 60.4 cents. Copper prices traded in a range of $1.28 - $4.06 per pound in 2008, and averaged $3.15 per pound for the year. In 2008, the price of copper rose to an all-time high before suffering large declines through to the end of 2008 as the global slowdown in economic activity decreased demand. Future copper prices are expected to be influenced by demand from Asia, the performance of the global economy and the supply generated by mines and smelters.

Copper concentrates produced by the Osborne Mine are sold mainly to smelters in Japan and South Korea. At the Zaldívar Mine, copper cathode is sold to copper product manufacturers and copper traders in Europe, North America, South America and Asia, while concentrate is sold to a local smelter in Chile. Since there are a large number of available copper cathode purchasers, Barrick is not dependent upon the sale of copper to any one customer.

Employees and Labor Relations

As at December 31, 2008, excluding contractors, Barrick employed approximately 16,300 employees worldwide, as well as approximately 3,190 employees at operations jointly owned by Barrick, substantially all of whom are employed in the United States, Canada, Australia, Chile, Peru, Argentina, Papua New Guinea and Tanzania. Unions represent approximately 2,340 persons at the Company's operations. Generally, management believes that labor relations at all locations are good. However, in 2007, Barrick experienced labor disruptions at its Bulyanhulu mine, culminating in an illegal labor strike in the fourth quarter, resulting in the termination of 1,300 employees. As a result of the reduced staff levels, the mine sequencing was revised, impacting the mine's ability to access higher-grade areas and operate the plant at its full capacity. Bulyanhulu returned to required staffing levels in the second quarter of 2008.

Competition

The Company competes with other mining and exploration companies in connection with the acquisition of mining claims and leases and in connection with the recruitment and retention of qualified employees (see " — Employees and Labor Relations").

There is significant competition for mining claims and leases and, as a result, the Company may be unable to continue to acquire attractive assets on terms it considers acceptable.

MATERIAL PROPERTIES

For the purposes of this Annual Information Form, Barrick has identified its Goldstrike, Cortez, Lagunas Norte, Veladero, Zaldívar and Porgera mines as material properties. The following is a description of Barrick's material properties.

Goldstrike Property

General Information

The Goldstrike property is located in Elko and Eureka Counties in north central Nevada, approximately 40 kilometers north of the town of Carlin, at an elevation of 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 40 kilometers of local roads north of Carlin. The Northern Nevada climate is fairly arid and has little 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 with the acquisition of WSMC's 50% interest in the property. It completed the acquisition of 100% ownership of the property pursuant to a plan of arrangement entered into with PanCana 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. Goldstrike's underground mine (Meikle deposit), 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 underground mine, into production was completed and a new ball mill was added to increase autoclave recovery. A total of approximately 1,600 employees work at the Goldstrike property.

As of December 31, 2008, the Goldstrike property comprised approximately 4,197 hectares of surface rights ownership/control (3,420 hectares private and 778 hectares public), and approximately 3,535 hectares of mineral rights ownership/control (2,741 hectares private and 794 hectares public). These rights are owned or controlled through various forms of patents issued by the United States of America and by ownership of unpatented mining and millsite claims that are held subject to the paramount title of the United States of America. Patenting is the process that transfers fee simple title from the federal government to the applicant. The Goldstrike property includes a total of 298 unpatented mining and millsite claims to control the public acreage. The Goldstrike open pit and underground mines and the majority of the beneficiation and processing facilities at the Goldstrike property are situated on land owned by Barrick. The necessary permits to provide sufficient surface rights have been obtained for current operations at the property.

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 volcanic and sedimentary rocks during the Tertiary time. The gold mineralization occurred at the onset of

Tertiary volcanism, approximately 39 million years ago.

The major gold deposits — Post Oxide, Betze, Rodeo and Meikle — are all hosted in sedimentary rocks of the Silurian to Devonian ages. The Post Oxide orebody occurs in the siliceous siltstones, mudstones, argillites and minor limestones of the Rodeo Creek Formation. Betze and Rodeo are found in the silty limestones and debris flows of the Popovich Formation. The Meikle deposit occurs in hydrothermal and solution collapse breccias in the Bootstrap Limestone of the Roberts Mountains 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, Rodeo and Meikle — the gold is still locked up with the iron sulphide and an additional processing step (autoclaving or roasting) is required to free the gold.

The gold mineralization at the open pit 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 1,829 meters in a northwest direction and average 183 to 244 meters in width and 122 to 183 meters in thickness.

Carbonate breccias and limestones of the Devonian Popovich Formation and various intrusive rocks host the orebodies that comprise the Goldstrike underground mine. In contrast to the Goldstrike open pit 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 dip 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, the bulk of the ore is quite hard and competent.

Mining and Processing

Goldstrike's open pit mine is an open pit truck-and-shovel operation, using standard, proven equipment. Two different underground mining methods are used at the underground mine, long-hole open stoping and drift-and-fill (used for flat-lying mineralization or where ground conditions are less competent). The underground mine is a trackless operation. Goldstrike's production in

total was 1,706 ounces of gold in 2008 at cash costs of $452 per ounce compared to 1,629 ounces of gold in 2007 at cash costs of $370 per ounce. Based on existing reserves and production capacity, the expected remaining mine life is 10 years.

The underground mine includes two major orebodies: Meikle and Rodeo. The Meikle orebody, located 1.6 kilometers north of the open pit mine, is a high grade orebody which was discovered in 1989 and started production in 1996. The Meikle orebody incorporates 5 mineralized zones: the Main Meikle, Meikle Extension, South Meikle, Griffin, and West Griffin. The Rodeo orebody, located 0.5 kilometers northwest of the open pit mine, is a moderate grade orebody discovered in 1988 and brought into production in 2002. The Rodeo orebody includes four mineralized zones: Upper Rodeo, Lower Rodeo, West Rodeo, and Barrel. The Meikle and Rodeo orebodies are interconnected by two haulage drifts and can be accessed from two shafts and by a decline at the bottom of the open pit mine.

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 capacity of these two facilities is approximately 33,000 to 35,000 tons per day. These process facilities treat the ore from Goldstrike's open pit and underground mines. Gold contained in recovered ore is processed into doré on-site and shipped to outside refineries for processing into gold bullion. All material permits to conduct operations at the mine have been obtained and are in good standing. In December 2005, Barrick began operating a 115 megawatt natural gas-fired power plant that provides a portion of Goldstrike's power requirements. The remaining power requirements are satisfied by open market purchases of electricity.

A modified pressure technology for autoclave processing at Goldstrike will continue to be used in 2009. This technology has a lower recovery than the conventional acid autoclave configuration. Both process facilities will also see lower tons and grade and this cumulative effect will result in approximately 400 thousand less ounces than 2008.

Dewatering of the Betze Pit is accomplished through the use of perimeter wells located peripheral to the pit area, in-pit wells, horizontal drains installed for passive dewatering of pit walls, and water collection sumps installed in the bottom of the pit. Dewatering activities are conducted in compliance with its approved water appropriations issued by the Nevada State Engineer's Office.

Groundwater pumping for dewatering at the Goldstrike property is primarily from the carbonate rock aquifer, with very small amounts of pumping from shallower siltstones and unconsolidated basin fill deposits.

Water is conveyed by pipelines to various use areas such as mining and milling at the Goldstrike property, delivered to Barrick's Meikle mine, or delivered to Newmont for mining and milling use. Water that is not used for mining or milling purposes is delivered to the 72-inch-diameter gravity flow pipeline to the TS Ranch Reservoir. Barrick is authorized by a discharge permit issued by the Nevada Division of Environmental Protection to discharge water produced by its groundwater pumping operations to groundwaters of the state via percolation, infiltration, and irrigation.

The State of Nevada imposes a 5% net proceeds tax on the value of all minerals severed in the State. This tax is calculated and paid based on a prescribed net income formula which is different from book income.

Environment

The Goldstrike property 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. In order to prevent and control spills and protect water quality, the mine utilizes multiple levels of spill containment procedures and routine inspection and monitoring of its facilities. The mine has installed air pollution control devices on its facilities consistent with and, in some cases, exceeding legal requirements. The mine also has various programs to reuse and conserve water at its operations. In order to mitigate the impact of dust produced by its operations, the mine uses several different dust suppression techniques, including a stockpile cover at the roaster, reducing both the consumption of water and the carbon footprint. In 2008, all activities at the Goldstrike property were, and continue to be, in compliance in all material respects with applicable corporate standards and environmental regulations. The mine's operations are compliant with the requirements of the International Cyanide Management Code.

At December 31, 2008, the recorded amount of estimated future reclamation and closure costs that were also asset retirement obligations, as defined in FAS 143 (as described in note 22 to the Consolidated Financial Statements), for the property was $98 million. In connection with the reclamation of the mine area, Barrick has provided the financial security as required by governmental authorities. Major expenditure items covered by the asset retirement obligation are long term care and monitoring, surface contouring, waste dump closure and process facility demolition. See "Environment and Closure".

Exploration, Drilling and Analysis

In 2008, the exploration and development drilling program focused on the Banshee underground reserve delineation with positive results. The Banshee surface drill tests for northerly extensions will require more drilling in 2009. Additional surface drill testing for resource additions in the West Pit area had positive results below the Screamer and Latite footwall, but there is no access for reserve delineation drilling in 2009. Underground drilling was planned at Deep North Post, but the underground drill drift was not sufficiently completed to begin drilling. A total of 16,845 meters of underground and surface drilling were completed in 2008. In 2009, the exploration group expects to focus on the underground Deep North Post reserve delineation and drill testing for extensions and new zones at Banshee. New drill targets are expected to be generated by continued relogging and remodeling of the geology across the property.

More than 6,500 drill holes have been completed within and around the Betze-Post deposit. Approximately 69% of the total drill holes are reverse circulation and rotary drill holes and the remaining are diamond core holes. Drill spacing through the Betze, West Betze and Screamer deposits is approximately 53 meters and at Post is 46 meters. Drill spacing in the North Screamer and West Barrel deposits is approximately 30 meters. Almost all of the total drill hole footage has been sampled on 1.5 meter intervals and assayed for gold by the fire assay method with cyanide AA finish. All assaying is checked and verified under a comprehensive, multi-level quality assurance and quality control program that includes external laboratory check assays.

Underground drilling at the Meikle deposit (Meikle, South Meikle, Griffin, Extension and West Griffin) commenced in 1995 and a total of 415,622 meters in 7,340 underground holes had been completed in and around the deposit as of December 31, 2008. A total of 338 surface holes, for 157,608 meters, have been drilled in and around the Meikle deposit. Additional Banshee drilling commenced in 2007. A total of 87 surface holes, for 45,281 meters and 116 underground holes for 21,805 meters have been drilled in Banshee.

Underground drilling commenced at the Rodeo deposit (Rodeo, West Rodeo, and Barrel) in 1998 and, as of December 31, 2008, a total of 3,676 underground holes totaling 223,856 meters had been drilled in and around the deposit. A total of 230 surface holes, for 104,943 meters, have been drilled in and around the Rodeo deposit. Underground drilling commenced at the North Post deposit (North Post and Deep North Post) in 2005 and a total of 16,685 meters in 61 underground core holes have been drilled as of December 31, 2008. There are an additional 142 North Post

surface holes for 53,201 meters.

Underground drilling is by both core and reverse-circulation methods, with approximately 42% of the underground drilling pursuant to core methods. Meikle drilling is approximately 59% core; Griffin and West Griffin drilling is approximately 10% core; and Rodeo, West Rodeo and Barrel drilling is approximately 26% core. All surface drilling ore intercepts are core. Drill spacing through the Meikle deposit is 8 to 26 meters. Some of the wider-spaced core holes are sampled on six meter intervals (chip samples) and 1.5 meter 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 0.438 ounces of gold per ton. Most sampling and assaying is done on-site with both internal check assays and external check assays performed by independent laboratories.

Drill samples collected for use in the geologic modeling and mineral resource estimation are under the direct supervision of the geology department at Goldstrike. Sample preparation and analyses are conducted by the Barrick Goldstrike lab and by independent laboratories. Procedures are employed to ensure security of samples during their delivery from the drill rig to the laboratory. 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 used in connection with drilling and sampling on the Goldstrike property conform to industry accepted quality control methods.

Regular internal auditing of the mineral reserve and mineral resource estimation processes and procedures are conducted.

Royalties

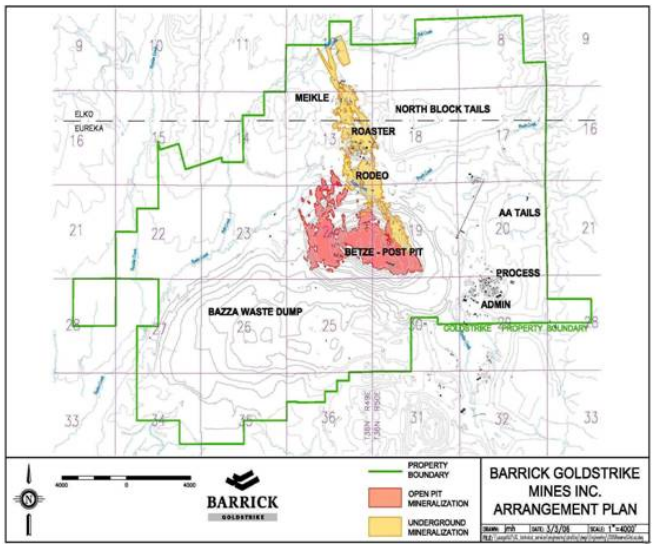
Most of the property comprising the open pit mine is subject to net smelter return and net profits interest royalties payable on the valuable minerals produced from the property. The maximum third party royalties payable on the Betze deposit are a 4% net smelter return and a 6% net profits interest. 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 Goldstrike property for the periods indicated:

	Year ended December 31, 2008	Year ended December 31, 2007
Tons mined (000's)	127,905	138,168
Tons of ore processed (000's)	11,550	11,844
Average grade processed (ounces per ton)	0.175	0.159
Recovery rate (%)	84.3	86.6
Ounces of gold produced (000's)	1,706	1,629
Average total cash costs per ounce (1)	$ 452	$ 370

(1) For an explanation of total cash costs per ounce, refer to "Non-GAAP Financial Measures — Total Cash Costs".



Cortez Mine

General Information

Reflecting its acquisition of Placer Dome and the purchase of Kennecott Explorations (Australia) Ltd. 40% interest, Barrick Cortez Inc. is the 60% joint venture interest owner and is the operator of the Cortez joint venture ("Cortez"). The remaining 40% interest is held by Barrick Gold Finance Inc.

The Cortez mine is located 100 kilometers southwest of Elko, Nevada in Lander County and currently employs approximately 800 people. The Pipeline property is 11 kilometers northwest and the Cortez Hills property is 4 kilometers southeast of the original Cortez milling complex. Cortez is accessed via Nevada State Highway 306, which extends southward from U.S. Interstate 80, both of which are paved roads. The climate is fairly arid and has little impact on the mine's operations. The elevation at the Pipeline site is 1,600 meters and about 1,850 meters at the Cortez Hills site.

In 1964, the Cortez joint venture was formed to explore the Cortez area. In 1969, the original Cortez mine went into production. From 1969 to 1997, gold ore was sourced from open pits at Cortez, Gold Acres, Horse Canyon and Crescent. In 1991, the Pipeline and South Pipeline deposits were discovered, with development approval received in 1996. In 1998, the Cortez Pediment was discovered with the Cortez Hills discovery announced in April 2003. The Cortez Hills development was approved by Placer Dome and Kennecott in September 2005 and confirmed by Barrick in 2006.

The Cortez area of interest comprises approximately 261,000 hectares along the Cortez/Battle Mountain trend, within which about 92,000 hectares are directly controlled by the Cortez joint venture. In total, the property rights controlled by Cortez, either from outright ownership or by lease, consist of 8,981 unpatented mining claims held subject to the paramount title of the United States of America and 24,895 hectares of patented mining claims and fee mineral and surface land, owned or controlled through various patents issued by the United States of America. The necessary permits to provide sufficient surface rights have been obtained for current operations at the property.

Geology

The Cortez property is situated along the Cortez/Battle Mountain trend in north-central Nevada. The principal gold deposits and mining operations are located on the southwest and south sides of Crescent Valley, which was formed by basin and range extensional tectonism. Mineralization is sedimentary rock-hosted and consists of micron-sized free gold particles that are disseminated throughout the host rock, commonly in association with secondary silica, iron oxides or pyrite.

The Pipeline Complex, Gold Acres, Cortez Hills Complex and Horse Canyon areas are the key projects that are part of the Cortez property. Principal lithologic units identified within the Pipeline

Complex and the Cortez Hills Complex deposit areas include early-Silurian to late-Devonian-aged carbonate rocks. The Silurian Roberts Mountains Formation is characterized by thin-bedded, planar-laminated, dark gray to black carbonate-dominated sediments and turbidites. The Devonian package is comprised of Wenban Limestone, characterized by thin- to thick-bedded planar to wispy laminated gray to black carbonate sediments, turbidites and debris flow,

and Horse Canyon Formation is characterized by thin, rhythmically bedded, planar-laminated gray calcareous siltstone, mudstone, and chert.

Stage 9 of the Pipeline deposit is hosted by the middle to lower portions of the Devonian Wenban Limestone and the upper portion of the Silurian Roberts Mountains Formation. The Cortez Hills deposit has a strike length of more than 500 meters, and is approximately 200 meters wide. The mineralized zone starts approximately 120 meters below surface and continues up to 600 meters. Exploration to fully delineate the extent of the deposit is ongoing.

Mining and Processing

Deposits within the Pipeline Complex are being mined by conventional open pit methods. The first eight stages of mining occurred in the Pipeline deposit over a period of 12 years (1996 — 2007), with mining of the remaining Pipeline Complex to be completed in 2011. Mining at the Cortez Hills Complex is scheduled through 2017. Conventional open pit methods will be employed for all six phases of the Cortez Hills deposit with underhand cut and fill being the method for the underground operation. Mining production rates (open pit and underground combined) for all mining activity at Cortez will average about 118 million tonnes.

Three different metallurgical processes are employed for the recovery of gold; run-of-mine heap leach, conventional mill (carbon-in-leach, or “CIL”) and refractory roaster and/or autoclave. The process used for a particular ore is determined based on the grade and metallurgical character of that ore. Lower grade run-of-mine oxide ore is heap leached on existing facilities, while higher-grade non-refractory ore is treated in a conventional mill (nominal 9,100 tonnes per day) using cyanidation and a CIL process. Refractory ore is stockpiled on site in designated areas or trucked to the Goldstrike facility for processing through the circulating fluid bed roaster or the autoclave.

Water for process use at the Pipeline Complex is supplied from the open pit dewatering system. Electric power at the Pipeline and Cortez Hills Complexes is purchased in the open market and supplied through a 73 kilometer transmission line.

The State of Nevada imposes a 5% net proceeds tax on the value of all minerals severed in the State. This tax is calculated and paid based on a prescribed net income formula which is different from book income.

All material permits to conduct operations at the Pipeline Complex and Cortez Hills Complex have been obtained and are in good standing. On November 12, 2008, the United States Bureau of Land Management issued a Record of Decision approving the Cortez Hills Expansion Project. On November 20, 2008, the TeMoak Shoshone Tribe, the East Fork Band Council of the TeMoak Shoshone Tribe and the Timbisha Shoshone Tribe, the Western Shoshone Defense Project, and Great Basin Resource Watch filed a lawsuit against the United States seeking to enjoin the majority of the activities comprising the project on grounds that it violated the Western Shoshone rights under the Religious Freedom Restoration Act (“RFRA”), that it violated the Federal Land Policy and Management Act’s prohibition on “unnecessary and undue degradation,” and that the project’s Environment Impact Statement did not meet the requirements of the National Environmental Policy Act. The plaintiff’s motion for a preliminary injunction was denied by the court and the plaintiffs have appealed that decision to the United States Court of Appeals for the Ninth Circuit. See “Legal Matters — Legal Proceedings — Cortez Hills Complaint” for additional information.

In 2008, Cortez produced 457,500 ounces of gold at average total cash costs of $589 per ounce sold. Based on existing reserves and production capacity, the expected remaining mine life is approximately 14 years.

Subject to satisfactory resolution of pending litigation (see “Legal Matters — Legal Proceedings — Cortez Hills Complaint”), Cortez Hills is expected to commence production in the first quarter of 2010. As a follow up to the successful 2008 work program, Barrick plans to spend approximately $18 million on exploration at the Cortez property, with a total of seven rigs being committed to this extensive, underexplored property in 2009. For details regarding Barrick’s acquisition of the remaining 40% of Cortez Hills, see “General Information — Transactions — Acquisition of Additional 40% Interest in Cortez Property”.

Environment

The mine’s dewatering operations have been improved with the addition of several new rapid infiltration sites. Current dewatering operations focus on bedrock water production. A portion of the dewatering water is utilized for mining and milling and a portion is utilized at a local ranch on a seasonal basis for irrigation purposes. The balance is returned to the basin through the rapid infiltration basins or consumed in processing activities (i.e., dust suppression and process makeup water).

Cortez’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. In order to prevent and control spills and protect water quality, the mine utilizes multiple levels of spill containment procedures and routine inspection and monitoring of its facilities. The mine also has various programs to reuse and conserve water at its operations. In order to mitigate the impact of dust produced by its operations, the mine uses several different dust suppression techniques. In 2008, all activities at Cortez were, and have continued to be, in compliance in all material respects with applicable corporate standards and environmental regulations. Arsenic is naturally occurring in the ground water at Cortez. United States regulations regarding arsenic drinking water standards have been revised, and the significance of these revisions to Cortez is being reviewed.

At December 31, 2008, the amount of estimated future reclamation and closure costs that were also asset retirement obligations, as defined in FAS 143 (as described in note 22 to the Consolidated Financial Statements), for the property was approximately $90 million. 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, Drilling and Analysis

Approximately 68,750 meters of exploration drilling were completed in 2008. Of this drilling, 21% was directed to the Pipeline Complex, 27% to the Cortez Hills Complex and 52% to other targets.

Drilling in the area of the Cortez Hills Complex is conducted as underground platforms are developed. Some deep tests from the surface were conducted in the first half of the year. Mineralization remains open at depth to the south and west. Other areas that were drilled in 2008 include the Horse Canyon area, Pipeline Complex, Gold Acres and other areas within the claim block.

Assay data used for modeling and mineral resource estimation are predominantly from core drill samples and the remainder from reverse circulation drill samples. The Pipeline Complex is drilled on 43 meter centres and the Cortez Hills Complex on 30 meter centres. Industry standard best practice is applicable for logging and sampling.

Both reverse circulation and core drilling is used to delineate mineralization. The main mineralized bodies of the deposit are drilled almost exclusively with core holes. Geologic models are developed based on the drill hole database.

Internal audits and outside audits from independent contractors have reviewed the sampling and analytical protocol of the drill samples from the deposit areas, including collection through final analysis and the quality control programs that meet industry standards. All analytical data is verified by the Cortez technical staff prior to use in resource estimation. Regular internal auditing of the mineral reserve and mineral resource estimation processes and procedures are conducted.

Royalties

All production by Pipeline is subject to a 1.4% gross smelter return royalty payable to the former shareholders of Idaho Mining Corporation. In addition, Royal Gold Inc. holds a gross smelter return royalty over a portion of the Pipeline Complex (graduating from 0.4% to 5.0% based on the price of gold) and ECM Inc. holds a net value royalty of 5% (shared between ECM, Inc. and Royal Crescent Valley, Inc.) over a portion of the Pipeline Complex.

All other production by Cortez, including Cortez Hills, is subject to a 1.3% gross smelter return royalty payable to the former shareholders of Idaho Mining Corporation.

In addition, there is a royalty payable to Kennecott Explorations (Australia) Ltd. (graduating from 0% to 3 %, depending on the gold price, of the gross value of gold delivered, minus certain deductions for pre-existing royalties) that would cover 40% of production from Cortez, but only after the total amount of gold delivered to Barrick from Cortez after January 1, 2008 exceeds 15 million

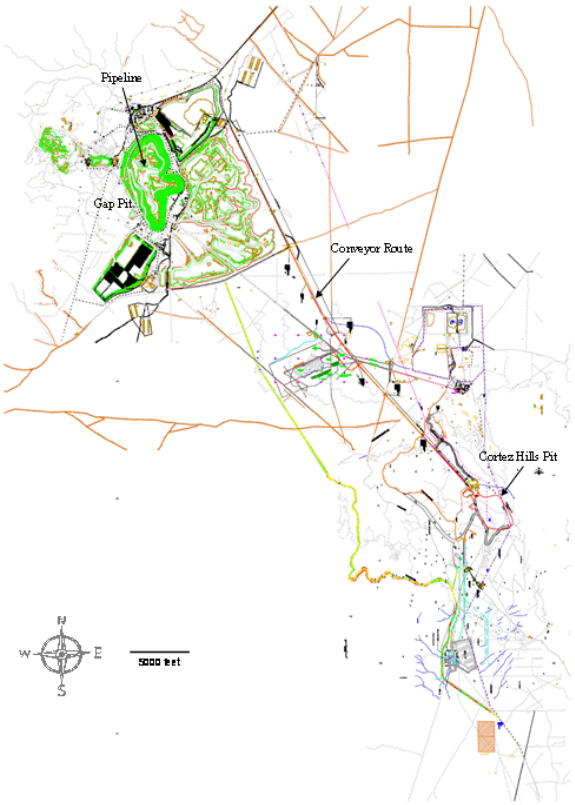
ounces.

Production Information

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

	Year ended December 31, 2008	Year ended December 31, 2007 (2)
Tons mined (000's)	113,468	70,148
Tons of ore processed (000's)	40,038	22,005
Average grade processed (ounces per ton)	0.018	0.022
Ounces of gold produced (000's)	428	323
Average total cash costs per ounce (1)	$ 589	$ 373

(1) For an explanation of total cash costs per ounce, refer to "Non-GAAP Financial Measures — Total Cash Costs".
(2) The figures for 2007 represent Barrick's 60% ownership of the Cortez property only.



Lagunas Norte Mine

General Information

The Lagunas Norte mine is an open pit, heap leaching operation. The mine is located in the Alto Chicama mining district and is 140 kilometers east of the coastal city of Trujillo, Peru, and 175 kilometers north of Barrick's Pierina mine. The property is located 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. Generally, the climate of the area does not impact on the mine's operations. Vegetation consists of small shrubs and grasses. The property is accessible year round by road from both Trujillo and Huamachuco, Peru.

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

The Alto Chicama mining district encompasses four concessions or mining rights totaling 20,322 hectares. In 2002, Barrick acquired the three primary mining concessions, encompassing 18,550 hectares, from Centromin pursuant to an international bid process. In 2005, these three concessions were consolidated into a single mining concession called "Acumulacion Alto Chicama". Three additional mining concessions, encompassing 1,772 hectares, were subsequently acquired directly by Barrick. The mining rights have no expiry date as long as the annual land payments (currently $3.00 per hectare) are made and production activities are being carried out on such concessions. The necessary permits to provide sufficient surface rights have been obtained for current operations at the property.

Peruvian authority approval of both the mine's Environmental Impact Study ("EIS") and principal construction permit were received in April 2004. Barrick commenced construction of the mine facilities in April 2004. In June 2005, Barrick obtained approval from the Peruvian authorities in respect of mine production start-up. Total capital construction cost for the mine was $323 million. All material permits to conduct the operation of the Lagunas Norte mine have been obtained and are in good standing. The mine has approximately 560 employees.

On December 29, 2004, Barrick entered into a Legal Stability Agreement with the Peruvian government. The Legal Stability Agreement provides increased certainty with respect to foreign exchange and the fiscal and administrative regime for 15 years. The 15 year period commenced as of January 1, 2006.

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 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 variably brecciated sedimentary rocks as well as in volcanic breccias and tuffs. The mineralization outcrops and has been defined by drilling over an area of 1,000 meters long by 2,000 meters with up to 300 meters depth.

Mining and Processing

The orebody is being mined as an open pit, truck-and-shovel operation, at an average mining rate of 80,000 tonnes per day. Ore is crushed and then transported via truck to the leach pad. Run-of-mine ore is trucked directly to the leach pad. Gold and silver recovered from the leached ore 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 kilovolt line connected to the Trujillo Norte substation, located in the costal city of Trujillo, approximately 95 kilometers from the mine. The East waste dump and leach pad facilities are contained within one valley, limiting potential environmental impacts. The effects of the operation on surface water and ground water resources are carefully monitored and controlled to ensure that residents downstream of the site are not adversely affected. Barrick has obtained property rights for the surface land required for the operation of the Lagunas Norte mine. Based on existing reserves and production capacity, the expected mine life is 9 years.

Mining activity was focused on developing Phase 1 of the orebody, which is a high grade and low strip area of the mine site located directly north of the crusher. During 2008, some mining of Phase 2 of the orebody (located at the north-central area of the orebody) was undertaken.

During the first half of 2009, Phase 1 and Phase 2 of the orebody will continue to be mined, targeting relatively high grade materials. However, during the second half of the year, accelerated mining in the higher grade Phase 2 is planned.

Environment

Lagunas Norte's operating facilities were designed to mitigate environmental impacts. The operation facilities are managed with procedures in place to manage hazardous substances potentially harmful to the environment. In order to prevent and control spills and protect water quality, the site uses multiple levels of spill containment, infrastructure and procedures as well as field controls like daily inspections and water, air and emissions monitoring. The site also has many programs to reuse and conserve water in all its processes. In order to mitigate the impact generated by dust, the site uses several different dust suppression techniques. In 2008, all activities at Lagunas Norte were and continue to be in compliance with applicable corporate standards and environmental regulations.

In 2008, Lagunas Norte maintained the International Cyanide Code Management Certification as well as the ISO 14001 certification with full compliance in the ISO 14001 audit. At December 31, 2008, the recorded amount of estimated future reclamation and closure costs that were also asset retirement obligations, as defined in FAS 143 (as described in note 22 to the Consolidated Financial Statements), for the property was $60 million. See "Environment and Closure".

Exploration, Drilling and Analysis

As of December 31, 2008, 333 exploration and definition holes had been drilled during 2008, 25,070 meters of reverse circulation drilling and 954 meters of diamond-drilling, totaling over 1,356 holes and 211,131 meters have been drilled at the end of 2008. The drill program at Lagunas Norte has been completed at an average of approximately 55 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 and down hole Maxibor II surveys conducted on the holes of the 2008 drilling campaign, with data collected approximately every 3 meters. Core is placed in metal trays at the drill site and transported to the core facility. Geological logs of all core are then compiled on handheld computers, using standardized rock codes and descriptive information developed by Barrick geologists. 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. Generally, sample lengths vary from 0.3 meters to 4.0 meters. A total of 24,136 samples have been taken during these drill programs. The average sample length is 1.08 meters. During the exploration and definition stages of the drilling, all samples were prepared on-site and fire assayed at an independent laboratory in Lima, Peru. The on-site laboratory performs all required analysis, employing industry standard quality assurance and quality control procedures, including the insertion of standards, duplicates and check assays, controls which have been employed since early exploration.

In 2008, additional drilling of twin diamond drill holes and reverse circulation drill holes was undertaken at Lagunas Norte. The results of this drilling allowed verification of ore grade values collected during the original diamond drilling program and provide a basis for further geological model development. A campaign of long diamond drill holes will be implemented during 2009 in a sulfur content zone at the bottom of the current pit. Other projects and opportunities in the Alto Chicama district are being evaluated.

Regular internal auditing of the mineral reserve and mineral resource estimation processes and procedures are conducted.

Royalties

Under the terms of the agreement with Centromin, Barrick paid Centromin an advance contractual royalty of $2 million, which was credited against Centromin's retained net smelter royalty of 2.51% in 2005. In December 2006, Centromin transferred all of its rights and obligations with respect to the mine to Activos Mineros S.A.C, a State mining company.

Financing

Minera Barrick Misquichilca S.A. ("MBM"), a wholly-owned subsidiary of Barrick, has established a number of capital lease programs with certain financial institutions to partially finance the construction of certain assets at Lagunas Norte. At December 31, 2008, the aggregate amount outstanding under these capital lease programs was $64.1 million. The effective interest rate in 2008 for the aggregate capital leases was LIBOR plus 2.5%.

In November 2004, MBM filed an initial shelf prospectus relating to up to $150 million aggregate principal amount of bonds with CONASEV, the National Supervisory Commission of Companies and Securities in Peru. As at December 31, 2008, MBM has issued $100 million aggregate principal amount of bonds. MBM used all the proceeds from the bond issuance for

mine development and general corporate purposes. The effective interest rate in 2008 for the first bond issuance of $50 million was LIBOR plus 1.72% and the effective interest rate in 2008 for the second bond issuance of $50 million was LIBOR plus 1.5%.

Production Information

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

	Year ended December 31, 2008	Year ended December 31, 2007
Tons mined (000's)	27,245	25,437
Tons of ore processed (000's)	25,203	21,706
Average grade processed (ounces per ton)	0.055	0.063
Ounces of gold produced (000's)	1,175	1,086
Average total cash costs per ounce (1)	$ 125	$ 103

(1) For an explanation of total cash costs per ounce, refer to "Non-GAAP Financial Measures — Total Cash Costs".

The following diagram sets out the design and layout of the Lagunas Norte mine.



Veladero Mine

General Information

The Veladero mine is an open pit mine using heap leaching. The Veladero mine includes the mining of gold and silver from two open pits: the Filo Federico pit and the Amable pit. Full construction of the mine commenced in the fourth quarter of 2003 and the first gold pour occurred in September 2005. The Veladero property is located entirely in San Juan Province, Argentina, immediately to the south of Barrick's Pascua-Lama project, approximately 370 kilometers by road northwest of the city of San Juan. The mine 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. During the winter months, extreme weather may create a challenging operating environment. Recognizing this issue, the potential impact of possible extreme weather conditions, to the extent possible, has been incorporated into the mine's operating plan. Access to the property is via a combination of public highways and an upgraded private gravel road.

The Veladero mine is a combination of two properties: (i) the Veladero mining group, consisting of eight mining concessions owned by the Provincial Mining Exploration and Exploitation Institute ("IPEEM") and operated by Minera Argentina Gold S.A. ("MAGSA"), a subsidiary of Barrick in Argentina, pursuant to the provisions of the provincial law which governs the functioning of IPEEM, and by virtue of the contract between IPEEM and Barrick, and (ii) the Mina Ursulina Sur mining concession owned and controlled by MAGSA. These two properties cover an area of approximately 12,350 hectares. Barrick exercised its option to enter into an exploitation contract with IPEEM in July 2003, in accordance with the terms of the previous exploration contract.

The necessary permits to provide sufficient surface rights have been obtained for current operations at the property. Barrick has an undivided 90% interest in "Campo Las Taguas", which encompasses the surface property affected by Veladero's mining facilities. With respect to the 10% interest of "Campos Las Taguas" owned by third parties, Barrick and IPEEM have obtained all necessary easements for access over surface property. Certain other mine related facilities are located in Campo Colangui, which is also owned by Barrick.

The Veladero mine received environmental impact study ("EIS") approval in November 2003 from the Mining Authority of the San Juan Province. This study has since been updated in each of 2005 and 2007. All of the key additional permits for the mine's operation, such as water concessions, construction permits for civil and hydraulic works, fuel storage permits, explosives and hazardous substances handling permits, have been obtained.

The principal mine commissioning activities were completed during the fourth quarter of 2005 and construction activities were completed in the first quarter of 2006 .

Barrick implemented a comprehensive recruitment and training program for personnel required for the operation prioritizing the local labor market. As at December 31, 2008, the mine had approximately 880 employees.

Geology

The Veladero deposit is an oxidized, high sulfidation gold-silver deposit hosted by volcaniclastic sediments, tuffs, and volcanic breccias related to a Miocene diatreme-dome

complex. Disseminated precious metals mineralization forms a broad, 3-kilometer long tabular blanket localized between the 4,000 and 4,350 meter elevations. The mineralized envelope encompassing greater than 0.4 grams per tonne gold is oriented along a 345°-trending regional structural corridor. Higher grade zones within this envelope occupy northeast-striking faults and fracture zones. Hydrothermal alteration is typical of high sulfidation gold deposits, with a silicified core grading outward into advanced argillic alteration, then into peripheral argillic and propylitic alteration haloes. Gold occurs as fine native grains, and is dominantly associated with silicification and with iron oxide or iron sulfate fracture coatings. Silver mineralization is distinct from gold, and occurs as a broader, more diffuse envelope, probably representing a separate mineralizing event. Copper and other base metals are insignificant, and sulphide mineralization is negligible. Principal controls on gold mineralization are structures, brecciation, alteration, host rocks, and elevation.

The Veladero deposit comprises three main orebodies: Amable in the south; Cuatro Esquinas in the center; and Filo Federico in the north. Much of the Veladero deposit is covered by up to 170 meters of overburden. The current gold reserve identified in the Veladero mine is 12.2 million ounces (includes Pit, Stock and Plant).

A variety of volcanic explosion breccias and tuffs are the principal host rocks at the two northern orebodies, where alteration consists of intense silicification. The Amable orebody is hosted within bedded pyroclastic breccias and tuffs, which are affected by silicification and advanced argillic alteration.

Mining and Processing

The Veladero mine is an open pit mine with a valley-fill heap leach operation and two-stage crushing process. Recovered gold is smelted into doré on-site and shipped to an outside refinery for processing into bullion. Construction of a four kilometer overland conveyor belt is expected to be commissioned in May 2009. The crusher expansion project, expected to increase the crusher capacity to 85,000 tonnes per day, is scheduled to be commissioned in late 2009. Veladero self generates electric power using a diesel power plant (with a 12 megawatt capacity), permanently-installed diesel-generator sets (adding a further 6.8 megawatt capacity) and a 2-megawatt wind-generation turbine. The expected mine life is approximately 15 years.

Environment

In November 2005, Barrick submitted the first biannual update of the Veladero EIS (the "EIS Update") to the San Juan mining authority. The EIS Update outlines the mine's environmental management results for the 2003 to 2005 period, updates information related to the mine's environmental management plan and the production plan and sets out the mine's planned increase in processing capacity. This first biannual update was approved in April 2007 and most of the additional permits required for the execution of the current production plan have been obtained.

In November 2007, Barrick submitted a second biannual update of the Veladero EIS to the San Juan mining authority. This document outlines the mine's environmental management results for the 2005 to 2007 period and is currently under review by the mining authority.

Veladero's operating facilities have been designed to minimize and 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. In order to prevent and control spills

and protect water quality, the mine utilizes multiple levels of spill containment procedures and routine inspection and monitoring of its facilities. The mine also has various programs to reuse and conserve water at its operations. In order to mitigate the impact of dust produced by its operations, the mine uses several different dust suppression techniques. In 2008, all activities at Veladero continued to be in compliance in all material respects with applicable corporate standards and environmental regulations.

In August 2007, Barrick obtained the ISO 14001 certification for the entire Veladero operation, and in November 2007, the Veladero operation obtained the International Cyanide Management Code certification.

At December 31, 2008, the recorded amount of estimated future reclamation and closure costs that were also asset retirement obligations, as defined in FAS 143 (as described in note 22 to the Consolidated Financial Statements), for the property was $34 million.

Exploration, Drilling and Analysis

During 2008, 31 reverse circulation drill holes were performed reaching a total of 7,175 meters in the Pampa del Rulo, Amable Sur, Agostina Sur and 4 Esquinas areas. Five reverse circulation drill holes were performed in Pampa de Rulo totaling 1,552 meters for purposes of sterilization to ensure that no mineralization remained beneath the sites planned for future waste dumps. 17 reverse circulation infill drill holes were realized in Agostina Sur; five reverse circulation drill holes were performed in Amable Sur for purposes of sterilization and four reverse circulation drill holes were performed to search for potential mineralization.

During 2008, a diamond-drilling program was carried out at the 4 Esquinas pit as part of the planned in-fill and exploration program aiming principally to increase reserves and block category upgrade. Simultaneously, the infill program was also used to investigate geotechnical information. Three diamond drill holes were performed totaling 1,003 meters.

The 2009 exploration plan includes testing of the Argenta zone (formerly called the Dos Lagunas zone).

At December 31, 2008, the Veladero database included 260,272 meters of reverse circulation drill holes and 44,104 meters of diamond core drill holes totaling 3,975 meters of channel samples from declines. Drill spacing within mineralized zones varies from 30 meters to 100 meters, and averages approximately 35 meters.

Sampling has been done with reverse circulation and core drill holes. Reverse circulation samples were collected on 1 meter intervals.

Rock chip samples are delivered by mine personnel to the ALS Chemex sample preparation facility at the mine, where the lab assumes sample custody. Veladero's standard assay protocol for rock chips involves initial assaying for gold by fire assay fusion of a 50 gram pulp and analysis by atomic absorption. Analytical results are received from the lab in an electronic format and are entered into the database without external manipulation.

Veladero's quality assurance and quality control program utilizes field blanks to monitor contamination, pulp standards to monitor accuracy, and field duplicates, preparation duplicates and pulp duplicates to monitor precision. Quality control samples are included with sample

submittals from reverse circulation chips, drill core, and chip or channel sampling. A detailed quality control report is prepared at least annually, or after each major sampling program is completed. External quality assurance and quality control reviews have been conducted periodically. All of these reviews concluded that Veladero's quality assurance and quality control procedures meet or exceed industry standards.

Regular internal auditing of the mineral reserve and mineral resource estimation processes and procedures are conducted.

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 the exploitation contract between Barrick 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 (see "Legal Matters — Government Controls and Regulations").

Production Information

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

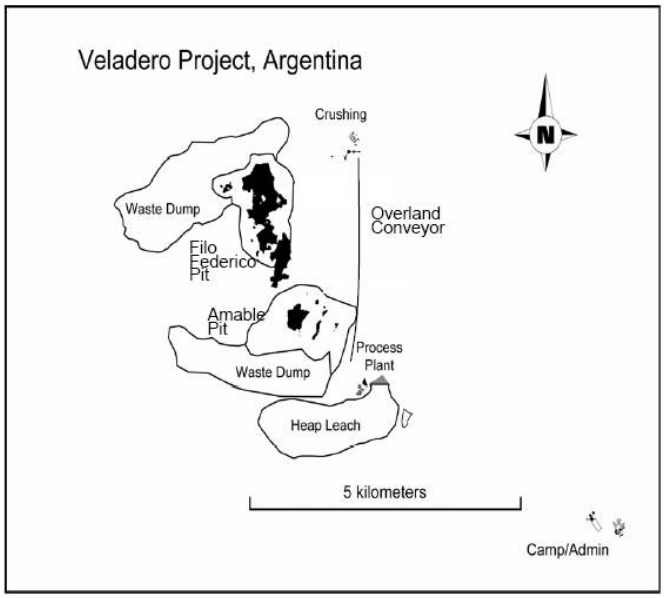
	Year ended December 31, 2008	Year ended December 31, 2007
Tons mined (000's)	93,544	76,529
Tons of ore processed (000's)	23,408	19,607
Average grade processed (ounces per ton)	0.025	0.027
Ounces of gold produced (000's)	536	473
Average total cash costs per ounce (1)	$ 496	$ 332

(1) For an explanation of total cash costs per ounce, refer to "Non-GAAP Financial Measures — Total Cash Costs".

Financing

During 2004, MAGSA secured a variable rate, limited recourse $250 million loan facility for Veladero, which was fully drawn down by the end of 2007. Barrick has guaranteed the loan until the mine has achieved specified operational and technical requirements, after which it will become non-recourse. This facility is insured for political risks by branches of the Canadian government and German government. Substantially all the assets of MAGSA, including the Veladero property and related assets, have been pledged as security under the loan. The effective interest cost for 2008 was approximately 10.2%.

The following diagram sets out the current mine facilities and planned expansion:



Zaldívar Mine

General Information

Zaldívar is an open pit heap leach copper mine located in northern Chile. The mine is located in the Andean Precordillera in Region II of northern Chile, approximately 1,400 kilometers north of Santiago and 175 kilometers southeast of the port city of Antofagasta. The site is accessible by highway from the port of Antofagasta. The Antofagasta-Salta railway also services the site. Zaldívar employed approximately 800 employees and approximately 1,430 contractors at December 31, 2008.

The climate is characterized by very low relative humidity and practically no precipitation and has little impact on the mine's operations. The surface topography lies at an average elevation of 3,300 meters above mean sea level. There is little or no vegetation. The property is within a 1,240-hectare claim area covered by 247 exploitation concessions. Exploitation

concessions are registered in the Conservador de Minas (Mining Property Registrar) and Sernageomin (National Service of Geology and Mines). The necessary permits to provide sufficient surface rights have been obtained for current operations at the property. Environmental permit(s) are issued and registered with the Conama (National Environmental Commission).

In 1979, the initial declaration or statement of discovery (manifestacion minera) was presented to the First Civil Court of Antofagasta by Mr. Pedro Buttazzoni Alvarez. In 1981, Mr. Buttazzoni, through his company Sociedad Contractual Minera Varillas ("SCMV"), formed the company Sociedad Legal Minera Zaldívar 262 de Zaldívar. Shareholders in this new company were: SCMV, 88.33%, and Minera Utah de Chile Inc. and Getty Mining (Chile) Inc. jointly holding the other 11.67%. In 1989, as a result of various transactions during the previous eight years, SCMV held 51% and Minera Escondida Limitada owned the other 49%. In March 1989, the mining rights were sold to Sociedad Minera La Cascada Limitada ("SMCL-Pudahuel"). In that same year, a sales contract was executed between SMCL-Pudahuel and Outokumpu Resources (Services) Limited ("Outokumpu"). The mining claims were then transferred to Minera Outokumpu Chile Limitada in November 1989. Outokumpu announced the formation of a 50/50 joint venture with Placer Dome in December 1992, at which time a joint venture company, Compañía Minera Zaldívar ("CMZ"), was formed. Commercial production began in November 1995, after completion of construction at a cost of $574 million. Placer Dome acquired the remaining 50% interest in CMZ from Outokumpu effective December 13, 1999 at a cost of $251 million. Barrick acquired Zaldívar in connection with its acquisition of Placer Dome in March 2006. Based on existing reserves and production capacity, the expected mine life is approximately 15 years.

Geology

The Zaldívar porphyry copper deposit is situated on the western margin of the Atacama Plateau in northern Chile. The deposit is part of a large Tertiary porphyry copper system which includes the Escondida porphyry copper deposit. This porphyry complex occurs within the large West Fissure structural system which controls most of the large porphyry copper deposits in Chile. The Zaldívar porphyry system is at the intersection of the West Fissure and a series of Northwest and Northeast striking faults. The deposit is generally centered on a Northeast striking granodiorite porphyry body that intrudes andesites and rhyolites, and cuts across the north-south striking Portezuelo fault. Although the geology and the Zaldívar mineral deposit are generally continuous from east to west, the orebody was arbitrarily divided into two zones: the Main zone (area east of 93,000E) and the Pinta Verde zone (area west of 93000E).

The Zaldívar orebody contains both sulphide and oxide copper mineralization. The majority of the copper occurs in a blanket of oxide and secondary sulphide ore which overlays deeper primary sulphide mineralization of lower grade. The economically important mineralization types are secondary sulphide (chalcocite), oxide (brochantite and chrysocolla) and a mixed mineralization type of combined sulphide and oxide copper minerals. Primary sulphide mineralization consists of pyrite, chalcopyrite, bornite and molybdenite.

In the Main zone orebody, to the east of the Portezuelo fault, rhyolite is the host rock and secondary sulphide mineralization is dominant (85% to 90%) with the balance of the copper present as oxide minerals. West of the fault, andesite and granodiorite are the host rocks and the copper is present as a mixture of both oxide and secondary sulphide minerals.

Mining and Processing

The open pit contemplates mining the remaining mineral reserves in six stages, referred to as Stage 6 through to Stage 11. During 2008, ore production came from Stage 8 of the Main zone. Conventional methods of open pit mining are used. During 2008, Zaldívar focused on improving operational efficiencies and reliability of key process crushing productivity.

Pure cathode copper is produced by three stages of crushing and stacking of ore, followed by heap leaching and bacterial activity to remove the copper from the ore into solution. Run of mine dump leach material is placed on the old sulphide ore pad, and is also leached. A solvent extraction and electrowinning process then removes the copper from solution and produces the cathode copper. The electrowinning plant has been modified to produce 331 million pounds (150,000 tonnes) of cathode copper per year, 20% over the original design capacity. A flotation plant is also used to recover copper, in the form of copper concentrate, contained in the fine fraction of the crushed ore.

Copper recoveries and leaching kinetics have improved for treated ores by more than 20% in the last 8 years and leach cycle times are currently 365 days. Notwithstanding these improvements, declining head grades mean that more material must be placed on the leach pads and more capital investment is required to sustain current copper production rates. Zaldívar will concentrate on improving leaching kinetics and accelerating the oxidation of sulphide ores to minimize future capital requirements and maximize cathode production.

Process water is being supplied from ground water at Negrillar, 120 kilometers east of Zaldívar. Water is drawn from six production wells and pumped along the 120-kilometer route to a fresh water pond located near the tertiary crushing facility at the plant site. Zaldívar receives power from the SING, the regional electricity grid system, and purchases electricity from one of the electrical utilities operating on the SING system. A 230 kilometer transmission line was constructed in conjunction with Minera Escondida Limitada between the Zaldívar and Escondida plant sites and the SING system substation at El Crucero. All operations permits have been obtained and are in good standing.

On December 14, 2004, the Chilean government presented a new mining sector specific tax project to the Chamber of Deputies proposing a 5% tax on operating profits derived from the sale of mineral products. The proposed 5% tax became law during 2005. Companies protected from income tax increases under Chile's DL 600 foreign investment law, which was the case for CMZ, which holds the Zaldívar mine, had the option to either wait for their DL 600 contract to expire, after which their investment would be subject to the new tax, or renounce their status under the existing DL 600 regime, before November 30, 2005, and face a reduced 4% tax in return for a 12 year mining tax invariability clause. Pursuant to the provisions of this new tax, the 4% tax is effectively reduced

to 2% for 2006 and 2007. The new tax honors all existing contracts between mining companies and the state, which are protected under Chile's DL 600 foreign investment law, and would not be applied to such companies while their current tax contracts remain in force.

In November 2005, CMZ opted out of its existing DL 600 regime and entered into the new DL 600 regime, the terms of which include the 4% tax and a 12 year tax invariability clause.

Environment

Zaldívar operates in an environmentally responsible manner to mitigate environmental impacts. This is largely due to the heap leaching process that operates entirely as a closed circuit with no discharge to the environment. There are programs that continuously monitor the process and surrounding areas, including leak detection wells to detect any potential circuit failures.

Zaldívar is awaiting approval of a modification to its operating permits to reflect current production and processing rates and is preparing to update its environmental approval, which will include submitting modifications to certain environmental permits. While the timing of receipt of such approvals is uncertain, it is estimated that the process will take approximately 9 to 12 months.

Zaldívar's ISO 14001 certification was renewed in September 2006 and will be in effect for a three-year term, subject to successful annual audits over the period.

At December 31, 2008, the recorded amount of estimated future reclamation and closure costs that were also asset retirement obligations, as defined in FAS 143 (as described in Note 22 to the Consolidated Financial Statements), for the property was $45.8 million.

Exploration, Drilling and Analysis

The Zaldívar orebody has been extensively drilled. Reverse circulation drilling has been done in order to develop a geological model. For exploration holes, whole core samples are taken at every 2 meter down-the-hole interval. All holes are logged for lithology, alteration, mineralization and structure. In 2008, 70 reverse circulation holes were drilled for 17,172 meters. Sampling and analysis of diamond and reverse circulation drill holes and blast holes comply with industry standards. Blank sample protocols are used in the normal row of samples sent to the Zaldívar laboratory. Controls exist on biases and the product is checked with the security sampling curves. As well, external laboratories have been used to verify results. Databases generated with these results are thoroughly reviewed and cross checked before being used in the mineral resource/mineral reserve estimation processes. Regular internal auditing of the mineral reserve and mineral resource estimation processes and procedures are conducted.

Special field controllers ensure that the samples collected for modeling and mineral resource estimation have been delivered under secure conditions to the laboratory.

Royalties

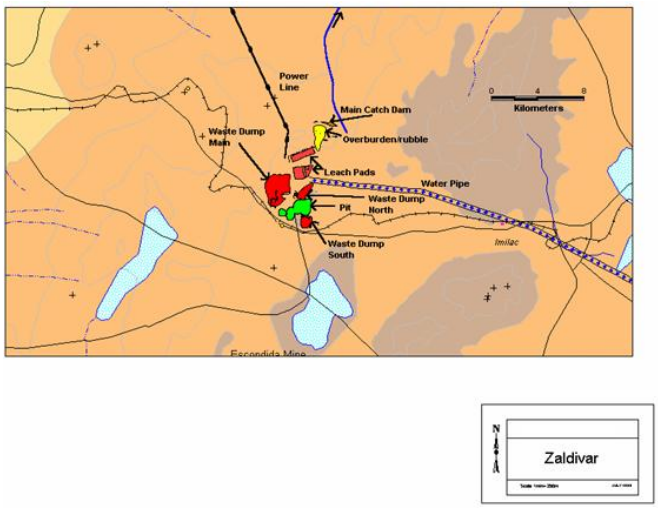
The Zaldívar mine is not subject to any royalties.

Production Information

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

	Year ended December 31, 2008	Year ended December 31, 2007
Tons mined (000's)	75,499	81,337
Tons of ore processed (000's)	42,481	36,808
Average grade processed (% of TCu)	0.57	0.62
Pounds of copper produced (000,000's)	295	315
Average total cash costs per pound (1)	$ 1.08	$ 0.69

(1) For an explanation of total cash costs per pound, refer to "Non-GAAP Financial Measures - Total Cash Costs".



Porgera Mine

General Information

Barrick's subsidiary is the owner and operator of a 95% joint venture interest in the Porgera Joint Venture (the "PJV") gold mine. The Porgera deposit is located in Enga Province in the highlands of Papua New Guinea ("PNG"), about 130 kilometers west of the established town of Mount Hagen, 600 kilometers northwest of Port Moresby, and about 680 kilometers by road from the coastal port of Lae from which all materials are shipped. The road is partly paved and passes through unstable mountainous terrain with many major river crossings. Personnel are transported by bus, fixed wing aircraft and helicopter. The workforce at Porgera comprises approximately 2,500 employees. In addition, there are approximately 700 contractors. Of the total employee workforce, 93% are PNG citizens (56% local employees and 37% PNG nationals).

The mine is located at an altitude of 2,200 to 2,700 meters. Temperatures range from 10 to 25 degrees Celsius and rainfall averages 3,650 millimetres per year. The vegetation is largely rainforest with interspersed food produce gardens below 2,400 meters elevation.

Alluvial gold was first reported at Porgera in 1938. In 1975, Placer Dome became the operator and owner of a 2/3 interest in an exploration venture with Mount Isa Mines Limited (now MIM

Holdings Ltd.). In 1979, a joint venture agreement was signed whereby Placer Dome, MIM Holdings Ltd. and New Guinea Goldfields Ltd. ("Goldfields", an eventual subsidiary of AurionGold) each held a one third interest and the Independent State of Papua New Guinea (the "State") had the right to acquire, at cost, up to a 10% interest in the project if developed. In 1989, a Special Mining Lease was approved, construction commenced and the State acquired a 10% interest, diluting each of the other joint ventures down to 30%. Commercial production commenced in 1989. Also in 1989, MIM Holdings Ltd. sold its 30% interest to Highlands Gold Ltd. ("Highlands Gold"). In 1993, Placer Dome, Goldfields and Highlands Gold each sold a further 5% to the State. In 1997, Placer Dome's joint venture interest was increased from 25% to 50% following its completion of the acquisition of Highlands Gold. In 2002, Placer Dome increased its interest to 75% through the acquisition of AurionGold (the beneficial owner of the Goldfields interest). In 2002, DRDGOLD Limited acquired a 20% interest from Oil Search Limited (originally the interest held by the State). In 2005, Emperor Mines Ltd acquired DRD Gold Ltd's 20% interest. Barrick acquired Placer Dome in 2006. In 2007, Barrick acquired Emperor's 20% share, increasing its ownership to 95%. The remaining 5% joint venture interest is held by Mineral Resources Enga Limited ("MRE") and divided between Enga Provincial government (2.5%) and landowners (2.5%).

The PJV has approval to mine the Porgera deposit within the agreed development plan under the terms of the Porgera Mining Development Contract (the "MDC") between the State and the PJV. The MDC specifies the annual rents that must be paid for the Special Mining Lease (the "SML") and the various classes of compensation that are payable to the landowners for the various land uses. The SML, which expires in 2019 and is renewable, encompasses approximately 2,347 hectares including the mine area and the areas in which the project infrastructure is located. There is no expiration date for the MDC, but it is tied to the continuation of the SML. Leases for Mining Purposes ("LMP") have also been awarded by the State for land use associated with the mining operation such as waste dumps, campsites, water supply, power generation and airstrip. The PJV also holds a Mining Lease for the operation of a limestone quarry for the supply of lime to the process plant. Permits are held for water use, including run-off from unconsolidated surfaces, such as the open pit, the underground mine and the waste dumps. The PJV also maintains two Exploration Leases ("EL") which enclose the SML and some key LMPs. The ELs are the subject of ongoing exploration expenditure. The PJV holds mining easements for utilities such as power transmission lines and water supply pipelines. The necessary permits to provide sufficient surface rights have been obtained for current operations at the property.

Open pit mining is currently in Stages 5 and 5B of a 5-stage open pit mining plan. Stage 4 was completed in 2006, after which Stage 5 and stockpile ore became the principal ore sources. During 2004, failure and erosion of soft mudstone material onto the Stage 5 working bench hampered both development and ore production. Remediation mining and buttressing stabilized this failure by way of the West Wall project which was completed during 2008. Open pit operations are expected to cease in 2017. Underground mining was recommenced in 2002, and is also expected to cease in 2017. The mill will continue to process accumulated lower grade ore stockpiles through to 2022.

Due to a number of economic and social issues, the Porgera mine has a greater level of political and economic risk compared to many of Barrick's other operations. Civil disturbances and criminal activities such as trespass, illegal mining, theft and vandalism have occasionally caused disruptions to operations at Porgera.

Illegal mining, which involves trespass into the operating area of the mine, is both a security and safety issue at the Porgera mine. The illegal miners from time to time have clashed with mine security staff and law enforcement personnel who have attempted to move them away from the facilities. The presence of the illegal miners, given the nature of the mines' operations, creates a safety issue for both the illegal miners and Porgera employees and can cause disruptions to mine operations. The Porgera mine has, on occasion, experienced delays in the granting of operating permits and licenses necessary to conduct lawful operations. Although to-date there has never been an interruption to operations due to an issue of this nature, if at any time in the future permits essential to lawful operations are not obtained or exemptions are not granted, there is a risk that the Porgera mine may not be able to operate for a period of time. All material permits to conduct the operation of the Porgera mine have been obtained and are in good standing.

Geology

Mineralization occurs within the Porgera intrusive complex, around the margins of, and within, the intrusive bodies. The mineralization is closely associated with three dominant structural trends. The zone of high grade mineralization occurs within and adjacent to the Romane Fault (Zone VII), the Hanging Wall Shear Zone (Zone VI) and the Footwall Splay Zone (Zone VIII). Significant tonnages of moderate grade mineralization also occur within the Footwall Diorite (to the north of Zone VII) and the Eastern Deeps.

The Porgera Zone VII orebody is an epithermal style orebody hosted within thermally metamorphosed sediments of the Cretaceous Chim Formation and the associated Porgera Diorite Intrusive Complex of Miocene age. The known orebody extends for up to 930 meters along strike. The maximum width across strike is 100 meters, but the width is commonly no more than 20 to 30 meters. The intrusive diorite complex has many individual stocks and dykes. The rocks are competent however they tend to be brittle, and in the vicinity of the orebody, are extensively veined and brecciated. The intrusive bodies tend to be concentrated towards the footwall of the deposit. Underground mining continues to progress along extensions to the orebody at depth. Open pit mining generally targets the intrusive bodies in the footwall as well as remnant ore around previously mined stopes.

Four precious metal associations have been recognized as part of the mineralizing events:. auriferous pyrite, sphalerite, galena; coarse euhedral auriferous pyrite; fine anhedral, auriferous, arsenical pyrite; and gold, electrum.

The fourth association is the source of the exceptionally high gold grades found in the deposit. Although a portion of the gold is free, the majority occurs as submicroscopic gold intimately associated with and disseminated throughout pyrite.

The projected mine life of Porgera is 13 years.

Mining and Processing

The Porgera deposit is currently being extracted using open pit and underground mining methods. In 2008, mill feed, on a tonnage basis, was sourced 88% from open pit and run of mine stockpiled ore, and 12% from underground. Underground ore accounted for 29% of the contained gold in mill feed.

Open pit mining is currently directed at pit stages 5 and 5B by way of a typical hard rock operation utilizing 10 meter benches. Utilizing conventional mining equipment, the open pit operations has a nominal mining production capacity of approximately 40 million tonnes per annum.

Mill feed material from the open pit will be direct feed to crusher (at an elevated cut off grade) when possible. Long term stockpile material will be used to supplement crusher feed as required. Low grade material mined from the open pit will be stockpiled until end of mine life, when it will be processed.

The underground mine comprises four zones that are accessed using a general-purpose decline from surface. The mine is a highly mechanized bulk mining operation. The Central Zone is predominately a vertical ore body where production is expected to be completed in early 2009. The North Zone dips at 55 to 70 degrees and is mined using predominantly a down hole bench retreat method, with sublevels reduced to 25 meter intervals due to the dip of the ore body. Some isolated areas of the ore body that are wide will be mined using a transverse mining method. Up hole retreat mining will be used to recover crown pillars. Eastern Deeps will be mined using a down hole bench retreat mining method at 30 meter level intervals. Production rates in the Eastern Deeps have been limited to date owing to ventilation constraints, geotechnical challenges and difficult mining due to complex geology and structure. East Zone mining will be dependent on paste fill due to the dip of the ore body, at 45 to 50 degrees, and ground support concerns.

Currently open stopes are filled with unconsolidated development waste, and cemented aggregate in strategic locations to create crown pillars.

Development of a Twin Decline has commenced to provide both long term access to the underground and provide replacement ventilation airways. These declines are designed at increased dimensions to the existing drives to accommodate larger trucks.

The mill has undergone several stages of improvement and expansion. A concentrator and leach/carbon-in-pulp ("CIP") circuit commenced operation in 1990, producing gravity concentrate and sulphur flotation concentrate for leaching to recover gold and silver. A pressure oxidation circuit was added to allow the processing of the sulphide flotation concentrate and previously stockpiled concentrate. Gold liberated by pressure oxidation is recovered through a CIP cyanide leach circuit, followed by site refining into doré. In 1996, a second semi-autogenous mill and large ball mill was added, increasing nominal mill throughput from 10,000 tonnes per day to 17,700 tonnes per day.

The main water supply for the mine is the Waile Creek Dam, located approximately 7 kilometers from the mine. Water for the grinding circuit is also extracted from Kogai Creek, which is located adjacent to the grinding circuit. The mine operates four water treatment plants for potable water and five sewage treatment plants.

Porgera's principal source of power is supplied by a 73-kilometre transmission line from the gas fired and PJV-owned Hides Power Station. The station has a total output of 62 megawatts. A back up diesel power station is located at the mine and has an output of 13 megawatts. The average power requirement of the mine is about 60 megawatts.

Environment

The PJV runs an extensive environmental monitoring program to ensure compliance with the requirements of its permit. All requisite licenses and permits are kept in good standing.

The Porgera mine is located in extremely rugged mountainous terrain, subject to seismic activity, high rainfall and landslides. Competent waste rock is stored in two stable waste dumps, to the south (Kogai stable dump) and east (Anawe North stable dump) of the open pit. In addition, there are two erodible dumps containing soft, incompetent waste rock, Anjolek and Anawe.

A tailings impoundment was considered to be very difficult in the Porgera environment and the risk of an engineering failure was assessed to be very high. Therefore, the PNG Government approved riverine disposal as an appropriate method for treated tailing and incompetent waste rock under the circumstances that exist at the particular site. Since the acquisition, Barrick has been reviewing alternatives to mitigate the effects of waste disposal practices which it is currently planning to finalize.

PJV implemented an extensive riverine monitoring program in 1984 and this has continued to the present.

At December 31, 2008, the recorded amount of estimated future reclamation and closure costs that were also asset retirement obligations, as defined in FAS 143 (as described in Note 22 to the Consolidated Financial Statements), for the property was $42.6 million.

Exploration, Drilling and Analysis

Exploration work in 2008 concentrated on increasing underground inferred resources at Lower East Zone and Lower North Zones, in addition to testing a number of exploration targets in the mine environment. This led to exploration success at the Project X and AHD targets.

The 2009 to 2010 exploration programs have been designed based on a review of current in mine exploration targets by ranking them based on their accessibility from existing infrastructure and their respective economic benefits. A primary objective was to schedule future exploration and development activities on known and emerging targets so that gold production is optimised with respect to the life of mine production schedule.

The drill programs were designed based on exploration success at Lower North and East Zones, Project X and AHD. Rough cut economic and development evaluations are due for completion before year end. Objectives at the other targets are to define inferred resources or to obtain a discovery intersection.

In addition to the above, Barrick Exploration PNG will continue the Porgera Deeps program exploring for the presence of high grade gold mineralization well below the current underground mine development. Targeting will be focused at the intersection of proven gold bearing structures within favorable host rocks. The first such target to be tested will be the intersection of the Romane Fault Zone and the Tawisikali — Project X structure.

The drill hole database for Porgera consists of some 7,100 drill holes and 1,200,000 meters of drilling that includes underground and surface diamond drill core. Face sampling and reverse circulation percussion drill samples are also included in the database.

Drill core sample security was maintained throughout the year with geological supervision of transport of the core from the drill site, through to the logging facility and to the on-site NATA (National Association of Testing Authorities) accredited assay laboratory.

Open pit delineation and exploration drilling is, on average, on a 30 by 50 meter pattern spacing. Classification of open pit resources is based on kriging variance. Underground reserves are classified as measured only when bracketed by silled out openings. Indicated resources require a minimum of 30 by 30 meter drill spacing, which is generally tightened to 15 by 15 meter prior to committing major development.

Whole core samples are taken over two meter down-the-hole intervals for the entire drill hole except in the Central Zone, North Zone and East Zone where the sampling interval was decreased to 1 meter intervals to increase the sample density and geology detail for underground mineral resource evaluation. Half core is kept for one or two holes per section and all pulps are kept. All holes are logged for lithology, alteration, fractures, mineralization and structure.

Drilling, sampling, analysis, data stewardship, orebody modeling, and mine planning are carried out in accordance with industry standards. Regular internal auditing of the mineral reserve and mineral resource estimation processes and procedures are conducted. The sampling and analytical methods are believed to be appropriate for the style and type of mineralization. Databases used to generate the geological models and mineral resource estimates have been verified by mine geological staff. Regular internal auditing of the mineral reserve and mineral resource estimation processes and procedures are conducted.

Royalties

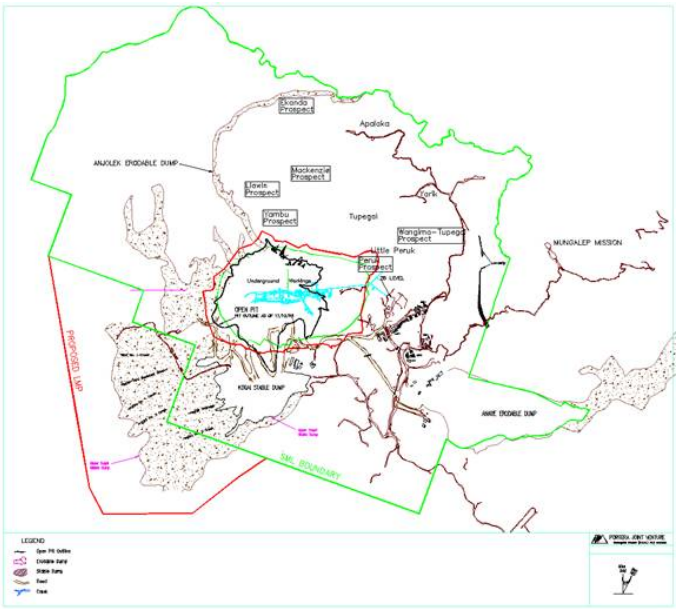
Production by the Porgera mine is subject to a 2% net smelter royalty payable to the National Government Department of Mining, which is then distributed to the Enga Provincial government, the Porgera District Authority and local landowners.

Production Information

The following table summarizes certain production and financial information for the Porgera mine (Barrick's proportional share) for the periods indicated:

	Year ended December 31, 2008	Year ended December 31, 2007 (2)
Tons mined (000's)	45,534	40,870
Tons of ore processed (000's)	6,334	4,995
Average grade processed (ounces per ton)	0.116	0.114
Ounces of gold produced (000's)	627	487
Average total cash costs per ounce (1)	$ 417	$ 426

(1) For an explanation of total cash costs per pound, refer to "Non-GAAP Financial Measures — Total Cash Costs".
(2) Barrick increased its interest in the Porgera mine from 75% to 95% in August 2007.



EXPLORATION, DEVELOPMENT AND BUSINESS DEVELOPMENT

Barrick has historically grown its reserve base through a combination of acquisitions and an exploration strategy that includes a district development program, which focuses on exploration in and around its operating properties, as well as an early-stage exploration program. 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. Barrick is currently engaged in both district development in and early stage exploration in each of its RBUs as well as early-stage exploration in certain other countries where it does not currently have operations.

Exploration is directed from Barrick's head office in Toronto and is conducted through its RBUs and exploration offices around the world. Barrick utilizes state-of-the-art technology to explore deeper and in a more effective manner. Barrick uses new deep-penetrating geophysical techniques and geological modeling to locate and define new targets.

The Company's strategy is to maintain a geographic mix of projects at different stages in the exploration and development sequence. In 2008, Barrick spent $458 million on its exploration, development and business development activities (2007 — $367 million). Of the $216 million spent on exploration in 2008, approximately $69 million was spent in North America, approximately $40 million was spent in South America, approximately $52 million was spent in the Australia Pacific region and, approximately $18 million was spent in Africa. Development expenditures, consisting of mine development and non-capitalizable project costs, in 2008 totaled approximately $201 million (2007: $183 million). Business development costs in 2008 totaled approximately $41 million (2007: $5 million). Capital projects/global exploration costs totaled approximately $25 million (2007: $11 million).

Barrick's strategy for 2009 will focus on the replacement of production through a combination of exploration, corporate development and project development. In 2009, Barrick expects to spend approximately $150 to $160 million on exploration, weighted towards near mine resource additions and reserve conversion, with approximately 40% of the total targeted for Nevada. The budget for 2009 reflects a focus on targets that have the potential to make near term contributions to Barrick's earnings and cash flow. In 2009, Barrick expects to expense project costs of approximately $250 to $270 million for its share of expenditures. In 2009, Barrick's expected project expenses are primarily attributable to its commitment to complete the feasibility studies for its Reko Diq, Cerro Casale, Donlin Creek and Kabanga projects, as well as the development costs associated with the extension of the mine life at Golden Sunlight. As a result of the continued development of its more advanced projects, in particular, Pueblo Viejo, Cortez Hills and Pascua-Lama, partly offset by the expected completion of the Buzwagi Project, Barrick expects 2009 capital expenditures to increase from 2008. For 2009, Barrick expects to spend approximately $1.3 to $1.5 billion on capital expenditures for its projects. Certain of Barrick's current projects, which are at various stages of development, are described below.

The Buzwagi project is located within the highly prospective Lake Victoria Greenstone Belt in Tanzania on excellent terrain, which is relatively flat, open land. This has simplified project execution. Buzwagi's proximity to Barrick's other operations in the area (Bulyanhulu and Tulawaka) is expected to benefit its operations due to shared infrastructure, training and employee development. In addition, Buzwagi has the best access to infrastructure of all of Barrick's Tanzanian properties. A paved road connects the site to a rail line that passes only 40 kilometers from the property. In 2007, the project's Mine Development Agreement and Environmental Impact Assessment ("EIA") were approved by the Tanzanian government. In August 2007, Barrick commenced construction, which, at year-end, was approximately 90% complete. Pre-production capital cost is estimated at $400 million (excluding capitalized interest). Buzwagi is currently expected to commence production in the second quarter of

2009. Buzwagi is expected to produce approximately 200 thousand ounces in 2009 at total cash costs of approximately $320 to $335 per ounce.

Upon the federal Bureau of Land Management issuing a Record of Decision in November 2008, Barrick began construction at its Cortez Hills expansion project. Subject to satisfactory resolution of pending litigation (see "Legal Matters — Legal Proceedings"), Cortez Hills is expected to commence production in the first quarter of 2010. The expanded Cortez operation (existing operations plus the Cortez Hills expansion project) is expected to have average production of approximately 1 million ounces at total cash costs of approximately $350 to $400 per ounce in its first full five years of production. Total cash costs in the current plan reflect the inclusion of incremental lower grade heap leach ore from the Pipeline pit due to a higher gold price assumption, and the associated costs for labor and consumables. The project involves the development of two adjacent deposits — Cortez Hills and Pediment. The project will be developed as two open pits with part of the deposit to be mined by underground mining methods. In 2007, Barrick substantially completed the detailed engineering for the project and spent approximately $88 million (100% basis) on mining equipment and engineering for project infrastructure. In addition to the original scope of work, Barrick accelerated the project's underground development schedule. To date, Barrick has spent approximately $30 million, and expects to spend an additional approximately $90 million advancing underground development in 2009. Total construction costs currently remain in line with the pre-production capital budget of approximately $500 million. The Cortez property continues to demonstrate significant exploration potential. As a follow up to the successful 2008 work program, Barrick plans to spend approximately $18 million on exploration at the Cortez property, with a total of seven rigs being committed to this extensive, underexplored property in 2009. In the fourth quarter of 2008, a number of opponents of the Cortez Hills expansion filed suit in the United States District Court for the District of Nevada seeking to overturn the Bureau of Land Management's approval of the Cortez Hills project on environmental and religious grounds. The plaintiffs unsuccessfully sought to enjoin construction of the project pending the consideration of their claims. The District Court's denial of the requested injunction is currently being appealed. For details regarding Barrick's acquisition of the remaining 40% of Cortez Hills, see "General Information — Transactions — Acquisition of Additional 40% Interest in Cortez Property".

In May 2006, a shareholders' agreement with Goldcorp Inc. ("Goldcorp") was finalized, which established Barrick as the 60% owner and operator of the Pueblo Viejo project. Goldcorp owns a 40% interest. The Pueblo Viejo project is located in the Dominican Republic, 15 kilometers southwest of the provincial capital of Cotui and approximately 100 kilometers northwest of the national capital, Santo Domingo. In February 2008, Barrick submitted a feasibility study and provided a project notice to the Government of the Dominican Republic that it plans to proceed with development of the Pueblo Viejo project. Since March 2006, Barrick has updated capital costs estimates, re-evaluated the process flowsheet, worked on optimizing the project and carried out an exploration program. In 2007, exploration drilling resulted in a new discovery at Monte Oculto and a significant resource increase. The project has substantial power requirements due to high levels of sulphur contained in the ore and Barrick is investigating long-term options for the sourcing of power.

In 2008, the demolition of existing facilities at Pueblo Viejo was completed, major contractors were engaged, long lead items were secured, delivery of the mining fleet commenced and activities relating to government and community relations and environmental permitting for the mine continued. In addition, heavy fuel oil power for the mine was also secured.

Pueblo Viejo project's pre-production capital cost is estimated at approximately $2.7 billion (excluding capitalized interest and on a 100% basis). An additional $300 million will be spent to complete a phased expansion of the project to a throughput rate of 24,000 tonnes per day. Barrick expects to fund a portion of Pueblo Viejo's pre-production capital requirements through non-

recourse project

financing and is in active discussions with a group of export credit agencies and commercial banks to put in place $1 billion of project financing, including Goldcorp's share, which covers a portion of the total capital cost of the project. Pueblo Viejo is currently expected to commence production in the fourth quarter of 2011. Barrick's 60% share of annual gold production in the first full five years of operation is expected to be approximately 600 to 650 thousand ounces at total cash costs of approximately $275 to $300 per ounce. Barrick's 2009 objectives include the detailed design, earthworks and concrete execution works, the provision of support services for government relocation efforts and permit approvals for the expansion. Significant efforts will be made in the area of procurement to ensure the timely deliveries of materials and equipment.

The Pascua-Lama property is located in the Frontera District 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, 380 kilometers by road northwest of the city of San Juan, Argentina and approximately 10 kilometers from the Veladero mine. The total project area consists of approximately 45,500 hectares in Chile and Argentina. Access to the property is pursuant to a combination of public highways and private roads from both Vallenar, Chile and San Juan, Argentina.

The Pascua-Lama project has been designed as an open pit mine, centered at an elevation of 4,800 meters. The project will produce both oxide and sulphide ores. The Pascua-Lama project has received EIA approval from appropriate authorities in Chile and Environmental Impact Statement ("EIS") approval from the San Juan, Argentina, provincial environmental regulatory authority. Having obtained approval of the EIS, Barrick will also need to obtain various sectoral permits for the construction and operation of the project.

In 2006, Pascua Lama's feasibility study was updated, including capital and operating costs, from the estimates that were previously completed in June 2004. In 2008, the majority of remaining key sectorial permits, including water rights, were granted by the government of the San Juan Province in Argentina. In 2009, Barrick will continue its efforts with respect to community/government relations, permitting, protocol implementation and tax stability. Work is ongoing, including, project optimization, to finalize project economics. Commencing project construction is contingent on the resolution of certain external issues such as permitting, protocol implementation and the governments of Chile and Argentina resolving certain remaining regulatory, fiscal, taxation and royalty matters. The timing of resolution of these matters, royalties and currency fluctuations are largely beyond Barrick's control and may impact on the expected timing and anticipated cost of development and operation of the project.

In 2007, through its acquisition of Arizona Star, Barrick acquired a 51% interest in the Cerro Casale deposit in Chile (see "General Information — Transactions"). Kinross owns the remaining 49% of the Cerro Casale deposit. Barrick and Kinross are in the process of negotiating a more definitive shareholder's agreement that will govern the joint venture. The pre-feasibility study has been completed and the full feasibility study is currently expected to be completed by the end of the third quarter of 2009.

The Donlin Creek project is a large refractory gold deposit located in Southwestern Alaska. In December 2007, Barrick entered into an agreement with NovaGold Resources Inc. ("NovaGold") to form a jointly owned limited liability company on a 50/50 basis to advance the project. Pre-permitting activities are underway concurrent with the updating of the feasibility study, expected to be completed in 2009.

In 2006, Barrick acquired a 50% interest in Atacama Copper Pty Ltd., which in turn has a 75% interest in the Reko Diq project in Pakistan and associated mineral interests. Reko Diq is a large copper-gold porphyry mineral resource located in southwest Pakistan in the province of Balochistan. In 2008, the project's drill program continued, with a feasibility study currently scheduled for completion in 2009.

Sedibelo is a large platinum deposit located in South Africa. In 2008, following the completion of the feasibility study, Barrick obtained the necessary regulatory approval enabling the transfer to Barrick of its initial 10% stake in the property. As operator of the project, Barrick has the right to earn up to an additional 55% interest in the project once a decision to construct a mine has been made. Barrick is currently reviewing the project economics and timelines for the Sedibelo project with a view towards optimizing its development schedule in light of the significant change in the metal prices. Barrick will also need to consider the views of its partner on the project.

Fedorova is a large, near surface, palladium and platinum project with nickel, copper and gold by-products located in the Kola Peninsula of the Russian Federation. Barrick owns 50% (with an earn-in right to 79%) of Fedorova and is the project operator. Barrick is currently reviewing the project economics and timelines for Fedorova with a view towards optimizing its development schedule in light of the market environment. Barrick will also need to consider the views of its partner on the project.

Barrick is party to a joint-venture agreement with Xstrata Plc ("Xstrata") with respect to the Kabanga nickel deposit and related concession in Tanzania. During 2008, Xstrata earned its 50% interest in the project under the earn-in agreement. The project's feasibility study is currently expected to be completed in 2009. Barrick is currently reviewing the project economics and timelines for Kabanga with a view towards optimizing its development schedule in light of the market environment. Barrick will also need to consider the views of its partner on the project.

ENVIRONMENT AND CLOSURE

The Company's mining, exploration and development activities are subject to various levels of federal, provincial or state, and local 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's investment in environmental management systems is aimed at reducing exposure to financial risk by eliminating or mitigating environmental risks as they are identified. The governance aspects of Barrick systems are designed to inform management early enough to respond to risks as they arise.

Barrick has a policy of conducting environmental audits of its business activities on a regular and scheduled basis, in order to evaluate: compliance with applicable laws and regulations; permit and license requirements; company policies and management standards including guidelines and procedures; and adopted codes of practice. At present, all operating mines and selected project sites are subject to annual audits. Closure sites and exploration activities have not been audited generally since 2005, when the Company elected to focus on existing Barrick and newly acquired Placer Dome operating sites. Closure sites and project sites not audited since 2005 will be subject to environmental audits beginning in 2009 and/or 2010. Exploration activities are also contemplated for audit activities beginning 2009. A committee of Barrick's Board of Directors reviews the Company's environmental policies and programs and oversees Barrick's environmental performance.

In 2005, Barrick became a signatory to the United Nations ("UN") Global Compact, which represents the world's largest voluntary corporate citizenship initiative. Among its principles, the UN Global Compact encourages businesses to support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.

To provide further guidance toward achieving its environmental objectives, Barrick developed an Environmental Management System Standard ("EMSS") in 2005. Each mine will be required to become compliant with designated elements of the EMSS in 2010, by which time full compliance must be

achieved. Most Barrick mines are already substantially compliant with the EMSS by virtue of their existing systems. For example, Zaldívar, Lagunas Norte, Veladero and Pierina are ISO 14001 certified. All Barrick facilities have staff and systems in place to manage our regulatory and permit obligations.

Each year, Barrick issues a Responsibility Report that outlines its environmental, health and safety and social responsibility performance for the year.

During 2008, there were no material notices of violations, fines or convictions relating to environmental matters at any of the Company's operations.

As part of Barrick's goal to minimize the impact on the environmental and social aspects of the location, it develops comprehensive closure and reclamation plans as part of its initial project planning and design. If it acquires a property that lacks a closure plan, Barrick requires preparation of a closure plan. The Company periodically reviews and updates closure plans to account for additional knowledge acquired in respect of a property or for changes in applicable laws or regulations. The Company has estimated future site reclamation and closure obligations, which it believes will meet current regulatory requirements. See Notes 2 and 22 of the Notes to the Consolidated Financial Statements.

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. In order to prevent and control spills and protect water quality, Barrick utilizes multiple levels of spill containment procedures and routine inspection and monitoring of its facilities. The Company also has various programs to reuse and conserve water at its operations. In order to mitigate the impact of dust produced by its operations, Barrick uses several different dust suppression techniques at its properties. The Company also installs air pollution controls on air pollution point sources, such as roaster and autoclave stacks, that meet or exceed applicable legal standards. The Company has also implemented safeguards at its properties that are designed to protect wildlife in the surrounding areas. Such safeguards include fencing and netting or other coverings of ponds and tanks, bird hazing techniques, such as mechanized scarecrows or noisemakers, and the establishment of alternate water sources and habitats for wildlife.

Certain of the Company's operating properties handle ore or rock which has the potential to be acid generating, and hence has the potential to contaminate water by the leaching of metals and salts. Other operating properties lack acid generating potential, but still present the potential for leaching of certain salts, such as sulfates, or metalloids, such as arsenic, by water that might run off of

the property. The Company has implemented programs to manage the handling of ore and rock to reduce the potential for contamination of surface or groundwater by either acid or neutral drainage. Such procedures include segregation of rock with potential for leaching, containment systems for the collection and treatment of drainage and reclamation and closure steps designed to minimize water infiltration and oxygen flux. Where necessary, the Company installs and operates water treatment facilities to manage drainage.

Most of the Company's operating properties use cyanide. Those facilities are designed and constructed to prevent process solutions from being released to surface water or groundwater. Typically, those facilities include leak detection systems and have the ability to collect and treat seepage that may occur. The tailings storage facilities are typically fenced and process ponds are typically netted or other procedures implemented to deter access. In September 2005, the Company became a signatory to the International Cyanide Management Code ("Code"), which is administered by the International Cyanide Management Institute (the "ICMI"). The ICMI is an independent body that was established by a multi-stakeholder group under the auspice of the United Nations Environmental Programme. The Code establishes operating standards for manufacturers, transporters and mines and provides for third-party certification of facilities' compliance with the Code. Under the Code, each of the mines that use cyanide

must receive a third party certification inspection. The Company listed all of its mines that use cyanide for Code certification. Placer Dome also became a signatory to the Code in 2005. All former Placer Dome sites, except Golden Sunlight and Henty, which have limited mine life, have been designated for Code certification. Barrick's Goldstrike, Bald Mountain, Ruby Hill, Cortez, Pierina, Lagunas Norte, Veladero, and Cowal Mines and the Marigold and Round Mountain joint ventures have been certified. While the Company believes that most of its remaining operations that use cyanide are already substantially in compliance with the Code, it will incur expenses achieving full Code compliance at the remaining operations.

Certain of the Company's operations sell the mercury captured by their air pollution control devices. The Company is committed to the operation of state-of-the-art controls on all sources of mercury emissions. Site specific management procedures for mercury handling, monitoring and transportation exist at each of the operations that produce mercury as a co-product. Further, employees receive training in the safe use and proper management of cyanide, mercury and other hazardous materials. The facilities have instituted handling and shipping procedures designed to minimize the risk of spills. All of the mercury is sold to licensed facilities in the United States.

FINANCIAL RISK-MANAGEMENT

Forward Sales Program

The Company has operations in eight principal countries which produce gold and/or copper, as well as other minerals such as silver. The Company's activities expose it to a variety of market risks, including risks related to the effects of changes in gold and copper prices and the price of certain other metals. 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 has historically focused on the unpredictability of commodity and financial markets and used financial instruments and forward sales contracts to mitigate significant, unanticipated earnings and cash flow fluctuations that may arise from volatility in commodity prices. Price fluctuations in gold and other metals could cause actual cash inflows from the sale of production to differ from anticipated cash inflows.

Gold Sales

For most of Barrick's history, gold forward sales were a significant element in providing the Company with relatively stable revenue that helped fuel its growth. In 2002, Barrick began to take steps to simplify and reduce the size of its gold forward sales program. With the Company's positive outlook for the gold price, continued low historical interest rates (which may lead to lower forward sales price premiums) and Barrick's strong financial position, the Company has managed the program down to a lower percentage of overall gold reserves. In late 2003, Barrick adopted a "no-new-hedge" gold policy such that it will not add new ounces to its gold forward sales program. In early 2007, the Company eliminated its remaining gold forward sales contracts not specifically allocated to its projects' future gold production. In 2008, Barrick's gold production was delivered into the spot market. The Company realized an average price of $870 per ounce compared with the average London P.M. Fix for the year of $872 per ounce. In comparison, for 2007, the Company realized an average gold price of $619 per ounce compared with the average London P.M. Fix for the year of $695 per ounce.

In 2007, in anticipation of building its projects, the Company allocated 9.5 million ounces of gold forward sales contracts specifically to its projects' future gold production ("Project Gold Sales Contracts"). The Company allocated these contracts as part of a strategy to help reduce gold price risk at its projects and provide price support for any future financing. As at December 31, 2008, the Project Gold Sales Contracts included 4.2 million ounces of floating spot-price gold forward sales contracts, at

spot prices less an average fixed-price adjustment of $529 per ounce. Based on a gold price of $870 per ounce, the negative mark-to-market value of the Project Gold Sales Contracts was approximately $4.9 billion as at December 31, 2008.

Barrick's gold and silver forward sales contracts represent agreements to sell gold and silver on a delivery date in the future. Barrick delivers actual physical production to satisfy the obligations under these contracts. Barrick may, at its discretion, choose to deliver gold or silver production against any gold or silver forward sales contract in advance of the contract's termination date.

The rights and obligations under Barrick's gold forward sales contracts are set out in master trading agreements ("MTAs") executed with various counterparties. In most cases, under the terms of the MTAs, the period over which Barrick is required to deliver gold is extended annually by one year, or kept "evergreen", regardless of the intended delivery dates, unless otherwise notified by the counterparty. As a result, as each year passes, the termination date of most MTAs is extended into the future by one year. In 2008, three counterparties, representing approximately 1.48 million ounces of the approximately 9.5 million ounces of gold, notified Barrick that they would not be extending the termination date by one year on the basis of credit conditions. All of the termination dates under these MTAs were 10 years or longer, which allows for a current/final termination date of 2017 or later.

The selling price under a gold forward sales contract is based on the forward price of gold at the future delivery date, which Barrick believes 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. U.S. dollar interest rates, gold lease rates, credit spreads relating to both the counterparties and Barrick's credit quality, and the economic impact on the counterparties associated with funding Project Gold Sales Contracts with negative mark-to-market balances, may have a material impact on the difference between the forward gold price over the current spot price, and, ultimately, the realized price under the Project Gold Sales Contracts. Low U.S. dollar interest rates, higher gold lease rates and an increase in the credit spreads compared to the prior year have caused some of the Project Gold Sales Contracts to be in backwardation (i.e. the premium is negative) when rates were reset, resulting in a decrease in Barrick's average realized price under these Project Gold Sales Contracts and, if these conditions continue, additional Project Gold Sales Contracts may go into backwardation when rates are reset, resulting in a decrease in Barrick's average realized price under these Project Gold Sales Contracts.

Assuming a constant spot gold price of $870 per ounce and resetting contracts with current interim delivery dates in 2009 and 2010 to the end of 2010, Barrick has estimated that the impact on the Project Gold Sales Contracts position as at December 31, 2008 of a continuation of present unusual market conditions for U.S. dollar interest rates, credit spreads and gold lease rates in existence as at December 31, 2008 would lead to a decline in the weighted average future contract price by approximately $4 per ounce in 2009 and approximately $15 per ounce in 2010 on the entire position. As at December 31, 2008, Barrick has no significant exposure to gold lease rates, and about one third of the Project Gold Sales Contracts are exposed to U.S. dollar interest rates and credit spreads.

Barrick diversifies its gold forward sales contracts across a number of counterparties, limits exposure to individual counterparties and regularly monitors its counterparties' credit ratings. Barrick spreads out the delivery dates under such contracts so as to have more production than is required to be delivered into such contracts at any given time.

For Barrick's Project Gold Sales Contracts, the insolvency of a counterparty could, in certain circumstances, lead to a requirement to settle transactions between Barrick and the insolvent counterparty and may ultimately require the payment of a net amount by Barrick to the counterparty. In determining the amounts owing as a consequence of any such settlement, Barrick would be entitled to claim contractual damages suffered by the Company as a result of a counterparty default. These damages could

include the costs of effecting replacement trades with other counterparties that would put Barrick in the same position as Barrick would have been if the insolvent counterparty had not defaulted. A settlement caused by a counterparty insolvency event would not trigger any cross-defaults under Barrick's other financial instruments.

As at December 31, 2008, no counterparty had in excess of 10% of Barrick's total ounce or mark-to-market position. Subsequent to December 31, 2008, one counterparty represented 13% of the mark-to-market and total ounce position due to an assignment of another counterparty's position. Through December 31, 2008, none of the counterparties with which Barrick held outstanding contracts had declared insolvency. In the event of a potential counterparty default due to insolvency, Barrick would seek to have the contract reassigned to an alternative counterparty that is better able to perform under the contract. In certain circumstances, Barrick has been able to assign contracts to alternative counterparties to manage counterparty risk, and it expects that it will be able to continue to do so to the extent creditworthy counterparties are willing to take on assigned contracts.

Depending on market conditions and other factors, Barrick may choose to deliver a portion of its gold production into its gold forward sales program at prices that are below the spot price. There can be no assurance that Barrick will be able to achieve in the future realized prices for gold that exceed the spot price as a result of its gold forward sales program. If Barrick chooses to deliver a portion of its gold production into its Project Gold Sales Contracts at prices that are below the prevailing spot price, it would incur an opportunity loss on those sales.

For a summary of the Company's future gold sale and delivery commitments and associated risks, see Notes 5 and 20 of the Notes to the Consolidated Financial Statements for the year ended December 31, 2008, pages 37 to 38 and 58 to 61 of the Company's Annual Report — Financial Report 2008 to Shareholders for the year ended December 31, 2008 and "Risk Factors".

Copper Sales

In early October 2006, Barrick issued $1 billion of copper-linked notes (the "Notes") comprised of $400 million of 5.75% notes due 2016 and $600 million of 6.35% notes due 2036. During the first three years of these Notes, the original $1 billion of funding is to be repaid in the dollar equivalent of approximately 324 million pounds of copper. The terms of the Notes result in an embedded fixed-price forward copper sales contract. Under the terms of the Notes, as at December 31, 2008, Barrick will receive $3.08 per pound for a total of 53 million pounds of copper sales in 2009. In connection with these embedded contracts, in 2007, Barrick entered into a call option transaction whereby it is able to participate in stronger copper prices of up to $3.58 per pound, while maintaining a floor price of $3.08 per pound. As at December 31, 2008, the notional amount of these options outstanding was 53 million pounds of copper.

During 2008, Barrick added copper forward and collar contracts to economically protect its 2009 copper production from declines in LME spot prices. At copper spot prices between $1.57 and $2.01 per pound, Barrick expects to realize an average minimum price of $3.03 per pound. On approximately half of Barrick's production, it is exposed to a decline in the market prices below $1.57 per pound and has upside participation above $2.01 per pound through buying calls that allowed Barrick to lock in gains from $3.03 to $2.01 per pound and selling puts to finance these calls.

Currency, Interest Rate and Other Commodity Hedge Programs

The Company also monitors and manages exposures related to fluctuations in currencies, interest rates and other commodity prices. Currency risk mainly arises on non-U.S. dollar cash expenditures at the

Company's Australian, Canadian, South American and Papua New Guinean mines that are denominated in local currencies. Interest rate risk mainly relates to interest income receipts on cash balances and interest payments on variable-rate debt obligations. Commodity price risk arises in respect of commodities such as copper produced at the Zaldívar and Osborne mines, nickel, platinum and palladium at certain of its projects, and the costs of electricity, acid, diesel fuel, natural gas and other inputs consumed at each of the Company's operations. The Company mainly uses forward exchange contracts, interest rate swaps and forward commodity contracts to mitigate the impact of volatility in currency exchange rates, interest rates and commodity prices on its business.

Over the last three years, Barrick's currency hedge position has provided benefits in the form of hedge gains when contract exchange rates are compared to prevailing market exchange rates as follows: 2008 — $106 million; 2007 — $166 million; and 2006 — $84 million. These gains are recorded within Barrick's operating costs. Barrick also recorded hedge gains as an offset to corporate administration costs as follows: 2008 — $11 million; 2007 — $19 million; and 2006 — $14 million. For 2009, Barrick's average Australian and Canadian dollar hedge rates exceed the current market rates for these currencies. The average hedge rates vary depending on when the contracts were put in place. Barrick is approximately 95% hedged in 2009 for expected Australian and Canadian operating expenditures at exchange rates of $0.76 and $0.94, respectively. In addition, Barrick has hedged 90% of its expected 2010 Australian operating expenditures at an exchange rate of $0.80. Assuming market exchange rates remain at the December 31, 2008 levels of $0.70 and $0.82, Barrick expects to record opportunity losses of approximately $135 million in 2009 (about $14 per ounce on total 2009 production), or approximately $100 million for the Australian dollar and approximately $35 million for the Canadian dollar, which will primarily impact Barrick's administration costs.

Barrick currently has futures contracts in place totaling 5.1 million barrels of oil, which represents approximately 62% of its total estimated direct consumption in 2009 and 21% of its total estimated direct consumption over the following four years. Those contracts are primarily designated for Barrick's Nevada-based mines, and have an average price of $91 per barrel. In 2008, Barrick realized benefits in the form of fuel hedge gains on those contracts totaling $37 million (2007: $29 million; 2006: $16 million), when contract prices were compared to market prices. At a price of $42 per barrel of oil, Barrick expects to realize opportunity losses of approximately $100 million in 2009 from the financial contracts. In 2009, Barrick expects Barrick Energy to produce about 1.4 million barrels of oil equivalent at a cash cost of about $29 per barrel. The combination of Barrick's financial contracts and expected Barrick Energy production provides Barrick with an economic hedge of 3.5 million barrels for 2009 at an average cost of $69 per barrel.

Barrick continues to enter into other financial and commodity instruments to mitigate the effect of other risks that are inherent in its business, and also to take advantage of opportunities to secure attractive pricing for currencies, interest rates and other commodities. For a summary of the derivative instruments used in the Company's currency, interest rate and commodity hedge programs, see Note 20 of the Notes to the Consolidated Financial Statements.

Oversight and Control Over Risk-Management Activities

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 three members of the Company's Board of Directors, reports to the Board of Directors on the scope of the Company's risk-management strategy (including the gold forward sales hedge 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 gold sales, hedging and risk-management strategies is delegated to the Company's treasury function. A report on Barrick's gold sales and 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 bi-monthly and distributed to the Chief Financial Officer and the Chairman of the Finance Committee. The Finance Committee and the Board of Directors also receive a report on Barrick's hedging and overall risk-management position at each of their regularly scheduled meetings.

Barrick maintains a separate compliance function to independently monitor and record gold sales and 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 Company's Treasurer regularly monitors gold sales and 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 gold sales and 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. New transaction confirmations from counterparties are received directly by the compliance function and checked against the documentation generated by the treasury group. Barrick has not entered into gold delivery commitments that are not covered by scheduled production.

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.

In the U.S., certain of Barrick's mineral reserves and operations occur on unpatented lode mining claims and mill sites that are on federal lands that are subject to federal mining and other public land laws. Changes in such laws or regulations promulgated under such laws could affect mine development and expansion and significantly increase regulatory obligations and compliance costs with respect to exploration, mine development, mine operations and closure and could prevent or delay certain operations by the Company.

During 2007, the U.S. House of Representatives passed a bill that would amend the *General Mining Act of 1872* in the United States. The bill would impose royalties of 4 to 8% on production from unpatented mining claims, as well as impose additional, potentially significant, costs and risks on mining companies seeking to operate on such claims. No similar bill was introduced in the Senate. The 2007 bill was reintroduced in the House of Representatives in 2009. Again, no similar bill has been introduced in the Senate. Consequently, the prospects for a revision of the *General Mining Act of 1872* in this session of Congress remain uncertain.

In 2002, as an emergency measure, Argentina adopted a 5% export duty on certain mineral products, including gold. At the time, the duty was described as "temporary". Veladero's export of gold dore is

currently subject to this duty. It appears possible that the Argentinean government could attempt to further increase the export duty rates or otherwise impose additional taxes or burdens on the Company's mineral production as additional revenue enhancement measures. Should export duties continue to be in place at the time that the Company commences production from Pascua-Lama, only production from ore extracted in Argentina will be subjected to such duties.

In 2007, the Argentinean government issued rules to regulate the environmental damage insurance requirements set forth in the National General Environmental Law, which applies to mining activities. It has been recently regulated and the insurable risk has to be calculated following the procedures established under the regulation. Currently only one insurance company in Argentina provides this insurance. Barrick is reviewing the recently approved regulations to assess its impacts.

The State of Nevada adopted new regulations governing mercury air emissions from precious metal mining operations in 2005. The Company believes that it will be able to comply with these regulations. Barrick expects that these regulations will likely impose additional capital and operating costs at its operations in Nevada. In 2008, the U.S. Environmental Protection Agency ("EPA") commenced a rulemaking to govern mercury air emissions from gold mining operations. It is uncertain what effect the EPA rulemaking will have on the Nevada regulations, although it seems likely that it will at least delay implementation of the Nevada regulations, or how an EPA regulation might differ from the Nevada regulation.

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. 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.

Legal Proceedings

Set out below is a summary of potentially material legal proceedings to which Barrick is a party.

Wagner Complaint

On June 12, 2003, a complaint was filed against Barrick and several of its current or former officers in the U.S. District Court for the Southern District of New York. The complaint is on behalf of Barrick shareholders who purchased Barrick shares between February 14, 2002 and September 26, 2002. It alleges that Barrick and the individual defendants violated U.S. securities laws by making false and misleading statements concerning Barrick's projected operating results and earnings in 2002. The complaint seeks an unspecified amount of damages. In November 2008, near the completion of discovery,

this matter was scheduled for trial in March 2009. The trial date has since been adjourned because of a settlement in principle among the parties. Under the terms of the settlement in principle, Barrick and the individual defendants would agree to settle the complaint for $24 million. Efforts to finalize the settlement and seek the necessary Court approval are ongoing. No amounts have been accrued for any potential loss under this complaint.

Cortez Hills Complaint

On November 12, 2008, the United States Bureau of Land Management issued a Record of Decision approving the Cortez Hills Expansion Project. On November 20, 2008, the TeMoak Shoshone Tribe, the East Fork Band Council of the TeMoak Shoshone Tribe and the Timbisha Shoshone Tribe, the Western Shoshone Defense Project, and Great Basin Resource Watch filed a lawsuit against the United States seeking to enjoin the majority of the activities comprising the project on grounds that it violated the Western Shoshone rights under the Religious Freedom Restoration Act ("RFRA"), that it violated the Federal Land Policy and Management Act's prohibition on "unnecessary and undue degradation," and that the project's Environment Impact Statement did not meet the requirements of the National Environmental Policy Act. The plaintiffs' RFRA claim is based on the assertion that the project and adjoining areas are sacred to certain Western Shoshone. On November 24, 2008, the plaintiffs filed a motion for a temporary restraining order and a preliminary injunction barring work on the project until after a trial on the merits. After a four day hearing, on January 26, 2009, the Court denied the plaintiffs' motion for a preliminary injunction, concluding that the plaintiffs had failed to demonstrate a likelihood of success on the merits. The plaintiffs have appealed that decision to the United States Court of Appeals for the Ninth Circuit.

Marinduque Complaint

Placer Dome has been named the sole defendant in a Complaint filed on October 4, 2005 by the Provincial Government of Marinduque, an island Province of the Philippines ("Province"), with the District Court in Clark County, Nevada. The action was removed to the Nevada Federal District Court on motion of Placer Dome. The Complaint asserts that Placer Dome is responsible for alleged environmental degradation with consequent economic damages and impacts to the environment in the vicinity of the Marcopper mine that was owned and operated by Marcopper Mining Corporation ("Marcopper"). Placer Dome indirectly owned a minority shareholding of 39.9% in Marcopper until the divestiture of its shareholding in 1997. The Province seeks "to recover damages for injuries to the natural, ecological and wildlife resources within its territory", but "does not seek to recover damages for individual injuries sustained by its citizens either to their persons or their property". In addition to damages for injury to natural resources, the Province seeks compensation for the costs of restoring the environment, an order directing Placer Dome to undertake and complete "the remediation, environmental cleanup, and balancing of the ecology of the affected areas," and payment of the costs of environmental monitoring. The Complaint addresses the discharge of mine tailings into Calancan Bay, the 1993 Maguila-guila dam breach, the 1996 Boac river tailings spill, and alleged past and continuing damage from acid rock drainage.

At the time of the amalgamation of Placer Dome and Barrick, a variety of motions were pending before the District Court, including motions to dismiss the action for lack of personal jurisdiction and for *forum non conveniens* (improper choice of forum). However, on June 29, 2006, the Province filed a motion to join Barrick as an additional named Defendant and for leave to file a third amended complaint. The Court granted that motion on March 2, 2007. On March 6, 2007, the Court issued an order setting a briefing schedule on the Company's motion to dismiss on grounds of *forum non conveniens*. Briefing was completed on May 21, 2007, and on June 7, 2007, the Court issued an order granting the Company's motion to dismiss. On June 25, 2007, the Province filed a motion requesting the Court to reconsider its order dismissing the action. On January 16, 2008, the District Court issued an order denying the Province's motion for reconsideration. Following the District Court order, the Province filed a notice of

appeal to the U.S. Court of Appeals for the Ninth Circuit. Under the briefing schedule established by the Court of Appeals, the Province's initial brief in the Appeal was filed on August 15, 2008, the Company's responsive brief was filed on September 15, 2008, and the Province's reply brief was filed on October 15, 2008. Oral argument before the U.S. Court of Appeals occurred on March 10, 2009. Barrick will challenge the claims of the Province on various grounds and otherwise vigorously defend the action. No amounts have been accrued for any potential loss under this complaint.

Calancan Bay Complaint

On July 23, 2004, a complaint was filed against Marcopper and Placer Dome Inc. ("PDI") in the Regional Trial Court of Boac, on the Philippine island of Marinduque, on behalf of a putative class of fishermen who reside in the communities around Calancan Bay, in northern Marinduque. The complaint alleges injuries to health and economic damages to the local fisheries resulting from the disposal of mine tailings from the Marcopper mine. The total amount of damages claimed is approximately $900 million.

On October 16, 2006, the Court granted the plaintiffs' application for indigent status, allowing the case to proceed without payment of filing fees. On January 17, 2007, the Court issued a summons to Marcopper and PDI. On March 25, 2008, an attempt was made to serve PDI by serving the summons and complaint on Placer Dome Technical Services (Philippines) Inc. ("PDTS"). PDTS has returned the summons and complaint with a manifestation stating that PDTS is not an agent of PDI for any purpose and is not authorized to accept service or to take any other action on behalf of PDI. On April 3, 2008, PDI made a special appearance by counsel to move to dismiss the complaint for lack of personal jurisdiction and on other grounds. The plaintiffs have opposed the motion to dismiss. A hearing on the motion to dismiss originally set by the trial court for November 27, 2008 was held March 11, 2009. At the hearing the trial court requested additional briefing on the motion. No hearing for argument on this motion has yet been set. The Company intends to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

Pakistani Constitutional Litigation

On November 28, 2006, a Constitutional Petition was filed in the High Court of Balochistan by three Pakistani citizens against: Barrick, the governments of Balochistan and Pakistan, the Balochistan Development Authority ("BDA"), Tethyan Copper Company ("TCC"), Antofagasta Plc ("Antofagasta"), Muslim Lakhani and BHP (Pakistan) Pvt Limited ("BHP").

The Petition alleged, among other things, that the entry by the BDA into the 1993 Joint Venture Agreement ("JVA") with BHP to facilitate the exploration of the Reko Diq area and the grant of related exploration licenses were illegal and that the subsequent transfer of the interests of BHP in the JVA and the licenses to TCC was also illegal and should therefore be set aside. Barrick currently indirectly holds 50% of the shares of TCC, with Antofagasta indirectly holding the other 50%.

On June 26, 2007, the High Court of Balochistan dismissed the Petition against Barrick and the other respondents in its entirety. On August 23, 2007, the petitioners filed a Civil Petition for Leave

to Appeal in the Supreme Court of Pakistan. The Supreme Court of Pakistan has not yet considered the Civil Petition for Leave to Appeal. Barrick intends to defend this action vigorously. No amounts have been accrued for any potential loss under this complaint.

SUNAT Tax Assessment

In September 2004, the Tax Court of Peru issued a decision in Barrick's favor in the matter of its appeal of a 2002 income tax assessment for an amount of $32 million, excluding interest and penalties.

The assessment mainly related to the validity of a revaluation of the Pierina mining concession, which affected its tax basis for the years 1999 and 2000. In January 2005, Barrick received written confirmation that there would be no appeal of the September 2004 Tax Court of Peru decision. The confirmation concluded the administrative and judicial appeals process with resolution in Barrick's favor.

Notwithstanding the favorable Tax Court decision received in September 2004, on an audit concluded in 2005, the Superintendencia Nacional de Administración Tributaria ("SUNAT") reassessed Barrick on the same issue for tax years 2001 to 2003. On October 19, 2007, SUNAT confirmed their reassessment. The tax assessment is for $49 million of tax, plus interest and penalties of $116 million. Barrick filed an appeal to the Tax Court of Peru within the statutory period. Barrick believes that the audit reassessment has no merit, that it will prevail in court again, and accordingly no liability has been recorded for this reassessment.

General

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.

Metal price volatility

Barrick's business is strongly affected by the world market price of gold and copper. If the world market price of gold or copper were to drop and the prices realized by Barrick on gold or copper sales were to decrease significantly and remain at such a level for any substantial period, Barrick's profitability and cash flow would be negatively affected.

Gold and copper prices can be subject to volatile price movements, which can be material and can occur over short periods of time and are affected by numerous factors, all of which are beyond Barrick's control. Based on current estimates of Barrick's 2009 gold production and sales, the approximate sensitivity of its income from continuing operations before income tax, royalties and other items to a $50 per ounce increase or decrease in the market gold price is a $365 million increase or decrease, assuming a market price of $850 per ounce of gold. Industry factors that may affect the price of gold include: 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 U.S. 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. Factors tending to affect the price of copper include: global mine production; scrap recycling and inventory stocks; general economic conditions; industrial demand; speculative trading; and the relative strength of the U.S. dollar against other fiat currencies. In addition, certain of Barrick's mineral projects include other minerals: nickel, platinum and palladium, silver and copper, each of which is subject to price volatility based on factors beyond Barrick's control.

Depending on the market price of the relevant metal, 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, as applicable, which could have an adverse impact on Barrick's financial performance and results of operations. In such a circumstance, Barrick may also curtail or suspend some or all of its exploration activities, with the result that depleted reserves are not replaced. In addition, the market value of Barrick's gold or copper inventory may be reduced and existing reserves may be reduced to the extent that ore cannot be mined and processed economically at the prevailing prices.

Replacement of depleted reserves

Barrick must continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known orebodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. Barrick's exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions. The mineral base of Barrick may decline if reserves are mined without adequate replacement and Barrick may not be able to sustain production beyond the current mine lives, based on current production rates.

Projects

Barrick's ability to sustain or increase its present levels of gold and copper production is dependent in part on the success of its projects. There are many risks and unknowns inherent in all projects. For example, the economic feasibility of projects is based upon many factors, including: the accuracy of reserve estimates; metallurgical recoveries with respect to gold, copper and by-products; capital and operating costs of such projects; the future prices of the relevant minerals; and the ability to secure appropriate financing to develop it . Projects also require the successful completion of feasibility studies, the resolution of various fiscal, tax and royalty matters, the issuance of necessary governmental permits and the acquisition of satisfactory surface or other land rights. It may also be necessary for Barrick to, among other things, find or generate suitable sources of power and water for a project, ensure that appropriate community infrastructure is developed by third parties to support the project and to secure appropriate financing to fund these expenditures (see " — Current Global Financial Condition" and " — Liquidity and Level of Indebtedness").

Projects have no operating history upon which to base estimates of future cash flow. The capital expenditures and time required to develop new mines or other projects are considerable and changes in costs or construction schedules can affect project economics. Thus, it is possible that actual costs may increase significantly and economic returns may differ materially from Barrick's estimates or that metal prices may decrease significantly or that Barrick could fail to obtain the satisfactory resolution of fiscal and tax matters or the governmental approvals necessary for the operation of a project or obtain project financing on acceptable terms and conditions or at all, in which case, the project may not proceed, either on its original timing, or at all. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated.

Current global financial condition

Current global financial conditions have been characterized by volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by many factors as a result of the global financial crisis. This may impact Barrick's ability to obtain equity or debt financing in the future on terms favorable to Barrick. Additionally, global economic conditions may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such volatility and market turmoil continue, Barrick's operations and financial condition could be adversely impacted.

Mineral reserves and resources

Barrick's mineral reserves and mineral resources are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold, copper or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change.

The SEC does not permit mining companies in their filings with the SEC to disclose estimates other than mineral reserves. However, because Barrick prepares this Annual Information Form in accordance with Canadian disclosure requirements, it contains resource estimates, which are required by National Instrument 43-101, as well. Mineral resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained. No assurance can be given that any

part or all of Barrick's mineral resources constitute or will be converted into reserves.

Market price fluctuations of gold, copper, silver and certain other metals, as well as increased production and capital costs or reduced recovery rates, may render Barrick's proven and probable reserves unprofitable to develop at a particular site or sites for periods of time or may render mineral reserves containing relatively lower grade mineralization uneconomic. Moreover, short-term operating factors relating to the mineral reserves, such as the need for the 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. Any of these factors may require Barrick to reduce its mineral reserves and resources, which could have a negative impact on Barrick's financial results. Failure to obtain or maintain necessary permits or government approvals or changes to applicable legislation could also cause Barrick to reduce its reserves. There is also no assurance that Barrick will achieve indicated levels of gold or copper recovery or obtain the prices assumed in determining such reserves.

Liquidity and level of indebtedness

As of December 31, 2008, Barrick had cash and cash equivalents of approximately $1.4 billion and capital leases and long-term debt of approximately $4.4 billion. On March 24, 2009, Barrick issued $750 million of 6.95% notes due 2019. Giving effect to the offering as of December 31, 2008, Barrick would have had cash and cash equivalents of approximately $2.4 billion and capital leases and long-term debt of approximately $5.1 billion. Although Barrick has been successful in repaying debt in the past, there can

be no assurance that it can continue to do so. Barrick's level of indebtedness could have important consequences for its operations, including:

- Barrick may need to use a large portion of its cash flow to repay principal and pay interest on its debt, which will reduce the amount of funds available to finance its operations and other business activities; and
- Barrick's debt level may limit its ability to pursue other business opportunities, borrow money for operations or capital expenditures in the future or implement its business strategy.

Barrick expects to obtain the funds to pay its expenses and to pay principal and interest on its debt in 2009 through a combination of its existing capital resources and its future cash flow from operations, as well as issuing new, unsecured debt and putting in place project financing for a portion of the expected construction cost of a number of its projects. Barrick's ability to meet its payment obligations will depend on its future financial performance, which will be affected by financial, business, economic and other factors. Barrick will not be able to control many of these factors, such as economic conditions in the markets in which it operates. Barrick cannot be certain that its existing capital resources and future cash flow from operations will be sufficient to allow it to pay principal and interest on Barrick's debt and meet its other obligations. If these amounts are insufficient or if there is a contravention of its debt covenants, Barrick may be required to refinance all or part of its existing debt, sell assets, borrow more money or issue additional equity. The ability of Barrick to access the bank public debt or equity capital markets on an efficient basis may be constrained by the level of its unrealized mark-to-market position, the dislocation in the credit markets, capital and/or liquidity constraints in the banking markets and equity conditions at the time of issuance. See " — Current Global Financial Condition".

Price volatility and availability of other commodities

The profitability of Barrick's business is affected by the market prices of commodities produced as by-products at Barrick's mines, such as silver, as well as the cost and availability of commodities which are consumed or otherwise used in connection with Barrick's operations and projects, including, but not limited to, diesel fuel, natural gas, electricity, acid, steel, concrete and cyanide. Prices of such commodities can be subject to volatile price movements, which can be material and can occur over short periods of time, and are affected by factors that are beyond Barrick's control. An increase in the cost, or decrease in the availability, of construction materials such as steel and concrete may affect the timing and cost of Barrick's projects. If Barrick's proceeds from the sale of by-products were to decrease significantly, or the costs of certain commodities consumed or otherwise used in connection with Barrick's operations and projects were to increase, or their availability to decrease, significantly, and remain at such levels for a substantial period of time, 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, which could have an adverse impact on Barrick as described under " — Metal price volatility" above.

Mining risks and insurance risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological conditions, labor force disruptions, civil strife, unavailability of materials and equipment, weather conditions, pit wall failures, rock bursts, cave-ins, flooding, seismic activity, water conditions and gold bullion losses, most 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. As a result, production may fall below historic or estimated levels and

Barrick may incur significant costs or experience significant delays that could have a material adverse effect on Barrick's financial performance, liquidity and results of operation.

Barrick maintains insurance to cover some of these risks and hazards. The insurance is maintained in amounts that are believed to be reasonable depending on the circumstances surrounding each identified risk. No assurance can be given that such insurance will continue to be available, or that it will be available at economically feasible premiums, or that Barrick will maintain such insurance. Barrick's property, liability and other 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 and other risks, as such coverage cannot be purchased at a commercially reasonable cost. The lack of, or insufficiency of, insurance coverage could adversely affect Barrick's cash flow and overall profitability.

Production and cost estimates

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

Barrick's actual production and costs 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; revisions to mine plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labor shortages or strikes. Costs of production may also be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade metallurgy, labor costs, the cost of commodities, general inflationary pressures and currency exchange rates.

Environmental, health and safety regulations; permits

Barrick's mining and processing 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 other special status species. In addition, Barrick's ability to successfully obtain key permits and approvals to explore for, develop and operate mines and to successfully operate in communities around the world will likely depend on its ability to develop, operate and close mines in a manner that is consistent with the creation of social and economic benefits in the surrounding communities. Barrick's ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with Barrick's activities or those of other mining companies affecting the environment, human health and safety or the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect Barrick's operations, including its ability to explore or develop properties, commence production or continue operations. Barrick has made, and expects to make in the future, significant expenditures to comply with such laws and regulations and, to the extent possible, create social and economic benefit in the surrounding communities. 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.

Failure to comply with applicable environmental and health and safety laws and regulations may result in injunctions, fines, suspension or revocation of permits and other penalties. There can be no assurance that Barrick has been or will at all times be in full compliance with all such laws and regulations and with its environmental and health and safety permits or that Barrick has all required

permits. The costs and delays associated with compliance with these laws, regulations and permits 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 and may materially adversely affect Barrick's business, results of operations or financial condition. Barrick may also be held responsible for the costs of addressing contamination at the site of current or former activities or at third party sites. Barrick could also be held liable for exposure to hazardous substances. The costs associated with such responsibilities and liabilities may be significant.

In certain of the countries in which Barrick has operations, it 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 reclamation activities, which may materially exceed the provisions Barrick has made for such reclamation. In addition, the unknown nature of possible future additional regulatory requirements and the potential for additional reclamation activities create further uncertainties related to future reclamation costs, which may have a material adverse effect on Barrick's financial condition, liquidity or results of operations. Barrick is involved in various investigative and remedial actions. There can be no assurance that the costs of such actions would not be material. When a previously unrecognized reclamation liability becomes known or a previously estimated cost is increased, the amount of that liability or additional cost is expensed, which may materially reduce net income in that period.

Foreign investments and operations

Barrick conducts mining, development and exploration activities in many countries, including the United States, Canada, Australia, Argentina, Chile, Peru, Dominican Republic, Papua New Guinea, Pakistan, Russia, South Africa 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, terrorism and civil disturbances; changes in laws or policies of particular countries, including those relating to imports, exports, duties and currency; cancellation or renegotiation of contracts; royalty and tax increases or other claims by government entities, including retroactive claims; risk of loss due to disease and other potential endemic health issues; risk of expropriation and nationalization; delays in obtaining or the inability to obtain or maintain necessary governmental permits; currency fluctuations; restrictions on the ability of local operating companies to sell gold, copper or other minerals offshore for U.S. dollars, and on the ability of such companies to hold U.S. dollars or other foreign currencies in offshore bank accounts; import and export regulations, including restrictions on the export of gold, copper or other minerals; limitations on the repatriation of earnings; and increased financing costs.

These risks may limit or disrupt operating mines or projects, restrict the movement of funds, cause Barrick to have to expend more funds than previously expected or required, or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation, and may materially adversely affect Barrick's financial position or results of operations. Furthermore, in the event of a dispute arising from Barrick's activities in Argentina, Chile, Peru, Dominican Republic, Papua New Guinea, Pakistan, Russia, South Africa or Tanzania, Barrick may be subject to the exclusive jurisdiction of courts outside North America and Australia, which could adversely affect the outcome of the dispute.

A number of economic and social issues exist that increase Barrick's political and economic risk. For example, infectious diseases (including malaria, HIV/AIDS and tuberculosis) are major health care issues in certain of the countries in which Barrick operates. In addition, civil disturbances and criminal activities

such as trespass, illegal mining, theft and vandalism have caused disruptions at certain of Barrick's operations in Tanzania and Papua New Guinea, occasionally resulting in the suspension of operations.

In Tanzania, Barrick has implemented infectious disease programs, including malaria control programs and tuberculosis and HIV/AIDS awareness and prevention programs for its employees, families and local communities at its Bulyanhulu mine, Tulawaka mine and North Mara mine. In Papua New Guinea, the location of the Porgera gold mine and where Barrick has access to over 5,300 square kilometers of exploration property, there is a greater level of political and economic risk compared to some other countries in which Barrick operates. The Porgera mine's infrastructure, including power, water and fuel, may be at risk of sabotage.

The Porgera mine has, on a number of occasions, experienced delays in the granting of operating permits and licenses necessary for these businesses to conduct their lawful operations. Although there has never been an interruption to operations due to an issue of this nature, if at any time in the future permits essential to lawful operations are not obtained or exemptions are not granted, there is a risk that the Porgera mine may not be able to operate for a period of time. Future government actions cannot be predicted, but may impact the operation and regulation of mines including Porgera.

Due to a number of economic and social issues, the Porgera mine has a greater level of political and economic risk compared to many of Barrick's other operations. Civil disturbances and criminal activities such as trespass, illegal mining, theft and vandalism have occasionally caused disruptions to operations at Porgera.

Illegal mining, which involves trespass into the operating area of the mine, is both a security and safety issue at the Porgera mine. The illegal miners from time to time have clashed with mine security staff and law enforcement personnel who have attempted to move them away from the facilities. The presence of the illegal miners, given the nature of the mines' operations, creates a safety issue for both the illegal miners and Porgera employees and can cause disruptions to mine operations. The Porgera mine has, on occasion, experienced delays in the granting of operating permits and licenses necessary to conduct lawful operations. Although to-date there has never been an interruption to operations due to an issue of this nature, if at any time in the future permits essential to lawful operations are not obtained or exemptions are not granted, there is a risk that the Porgera mine may not be able to operate for a period of time.

It is not possible to determine with certainty the future costs that Barrick may incur in dealing with these issues at its operations, however, if the number of incidents increases, costs associated with treatment, in the case of infectious diseases, and security, in the case of civil disturbances and illegal mining, may also increase, affecting profitability. Barrick has implemented extensive community relations and security and safety initiatives to anticipate and manage social issues that may arise at its operations.

Government regulation and changes in legislation

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 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. See "Legal Matters — Government Controls and Regulations".

Currency fluctuations

Currency fluctuations may affect the costs Barrick incurs at its operations and may affect Barrick's operating results and cash flows. Gold and copper are each sold throughout the world based principally on the U.S. dollar price, but a portion of Barrick's operating expenses are incurred in local currencies, such as the Canadian dollar, Australian dollar, Chilean peso, Argentine peso, Papua New Guinean kina and South African rand. The appreciation of non-U.S. dollar currencies against the U.S. dollar has increased the costs of production at Barrick's mines, making such mines less profitable. This may continue into the future. Barrick enters into currency hedging contracts to mitigate the impact on operating costs of the appreciation of certain non-U.S. dollar currencies against the U.S. dollar. Barrick may incur an opportunity loss if the U.S. dollar appreciates in value relative to non-U.S. dollar currencies. For 2009, Barrick's average Australian and Canadian dollar hedge rates exceed the current market rates for these currencies. Assuming market exchange rates remain at the December 31, 2008 levels of $0.70 and $0.82, Barrick expects to record opportunity losses of approximately $135 million in 2009 (about $14 per ounce on total 2009 production), or approximately $100 million for the Australian dollar and approximately $35 million for the Canadian dollar, which will primarily impact Barrick's administration costs. These hedging activities do not cover all of Barrick's future expected operating costs. There can be no assurance that Barrick will continue the hedging activities that it currently undertakes. See " — Use of derivatives" and "Financial Risk-Management".

Use of derivatives

Since 2001, Barrick has focused on reducing its outstanding gold forward sales contracts. During 2007, Barrick eliminated its remaining gold forward sales contracts not specifically allocated to its projects' future gold production. Nonetheless, Barrick continues to use certain derivative products to manage the risks associated with gold price volatility (through its Project Gold Sales Contracts), copper and silver price volatility, changes in other 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 that the creditworthiness of a counterparty may adversely affect its ability to perform its payment and other obligations under its agreement with Barrick or adversely affect the financial and other terms the counterparty is able to offer Barrick; (b) market liquidity risk — the 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) unrealized 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 incurring an unrealized mark-to-market loss in respect of such derivative products. See " — Current Global Financial Condition".

If mineral prices rise above the price at which future production has been committed under Barrick's Project Gold Sales Contracts and other hedges, and Barrick delivers a portion of its production into those contracts of prices lower than prevailing prices, Barrick would have an opportunity loss. However, if the price falls below that committed price, revenues would be protected to the extent of such committed production.

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 prices, gold lease rates and credit risk affecting the counterparties, relating to both the counterparties' and Barrick's credit quality, and the economic impact on the counterparties associated with funding Project Gold Sales Contracts with negative mark-to-market balances, 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 gold forward sales contracts entered into by Barrick. This may result in Barrick earning low levels of contango or the possibility of backwardation on its Project Gold Sales Contracts. Low U.S. dollar interest rates, higher gold lease rates and an increase in the credit spreads compared to the prior year, may cause the Project Gold Sales Contracts to be in backwardation when rates are reset, with the result that Barrick's average realized price under the Project Gold Sales Contracts will decrease as contracts reset over the next few years (see "Financial Risk-Management"). In addition, if a counterparty to a Project Gold Sales Contract is unable to conduct transactions in an accessible international bullion market due to causes beyond its control, including the inability of the counterparty to purchase gold in the open market or to fund any such purchase, and no commercially reasonable alternative means exist for the counterparty to enter into transactions having the same effect, the counterparty has no obligation to extend the scheduled delivery date of such contract and, depending on the circumstances, may result in early settlement of such contract. A portion of the Project Gold Sales Contracts are floating spot-price gold contracts whose price will vary directly with the gold price. In the event of a prolonged decrease in the gold price, these floating spot-price gold contracts may decrease in value. 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 U.S. dollar interest-rate swaps and to the interest payments on Barrick's variable-rate debt ($300 million at the end of 2008) and interest receipts on Barrick's cash balances ($1.4 billion at the end of 2008).

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 mining assets. This competition may increase Barrick's cost of acquiring suitable claims, properties and assets, should they become available to Barrick. Barrick also competes with other mining companies to attract and retain key executives and employees. There can be no assurance that Barrick will continue to be able to compete successfully with its competitors in acquiring such properties and assets or in attracting and retaining skilled and experienced employees.

Acquisitions and integration

From time to time, Barrick examines opportunities to acquire additional mining assets and businesses. Any acquisition that Barrick may choose to complete may be of a significant size, may change the scale of Barrick's business and operations, and may expose Barrick to new geographic, political, operating, financial and geological risks. Barrick's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of Barrick. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after Barrick has committed to complete the transaction and established the purchase price or exchange ratio; a material orebody may prove to be below expectations; Barrick may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt Barrick's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that Barrick chooses to raise debt capital to finance any such acquisition, Barrick's leverage will be increased.

If Barrick chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, Barrick may choose to finance any such acquisition with its existing resources. There can be no assurance that Barrick would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Employee relations

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

Shortages of critical parts, equipment and skilled labor

An increase in worldwide demand for critical resources such as input commodities, drilling equipment, tires and skilled labor may cause unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

Joint ventures

Certain of the properties in which Barrick has an interest are operated though joint ventures with other mining companies. Any failure of such other companies to meet their obligations to Barrick or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on the joint ventures or their properties. In addition, Barrick may be unable to exert control over strategic decisions made in respect of such properties.

Litigation

Barrick is currently subject to litigation and may be involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If Barrick is unable to resolve these disputes favourably, it may have a material adverse impact on Barrick's financial performance, cash flow and results of operations. See "Legal Matters — Legal Proceedings".

Disclosure and internal controls

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to a company's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. Barrick has invested resources to document and analyze its system of disclosure controls and its internal control over financial reporting. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Ability to support the carrying value of goodwill

As of December 31, 2008, the carrying value of Barrick's goodwill was approximately $5.3 billion or 22% of Barrick's total assets. Goodwill is allocated to reporting units representing individual mineral properties. Allocating goodwill to individual mineral properties, which by their very nature have a limited

useful life, will result in future goodwill impairment charges by the end of the mine life. Barrick evaluates, on at least an annual basis, the carrying amount of goodwill to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. This evaluation involves a comparison of the estimated fair value of Barrick's reporting units to their carrying values. Gold mining companies typically trade at a market capitalization that is based on a multiple of net asset value ("NAV"), whereby NAV represents a discounted cash flow valuation based on projected future cash flows. For goodwill impairment testing purposes, Barrick estimates the fair value of a gold property by applying a multiple to the reporting unit's NAV, which is calculated based on projected cash flows from its most recent life of mine plan. For copper properties, the estimated fair value is calculated by applying a multiple to their NAV. The process for determining these fair values is subjective and requires management to make estimates and assumptions including, but not limited to, projected future revenues (based on estimates of production and long-term metals prices), operating expenses, capital expenditures, remaining economic life of individual mineral properties, discount rates and NAV multiples. These estimates and assumptions are subject to change in the future due to uncertain competitive and market conditions or changes in business strategies. The timing and amount of future goodwill impairment charges is difficult to determine and will be dependent on a multitude of factors that impact valuations of mineral properties, including changes in observed market multiples for valuation purposes, changes in geo-political risk and country specific discount rates, changes in market gold prices and total cash costs, success in finding new reserves, future exploration potential and future capital requirements.

In 2008, Barrick recorded total goodwill impairment charges of $678 million, including: $272 million at its Kanowna gold mine in Australia primarily due to the overall decline in the equivalent trading multiples on gold mining companies in that region and higher discount factors; $216 million at its North Mara gold mine in Africa due to the overall decline in equivalent trading multiples of gold mining companies and higher discount factors in that region; $88 million at its Barrick Energy business unit due to the significant decline in oil price since its acquisition date; $64 million at its Osborne copper mine in Australia due to a decline in copper price assumptions, which resulted in a reduction in estimated production levels and remaining mine life; and $30 million at its Henty gold mine in Australia primarily a result of its short remaining mine life.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Reference is made to the Management's Discussion and Analysis of Financial and Operating Results of the Company (U.S. GAAP) for the year ended December 31, 2008, which is incorporated by reference into this Annual Information Form and is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov as an exhibit to Barrick's Form 40-F.

CONSOLIDATED FINANCIAL STATEMENTS

Reference is made to the Company's Consolidated Financial Statements for the year ended December 31, 2008 (U.S. GAAP), which is incorporated by reference into this Annual Information Form and is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov as an exhibit to Barrick's Form 40-F.

CAPITAL STRUCTURE

Set forth below is a description of Barrick's share capital. The following statements are brief summaries of, and are subject to the provisions of, the articles of amalgamation and by-laws of Barrick and the relevant provisions of the *Business Corporations Act* (Ontario).

General

Barrick's authorized share capital consists of an unlimited number of Barrick common shares, an unlimited number of first preferred shares issuable in series and an unlimited number of second preferred shares issuable in series.

Common Shares

The holders of Barrick common shares are entitled to one vote for each share on all matters submitted to a vote of shareholders and do not have cumulative voting rights. The holders of Barrick common shares are entitled to receive dividends if, as and when declared by the Board of Directors of Barrick in respect of the Barrick common shares. Subject to the prior rights of the holders, if any, of the first preferred shares and second preferred shares then outstanding and of the shares then outstanding of any other class ranking senior to the Barrick common shares, the holders of Barrick common shares are entitled to share ratably in any distribution of the assets of Barrick upon liquidation, dissolution or winding-up, after satisfaction of all debts and other liabilities. As of March 17, 2009, there were 873,102,620 Barrick common shares issued and outstanding.

The rights, preferences and privileges of holders of Barrick common shares are subject to the rights of the holders of shares of any series of first preferred shares (the "First Preferred Shares") or second preferred shares (the "Second Preferred Shares") or any other class ranking senior to the Barrick common shares that Barrick may issue in the future.

There are no limitations contained in the articles or by-laws of Barrick or the *Business Corporations Act* (Ontario) on the ability of a person who is not a Canadian resident to hold Barrick common shares or exercise the voting rights associated with Barrick common shares. The Barrick common shares are not subject to any exchange, conversion, exercise, redemption, retraction, surrender or similar rights or restrictions.

Preferred Shares

First Preferred Shares and Second Preferred Shares may be issued from time to time in series. The Board of Directors of the Company determines by resolution the designation, rights, privileges, restrictions and conditions to be attached to each such series.

The Company is entitled to redeem all or any part of the First Preferred Shares or Second Preferred Shares of any series on payment for each share of the amount equal to the result obtained when the stated capital account for the series is divided by the number of issued and outstanding shares of such series together with such premium, if any, as may be determined by the Board of Directors in connection with its determination of the designation, rights, privileges, restrictions and conditions to be attached to the applicable series, and all declared and unpaid dividends thereon. The Company is also entitled to purchase for cancellation all or any part of the First Preferred Shares of any series.

The First Preferred Shares and the Second Preferred Shares of each series are entitled to a preference over the common shares of the Company and any other shares ranking junior to the First Preferred Shares

or Second Preferred Shares, as the case may be, with respect to the payment of dividends and the distribution of assets in the event of a liquidation, dissolution or winding-up of the Company. Any series of First Preferred Shares or Second Preferred Shares may also be given such other preferences over the common shares and any other shares ranking junior to the First Preferred Shares or Second Preferred Shares, as the case may be, as may be determined. In the event of a liquidation, dissolution or winding-up of the Company, the holders of the First Preferred Shares are entitled to receive, in the aggregate, the amount of the stated capital account of the First Preferred Shares plus all declared and unpaid dividends plus, if the liquidation, dissolution or winding-up is voluntary, any premium to which the shares would be entitled on a redemption, before any amount is paid or property or assets are distributed to the holders of common shares or any other shares ranking junior to the First Preferred Shares. After payment of such amount, the holders of the First Preferred Shares are not entitled to share in any further distribution of the property or assets of the Company. In the event of a liquidation, dissolution or winding-up of the Company, the holders of the Second Preferred Shares are entitled to receive, in the aggregate, the amount of the stated capital account of the Second Preferred Shares plus all declared and unpaid dividends plus, if the liquidation, dissolution or winding-up is voluntary, any premium to which the shares would be entitled on a redemption, before any amount is paid or property or assets are distributed to the holders of common shares or any other shares ranking junior to the Second Preferred Shares. After payment of such amount, the holders of the Second Preferred Shares are not entitled to share in any further distribution of the property or assets of the Company.

The holders of First Preferred Shares and Second Preferred Shares are entitled to receive fixed, non-cumulative preferential quarterly cash dividends at such rate and on such dates as may be determined by the Board of Directors in connection with its determination of the designation, rights, privileges, restrictions and conditions to be attached to the applicable series.

The approval of the holders of the First Preferred Shares or the Second Preferred Shares is required to delete or vary any right, privilege, restriction or condition attaching to the First Preferred Shares or Second Preferred Shares, as the case may be, as a class and any other matter requiring the approval or consent of the holders of the First Preferred Shares or the Second Preferred Shares, as the case may be, as a class.

The first series of First Preferred Shares is designated as "$0.114 Non-cumulative Redeemable Convertible First Preferred Shares, Series A" (the "First Preferred Shares, Series A"), consisting of 10,000,000 First Preferred Shares. In addition to the rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class, the First Preferred Shares, Series A are entitled to fixed non-cumulative preferential cash dividends of C$0.114 per year, payable quarterly and can be converted into common shares on a one for one basis (subject to adjustment) if called for redemption. The redemption price for the First Preferred Shares, Series A is initially C$1.90 per share, but it may change if the Company gives notice that it has determined that the market price of the First Preferred Shares, Series A is a stipulated price. On or after the day that is 30 days after such notice is given, a holder of First Preferred Shares, Series A can require the Company to redeem his or her First Preferred Shares, Series A. The approval of the holders of the First Preferred Shares, Series A is required in respect of certain changes to the provisions relating to the First Preferred Shares or the First Preferred Shares, Series A. As of March 17, 2009, there were no First Preferred Shares, Series A issued and outstanding.

The second series of First Preferred Shares is designated as "$0.126 Non-cumulative Redeemable Convertible First Preferred Shares, Series B" (the "First Preferred Shares, Series B"), consisting of 10,000,000 First Preferred Shares. In addition to the rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class, the First Preferred Shares, Series B are entitled to fixed non-cumulative preferential cash dividends of C$0.126 per year, payable quarterly and can be converted into common shares on a one for one basis (subject to adjustment) if called for redemption. The redemption

price for each First Preferred Share, Series B is its stated capital (being C$2.10 per share) plus a premium of C$0.2625 per share, together with all declared and unpaid dividends. The approval of the holders of the First Preferred Shares, Series B is required in respect of certain changes to the provisions relating to the First Preferred Shares or the First Preferred Shares, Series B. No class of shares may be created or issued ranking as to capital or dividends prior to or on parity with the First Preferred Shares except with the prior approval of the holders of the First Preferred Shares, Series B. As of March 17, 2009, there were no First Preferred Shares, Series B issued and outstanding.

The third series of First Preferred Shares is designated as "First Preferred Shares, Series C Special Voting Share" (the "Special Voting Share"), consisting of one Special Voting Share. The Special Voting Share was issued to effect the assumption by Barrick of the BGI exchangeable share structure in connection with the acquisition of Homestake. In connection with a prior merger transaction, BGI, a subsidiary of Homestake, issued a class of exchangeable shares to investors resident in Canada and, to a lesser extent, the United States that allowed the holders of those shares to exchange their shares for shares of Homestake on a share-for-share basis. On the completion of the acquisition of Homestake by Barrick, those holders became entitled to exchange their BGI exchangeable shares for Barrick common shares on the basis of 0.53 of a Barrick common share for each BGI exchangeable share.

In addition to the rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class, e xcept as otherwise required by applicable law, the holder of record of the Special Voting Share has a number of votes equal to the number of BGI exchangeable shares outstanding from time to time, which are not owned by Barrick or its subsidiaries or affiliates, multiplied by 0.53. The holder of the Special Voting Share will vote together with the holders of Barrick common shares as a single class on all matters submitted to a vote of the holders of the Barrick common shares, except as may be required by applicable law. The holder of the Special Voting Share is entitled to receive, in any distribution of property or assets of Barrick upon any liquidation, dissolution or winding-up of Barrick, an amount equal to the stated capital of the share plus all declared and unpaid dividends on the share, before any amount is paid or distributed in respect of the Barrick common shares or any other Barrick shares ranking junior to the Special Voting Share. The holder of the Special Voting Share is entitled to receive a dividend of C$0.04 per year. As a result of the redemption on February 27, 2009 by Barrick of all outstanding BGI exchangeable shares (other than BGI exchangeable shares owned by Barrick or any subsidiary or affiliate of Barrick), there were no shares, securities, debt obligations, options or other agreements that could give rise to the issuance of any BGI exchangeable shares to any person (other than to Barrick or any subsidiary or affiliate of Barrick) and, in March 2009, the Special Voting Share was redeemed and cancelled by Barrick.

The first series of Second Preferred Shares is designated as “$0.222 Non-cumulative Redeemable Convertible Second Preferred Shares, Series A” (the “Second Preferred Shares, Series A”), consisting of 15,000,000 Second Preferred Shares. In addition to the rights, privileges, restrictions and conditions attached to the Second Preferred Shares as a class, the Second Preferred Shares, Series A are entitled to fixed non-cumulative preferential cash dividends of C$0.222 per year, payable quarterly and can be converted into common shares on a one for one basis (subject to adjustment) if called for redemption. The redemption price for each Second Preferred Share, Series A is C$2.43 per share, together with all declared and unpaid dividends. A holder of Second Preferred Shares, Series A can require the Company to redeem his or her Second Preferred Shares, Series A at the redemption price. The approval of the holders of the Second Preferred Shares, Series A is required in respect of certain changes to the provisions relating to the Second Preferred Shares or the Second Preferred Shares, Series A. No class of shares may be created or issued ranking as to capital or dividends prior to or on parity with the Second Preferred Shares (with the exception of the First Preferred Shares) except with the prior approval of the holders of the Second Preferred Shares, Series A. As of March 17, 2009, there were no Second Preferred Shares, Series A issued and outstanding.

RATINGS

The following table sets out the ratings of Barrick’s corporate debt by the rating agencies indicated as at March 17, 2009:

	Rating Agency		
	Moody’s Investors Service	Standard & Poor’s Ratings Services	DBRS
Senior Unsecured Debt	Baa1	A-	A
Municipal bonds, due 2029 (1)	Aaa/VMIG1	AAA/A-1+	Not Rated
Municipal bonds, due 2032 (1)	Aa1/P-1	Not Rated	Not Rated

(1) Barrick, through two wholly-owned subsidiaries, issued a total of $63 million of tax exempt, variable rate, solid waste disposal bonds. The bonds are guaranteed by Barrick and no principal payments are required until cancellation, redemption or maturity. A portion of such bonds mature in 2029, with the remainder maturing in 2032.

Moody’s Investors Service (“Moody’s”) credit ratings for long-term debt are on a rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. According to Moody’s, a rating of Baa is the fourth highest of nine major categories. Moody’s applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa to Caa in its corporate bond rating system. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category. According to the Moody’s rating system, long-term obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

In the case of variable rate demand obligations (“VRDOs”), a two-component rating system is assigned by Moody’s, a long or short-term rating and a demand obligation rating. The first element represents Moody’s evaluation of the degree of risk associated with scheduled principal and interest payments. The second element represents Moody’s evaluation of the degree of risk associated with the ability to receive purchase price upon demand, using a variable municipal investment grade rating. Moody’s credit ratings for long-term aspect of VRDOs are on a rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. According to Moody’s, a rating of Aaa is the highest of nine major categories. Moody’s credit ratings for the short-term or demand aspect of VRDOs are on a rating scale that ranges from VMIG 1 to SG, which represents the range from highest to lowest quality of such securities rated. According to Moody’s, a rating of VMIG 1 is the highest of four categories.

Moody’s also uses credit ratings for the short-term or demand aspect of VRDOs on a rating scale that ranges from P-1 to NP, which represents the range from highest to lowest quality of such securities rated. According to Moody’s, a rating of P-1 is the highest of four categories.

Standard & Poor’s Ratings Services (“S&P”) credit ratings for long-term debt are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. According to S&P, the AAA rating is the highest and the A rating is the third highest of ten major categories. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (–) sign to show relative standing within the major rating categories. According to the S&P rating system, debt securities rated A are somewhat more susceptible to the adverse effects of changes in circumstances and

economic conditions than obligations in higher-rated categories. However, the obligor’s capacity to meet its financial commitment on the obligation is still strong.

S&P assigns a dual rating to debt issues that have a put option or demand feature as part of their structure. The first rating addresses the likelihood of repayment of principal and interest as due, and the second rating addresses only the demand feature. S&P’s long-term debt rating symbols are used for bonds to denote the long-term maturity and its short-term debt (including commercial paper) rating symbols are used for the put option. S&P’s credit ratings for short-term debt are on a rating scale that ranges from A-1 to D, which represents the range from highest to lowest quality of such securities rated. According to S&P, the A-1 rating is the highest of six major categories. Within the A-1 category, certain obligations are designated with a plus (+) sign. This indicates that the obligor’s capacity to meet its financial commitment on these obligations is extremely strong.

DBRS Limited (“DBRS”) credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. According to DBRS, a rating of A by DBRS is in the middle of three subcategories within the third highest of ten major categories. The assignment of a “(high)”, “(middle)” or “(low)” modifier within each rating category indicates relative standing within such category. The “(high)”, “(middle)” and “(low)” grades are not used for the AAA category.

Barrick understands that the ratings are based on, among other things, information furnished to the above ratings agencies by Barrick and information obtained by the ratings agencies from publicly available sources. The credit ratings given to Barrick’s debt instruments by the rating agencies are not recommendations to buy, hold or sell such debt instruments since such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

MARKET FOR SECURITIES

Barrick’s common shares are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange under the symbol ABX. The following table outlines the closing share price trading range and volume of shares traded by month in 2008, based on trading information published by each Exchange.

	Toronto Stock Exchange			New York Stock Exchange		
	Share Price Trading Range			Share Price Trading Range		
2008	High	Low	Share Volume	High	Low	Share Volume
	(C$ per share)		(millions)	($ per share)		(millions)
January	53.77	45.65	126.7	53.57	46.02	110.8
February	52.00	47.50	70.9	53.33	47.54	58.6
March	52.92	42.77	84.2	53.55	41.94	64.7
April	46.12	37.95	81.8	46.04	37.50	58.9
May	42.08	37.96	74.5	42.69	37.36	58.3

June	46.61	39.39	68.4	45.50	38.55	45.1
July	50.43	43.36	80.1	50.39	42.35	99.3
August	41.57	33.94	82.2	40.58	32.16	97.8
September	40.44	28.01	138.9	38.68	26.60	164.6
October	40.39	22.51	149.5	37.36	18.14	182.2
November	37.72	25.60	103.1	29.46	20.60	103.3
December	45.34	32.06	93.9	36.77	25.14	109.7

MATERIAL CONTRACTS

Set out below is a description of Barrick's material contracts as at December 31, 2008.

On March 6, 2003, Placer Dome entered into an Indenture (the "Indenture") with Deutsche Bank Trust Company Americas in connection with the issuance of senior debt securities.

On March 6, 2003, Placer Dome entered into a First Supplemental Indenture with Deutsche Bank Trust Company Americas in connection with the issuance and sale by Placer Dome of $200 million principal amount of 6.375% debentures on March 6, 2003. This First Supplemental Indenture, together with the original Indenture, sets out the terms and conditions pertaining to the $200 million principal amount 6.375% debentures.

On October 10, 2003, Placer Dome entered into a Second Supplemental Indenture with Deutsche Bank Trust Company Americas in connection with the issuance and sale by Placer Dome of $300 million principal amount of 6.45% debentures on October 10, 2003. This Second Supplemental Indenture, together with the original Indenture, sets out the terms and conditions pertaining to the $300 million principal amount 6.45% debentures.

On October 10, 2003, Placer Dome entered into a Third Supplemental Indenture with Deutsche Bank Trust Company Americas in connection with the issuance and sale by Placer Dome of $230 million principal amount of 2.75% convertible debentures on October 10, 2003. This Third Supplemental Indenture, together with the original Indenture, sets out the terms and conditions pertaining to the $230 million principal amount 2.75% convertible debentures.

On November 12, 2004, Barrick entered into an Indenture with Barrick Gold Inc., Barrick Gold Finance Company and JPMorgan Chase Bank. Pursuant to such Indenture, (a) Barrick issued $200 million principal amount of 5.80% notes due 2034 (the "Barrick 2034 Notes"), (b) Barrick Gold Finance Company issued $200 million principal amount of 5.80% notes due 2034 (the "BGFC 2034 Notes"), and (c) Barrick Gold Finance Company issued $350 million principal amount of 4.875% notes due 2014 (the "2014 Notes"), all on November 12, 2004. The Indenture sets out the terms and conditions pertaining to the Barrick 2034 Notes, the BGFC 2034 Notes and the 2014 Notes. Each of the BGFC 2034 Notes and the 2014 Notes are unconditionally guaranteed by Barrick.

On October 12, 2006, Barrick International Bank Corp. ("BIBC") issued an aggregate of $1 billion of copper-linked notes (the "Copper-Linked Notes") comprised of $400 million of 5.75% notes due 2016 and $600 million of 6.35% notes due 2036 pursuant to an Indenture dated as of the same date among BIBC, as issuer, Barrick (HMC) Mining Company ("Barrick (HMC)"), as initial joint obligor, Barrick, as parent guarantor and The Bank of New York, as trustee. The Indenture sets out the terms and conditions pertaining to the Copper-Linked Notes, which include an unconditional guarantee by Barrick.

On the same date, and as part of the same transaction, ABX Financing Company ("ABXFC"), a company incorporated for the purpose of acquiring the Copper-Linked Notes, issued an aggregate of $1 billion of notes (the "ABXFC Notes") comprised of $400 million of 5.75% notes due 2016 and $600 million of 6.35% notes due 2036 pursuant to an Indenture dated as of the same date among ABXFC, as issuer, BIBC, Barrick (HMC) and Barrick, as guarantors, and The Bank of New York, as trustee. The Indenture sets out the terms and conditions pertaining to the ABXFC Notes, which include an unconditional guarantee by Barrick, Barrick BIBC and Barrick (HMC).

On February 21, 2008, Barrick entered into an agreement with Kennecott Explorations (Australia) Ltd., a subsidiary of Rio Tinto, to acquire its 40% interest in the Cortez property for consideration of $1.695 billion in cash, due on closing, a further $50 million payable if and when an additional 12 million ounces of contained gold resources are added to Barrick's December 31, 2007 reserve statement for Cortez, and a sliding scale royalty payable to Rio Tinto on 40% of all Cortez production in excess of 15 million ounces on and after January 1, 2008. On March 5, 2008, Barrick completed the acquisition of the 40% interest in the Cortez property. The acquisition consolidates 100% ownership for Barrick of the existing Cortez mine and the Cortez Hills development project plus any future potential from the property.

On September 11, 2008, Barrick entered into an Indenture with Barrick Gold Financeco LLC, Barrick North America Finance LLC and The Bank of New York Mellon. Pursuant to such Indenture, (a) Barrick Gold Financeco LLC issued $500 million principal amount 6.125% notes due 2013 (the "BGFC 2013 Notes"), and (b) Barrick North America Finance LLC issued $500 million principal amount 6.80% notes due 2018 (the "BNAF 2018 Notes") and $250 million principal amount 7.50% notes due 2038 (the "BNAF 2038 Notes"), all on September 11, 2008. On March 19, 2009, Barrick issued an aggregate of $750 million principal amount 6.95% notes due 2019 (the "BGC 2019 Notes") pursuant to the Indenture. The Indenture sets out the terms and conditions pertaining to the BGFC 2013 Notes, the BNAF 2018 Notes, the BNAF 2038 Notes and the BGC 2019 Notes. Each of the BGFC 2013 Notes, the BNAF 2018 Notes and the BNAF 2038 Notes are unconditionally guaranteed by Barrick.

TRANSFER AGENTS AND REGISTRARS

Barrick's transfer agent and registrar for its common shares is CIBC Mellon Trust Company, Toronto, Ontario. Barrick's transfer agent and registrar for the BGI exchangeable shares is Computershare Trust Company of Canada, Toronto, Ontario.

DIVIDEND POLICY

In 2006, Barrick paid a total cash dividend of $0.22 per common share — $0.11 in mid-June and $0.11 in mid-December. In 2007, Barrick paid a total cash dividend of $0.30 per common share — $0.15 in mid-June and $0.15 in mid-December. In 2008, Barrick paid a total cash dividend of $0.40 per common share — $0.20 in mid-June and $0.20 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

As of March 27, 2009, directors and executive officers of Barrick as a group beneficially own, directly or indirectly, or exercise control or direction over 2,149,956 common shares representing approximately 0.25% of the outstanding common shares of Barrick.

Directors of the Company

The present term of each director will expire at the next annual meeting of shareholders or upon such director's successor being elected or appointed. The following are the directors of the Company as at March 17, 2009:

Name (age) and municipality of residence	Principal occupations during past 5 years
Howard L. Beck (*75*) Toronto, Ontario Canada	Mr. Beck is a corporate director. Mr. Beck is also a director of Citibank Canada and Cineplex Entertainment Corporation and Chairman of the Board of Trustees of Cineplex Galaxy Income Fund. Mr. Beck holds an undergraduate degree and law degree from the University of British Columbia and a master's degree in law from Columbia University. He was called to the bar of British Columbia and Ontario. He was appointed Queen's Counsel in 1971. **Barrick Board Details:** · Director since 1984
C. William D. Birchall (*66*) Toronto, Ontario Canada	Mr. Birchall was appointed as the Vice Chairman of Barrick in July 2005. From 2004 to March 2007, Mr. Birchall was the Chief Executive Officer of ABX Financeco Inc., a Barrick subsidiary. Mr. Birchall is also a director of Rogers Communications Inc. Mr. Birchall graduated from Merchant Taylor's School. He is a Fellow of the United Kingdom Institute of Chartered Accountants. **Barrick Board Details:** · Vice Chairman since 2005 and Director since 1984

Name (age) and municipality of residence	Principal occupations during past 5 years
Donald J. Carty (*62*) Dallas, Texas USA	Mr. Carty is the Chairman of Porter Airlines Inc. and Virgin America Airlines, commercial airline companies. He served as Vice Chairman and Chief Financial Officer of Dell, Inc., a computer manufacturer, from early 2007 until mid 2008. From 1998 to 2003, he was the Chairman and Chief Executive Officer of AMR Corp. and American Airline, a commercial airline company. He is also a director of Hawaiian Holdings, Inc., Gluskin Sheff & Associates, Inc. and Dell, Inc. He holds an undergraduate degree and an honorary doctor of laws from Queen's University and a master's degree in business administration from Harvard University. Mr. Carty is an Officer of the Order of Canada. **Barrick Board Details:** · Director since 2006
Gustavo Cisneros (*63*) Caracas, Venezuela	Mr. Cisneros is the Chairman and Chief Executive Officer of the Cisneros Group of Companies, a privately held media, entertainment, technology and consumer products organization. Mr. Cisneros is a member of Barrick's International Advisory Board. He is a member of the advisory board of a number of organizations and universities, including the Council on Foreign Relations, The Americas Society, Columbia University and Harvard University. Mr. Cisneros holds an undergraduate degree from Babson College. **Barrick Board Details:** · Director since 2003
Marshall A. Cohen (*73*) Toronto, Ontario Canada	Mr. Cohen is Counsel of the law firm Cassels, Brock & Blackwell LLP. He is also a director of TriMas Corporation and TD Ameritrade. Mr. Cohen holds an undergraduate degree from the University of Toronto, a law degree from Osgoode Hall Law School and a master's degree in law from York University. Mr. Cohen is Chairman of the Board of Governors of York University and an honourary director or governor of a number of non-profit organizations, including the C.D. Howe Institute and Mount Sinai Hospital. Mr. Cohen is an Officer of the Order of Canada. **Barrick Board Details:** · Director since 1988

Name (age) and municipality of residence	Principal occupations during past 5 years
Peter A. Crossgrove (*72*) Toronto, Ontario Canada	Mr. Crossgrove is a corporate director. Prior to May 2005, Mr. Crossgrove was the Chairman of Masonite International Corporation, a door manufacturing company. He is also the Chairman of the Board of Excellon Resources Inc., a mineral resource company, and a director of QLT Inc., Dundee REIT, West Timmins Mining Inc. and Pelangio Mines Inc. Mr. Crossgrove is also a director of the Canadian Partnership Against Cancer. He holds an undergraduate degree from McGill University and Concordia University and a master's degree in business administration from the University of Western Ontario. Mr. Crossgrove is a recipient of the Queen's Jubilee Medal and a Member of the Order of Canada. **Barrick Board Details:** · Director since 1993
Robert M. Franklin (*62*) Toronto, Ontario Canada	Mr. Franklin is President of Signalta Capital Corporation, an investment company. From August 21, 2006 to March 30, 2007, he was Chairman of the Board of Photowatt Technologies, a developer of solar power technologies, and from 1993 to January 2006, he was the Chairman of the Board of Placer Dome Inc. Mr. Franklin is also a director of Canadian Tire Corporation, Toromont Industries Ltd., First Uranium Corp. and Resolve Business Outsourcing Income Fund, and he is a trustee of Stratos Global Corporation. He holds an undergraduate degree from Hillsdale College. **Barrick Board Details:** · Director since 2006
Peter C. Godsoe (70) Toronto, Ontario Canada	Mr. Godsoe is a corporate director. Prior to March 2004, he was the Chairman of the Bank of Nova Scotia, a financial services company, and prior to December 2003, the Chairman and Chief Executive Officer of the Bank of Nova Scotia. Mr. Godsoe is also a director of Ingersoll-Rand Company, Lonmin PLC, Onex Corporation and Rogers Communications Inc. In addition, he is a director of a number of non-profit organizations, including the Canadian Council of Christians and Jews, Mount Sinai Hospital, Perimeter Institute for Theoretical Physics and Atlantic Institute for Market Studies. Mr. Godsoe holds an undergraduate degree from the University of Toronto and a master's degree in business administration from Harvard University. He is a chartered accountant and a Fellow of the Institute of Chartered Accountants in Ontario. Mr. Godsoe is a member of the Canadian Business Hall of Fame and an Officer of the Order of Canada. **Barrick Board Details:** · Director since 2004

Name (age) and municipality of residence	Principal occupations during past 5 years
J. Brett Harvey (*58*) Venetia, Pennsylvania USA	Mr. Harvey is President, Chief Executive Officer and a director of CONSOL Energy Inc., a coal, gas and energy services company. He is also a director of CNX Gas Corporation and Allegheny Technologies Inc. Mr. Harvey is a member of the National Executive Board of the Boy Scouts of America and serves on the board of directors or advisory council of a number of energy industry associations, including the International Energy Agency, American Coalition for Clean Coal Electricity, National Coal Council, Virginia Coalfield Economic Development Authority and the Bituminous Coal Operators' Association. Mr. Harvey holds an undergraduate degree from the University of Utah. **Barrick Board Details:** · Director since 2005
The Right Honourable Brian Mulroney (*69*) Montreal, Quebec Canada	Mr. Mulroney is the Chairman of Barrick's International Advisory Board and a Senior Partner of the law firm Ogilvy Renault. Mr. Mulroney was the Prime Minister of Canada from 1984 to 1993. He is a director of Archer Daniels Midland Company, The Blackstone Group L.P., Quebecor Inc., Quebecor World Inc. and Wyndham Worldwide Corporation. Mr. Mulroney is a member of the international advisory council of a number of companies, including Independent News and Media, PLC and a member of the advisory group of Lion Capital LLP. He holds an undergraduate degree from St. Francis Xavier University and a law degree from Université Laval. Mr. Mulroney is a Companion of the Order of Canada. **Barrick Board Details:** · Director since 1993
Anthony Munk (*48*) New York, New York USA	Mr. Anthony Munk is Managing Director of Onex Corporation, a leading North American private equity firm. He serves as Chairman of the Board of Cineplex Entertainment Corporation, an entertainment company, and a director of RSI Home Products Inc. and Husky Injection Molding Systems Ltd. He is also Vice Chairman of the Aurea Foundation and a director of The Peter Munk Charitable Foundation. Mr. Munk holds an undergraduate degree from Queen's University.

	Barrick Board Details: · Director since 1996

Name (age) and municipality of residence	Principal occupations during past 5 years
Peter Munk (*81*) Toronto, Ontario Canada	Mr. Peter Munk is the Founder and Chairman of Barrick. From March 27, 2008 to January 15, 2009, Mr. Munk was also the interim Chief Executive Officer of Barrick during a medical leave of absence of Mr. Gregory Wilkins. Prior to September 2006, he was also Chairman of Trizec Properties, Inc., a real estate investment trust, and Chairman and Chief Executive Officer of Trizec Canada Inc., a real estate company. Mr. Munk is the former Chair of the University of Toronto Crown Foundation and served as a Trustee of the University Health Network in Toronto. He holds an undergraduate degree and an honorary doctor of laws from the University of Toronto. Mr. Munk is a member of the Canadian Business Hall of Fame and the Canadian Mining Hall of Fame, a recipient of the Woodrow Wilson Award for Corporate Citizenship, and a Companion of the Order of Canada. **Barrick Board Details:** · Chairman and Director since 1984
Aaron W. Regent (*43*) Toronto, Ontario Canada	Mr. Regent was appointed President and Chief Executive Officer of Barrick on January 16, 2009. Prior to his appointment at Barrick, Mr. Regent was Senior Managing Partner and Co-CEO Brookfield Infrastructure Group of Brookfield Asset Management, an asset management company. Prior to August 2006, he was the President of Falconbridge Limited, a diversified metals and mining company, after its merger with Noranda Inc. Prior to July 2005, he was President and Chief Executive Officer of Falconbridge Limited. He is also a director of the Hospital for Sick Kids Foundation and the C. D. Howe Institute. Mr. Regent is a Chartered Accountant in Ontario and holds an undergraduate degree from the University of Western Ontario. **Barrick Board Details:** · Director since February 19, 2009
Steven J. Shapiro (*56*) Houston, Texas USA	Mr. Shapiro is a corporate director. Prior to May 2006, he was Executive Vice President, Finance and Corporate Development, and a director of Burlington Resources, Inc., an oil and gas exploration and production company. Prior to April 2005, he was Executive Vice President and Chief Financial Officer of Burlington Resources, Inc. He is also a director of El Paso Corporation. He serves as a trustee of the Houston Museum of Natural Science. Mr. Shapiro holds an undergraduate degree from Union College and a master's degree in business administration from Harvard University. **Barrick Board Details:** · Director since 2004

Name (age) and municipality of residence	Principal occupations during past 5 years
Gregory C. Wilkins (*53*) Toronto, Ontario Canada	Mr. Wilkins is Executive Vice-Chairman of Barrick. Prior to March 27, 2008, Mr. Wilkins served as President and Chief Executive Officer of Barrick. Prior to February 2003, he was a corporate director. Prior to May 2002, Mr. Wilkins was the Vice Chairman of TrizecHahn Corporation, a real estate company, and prior to March 2001, he was the President and Chief Operating Officer of TrizecHahn Corporation. He is also a director of Knightsbridge Human Capital Management, Chairman of the World Gold Council and a member of the Cabinet for The Heart for University Health Network Campaign. Mr. Wilkins is a Chartered Accountant in Ontario and holds an undergraduate degree from Concordia University. **Barrick Board Details:** · Director since 1991

Committees of the Board

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is comprised of M.A. Cohen, P.C. Godsoe and R.M. Franklin.

Audit Committee

The Audit Committee is comprised of S.J. Shapiro, D.J. Carty, P.A. Crossgrove and R.M. Franklin.

Compensation Committee

The Compensation Committee is comprised of D.J. Carty, P.C. Godsoe, M.A. Cohen, S.J. Shapiro and J.B. Harvey.

Environmental, Health and Safety Committee

The Environmental, Health and Safety Committee is comprised of P.A. Crossgrove, R.M. Franklin, J.B. Harvey and C.W.D. Birchall.

Finance Committee

The Finance Committee is comprised of C.W.D. Birchall, A. Munk, G.C. Wilkins and H.L. Beck.

International Advisory Board

The members of the Board that also sit on the International Advisory Board are B. Mulroney and G. Cisneros.

Executive Officers of the Company

In addition to Peter Munk, Gregory C. Wilkins, Aaron W. Regent and C. William D. Birchall, as set out above, the following are the executive officers of the Company as at March 17, 2009:

Name (age) and municipality of residence	Office (date became an Officer)	Principal occupations during past 5 years
Alexander J. Davidson *(57)* Toronto, Ontario Canada	Executive Vice President, Exploration and Corporate Development *(1993)*	Executive Vice President, Exploration and Corporate Development of the Company; prior to March 2005, Executive Vice President, Exploration of the Company.
Kelvin Dushnisky *(45)* Toronto, Ontario Canada	Executive Vice President, Corporate Affairs *(2007)*	Executive Vice President, Corporate Affairs of the Company; prior to December 2007, Senior Vice President, Corporate Affairs of the Company; prior to September 2005, Vice President, Regulatory Affairs of the Company.

Gordon Fife *(50)* Newmarket, Ontario Canada	Executive Vice President, Organization Effectiveness *(2002)*	Executive Vice President, Organization Effectiveness of the Company; prior to May 2006, Senior Vice President, Organization Effectiveness of the Company; prior to February 2004, Vice President, Organizational Effectiveness of the Company.
Patrick J. Garver *(57)* Toronto, Ontario Canada	Executive Vice President and General Counsel *(1993)*	Executive Vice President and General Counsel of the Company.
Peter J. Kinver *(53)* Toronto, Ontario Canada	Executive Vice President and Chief Operating Officer (*2003)*	Executive Vice President and Chief Operating Officer of the Company; prior to February 2004, Executive Vice President, Operations of the Company.
Jamie C. Sokalsky *(51)* Toronto, Ontario Canada	Executive Vice President and Chief Financial Officer *(1993)*	Executive Vice President and Chief Financial Officer of the Company; prior to April 2004, Senior Vice President and Chief Financial Officer of the Company.
Vincent Borg (52) Toronto, Ontario Canada	Executive Vice President, Corporate Communications *(2009)*	Executive Vice President, Corporate Communications of the Company; prior to January 2009, Senior Vice President, Corporate Communications of the Company; prior to February 2006, Vice President, Corporate Communications of the Company.
George Potter (52) Oakville, Ontario Canada	Senior Vice President, Capital Projects *(2008)*	Senior Vice President, Capital Projects; prior to May 2006, Vice President Technical Services and Projects of the Company; prior to September 2005, Vice President, Capital Projects of the Company.

Name (age) and municipality of residence	Office (date became an Officer)	Principal occupations during past 5 years
Gregory A. Lang *(54)* Sandy, Utah U.S.A.	President, North America *(2001)*	President, North America of the Company; prior to September 2005, Vice President North America Operations of the Company; prior to February 2004, Vice President, Australian Operations of the Company.
Igor Gonzales *(54)* La Molina, Lima, Peru	President, South America *(2004)*	President, South America of the Company; prior to September 2005, Vice President, Peru of the Company; prior to February 2004, Vice President and General Manager, Pierina mine, of the Company.
Gary Halverson *(50)* Perth, Australia	President, Australia-Pacific (*2009)*	President, Australia-Pacific of the Company; prior to December 2008, Director of Operations Eastern Region Australia Pacific; prior to August 2006, General Manager Cortez, Placer Dome Nevada USA, prior to Jan 2005 General Manager Porcupine JV, Canada.

Mr. M.A. Cohen, a director of the Company, was a director of Haynes International, Inc. and Collins & Aikman Inc., each a company which during the past ten years has made a proposal under legislation relating to bankruptcy or insolvency or instituted an arrangement with creditors while Mr. Cohen was acting as a director for such company or within one year of Mr. Cohen resigning from the board of directors. On March 29, 2004, Haynes International, Inc. and certain of its U.S. subsidiaries filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. On May 17, 2005, Collins & Aikman Inc. and substantially all of its U.S. operating subsidiaries filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. Mr. Mulroney, a director of the Company, is a director of Quebecor World Inc., a company which during the past ten years has made a proposal under legislation relating to bankruptcy or insolvency or instituted an arrangement with creditors while Mr. Mulroney was acting as a director for such company. On January 21, 2008, Quebecor World Inc. and substantially all of its U.S. operating subsidiaries filed a voluntary petition for creditor protection under the Canadian Companies' Creditors Arrangement Act and Chapter 11 of the U.S. Bankruptcy Code.

AUDIT COMMITTEE

Audit Committee Mandate

Purpose

1. The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") is to assist the Board in its oversight of: (i) the financial reporting process and the quality, transparency and integrity of the Company's financial statements and other related public disclosures; (ii) the Company's internal controls over financial reporting; (iii) the Company's compliance with legal and regulatory requirements relevant to the financial statements and financial reporting; (v) the external auditors' qualifications and independence; and (v) the performance of the internal audit function and the external auditors.

2. The function of the Committee is oversight. The members of the Committee are not full-time employees of the Company. The Company's management is responsible for the preparation of the Company's financial statements in accordance with applicable accounting standards and applicable laws and regulations. The Company's external auditors are responsible for the audit or review, as applicable, of the Company's financial statements in accordance with applicable auditing standards and laws and regulations.

Committee Responsibilities

3. The Committee's responsibilities shall include:

External Auditors

(a) retaining and terminating, and/or making recommendations to the Board of Directors and the shareholders with respect to the retention or termination of, an external auditing firm to conduct review engagements on a quarterly basis and an annual audit of the Company's financial statements;

(b) communicating to the external auditors that they are ultimately accountable to the Board and the Committee as representatives of the shareholders;

(c) obtaining and reviewing an annual report prepared by the external auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;

(d) evaluating the independence of the external auditor and any potential conflicts of interest and (to assess the auditors' independence) all relationships between the external auditors and the Company, including obtaining and reviewing an annual report prepared by the external auditors describing all relationships between the external auditors and the Company;

(e) approving, or recommending to the Board of Directors for approval, all audit engagement fees and terms, as well as all non-audit engagements of the external auditors prior to the commencement of the engagement;

(f) reviewing with the external auditors the plan and scope of the quarterly review and annual audit engagements;

(g) setting hiring policies with respect to the employment of current or former employees of the external auditors;

Financial Reporting

(h) reviewing, discussing and recommending to the Board for approval the annual audited financial statements and related "management's discussion and analysis of financial and operating results" prior to filing with securities regulatory authorities and delivery to shareholders;

(i) reviewing and discussing with the external auditors the results of their reviews and audit, any issues arising and management's response, including any restrictions on the scope of the external auditors' activities or requested information and any significant disagreements with management, and resolving any disputes;

(j) reviewing, discussing and approving, or recommending to the Board for approval, the quarterly financial statements and quarterly "management's discussion and analysis of financial and operating results" prior to filing with securities regulatory authorities and delivery to shareholders;

(k) reviewing and discussing with management and the external auditors the Company's critical accounting policies and practices, material alternative accounting treatments, significant accounting and reporting judgments, material written communications between the external auditor and management (including management representation letters and any schedule of unadjusted differences) and significant adjustments resulting from the audit or review;

(l) reviewing and discussing with management the Company's earnings press releases, as well as type of financial information and earnings guidance (if any) provided to analysts and ratings agencies;

(m) reviewing and discussing such other relevant public disclosures containing financial information as the Committee may consider necessary or appropriate;

(n) reviewing and discussing with management the disclosure controls relating to the Company's public disclosure of financial information, including information extracted or derived from the financial statements, and periodically assess the adequacy of such procedures;

Internal Controls Over Financial Reporting

(o) reviewing and discussing with management, the external auditors and the head of internal audit the effectiveness of the Company's internal controls over financial reporting, including reviewing and discussing any significant deficiencies in the design or operation of internal controls, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting;

(p) discussing the Company's process with respect to risk assessment (including fraud risk), risk management and the Company's major financial risks and financial reporting exposures, all as they relate to internal controls over financial reporting, and the steps management has taken to monitor and control such risks;

(q) reviewing and discussing with management the Company's Code of Business Conduct and Ethics and anti-fraud program and the actions taken to monitor and enforce compliance;

(r) establishing procedures for:

(i) the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting, internal controls or auditing matters;

Internal Audit

(s) reviewing and discussing with management, the external auditors and the head of internal audit the responsibilities and effectiveness of the Company's internal audit function, including reviewing the internal audit mandate, independence, organizational structure, internal audit plans and adequacy of resources, receiving periodic internal audit reports and meeting privately with the head of internal audit on a periodic basis;

(t) approving in advance the retention and dismissal of the head of internal audit;

Other

(u) meeting separately, periodically, with each of management, the head of internal audit and the external auditors;

(v) reporting regularly to the Board;

(w) reviewing and assessing its mandate and recommending any proposed changes to the Corporate Governance and Nominating Committee of the Board on an annual basis; and

(x) evaluating the functioning of the Committee on an annual basis, including with reference to the discharge of its mandate, with the results to be reported to the Corporate Governance and Nominating Committee, which shall report to the Board.

Responsibilities of the Committee Chair

4. The fundamental responsibility of the Committee Chair is to be responsible for the management and effective performance of the Committee and provide leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board. To that end, the Committee Chair's responsibilities shall include:

(a) working with the Chairman of the Board, the Chief Executive Officer and the Secretary to establish the frequency of Committee meetings and the agendas for meetings;

(b) providing leadership to the Committee and presiding over Committee meetings;

(c) facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;

(d) reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;

(e) leading the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate; and

(f) taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

Powers

5. The Committee shall have the authority, including approval of fees and other retention terms, to obtain advice and assistance from outside legal, accounting or other advisors in its sole discretion, at the expense of the Company, which shall provide adequate funding for such purposes. The Company shall also provide the Committee with adequate funding for the ordinary administrative expenses of the Committee. The Committee shall have unrestricted access to information, management, the external auditors and the head of internal audit, including private meetings, as it considers necessary or appropriate to discharge its duties and responsibilities. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

Composition

6. The Committee shall be appointed by the Board annually and shall be comprised of a minimum of three directors. If an appointment of members of the Committee is not made as prescribed, the members shall continue as such until their successors are appointed.

7. All of the members of the Committee shall be directors whom the Board has determined are independent, taking into account the applicable rules and regulations of securities regulatory authorities and/or stock exchanges.

8. Each member of the Committee shall be "financially literate" and at least one member of the Committee shall have "accounting or related financial management expertise"(1). At least one

member of the Committee shall be an "audit committee financial expert", as defined in the applicable rules and regulations of securities regulatory authorities and/or stock exchanges.

9. If a Committee member simultaneously serves on the audit committee of more than three public companies, the Board shall make a determination as to whether such service impairs the ability of such member to serve effectively on the Committee and disclose such determination in the Company's annual proxy statement.

Meetings

10. The Committee shall have a minimum of four meetings per year, to coincide with the Company's financial reporting cycle. Additional meetings will be scheduled as considered necessary or appropriate, including to consider specific matters at the request of the external auditors or the head of internal audit.

11. The time and place of the meetings of the Committee, the calling of meetings and the procedure in all things at such meetings shall be determined by the Chairman of the Committee.

(1) For purposes of this mandate, "financially literate" means the ability to read and understand a balance sheet, an income statement, a cash flow statement and the related notes that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, and "accounting or related financial management expertise" means the ability to analyze and interpret a full set of financial statements, including the related notes that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

Composition of the Audit Committee

The Audit Committee is comprised entirely of independent directors (D.J. Carty, P.A. Crossgrove, R.M. Franklin and S.J. Shapiro). There were seven meetings of the Audit Committee during 2008. All of the members of the Audit Committee attended all of the meetings held in 2008 while they were members, with the exception of R.M. Franklin who did not attend two meetings.

All of the members of the Audit Committee are financially literate and at least one member has accounting or related financial management expertise. Barrick's Board of Directors has determined that S.J. Shapiro, a member of the Audit Committee, is an "audit committee financial expert" as defined by SEC rules and is independent, as that term is defined by the New York Stock Exchange's corporate governance standards applicable to Barrick.

The rules adopted by the SEC indicate that the designation of Mr. Shapiro as an audit committee financial expert will not deem him to be an "expert" for any purpose or impose any duties, obligations or liability on Mr. Shapiro that are greater than those imposed on members of the Audit Committee and Barrick's Board of Directors who do not carry this designation. Other members of the Audit Committee are also experienced audit committee members and may qualify as "audit committee financial experts"; however, the Board of Directors has only made the specific determination in respect of Mr. Shapiro.

Donald J. Carty, 62 Dallas, Texas, USA	Mr. Carty is the Chairman of Porter Airlines Inc. and Virgin America Airlines, commercial airline companies. He served as Vice Chairman and Chief Financial Officer of Dell, Inc., a computer manufacturer, from early 2007 until mid 2008. From 1998 to 2003, he was the Chairman and Chief Executive Officer of AMR Corp. and American Airline, a commercial airline company. He is also a director of Hawaiian Holdings, Inc., Gluskin Sheff & Associates, Inc. and Dell, Inc. He holds an undergraduate degree and an honorary doctor of laws from Queen's University and a master's degree in business administration from Harvard University. Mr. Carty is an Officer of the Order of Canada.
Peter A. Crossgrove, 72 Toronto, Ontario, Canada	Mr. Crossgrove is a corporate director. Prior to May 2005, Mr. Crossgrove was the Chairman of Masonite International Corporation, a door manufacturing company. He is also the Chairman of the Board of Excellon Resources Inc., a mineral resource company, and a director of QLT Inc., Dundee REIT, West Timmins Mining Inc. and Pelangio Mines Inc. Mr. Crossgrove is also a director of the Canadian Partnership Against Cancer. He holds an undergraduate degree from McGill University and Concordia University and a master's degree in business administration from the University of Western Ontario. Mr. Crossgrove is a recipient of the Queen's Jubilee Medal and a Member of the Order of Canada.
R.M. Franklin, 62 Toronto, Ontario, Canada	Mr. Franklin is President of Signalta Capital Corporation, an investment company. From August 21, 2006 to March 30, 2007, he was Chairman of the Board of Photowatt Technologies, a developer of solar power technologies, and from 1993 to January 2006, he was the Chairman of the Board of Placer Dome Inc. Mr. Franklin is also a director of Canadian Tire Corporation, Toromont Industries Ltd., First Uranium Corp. and Resolve Business Outsourcing Income Fund, and he is a trustee of Stratos Global Corporation. He holds an undergraduate degree from Hillsdale College.

Steven J. Shapiro, 56 Houston, Texas, USA	Mr. Shapiro is a corporate director. Prior to May 2006, he was Executive Vice President, Finance and Corporate Development, and a director of Burlington Resources, Inc., an oil and gas exploration and production company. Prior to April 2005, he was Executive Vice President and Chief Financial Officer of Burlington Resources, Inc. He is also a director of El Paso Corporation. He serves as a trustee of the Houston Museum of Natural Science. Mr. Shapiro holds an undergraduate degree from Union College and a master's degree in business administration from Harvard University.

Participation on Other Audit Committees

The Company does not restrict the number of other audit committees on which members of its Audit Committee may serve. R.M. Franklin currently serves on the audit committees of three other public companies. Barrick's Board of Directors has determined that the service of R.M. Franklin on the audit committees of such other companies does not impair his ability to effectively serve on the Audit Committee, particularly given his experience as a director of public companies.

Audit Committee Pre-Approval Policies and Procedures

Barrick's Audit Committee has adopted a pre-approval policy with respect to permitted non-audit services. Under this policy, subject to certain conditions, specified audit-related services, tax-related non-audit services, audit services and certain permitted non-audit services may be presented to the Audit Committee for pre-approval as a category of services on an annual or project basis. On a quarterly basis, management of Barrick is required to update the Audit Committee in respect of the actual amount of fees in comparison to the pre-approved estimate. Following the annual pre-approval, on an interim basis, management of Barrick is permitted to approve statutory, compliance and subsidiary audits and additional audit-related services and specified non-audit services, provided that the estimated fees for such services fall within specified dollar limits. Additional audit-related services and specified non-audit services that exceed the dollar thresholds and all additional non-audit services, including tax-related non-audit services, require the pre-approval of the Audit Committee (or if within a specified dollar threshold, the Committee Chairman).

External Auditor Service Fees

PricewaterhouseCoopers LLP are the auditors of Barrick's Consolidated Financial Statements. The following PricewaterhouseCoopers LLP fees were incurred by Barrick in each of the years ended December 31, 2008 and 2007 for professional services rendered to Barrick:

Fees **(amount in millions)**	**2008**	**2007**
Audit Fees (1)	$ 7.9	$ 7.5
Audit-Related Fees (2)	0.4	0.4
Tax Fees (3)	1.0	1.1
All Other Fees (4)	0.1	0.1
Total	$ 9.4	$ 9.1

(1) Audit Fees comprise professional services for the audit of Barrick's annual financial statements, review of Barrick's interim financial statements, and services normally provided in connection with Barrick's statutory and regulatory filings. The Audit Fees for 2008 have increased by $0.4 million due to the impact of the acquisition of Barrick Energy, before the effect of foreign currency translation that increased the fees reported in U.S. dollars by $0.3 million.

(2) Audit-Related Fees comprise amounts paid in connection with a public debt offering, for consultations on accounting developments and accounting for potential corporate transactions.

(3) Tax Fees comprise amounts paid for tax compliance and advisory services.

(4) In 2008, All Other Fees comprise amounts paid for accounting and internal audit software applications and accounting research services.

CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to ensure that information required to be disclosed by Barrick in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to Barrick's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

An evaluation was carried out under the supervision of and with the participation of Barrick's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in rules adopted by the SEC) as of December 31, 2008. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2008 our disclosure controls and procedures were effective.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Accordingly, Barrick's management, including our Chief Executive Officer and our Chief Financial Officer, does not expect that Barrick's internal control over financial reporting will prevent or detect all error and all fraud.

There has been no change in Barrick's internal control over financial reporting during the year ended December 31, 2008 that materially affected, or that is reasonably likely to materially affect, Barrick's internal control over financial reporting. For additional information, see Barrick's "Management's Report on Internal Control Over Financial Reporting" in its 2008 Annual Report.

Barrick will continue to periodically review its disclosure controls and procedures and internal control over financial reporting and may make modifications from time to time as considered necessary or desirable.

NON-GAAP FINANCIAL MEASURES

Total Cash Costs

Total cash costs per ounce/pound are a non-GAAP financial measure. Total cash costs include all costs absorbed into inventory, as well as royalties, by-product credits and production taxes, and exclude inventory purchase accounting adjustments, unrealized gains/losses from non-hedge currency and commodity contracts and amortization and accretion. The presentation of these statistics in this manner allows Barrick to monitor and manage those factors that impact production costs on a monthly basis.

Barrick calculates total cash costs based on its equity interest in production from its mines. Total cash costs per ounce/pound are calculated by dividing the aggregate of these costs by gold ounces and copper pounds sold. Total cash costs and total cash costs per ounce/pound are calculated on a consistent basis for the periods presented. In Barrick's income statement, amortization is presented separately from cost of sales. Some companies include amortization in cost of sales, which results in a different measurement of cost of sales in the income statement. Many mining companies record the unrealized gains/losses from non-hedge currency and commodity contracts in other income, and therefore these amounts are not reflected in the cost of sales/cash costs measures presented by these companies. Consequently, Barrick believes that removing these unrealized gains/losses provides investors and analysts with a measure of Barrick's cash costs of production that is more comparable to the cash costs measures presented by other mining companies.

Barrick has provided the reconciliations set out below to illustrate the impact of excluding amortization and accretion, inventory purchase accounting adjustments and unrealized gains/losses from non-hedge currency and commodity contracts from total cash costs per ounce/pound statistics. Under purchase accounting rules, Barrick recorded the fair value of acquired work in progress and finished goods inventories as at the date of the Placer Dome acquisition. As the acquired inventory is sold, any purchase accounting adjustments reflected in the carrying amount of inventory at acquisition, impacts cost of sales. The method of valuing these inventories is based on estimated selling prices less costs to complete and a reasonable profit margin. Consequently, the fair values do not necessarily reflect costs to produce consistent with ore mined and processed into gold and copper after the acquisition.

Management believes that using an equity interest presentation is a fairer, more accurate way to measure economic performance than using a consolidated basis. For mines where Barrick holds less than a 100% share in the production, it excludes the economic share of gold production that flows to its partners who hold a non-controlling interest. Consequently, for the Tulawaka mine, although Barrick fully consolidated this mine in its Consolidated Financial Statements, its production and total cash cost statistics only reflect its equity share of the production.

Total cash costs per ounce/pound statistics are intended to provide additional information, do not have any standardized meaning prescribed by U.S. GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with U.S. GAAP. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under U.S. GAAP. Other companies may calculate these measures differently.

Reconciliation of Cost of Sales to Total Cash Costs per ounce/pound

	For the years ended December 31					
	Gold			Copper		
($ millions, except per ounce/pound information in dollars)	**2008**	**2007**	**2006**	**2008**	**2007**	**2006**
Cost of sales	$ 3,426	$ 2,805	$ 2,319	$ 436	$ 339	$ 391
Cost of sales attributable to discontinued operations	—	(9)	51	—	—	—
Cost of sales attributable to non-controlling interests (1)	(14)	(15)	(12)	—	—	—
Unrealized non-hedge gains/(losses) on currency and commodity contracts	(15)	(5)	—	—	—	—
Inventory purchase accounting adjustments	(16)	—	(11)	—	(9)	(97)
Impact of Barrick Energy	(14)	—	—	—	—	—
Total Cash Costs	3,367	2,776	2,347	436	330	294
Ounces/pounds sold - consolidated basis (000's)	7,658	8,108	8,566	367	401	376
Ounces/pounds sold - non-controlling interest (000's)	(63)	(53)	(176)	—	—	—
Ounces/pounds sold - equity basis (000's)	7,595	8,055	8,390	367	401	376
Total cash costs per ounce/per pound	$ 443	$ 345	$ 280	$ 1.19	$ 0.82	$ 0.78

(1) Relates to a 70% interest in Tulawaka and a 50% interest in South Deep prior to 2007.

Realized Price

Realized price is a non-GAAP financial measure which excludes from sales (i) unrealized gains and losses on non-hedge derivative contracts and (ii) unrealized mark-to-market gains and losses

on outstanding receivables from copper and gold sales contracts. The use of this measure is intended to enable management to better understand the price realized in each reporting period for gold and copper sales because unrealized mark-to-market value of non-hedge gold and copper derivatives and unrealized mark-to-market gains and losses on outstanding receivables from copper and gold sales contracts are subject to change each period due to changes in market factors such as spot and forward gold and copper prices such that prices ultimately realized may differ from those recorded. The exclusion of such unrealized mark-to-market gains and losses from the presentation of this performance measure enables investors to understand performance based on the realized proceeds of selling gold and copper production. The gains and losses on non-hedge derivatives and receivable balances relate to instruments/balances that mature in future periods, at which time the gains and losses will become realized. The amounts of these gains and losses reflect fair values based on market valuation assumptions at the end of each period and do not necessarily represent the amounts that will become realized on maturity. For those reasons, Management believes that this measure provides a more accurate reflection of the Company's past performance and is a better indicator of its expected performance in future periods.

The realized price measure is intended to provide additional information, and does not have any standardized meaning prescribed by U.S. GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with U.S. GAAP. The measure is not necessarily indicative of sales as determined under U.S. GAAP. Other companies may calculate this measure differently. The following table reconciles realized prices to the most directly comparable U.S. GAAP measure.

Reconciliation of Sales to Realized Price per ounce/per pound

	For the years ended December 31					
	Gold			Copper		
($ millions, except per ounce/pound data in dollars)	**2008**	**2007**	**2006**	**2008**	**2007**	**2006**
Sales	$ 6,656	$ 5,027	$ 4,493	$ 1,228	$ 1,305	$ 1,137
Sales attributable to non-controlling interests	(56)	(38)	52	—	—	—
Unrealized non-hedge gold/copper derivative (gains) losses	2	(2)	7	(23)	(26)	13
Unrealized mark to market provisional price adjustments	(1)	(2)	1	38	10	—
Sales — as adjusted	6,601	4,985	4,553	1,243	1,289	1,150
Ounces/pounds sold (000's)	7,595	8,055	8,390	367	401	376
Realized gold/copper price per ounce/pound	$ 870	$ 619	$ 543	$ 3.39	$ 3.22	$ 3.06

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, the auditors of the Company, has advised the Company that it is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario and has complied with the SEC's rules on auditor independence.

ADDITIONAL INFORMATION

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 17, 2009. As well, additional financial information is provided in the Company's 2008 Annual Report, in the Company's Consolidated Financial Statements (as prepared under U.S. GAAP) and Management's Discussion and Analysis of Financial and Operating Results for the year ended December 31, 2008 (as prepared under U.S. GAAP), each of which is available electronically from the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) (www.sedar.com) and from the SEC's Electronic Document Gathering and Retrieval System (EDGAR) (www.sec.gov). Additional Information relating to Barrick is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Exhibit 99.2

Management's Report on Internal Control Over Financial Reporting

Barrick's management is responsible for establishing and maintaining adequate internal control over financial reporting.

Barrick's management assessed the effectiveness of the company's internal control over financial reporting as at December 31, 2008. Barrick's Management used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of Barrick's internal control over financial reporting. Based on Barrick management's assessment, Barrick's internal control over financial reporting is effective as at December 31, 2008.

The effectiveness of the Company's internal control over financial reporting as at December 31, 2008 has been audited by PricewaterhouseCoopers LLP, Chartered Accountants, as stated in their report which is located on pages 80—81 of Barrick's 2008 Annual Financial Statements.

Management's Responsibility

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 judgments 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.



Jamie C. Sokalsky
Executive Vice President
and Chief Financial Officer
Toronto, Canada
February 19, 2009

Management's Report on Internal Control Over Financial Reporting

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Barrick's management assessed the effectiveness of the company's internal control over financial reporting as at December 31, 2008. Barrick's Management used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of Barrick's internal control over financial reporting. Based on Barrick management's assessment, Barrick's internal control over financial reporting is effective as at December 31, 2008.

The effectiveness of the Company's internal control over financial reporting as at December 31, 2008 has been audited by PricewaterhouseCoopers LLP, Chartered Accountants, as stated in their report which is located on pages 80—81 of Barrick's 2008 Annual Financial Statements.

Independent Auditors' Report

Independent Auditors' Report

To the Shareholders of
Barrick Gold Corporation

We have completed integrated audits of Barrick Gold Corporation's (the Company) 2008, 2007 and 2006 consolidated financial statements and of its internal control over financial reporting as at December 31, 2008. Our opinions, based on our audits, are presented below.

Consolidated financial statements

We have audited the accompanying consolidated balance sheets of Barrick Gold Corporation as at December 31, 2008 and December 31, 2007, and the related consolidated statements of income, cash flow, shareholders' equity and comprehensive income for each of the years in the three year period ended December 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits of the Company's consolidated financial statements in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. A financial statement audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the

Company as at December 31, 2008 and December 31, 2007 and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2008 in accordance with accounting principles generally accepted in the United States of America.

Internal control over financial reporting

We have also audited the Company's internal control over financial reporting as at December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2008 based on criteria established in *Internal Control – Integrated Framework* issued by the COSO.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
February 19, 2009

Consolidated Statements of Income

Barrick Gold Corporation

For the years ended December 31 (in millions of United States dollars, except per share data)	**2008**	**2007**	**2006**
Sales (notes 4 and 5)	**$ 7,913**	$ 6,332	$ 5,630
Costs and expenses			
Cost of sales (notes 4 and 6)(1)	**3,876**	3,144	2,710
Amortization and accretion (notes 4 and 15)	**1,033**	1,054	774
Corporate administration	**155**	155	142
Exploration (notes 4 and 7)	**216**	179	171
Project development expense (note 7)	**242**	188	119
Other expense (note 8a)	**295**	205	212
Impairment charges (note 8b)	**749**	42	17
	6,566	4,967	4,145
Interest income	**39**	141	110
Interest expense (note 20b)	**(21)**	(113)	(126)
Other income (note 8c)	**291**	110	97
Write-down of investments (note 8b)	**(205)**	(23)	(6)
	104	115	75
Income from continuing operations before income taxes and other items	**1,451**	1,480	1,560
Income tax expense (note 9)	**(590)**	(341)	(348)
Non-controlling interests (note 2b)	**(12)**	14	1
Loss from equity investees (note 12)	**(64)**	(43)	(4)
Income from continuing operations	**785**	1,110	1,209
Income from discontinued operations (note 3)	**—**	9	297

Net income for the year	**$ 785**	$ 1,119	$ 1,506
Earnings per share data (note 10)			
Income from continuing operations			
Basic	**$ 0.90**	$ 1.28	$ 1.44
Diluted	**$ 0.89**	$ 1.27	$ 1.42
Net income			
Basic	**$ 0.90**	$ 1.29	$ 1.79
Diluted	**$ 0.89**	$ 1.28	$ 1.77

(1) Exclusive of amortization.

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

Consolidated Statements of Cash Flow

Barrick Gold Corporation **For the years ended December 31 (in millions of United States dollars)**	**2008**	**2007**	**2006**
Operating Activities			
Net income	**$ 785**	$ 1,119	$ 1,506
Amortization and accretion (notes 4 and 15)	**1,033**	1,054	774
Impairment charges and write-down of investments (notes 8b and 12)	**954**	65	23
Increase in inventory	**(373)**	(252)	(193)
Gain on sale of assets (note 8c)	**(187)**	(2)	(9)
Income tax expense (notes 9 and 24)	**590**	341	348
Income taxes paid	**(575)**	(585)	(280)
Other items (note 11a)	**(21)**	(8)	(47)
Net cash provided by continuing operating activities	**2,206**	1,732	2,122
Investing Activities			
Property, plant and equipment			
Capital expenditures (note 4)	**(1,776)**	(1,046)	(1,087)
Sales proceeds	**185**	100	8
Acquisitions (note 3)	**(2,174)**	(1,122)	(208)
Investments (note 12)			
Purchases	**(18)**	(11)	(369)
Sales	**76**	625	46
Reclassification of asset-backed commercial paper	**—**	(66)	—
Long-term supply contract (note 12)	**(35)**	—	—
Other investing activities (note 11b)	**(170)**	(42)	17
Net cash used in continuing investing activities	**(3,912)**	(1,562)	(1,593)
Financing Activities			
Capital stock			
Proceeds on exercise of stock options	**74**	142	74
Long-term debt (note 20b)			
Proceeds	**2,723**	408	2,189
Repayments	**(1,603)**	(1,128)	(1,581)
Dividends (note 25)	**(349)**	(261)	(191)
Settlement of derivative instruments acquired with Placer Dome	**—**	(197)	(1,840)
Funding from non-controlling interests	**88**	—	2
Net cash provided by (used in) continuing financing activities	**933**	(1,036)	(1,347)
Cash Flows of Discontinued Operations (note 3)			
Operating activities	**—**	21	29
Investing activities	**—**	—	2,788
Financing activities	**—**	—	11
	—	21	2,828
Effect of exchange rate changes on cash and equivalents	**3**	9	(4)
Net increase (decrease) in cash and equivalents	**(770)**	(836)	2,006
Cash and equivalents at beginning of year (note 20a)	**2,207**	3,043	1,037
Cash and equivalents at end of year (note 20a)	**$ 1,437**	$ 2,207	$ 3,043

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

Consolidated Balance Sheets

Barrick Gold Corporation **At December 31 (in millions of United States dollars)**	**2008**	**2007**

Assets		
Current assets		
Cash and equivalents (note 20a)	**$ 1,437**	$ 2,207
Accounts receivable (note 14)	**197**	256
Inventories (note 13)	**1,309**	1,129
Other current assets (note 14)	**1,169**	707
	4,112	4,299
Non-current assets		
Investments (note 12)	**1,145**	1,227
Property, plant and equipment (note 15)	**11,547**	8,585
Goodwill (note 17)	**5,280**	5,847
Intangible assets (note 16)	**75**	68
Deferred income tax assets (note 24)	**869**	722
Other assets (note 18)	**1,133**	1,203
Total assets	**$ 24,161**	$ 21,951
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	**$ 970**	$ 808
Short-term debt (note 20b)	**206**	233
Other current liabilities (note 19)	**668**	255
	1,844	1,296
Non-current liabilities		
Long-term debt (note 20b)	**4,350**	3,153
Asset retirement obligations (note 22)	**973**	892
Deferred income tax liabilities (note 24)	**754**	841
Other liabilities (note 23)	**781**	431
Total liabilities	**8,702**	6,613
Non-controlling interests	**182**	82
Shareholders' equity		
Capital stock (note 25)	**13,372**	13,273
Retained earnings	**2,261**	1,832
Accumulated other comprehensive income (loss) (note 26)	**(356)**	151
Total shareholders' equity	**15,277**	15,256
Contingencies and commitments (notes 15 and 29)		
Total liabilities and shareholders' equity	**$ 24,161**	$ 21,951

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

Signed on behalf of the Board,



Aaron Reqent, Director



Steven J. Shapiro, Director

Consolidated Statements of Shareholders' Equity

Barrick Gold Corporation **For the years ended December 31 (in millions of United States dollars)**	**2008**	**2007**	**2006**
Common shares (number in millions)			
At January 1	**870**	864	538
Issued on exercise of stock options (note 27a)	**3**	6	3
Issued on acquisition of Placer Dome (note 3f)	**—**	—	323
At December 31	**873**	870	864
Common shares			
At January 1	**$ 13,273**	$ 13,106	$ 4,222
Issued on exercise of stock options (note 27a)	**74**	142	74
Issued on acquisition of Placer Dome (note 3f)	**—**	—	8,761
Options issued on acquisition of Placer Dome (note 3f)	**—**	—	22
Recognition of stock option expense (note 27a)	**25**	25	27
At December 31	**13,372**	13,273	13,106
Retained earnings (deficit)			
At January 1	**1,832**	974	(341)
Net income	**785**	1,119	1,506
Dividends (note 25a)	**(349)**	(261)	(191)
Repurchase of preferred shares of a subsidiary	**(7)**	—	—
At December 31	**2,261**	1,832	974
Accumulated other comprehensive income (loss) (note 26)	**(356)**	151	119

Total shareholders' equity at December 31	**$ 15,277**	$ 15,256	$ 14,199

Consolidated Statements of Comprehensive Income

Barrick Gold Corporation **For the years ended December 31 (in millions of United States dollars)**	**2008**	**2007**	**2006**
Net income	**$ 785**	$ 1,119	$ 1,506
Other comprehensive income (loss), net of tax (note 26)	**(507)**	32	150
Comprehensive income	**$ 278**	$ 1,151	$ 1,656

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$, A$, ZAR, CLP, PGK, TZS, JPY, ARS and EUR are to Canadian dollars, Australian dollars, South African rands, Chilean pesos, Papua New Guinea kina, Tanzanian schillings, Japanese yen, Argentinean pesos and Euros, respectively.

1 · Nature of Operations

Barrick Gold Corporation ("Barrick" or the "Company") principally engages in the production and sale of gold, as well as related activities such as exploration and mine development. We also produce significant amounts of copper and hold interests in a platinum group metals development project and a nickel development project, both located in Africa, a platinum group metals project located in Russia and oil and gas properties located in Canada. Our producing mines are concentrated in four regional business units: North America, South America, Africa and Australia Pacific. We sell our gold production into the world market and we sell our copper production into the world market and to private customers.

2 · Significant Accounting Policies

a) Basis of Preparation

These consolidated financial statements have been prepared under United States generally accepted accounting principles ("US GAAP"). In 2008, we amended the income statement classification of accretion expense (note 2e). Accretion expense is classified within amortization and accretion. Prior to this date, accretion expense was classified as a component of cost of sales and other expense. To ensure comparability of financial information, prior year amounts have been reclassified to reflect changes in the financial statement presentation.

b) Principles of Consolidation

These consolidated financial statements include the accounts of Barrick Gold Corporation and those entities that we have the ability to control either through voting rights or means other than voting rights. These entities include development projects and operating mines in which we hold a less than 100% ownership interest, which generally operate as joint ventures. For these joint ventures, our risk is limited to our investment in the entity. FIN 46(R) provides guidance on the identification and reporting of entities controlled through means other than voting rights and defines such entities as variable interest entities ("VIEs"). We apply this guidance to all of our incorporated joint ventures ("JVs"), including those in the development stage. We determine if we are the primary beneficiary based on whether we expect to participate in the majority of the entities' future expected gains/ losses, based on the funding requirements set out in their respective agreements. For VIEs where we are the primary beneficiary, we consolidate the entity and record a non-controlling interest, measured initially at its estimated fair value, for the interest held by other entity owners. For VIEs where we are not the primary beneficiary, we use the equity method of accounting (note 12).

For unincorporated JVs under which we hold an undivided interest in the assets and liabilities and receive our share of production from the joint venture, we include our pro rata share of the assets, liabilities, revenue and expenses in our financial statements.

The following table illustrates our policy used to account for significant entities where we hold less than a 100% economic interest. We consolidate all wholly-owned entities.

Consolidation Method at December 31, 2008

	Entity type at December 31, 2008	**Economic Interest at December 31, 2008(1)**	**Method**
North America			
Round Mountain Mine	Unincorporated JV	50%	Pro Rata
Hemlo Property Mine	Unincorporated JV	50%	Pro Rata
Marigold Mine	Unincorporated JV	33%	Pro Rata
Turquoise Ridge Mine	Unincorporated JV	75%	Pro Rata
Pueblo Viejo Project(2)	VIE	60%	Consolidation
Donlin Creek Project	VIE	50%	Equity Method
South America			
Cerro Casale Project	VIE	51%	Equity Method

Australia			
Kalgoorlie Mine	Unincorporated JV	50%	Pro Rata
Porgera Mine(3)	Unincorporated JV	95%	Pro Rata
Reko Diq Project(4)	VIE	37.5%	Equity Method
Africa			
Tulawaka Mine	Unincorporated JV	70%	Consolidation
Kabanga Project(5)	VIE	50%	Equity Method
Sedibelo Project(6)	VIE	10%	Consolidation
Russia			
Fedorova Project(7)	VIE	50%	Consolidation

(1) Unless otherwise noted, all of our joint ventures are funded by distributions made by their partners in proportion to their economic interest.
(2) In accordance with the terms of the agreement with our partner, Barrick is responsible for 60% of the funding requirements for the Pueblo Viejo project. We consolidate our interest in Pueblo Viejo and record a non-controlling interest for the 40% that we don't own. In 2008, we recorded project development expenses of $62 million (2007: $67 million) (note 7) and a non-controlling interest of $26 million (2007: $30 million) (note 2b). At December 31, 2008, the carrying value of our Pueblo Viejo project was $447 million (2007: $140 million) (note 15a).
(3) We hold an undivided interest in our share of assets and liabilities at the Porgera mine. In August 2007, we increased our ownership interest from 75% to 95% (note 3d).
(4) We hold a 50% interest in Atacama Copper, which has a 75% interest in the Reko Diq project. We use the equity method to account for our interest in Atacama Copper (note 12).
(5) In accordance with an agreement with our partner, from 2006 until the third quarter of 2008, our partner was responsible for funding 100% of exploration and project expenditures and we did not record any amounts for our economic interest in this period. During the third quarter of 2008, our partner completed the $145 million spending requirement, and we began funding 50% of the exploration and project expenditures (note 12).
(6) In 2008, we completed a bankable feasibility study ("BFS"), for which we recorded project development expenses totaling $17 million (2007: $22 million). Based on the agreement with our partner, we are responsible for funding 100% of the project expenditures. On completion of the BFS, we earned a 10% interest in the project and have a right to obtain a further 55% interest upon a decision to mine. The first 40% can be purchased for 50% of the combined platinum, palladium, rhodium and gold production at $12 per ounce. The final 15% can be purchased for $90 million. If Barrick does not make a decision to mine by May 2009, our partner has the option to acquire our 10% interest at a price based on the BFS costs spent.
(7) In accordance with an agreement with minority shareholders, we have an earn-in option for an additional 30% interest in the entity that owns the rights to the Fedorova project (for a total 80% interest). We are responsible for funding 100% of project expenditures until the BFS is finalized, and therefore a non-controlling interest has not been recorded through December 31, 2008. In 2008, we funded $24 million of project expenditures (2007: $18 million).

Entities Consolidated using the Pro Rata Method Income Statement and Cash Flow Information (100%)

For the years ended December 31	2008	2007	2006
Revenues	**$ 2,031**	$ 2,076	$ 1,776
Costs and expenses	**(1,565)**	(1,665)	(1,457)
Net income	**$ 466**	$ 411	$ 319
Operating activities(1)	**$ 378**	$ 147	$ 473
Investing activities(1)	**$ (159)**	$ (139)	$ (284)
Financing activities(1),(2)	**$ (249)**	$ 81	$ (185)

Balance Sheet Information (100%)

At December 31	2008	2007
Assets		
Inventories	**$ 317**	$ 430
Property, plant and equipment	**1,609**	2,620
Other assets(3)	**316**	462
	$ 2,242	$ 3,512
Liabilities		
Current liabilities	**$ 153**	$ 216
Long-term obligations	**244**	267
Deferred income tax liabilities	**64**	47
	$ 461	$ 530

Non-controlling Interests – Income Statement

For the years ended December 31	2008	2007	2006
Pueblo Viejo project	**$ 26**	$ 30	$ 9
Tulawaka mine	**(38)**	(16)	(8)
	$ (12)	$ 14	$ 1

(1) Net cash inflow (outflow).
(2) Includes cash flows between the joint ventures and joint venture partners.
(3) The decrease in assets in 2008 reflects 100% ownership of Cortez.

c) Foreign Currency Translation

The functional currency of our gold and copper operations is the US dollar. We translate non-US dollar balances for these operations into US dollars as follows:

- Property, plant and equipment, intangible assets and equity method investments using historical rates;
- Available-for-sale securities using closing rates with translation gains and losses recorded in other comprehensive income;
- Asset retirement obligations using historical rates;
- Deferred tax assets and liabilities using closing rates with translation gains and losses recorded in income tax expense;
- Other assets and liabilities using closing rates with translation gains and losses recorded in other income/expense; and
- Income and expenses using average exchange rates, except for expenses that relate to non-monetary assets and liabilities measured at historical rates, which are translated using the same historical rate as the associated non-monetary assets and liabilities.

The functional currency of our oil and gas operations, ("Barrick Energy") is the Canadian dollar. We translate balances related to Barrick Energy into US dollars as follows:

- Assets and liabilities using closing exchange rates with translation gains and losses recorded in other comprehensive income; and
- Income and expense using average exchange rates with translation gains and losses recorded in other comprehensive income.

d) Use of Estimates

The preparation of these financial statements requires us to make estimates and assumptions. The most significant ones are: quantities of proven and probable mineral reserves; classification of mineralization as either reserves or nonreserves; fair values of acquired assets and liabilities under business combinations, including the value of mineralized material beyond proven and probable mineral reserves; future costs and expenses to produce proven and probable mineral reserves; future commodity prices for gold, copper, silver and other products; future costs of oil and other consumables; currency exchange rates; the future cost of asset retirement obligations; amounts and likelihood of contingencies; the fair values of reporting units that include goodwill; uncertain tax positions; and credit risk adjustments to discount rates. Using these and other estimates and assumptions, we make various decisions in preparing the financial statements including:

- The treatment of expenditures at mineral properties prior to when production begins as either an asset or an expense (note 15);
- Whether tangible and intangible long-lived assets are impaired, and if so, estimates of the fair value of those assets and any corresponding impairment charge (note 15);
- Our ability to realize deferred income tax assets and amounts recorded for any corresponding valuation allowances and amounts recorded for uncertain tax positions (note 24);
- The useful lives of tangible and intangible long-lived assets and the measurement of amortization (note 15);
- The fair value of asset retirement obligations (note 22);
- Whether to record a liability for loss contingencies and the amount of any liability (notes 15 and 29);

- The amount of income tax expense (note 9);
- Allocations of the purchase price in business combinations to assets and liabilities acquired, (notes 3 and 17);
- Whether any impairments of goodwill have occurred and if so the amounts of impairment charges (note 17);
- Transfers of value beyond proven and probable reserves to amortized assets (note 15); and
- Credit risk adjustments to the discount rates in determining the fair value at derivative instruments (notes 20 and 21).

As the estimation process is inherently uncertain, actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on our financial statements.

e) Accounting Changes

Accounting Changes Implemented in 2008

FAS 159, The Fair Value Option for Financial Assets and Financial Liabilities (FAS 159)

In February 2007, the Financial Accounting Standards Board ("FASB") issued FAS 159, which allows an irrevocable option, the Fair Value Option (FVO), to carry eligible financial assets and liabilities at fair value, with the election made on an instrument-by-instrument basis. Changes in fair value for these instruments would be recorded in earnings. The objective of FAS 159 is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions.

FAS 159 was effective for Barrick beginning in first quarter 2008 and was applied prospectively. We have not adopted the FVO for any of our eligible financial instruments, which primarily include available-for-sale securities, equity method investments and long-term debt.

FAS 157, Fair Value Measurements (FAS 157)

In 2008, we implemented FAS 157 for financial assets and financial liabilities that are measured at fair value on a recurring basis. The primary assets and liabilities that are recognized and disclosed at fair value in accordance with the provisions of FAS 157 are: available-for-sale securities; receivables from provisional copper and gold sales; derivate assets and derivative liabilities and held-to-maturity investments. The adoption of FAS 157 has resulted in expanded disclosures about our fair value measurements for financial assets and financial liabilities recognized in our financial statements. However, the adoption of FAS 157 did not have an impact on the measurement of fair value as our valuation methodology for these assets and liabilities is consistent with the fair value framework established by FAS 157. Refer to note 21 of the Consolidated Financial Statements for details of the adoption of FAS 157 and related disclosures.

We have not applied the provisions of FAS 157 to non-financial assets and nonfinancial liabilities as permitted by the delay specified in FSP FAS 157-2. FSP FAS 157-2 delays the effective date of FAS 157 to fiscal years beginning after November 15, 2008, for non-financial assets and liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Therefore, beginning in

2009 we will apply the requirements of FAS 157 to non-financial assets and non-financial liabilities that we periodically measure at fair value under US GAAP, which will principally include: goodwill, tangible and intangible assets measured and recognized at fair value as a result of an impairment assessment; and non-financial assets and non-financial liabilities recognized as a result of a business combination. The application of the provisions of FAS 157 is not expected to have a significant impact on our methodology for measuring the fair value of these assets and liabilities, but will result in expanded disclosures.

Changes in Financial Statement Presentation – Accretion Expense

In first quarter 2008, we made a change to our accounting policy regarding the financial statement classification of accretion expense. Prior to this change, we recorded accretion expense at producing mines as a component of cost of sales and accretion expense at closed mines as a component of other expense. Beginning in first quarter 2008, we recorded accretion expense at producing mines and accretion expense at closed mines in amortization and accretion in our Consolidated Statements of Income.

FSP FAS 140-4 and FIN 46(R)-8, Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities (FSP FAS 140-4 and FIN 46(R)-8)

In December 2008, the FASB issued FSP FAS 140-4 and FIN 46(R)-8 for the purpose of improving the transparency of transfers of financial assets and an enterprise's involvement with variable interest entities (VIEs), including qualifying special-purpose entities (QSPEs). The impact on our financial reporting requirements is limited to the new VIE disclosures.

The VIE disclosure requirements focus on an enterprise's involvement with VIEs and its judgments about the accounting for them. The FSP also requires disclosure of the details of any financial or other support provided to a VIE that the enterprise was not previously contractually required to provide, and the primary reasons for providing the support. The primary beneficiary of a VIE is also required to disclose the terms of any arrangements that could require the enterprise to provide future support to the VIE. In addition, FSP FAS 140-4 and FIN 46(R)-8 require disclosure of the carrying amount and classification of the variable interest entity's assets and liabilities in the Balance Sheet and a reconciliation of those amounts to the enterprise's maximum exposure to loss.

The adoption of this FSP has resulted in expanded disclosure around our involvement with our VIEs and the significant judgments and assumptions we make in accounting for them. We have also included tables that reflect how our consolidated VIEs are included in our Consolidated Statement of Income and Balance Sheet.

Accounting Changes Implemented in 2007

FASB Interpretation No. 48 – Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109 (Accounting for Income Taxes) (FIN 48)

In June 2006, the FASB issued FIN 48 to create a single model to address accounting for uncertainty in tax positions. FIN 48 clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006.

We adopted the provisions of FIN 48, Accounting for Uncertainty in Income Taxes, on January 1, 2007. As a result of the implementation of FIN 48, no adjustment was required to the liability for unrecognized tax benefits.

Accounting Changes Implemented in 2006

FAS 158, Employers' Accounting for Defined Benefit Pension and Other Post-retirement Plans

In September 2006, the FASB issued FAS 158 that requires employers to fully recognize the obligations associated with single-employer defined benefit pension, retiree health care and other post-retirement plans in their financial statements.

FAS 158 requires recognition of the funded status of a benefit plan on the balance sheet. FAS 158 also requires recognition, as a component of other comprehensive income, net of tax, of the gains or losses and prior service costs or credits that arise during the period but are not recorded as components of net periodic benefit cost. FAS 158 requires disclosure of information about certain effects of net periodic benefit cost for the next fiscal year that arise from delayed recognition of the gains or losses, prior service costs or credits, and transition asset or obligation.

We adopted the provisions of FAS 158 in 2006. The adoption of FAS 158 did not significantly impact our financial statements.

f) Significant Accounting Developments

FAS 161, Disclosures about Derivative Instruments and Hedging Activities (FAS 161)

In March 2008, the FASB issued FAS 161, which will require entities to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under FAS 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. FAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. We are currently evaluating the impact of adopting FAS 161 on our note disclosures related to derivative instruments and hedging activities.

FAS 141(R), Business Combinations (FAS 141(R))

In first quarter 2009, we will begin applying the provisions of FAS 141(R), which replaced FAS 141, for business combinations consummated after the effective date of December 15, 2008. Early adoption of FAS 141(R) was not permitted. Under FAS 141(R), business acquisitions will be accounted for under the “acquisition method”, compared to the “purchase method” mandated by FAS 141.

The more significant changes to Barrick’s accounting for business combinations that will result from applying the acquisition method include: (i) the definition of a business

is broadened to include development stage entities, and therefore more acquisitions will be accounted for as business combinations rather than asset acquisitions; (ii) the measurement date for equity interests issued by the acquirer is the acquisition date instead of a few days before and after terms are agreed to and announced, which may significantly change the amount recorded for the acquired business if share prices differ from the agreement and announcement date to the acquisition date; (iii) all future adjustments to income tax estimates will be recorded to income tax expense, whereas under FAS 141 certain changes in income tax estimates were recorded to goodwill; (iv) acquisition-related costs of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees, and other professional or consulting fees will be expensed as incurred, whereas under FAS 141 these costs were capitalized as part of the business combination; (v) the assets acquired and liabilities assumed are recorded at 100% of fair value even if less than 100% is obtained, whereas under FAS 141 only the controlling interest’s portion is recorded at fair value; and (vi) the non-controlling interest will be recorded at its share of fair value of net assets acquired, including its share of goodwill, whereas under FAS 141 the non-controlling interest is recorded at its share of carrying value of net assets acquired with no goodwill being allocated.

FAS 160, Non-controlling Interests in Consolidated Financial Statements (FAS 160)

In December 2007 the FASB issued FAS 160, which is effective for fiscal years beginning after December 15, 2008. Under FAS 160, non-controlling interests are measured at 100% of the fair value of assets acquired and liabilities assumed. Under current standards, the non-controlling interest is measured at book value. For presentation and disclosure purposes, non-controlling interests are classified as a separate component of shareholders’ equity. In addition, FAS 160 changes the manner in which increases/decreases in ownership percentages are accounted for. Changes in ownership percentages are recorded as equity transactions and no gain or loss is recognized as long as the parent retains control of the subsidiary. When a parent company deconsolidates a subsidiary but retains a non-controlling interest, the non-controlling interest is re-measured at fair value on the date control is lost and a gain or loss is recognized at that time. Under FAS 160, accumulated losses attributable to the non-controlling interests are no longer limited to the original carrying amount, and therefore non-controlling interests could have a negative carrying balance.

The provisions of FAS 160 are to be applied prospectively with the exception of the presentation and disclosure provisions, which are to be applied for all prior periods presented in the financial statements. Early adoption is not permitted. The presentation and disclosure provisions of FAS 160 will result in the reclassification of $182 million attributable to non-controlling interests to the Share-holders’ Equity section of the Balance Sheet for 2008.

g) Other Notes to the Financial Statements

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3 · Acquisitions and Divestitures

For the years ended December 31	2008	2007	2006
Cash paid on acquisition(1)			
Cortez (additional 40% interest)	**$ 1,695**	$ —	$ —
Barrick Energy Inc.	**460**	—	—
Cerro Casale	**40**	730	—
Porgera (additional 20% interest)	—	264	—
Kainantu	**5**	135	—
Placer Dome	—	—	1,262
Other(2)	**29**	6	54
	$ 2,229	$ 1,135	$ 1,316
Less: cash acquired	**(55)**	(13)	(1,108)
	$ 2,174	$ 1,122	$ 208
Cash proceeds on sale(1)			
Royalty disposition	**$ 150**	$ —	$ —
Celtic(2)	—	21	—
Paddington Mill(3)	—	30	—
Other(4),(5)	—	54	—
	$ 150	$ 105	$ —
Cash proceeds on sale of discontinued operations			
South Deep mine	**$ —**	$ 21	$ 1,209
Operations sold to Goldcorp	—	—	1,619
	$ —	$ 21	$ 2,828

(1) All amounts represent gross cash paid or received on acquisition or divestiture.
(2) In 2008, we acquired an additional 40% interest in the Storm property from Yamana Gold Inc. for $29 million, including $1 million cash acquired, consolidating a 100% ownership interest in Storm. In 2006, we acquired the Grace Property for cash of $60 million, including cash acquired of $6 million.
(3) Included within investment sales in the Consolidated Statement of Cash Flow.
(4) Included within Property, Plant and Equipment sales in the Consolidated Statement of Cash flow.
(5) In 2007, we sold the Grace Property, originally acquired in 2006 for cash proceeds of $54 million. There was no after-tax gain or loss arising on closing.

a) Acquisition of Barrick Energy Inc. (“Barrick Energy”)

In 2008, we acquired 59.2 million shares of Cadence Energy Inc. (“Cadence”) for cash consideration of $377 million, representing 100% of the issued and outstanding common shares. Subsequent to the acquisition, we rebranded Cadence as Barrick Energy. We have determined that this transaction represented a business combination with Barrick identified as the acquirer.

The tables below present the purchase cost and our preliminary allocation of the purchase price of the assets and liabilities acquired. The purchase price allocation will be finalized in 2009 upon completion of a full internal tax assessment. The revenues and expenses from Barrick Energy have been included in our Consolidated Statement of Income from September 4, 2008.

Purchase Cost	
Purchase cost	$ 377
Less: cash acquired	(41)
	$ 336

Preliminary Purchase Price Allocation	
Current assets	$ 25
Property, plant and equipment	
Capitalized reserve acquisition and development costs	278
Building, plant and equipment	68
Goodwill	96
Total assets	467
Accounts payable	24
Derivative liabilities	10
Long-term debt	65
Asset retirement obligations	10
Deferred income tax liabilities	22
Total liabilities	131
Net assets acquired	$ 336

In 2008, we also acquired all of the oil and gas assets at Sturgeon Lake, Alberta, from Daylight Resources Trust for $83 million. The Sturgeon Lake assets are adjacent to Cadence’s Sturgeon Lake assets and the transaction enables us to consolidate 100% ownership of the Sturgeon Lake South Leduc pool. We have determined that this transaction represented an acquisition of assets, which were amalgamated with the Cadence operations to form Barrick Energy.

b) Acquisition of 40% Interest in Cortez

In 2008, we completed our acquisition of an additional 40% interest in the Cortez property from Kennecott Explorations (Australia) Ltd. (“Kennecott”), a subsidiary of Rio Tinto plc, for a total cash consideration of $1.695 billion. A further $50 million will be payable if and when we add an additional 12 million ounces of contained gold resources beyond our December 31, 2007 reserve statement for Cortez. This contingent

payment will be recognized as an additional cost of the acquisition only if the resource/production targets are met and the amounts become payable as a result. A sliding scale royalty is payable to Kenne-cott on 40% of all production in excess of 15 million ounces on and after January 1, 2008.

The acquisition consolidates 100% ownership for Barrick of the existing Cortez mine and the Cortez Hills expansion plus any future potential from the property. We have determined that the transaction represents a business combination. The acquisition was effective March 1, 2008 and the revenues and expenses attributable to the 40% interest have been included in our consolidated statements of income from that date onwards. The tables below represent the purchase cost and our final purchase price allocation for the additional 40% of Cortez.

Purchase Cost		
Purchase cost per agreement	$	1,695
Less: cash acquired		(14)
	$	1,681

Summary Purchase Price Allocation		
Inventories	$	47
Other current assets		1
Property, plant and equipment		
Building, plant and equipment		184
Capitalized reserve acquisition and development costs		1,057
Value beyond proven and probable reserves		381
Goodwill		20
Non-current ore in stockpiles		17
Deferred income tax assets		11
Total assets		1,718
Current liabilities		23
Asset retirement obligations		14
Total liabilities		37
Net assets acquired	$	1,681

c) Acquisition of Cerro Casale

In 2007, we acquired 94% of the common shares of Arizona Star, with the remaining common shares pursuant to a statutory right of compulsory acquisition for $40 million in 2008. Arizona Star owns a 51% interest in the Cerro Casale deposit in the Maricunga district of Region III in Chile. The acquisition of Arizona Star has been accounted for as an asset purchase. The tables below represent the purchase cost and final purchase price allocation for the acquisition of 100% of the common shares of Arizona Star.

Purchase Cost		
Purchase cost	$	770
Less: cash acquired		(7)
	$	763

Summary Purchase Price Allocation		
Other current assets	$	1
Equity investment in Cerro Casale project		770
Total assets		771
Current liabilities		8
Net assets acquired	$	763

d) Porgera Mine Acquisition

In 2007, we completed the acquisition of an additional 20% interest in the Porgera mine in Papua New Guinea from Emperor Mines Limited, for cash consideration of $264 million. The acquisition has been accounted for as a business combination. Following this transaction our interest in the Porgera mine increased from 75% to 95%. The Government of Papua New Guinea holds the remaining 5% undivided interest in Porgera. The Government of Papua New Guinea and Porgera landowners' option to purchase up to a 5% interest in the Porgera mine expired in 2008. We are negotiating a six month extension for this option.

Purchase Cost		
Purchase cost	$	264
Less: cash acquired		(5)
	$	259

Summary Purchase Price Allocation		
Inventories	$	17
Other current assets		2
Property, plant and equipment		145
Non-current ore in stockpiles		60
Deferred income tax assets		20
Goodwill		34
Total assets		278
Current liabilities		11

Asset retirement obligations	8
Total liabilities	19
Net assets acquired	$ 259

e) Kainantu Acquisition

In 2007, we completed the acquisition of the Kainantu mineral property and various exploration licenses in Papua New Guinea from Highlands Pacific Limited for cash consideration of $135 million, which reflects the total purchase price, net of $7 million withheld pending certain permit renewals. In 2008, $4 million was paid in settlement of the permit renewals and $1 million in transaction costs. The acquisition has been accounted for as a purchase of assets, allocating $163 million to the exploration property, $19 million to deferred income tax liabilities and $4 million to an acquired asset retirement obligation liability.

f) Acquisition of Placer Dome Inc. ("Placer Dome")

In 2006, we acquired 100% of the outstanding common shares of Placer Dome. Placer Dome was one of the world's largest gold mining companies. It had 12 mining operations based in North America, South America, Africa and Australia/Papua New Guinea, as well as four projects that were in various stages of exploration/development. Its most significant mines were Cortez in the United States, Zaldívar in Chile, Porgera in Papua New Guinea, North Mara in Tanzania and South Deep in South Africa.

The Placer Dome acquisition was accounted for as a business combination, with Barrick as the accounting acquirer. The purchase cost was $10 billion and was funded through a combination of common shares issued, the drawdown of a $1 billion credit facility, and cash resources. The table below represents the purchase cost and final purchase price allocation.

Value of 322.8 million Barrick common shares issued at $27.14 per share(1)	$ 8,761
Value of 2.7 million fully vested stock options	22
Cash	1,239
Transaction costs	32
	$ 10,054

(1) The measurement of the common share component of the purchase consideration represents the average closing price on the New York Stock Exchange for the two days prior to and two days after the public announcement on December 22, 2005 of our final offer for Placer Dome.

Summary Purchase Price Allocation	
Cash(1)	$ 1,102
Inventories	428
Other current assets	198
Property, plant and equipment	
Buildings, plant and equipment	2,946
Proven and probable reserves	1,571
Value beyond proven and probable reserves	419
Intangible assets	85
Assets of discontinued operations(2)	1,744
Deferred income tax assets	93
Other assets	254
Goodwill	6,506
Total assets	15,346
Current liabilities	669
Liabilities of discontinued operations(2)	107
Derivative instrument liabilities	1,729
Long-term debt	1,252
Asset retirement obligations	387
Deferred income tax liabilities	686
Total liabilities	4,830
Non-controlling interests	462
Net assets acquired	$ 10,054

(1) Cash paid on acquisition of $160 million, as disclosed in the 2007 Annual Report.
(2) Includes operations that were sold to Goldcorp Inc.

At acquisition we recorded liabilities totaling $48 million that primarily relate to employee severance at Placer Dome offices that were closed during 2006. All amounts were settled by the end of 2007.

g) Disposition of Royalties

In 2008, we divested certain non-core royalties to Royal Gold Inc. ("Royal Gold") in exchange for cash consideration of $150 million and a reduction in various royalties that we are currently obligated to pay to Royal Gold with an estimated fair value of $32 million. The transaction closed on October 2, 2008 and we recorded a pre-tax gain on sale of $167 million in other income.

h) Sale of Paddington Mill

In 2007, we completed the sale of the Paddington Mill and associated land tenements in Australia to Norton Goldfields Limited and the sale of certain land tenements to Apex Minerals for total proceeds of $32 million, $30 million in cash and $2 million in Apex Minerals NL shares, respectively. We recorded a gain of $8 million in other income on closing.

i) Discontinued Operations

Results of Discontinued Operations

For the years ended December 31	2008	2007	2006
Gold sales			
South Deep operations	**$ —**	$ —	$ 158
Operations sold to Goldcorp	—	—	83
	$ —	$ —	$ 241
Income before tax			
South Deep	—	9	8
Gain on sale of South Deep	—	—	288
Operations sold to Goldcorp	—	—	1
	$ —	$ 9	$ 297

South Deep

In 2006, we sold our 50% interest in the South Deep mine in South Africa to Gold Fields Limited ("Gold Fields"). The consideration on closing was $1,517 million, of which $1,209 million was received in cash and $308 million in Gold Fields shares. On closing we recorded a gain of $288 million.

In 2007, a final settlement was reached with Gold Fields on the allocation of insurance proceeds from an insurance claim that straddled the acquisition date. As a result of that settlement, we recorded further proceeds of $9 million within income from discontinued operations. Also in 2007, $21 million was received in cash and has been classified under Cash Flows of Discontinued Operations in our Consolidated Statement of Cash Flow.

Operations Sold to Goldcorp

In 2006, we sold all of Placer Dome's Canadian properties and operations (other than Placer Dome's office in Vancouver), Placer Dome's interest in the La Coipa mine in Chile, 40% of Placer Dome's interest in the Pueblo Viejo project, certain related assets and our share in Agua de la Falda S.A. to Goldcorp Inc. ("Goldcorp") (collectively, the "Operations sold to Goldcorp").

The sales proceeds for the operations sold to Goldcorp were $1,641 million. The aggregate net amount of assets and liabilities of these operations was recorded in the purchase price allocation at $1,641 million based on the terms of the sale agreement with Goldcorp that was in place at the time we acquired Placer Dome. The results of the operations sold to Goldcorp were included under "discontinued operations" in the income statement and cash flow statement until closing. Interest expense of $21 million was allocated to the results from the operations sold to Goldcorp. No gain or loss arose on closing of the sale.

4 · Segment Information

In first quarter 2008, we formed a dedicated Capital Projects group, distinct from our existing regional business units to focus on managing development projects and building new mines. This specialized group manages all project development activities up to and including the commissioning of new mines, at which point responsibility for mine operations will be handed over to the regional business units. We have revised the format of information provided to the Chief Operating Decision Maker in order to make resource allocation decisions and assess the operating performance of this group. Accordingly, we have revised our operating segment disclosure to be consistent with the internal management structure and reporting changes, with restatement of comparative information to conform to the current period presentation. In third quarter 2008, we completed the acquisition of Barrick Energy (note 3a). The results of Barrick Energy are distinct from our existing regional business units and as such are presented as Other in our segment information.

Income Statement Information

	Sales			Segment expenses			Segment income (loss)(1),(2)		
For the years ended December 31	2008	2007	2006	2008	2007	2006	2008	2007	2006
Gold									
North America	**$ 2,627**	$ 2,001	$ 1,791	**$ 1,517**	$ 1,178	$ 1,039	**$ 739**	$ 483	$ 484
South America	**1,833**	1,306	1,131	**531**	400	305	**1,127**	664	693
Australia Pacific	**1,658**	1,292	1,144	**1,051**	934	749	**342**	108	201
Africa	**538**	428	427	**327**	293	226	**145**	55	111
Copper									
South America	**1,007**	1,065	955	**315**	231	282	**624**	752	621
Australia Pacific	**221**	240	182	**121**	108	109	**44**	92	55
Capital Projects	**—**	—	—	**—**	—	—	**(254)**	(187)	(111)
Other	**29**	—	—	**14**	—	—	**2**	—	—

	$ 7,913	$ 6,332	$ 5,630	**$ 3,876**	$ 3,144	$ 2,710	**$ 2,769**	$ 1,967	$ 2,054

(1) Segment income (loss) represents segment sales, less cost of sales, less segment amortization and accretion. For the year ended December 31, 2008, accretion expense was $43 million (2007: $50 million; 2006: $39 million), see note 15 for further details. Segment loss for the Capital Projects segment includes project development expense and losses from capital projects held through equity investees, see notes 7 and 12 for further details.

(2) Accretion expense related to capital projects is included within amortization and accretion. All other amounts related to the capital projects segments are included within project development expense.

Income Statement Information (cont'd)

	Exploration(1)			Regional business unit costs(1)		
For the years ended December 31	**2008**	**2007**	**2006**	**2008**	**2007**	**2006**
North America(2)	**$ 69**	$ 66	$ 61	**$ 48**	$ 27	$ 32
South America	**40**	33	22	**29**	23	19
Australia Pacific	**52**	46	44	**48**	38	38
Africa	**18**	15	22	**24**	11	1
Other expenses outside reportable segments	**12**	8	19	**—**	—	—
Capital projects	**25**	11	3	**—**	—	—
	$ 216	$ 179	$ 171	**$ 149**	$ 99	$ 90

(1) Exploration and regional business unit costs are excluded from the measure of segment income but are reported separately by operating segment to the Chief Operating Decision Maker.

(2) In 2008, regional business unit costs include costs for Barrick Energy.

Geographic Information

	Long-lived assets(1)			Sales(2)		
For the years ended December 31	**2008**	**2007**	**2006**	**2008**	**2007**	**2006**
North America						
United States	**$ 4,587**	$ 2,637	$ 2,518	**$ 2,501**	$ 1,882	$ 1,702
Canada	**1,017**	796	852	**126**	119	89
Dominican Republic	**446**	139	133	**—**	—	—
South America						
Peru	**337**	392	492	**1,367**	1,033	878
Chile	**2,763**	2,485	1,599	**1,007**	1,065	955
Argentina	**1,123**	1,048	1,014	**466**	273	253
Australia Pacific						
Australia	**1,749**	1,724	2,142	**1,340**	1,250	1,116
Papua New Guinea	**677**	702	438	**539**	282	210
Africa						
Tanzania	**1,816**	1,336	993	**538**	428	427
Other	**179**	478	603	**29**	—	—
	$ 14,694	$ 11,737	$ 10,784	**$ 7,913**	$ 6,332	$ 5,630

(1) Long-lived assets include property, plant and equipment, investments, deferred income tax assets and other assets.

(2) Presented based on the location in which the sale originated.

Reconciliation of Segment Income to Income from Continuing Operations Before Income Taxes and Other Items

For the years ended December 31	**2008**	**2007**	**2006**
Segment income	**$ 2,769**	$ 1,967	$ 2,054
Amortization of corporate assets	**(19)**	(20)	(19)
Exploration	**(216)**	(179)	(171)
Other project expenses	**(57)**	(15)	(8)
Corporate administration	**(155)**	(155)	(142)
Other expenses	**(295)**	(205)	(212)
Impairment charges (note 8b)	**(749)**	(42)	(17)
Interest income	**39**	141	110
Interest expense	**(21)**	(113)	(126)
Other income	**291**	110	97
Write-down of investments (note 8b)	**(205)**	(23)	(6)
Loss from capital projects held through equity investees	**69**	14	—
Income from continuing operations before income taxes and other items	**$ 1,451**	$ 1,480	$ 1,560

Asset Information

For the years ended December 31	Segment long-lived assets 2008	2007	2006	Amortization 2008	2007	2006	Segment capital expenditures(1) 2008	2007	2006
Gold									
North America	**$ 5,083**	$ 3,370	$ 3,254	**$ 350**	$ 314	$ 247	**$ 382**	$ 225	$ 196
South America	**1,223**	1,220	1,319	**165**	234	127	**80**	158	224
Australia Pacific	**2,227**	2,173	2,434	**258**	239	186	**199**	208	211
Africa	**1,195**	1,031	810	**62**	78	88	**133**	118	85
Copper									
South America	**1,267**	1,271	1,276	**66**	80	51	**24**	27	17
Australia Pacific	**28**	116	146	**57**	39	17	**57**	11	22
Capital projects	**3,266**	2,195	1,066	**—**	—	—	**919**	326	259
Other	**382**	—	—	**13**	—	—	**15**	—	—
Segment total	**14,671**	11,376	10,305	**971**	984	716	**1,809**	1,073	1,014
Cash and equivalents	**1,437**	2,207	3,043	**—**	—	—	**—**	—	—
Other current assets	**2,675**	2,092	1,753	**—**	—	—	**—**	—	—
Intangible assets	**75**	68	75	**—**	—	—	**—**	—	—
Goodwill	**5,280**	5,847	5,855	**—**	—	—	**—**	—	—
Other items not allocated to segments	**23**	361	479	**19**	20	19	**134**	17	17
Enterprise total	**$ 24,161**	$ 21,951	$ 21,510	**$ 990**	$ 1,004	$ 735	**$ 1,943**	$ 1,090	$ 1,031

(1) Segment capital expenditures are presented for internal management reporting purposes on an accrual basis. Capital expenditures in the Consolidated Statements of Cash Flow are presented on a cash basis. In 2008, cash expenditures were $1,776 million (2007: $1,046 million; 2006: $1,087 million) and the increase in accrued expenditures was $167 million in 2008 (2007: $44 million decrease; 2006: $56 million increase).

5 · Revenue and Gold Sales Contracts

For the years ended December 31	2008	2007	2006
Gold bullion sales(2)			
Spot market sales	**$ 6,507**	$ 3,823	$ 3,957
Gold sales contracts	**—**	1,026	369
	6,507	4,849	4,326
Concentrate sales(3)	**149**	178	167
	$ 6,656	$ 5,027	$ 4,493
Copper sales(1),(4)			
Copper cathode sales	**$ 1,038**	$ 1,063	$ 937
Concentrate sales	**190**	242	200
	$ 1,228	$ 1,305	$ 1,137
Oil and gas sales(5)	**29**	—	—
	$ 7,913	$ 6,332	$ 5,630

(1) Revenues include amounts transferred from OCI to earnings for commodity cash flow hedges (see notes 20c and 26).
(2) Gold sales include gains and losses on non-hedge derivative contracts: 2008: $19 million gain (2007: $8 million loss; 2006: $7 million gain).
(3) Concentrate sales include gains and losses on embedded derivatives in smelting contracts: 2008: $3 million loss (2007: $4 million loss; 2006: $4 million gain).
(4) Copper sales include gains and losses on economic copper hedges that do not qualify for hedge accounting treatment: 2008: $67 million gain (2007: $48 million gain; 2006: $14 million loss). Sales also include gains and losses on embedded derivatives in copper smelting contracts: 2008: $38 million loss (2007: $10 million loss; 2006: $nil).
(5) Represents Barrick Energy. Refer to note 3a for further details.

Principal Products

All of our gold mining operations produce gold in doré form, except Eskay Creek, which produces gold concentrate and gold doré; Bulyanhulu which produces both gold doré and gold concentrate; and Osborne which produces a concentrate that contains both gold and copper. Gold doré is unrefined gold bullion bars usually consisting of 90% gold that is refined to pure gold bullion prior to sale to our customers. Gold concentrate is a processing product containing the valuable ore mineral (gold) from which most of the waste mineral has been eliminated, that undergoes a smelting process to convert it into gold bullion. Gold bullion is sold primarily in the London spot market or under gold sales contracts. Gold concentrate is sold to third-party smelters. At our Zaldívar mine we produce pure copper cathode, which consists of 99.9% copper, a form that is deliverable for sale in world metals exchanges.

Revenue Recognition

We record revenue when the following conditions are met: persuasive evidence of an arrangement exists; delivery and transfer of title (gold revenue only) have occurred under the terms of the arrangement; the price is fixed or determinable; and collectability is reasonably assured. Revenue in 2008 is presented net of direct sales taxes of $23 million (2007: $15 million; 2006: $16 million).

Gold Bullion Sales

We record revenue from gold and silver bullion sales at the time of physical delivery, which is also the date that title to the gold or silver passes. The sales price is fixed at the delivery date based on either the terms of gold sales contracts or the gold spot price. Incidental revenues from the sale of by-products such as silver are classified within cost of sales.

Gold Sales Contracts

At December 31, 2008, we had Project Gold Sales Contracts with various customers for a total of 9.5 million ounces of future gold production of which 4.2 million ounces are based on floating spot prices.

Our gold sales contracts are excluded from the scope of FAS 133, because our obligations under these contracts will be met by physical delivery of gold produced at our mines and they meet the other requirements set out in paragraph 10(b) of FAS 133. In addition, our past sales practices, productive capacity and delivery intentions are consistent with the definition of normal sales contracts. Accordingly, we have elected to designate our gold sales contracts as “normal sales contracts” with the result that these contracts are not required to be accounted for as derivatives. Instead, we recognize revenue based on the contract sales price at the time of physical delivery per the accounting principles as described above.

The terms of gold sales contracts are governed by master trading agreements (MTAs) that we have in place with each customer. The contracts have final delivery dates primarily over the next 10 years, but we have the right to settle these contracts at any time over this period. Contract prices are established at inception through to an interim date. If we do not deliver at this interim date, a new interim date is set. The price for the new interim date is determined in accordance with the MTAs which have a mechanism to establish the applicable price adjusments. The MTAs have both fixed and floating price mechanisms. Under the fixed-price mechanism, a price is fixed with reference to the gold forward market but the price does not increase or decrease due to changes in the spot gold price, whereas under the floating price mechanism, the future selling price does increase or decrease as spot gold prices increase or decrease. The final realized selling price under a contract primarily depends upon the price mechanism selected at each interim date, the timing of the actual future delivery date, the market price of gold at the start of the contract and the forward gold market at each interim date.

Mark-to-Market Value

$ millions	Total ounces in millions	At Dec. 31, 2008 value(1)
Project Gold Sales Contracts	9.5	$ (4,865)

(1) At a spot gold price of $870 per ounce. The fair value of gold sales contracts are the present value of expected cash flows that would be required to financially settle our obligations arising under the contracts. The present value model utilizes inputs, such as the current spot gold price, gold lease rates, US dollar interest rate curves and counterparty credit spreads, that are derived from observable market data. The fair value of the gold sales con- tracts does not impact the reported accounting results when we settle these contracts through physical delivery. Instead, we will recognize revenue at that time based on the appropriate contract sales price.

Concentrate Sales

Under the terms of concentrate sales contracts with independent smelting companies, gold and copper sales prices are provisionally set on a specified future date after shipment based on market prices. We record revenues under these contracts at the time of shipment, which is also when title passes to the smelting companies, using forward market gold and copper prices on the expected date that final sales prices will be fixed. Variations between the price recorded at the shipment date and the actual final price set under the smelting contracts are caused by changes in market gold and copper prices, and result in an embedded derivative in the accounts receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue.

Copper Cathode Sales

Under the terms of copper cathode sales contracts, copper sales prices are provisionally set on a specified future date based upon market commodity prices plus certain price adjustments. Revenue is recognized at the time of shipment when risk of loss passes to the customer, and collectability is reasonably assured. Revenue is provisionally measured using forward market prices on the expected date that final selling prices will be fixed. Variations occur between the price recorded on the date of revenue recognition and the actual final price under the terms of the contracts due to changes in market copper prices, which result in the existence of an embedded derivative in the accounts receivable. This embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue.

Provisional Copper and Gold Sales

We had the following revenues before treatment and refining charges subject to final price adjustments:

At December 31	2008	2007
Copper	**$ 80**	$ 142
Gold	**15**	9

The final price adjustments were as follows:

For the years ended December 31	2008	2007	2006
Gain (loss)			
Copper	**$ (31)**	$ (6)	$ 9
Gold	—	(1)	3

Oil and Gas Sales

Revenue from the sale of crude oil, natural gas and natural gas liquids is recorded at the time it enters the pipeline system, which is also when title transfers and there is reasonable assurance of collectability. At the time of delivery of oil and gas, prices are fixed and determinable based upon contracts referenced to monthly market commodity prices plus certain price adjustments. Price adjustments include product quality and transportation adjustments and market differentials.

6 · Cost of Sales

	Gold			Copper			Oil & Gas		
For the years ended December 31	2008	2007	2006	2008	2007	2006	2008	2007	2006
Cost of goods sold(1)	**$ 3,258**	$ 2,715	$ 2,265	**$ 432**	$ 334	$ 388	**$ 8**	$ —	$ —
Unrealized losses on non-hedge contracts	**14**	5	—	**—**	—	—	**—**	—	—
By-product revenues(2)	**(93)**	(105)	(123)	**(2)**	(2)	(1)	**—**	—	—
Royalty expense	**205**	161	150	**6**	7	4	**6**	—	—
Mining production taxes	**42**	29	27	—	—	—	**—**	—	—
	$ 3,426	$ 2,805	$ 2,319	**$ 436**	$ 339	$ 391	**$ 14**	$ —	$ —

(1) Cost of goods sold includes charges to reduce the cost of inventory to net realizable value as follows: $68 million for the year ended December 31, 2008 (2007: $13 million; 2006: $28 million). The cost of inventory sold in the period reflects all components capitalized to inventory, except that, for presentation purposes, the component of inventory cost relating to amortization of property, plant and equipment is classified in the income statement under “amortization”. Some companies present this amount under “cost of sales”. The amount presented in amortization rather than cost of sales was $971 million in the year ended December 31, 2008 (2007: $984 million; 2006: $716 million).

(2) We use silver sales contracts to sell a portion of silver produced as a by-product. Silver sales contracts have similar delivery terms and pricing mechanisms as gold sales contracts and accordingly, are accounted for in a manner similar to our gold sales contracts. At December 31, 2008, we had fixed-price commitments to deliver 7.2 million ounces of silver at an average price of $6.59 per ounce and floating spot price silver sales contracts for 8.9 million ounces over periods primarily of up to 10 years. The mark-to-market on silver sales contracts at December 31, 2008 was negative $67 million (2007: negative $111 million; 2006: $100 million). Refer to note 21 for further information on fair value measurements.

Royalties

Certain of our properties are subject to royalty arrangements based on mineral production at the properties. The most significant royalties are at the Goldstrike, Bulyanhulu and Veladero mines and the Pascua-Lama project. The primary type of royalty is a net smelter return (NSR) royalty. Under this type of royalty we pay the holder an amount calculated as the royalty percentage multiplied by the value of gold production at market gold prices less third-party smelting, refining and transportation costs. Other types of royalties include:

· Net profits interest (NPI) royalty,
· Net smelter return sliding scale (NSRSS) royalty,
· Gross proceeds sliding scale (GPSS) royalty,
· Gross smelter return (GSR) royalty,
· Net value (NV) royalty, and a
· Land tenement (LT) royalty.

Royalty expense is recorded at the time of sale of gold production.

Royalties applicable to our oil and gas properties include:

· Crown royalties,
· Net profits interest (NPI) royalty, and
· Overriding royalty (ORR).

Producing mines & development projects	Type of royalty
North America	
Goldstrike	0%–5% NSR, 0%–6% NPI
Williams	1.5% NSR, 0.75% NV, 1% NV
David Bell	3% NSR
Round Mountain	3.53%–6.35% NSRSS
Bald Mountain	3.5%–7% NSRSS
	2.9%–4% NSR
	10% NPI
Ruby Hill	3% modified NSR
Cortez	1.5% GSR
Cortez – Pipeline/South Pipeline deposit	0.4%–9% GSR
Cortez – portion of Pipeline/ South Pipeline deposit	5% NV

South America	
Veladero	3.75% modified NSR
Lagunas Norte	2.51% NSR
Australia Pacific	
Porgera	2% NSR, 0.25% other
Queensland & Western Australia production(1)	2.5%–2.7% of gold revenue
Cowal	4% of net gold revenue
Henty	2.6%–12% of gold revenue
Africa	
Bulyanhulu	3% NSR
Tulawaka	3% NSR
North Mara	3% NSR
North Mara – Gokona pit	3% NSR, 1.1% LT
Capital Projects	
Donlin Creek Project	1.5% NSR (first 5 years),
	4.5% NSR (thereafter)
Pascua-Lama Project – Chile gold production	1.5%–9.8% GPSS
Pascua-Lama Project – Chile copper production	2% NSR
Pascua-Lama Project – Argentina production	3% NSR
Pueblo Viejo	3.2% NSR, 0–25% NPI
Buzwagi	3%–3.1% NSR
Other	
Barrick Energy	1.1% NPI
	1.3% ORR
	21.6% Crown royalty, net

(1) Includes the Kalgoorlie, Kanowna, Granny Smith, Plutonic, Darlot, Lawlers and Osborne mines.

7 · Exploration and Project Development Expense

For the years ended December 31	2008	2007	2006
Exploration:			
Minesite exploration	**$ 80**	$ 63	$ 54
Projects	**136**	116	117
	$ 216	$ 179	$ 171
Project development expense:			
Pueblo Viejo(1)	**62**	67	25
Donlin Creek(2)	**—**	32	37
Sedibelo	**17**	22	10
Fedorova	**24**	18	—
Pascua-Lama	**21**	12	8
Kainantu	**28**	—	—
Pinson	**17**	—	—
Buzwagi	**1**	5	12
Other	**15**	17	19
	$ 185	$ 173	$ 111
Other project expenses	**57**	15	8
	$ 242	$ 188	$ 119

(1) Represents 100% of project expenditures. We record a non-controlling interest recovery for our partner's share of expenditures within "non-controlling interests" in the income statement.
(2) Amounts for 2007 include a recovery of $64 million of cumulative project costs from our partner. See note 12 for further details.

Accounting Policy for Exploration and Project Expenditures

Exploration Expenditures

Exploration expenditures relate to the initial search for deposits with economic potential, including costs incurred at both greenfield sites (sites where we do not have any mineral deposits that are already being mined or developed) and brownfield sites (sites that are adjacent to a mineral deposit that is classified within proven and probable reserves as defined by United States reporting standards and are already being mined or developed). Exploration expenditures relate to costs incurred to evaluate and assess deposits that have been identified as having economic potential, including exploratory drilling.

Expenditures on exploration activity conducted at greenfield sites are expensed as incurred. Exploratory drilling and related costs are capitalized when incurred at brownfield sites where the activities are directed at obtaining additional information on the ore body that is classified within proven and probable reserves or for the purpose of converting a mineral resource into a proven and probable reserve and, prior to the commencement of the drilling program, we can conclude that it is probable that such a conversion will take place. Our assessment of probability is based on the following factors: results from previous drill

programs; results from geological models; results from a mine scoping study confirming economic viability of the resource; and preliminary estimates of mine inventory, ore grade, cash flow and mine life. Costs incurred at brownfield sites that meet the above criteria are capitalized as mine development costs. All other drilling and related exploration costs incurred at these sites are expensed as mine site exploration.

Project Expenditures

We capitalize the costs of activities at projects after mineralization is classified as proven and probable reserves. Before classifying mineralization as proven and probable reserves, the costs of project activities are expensed as incurred, except for costs incurred to construct tangible assets that are capitalized within property, plant and equipment. Project activities include: preparation of engineering scoping, prefeasibility and feasibility studies; metallurgical testing; permitting; and sample mining. The costs of start-up activities at mines and projects such as recruiting and training are also expensed as incurred within project expense.

The Pueblo Viejo, Donlin Creek, Sedibelo, Kabanga, Cerro Casale and Fedorova projects are in various stages; however, none of these projects had met the criteria for cost capitalization at December 31, 2008. The Reko Diq project is owned through an equity investee and project expenses are included in equity investees in the income statement (see note 12). Effective May 1, 2007, we determined that mineralization at Buzwagi met the definition of proven and probable reserves for United States reporting purposes. Following this determination, we began capitalizing the cost of project activities at Buzwagi. Effective January 1, 2009, we determined that mineralization of Pueblo Viejo met the definition of proven and probable reserves.

8 · Other Charges

a) Other Expense

For the years ended December 31	2008	2007	2006
Regional business unit costs(1)	**$ 149**	$ 99	$ 90
Community development costs(2)	**21**	28	15
Environmental costs	**16**	15	11
World Gold Council fees	**11**	12	13
Changes in estimate of AROs at closed mines(3)	**9**	6	53
Non-hedge derivative losses	**17**	8	—
Currency translation losses(4)	**30**	1	—
Pension and other post-retirement benefit expense (notes 28b and 28e)(5)	**5**	5	3
Other items	**37**	31	27
	$ 295	$ 205	$ 212

(1) Relates to costs incurred at regional business unit offices.
(2) In 2008 and 2007, amounts mainly related to community programs in Peru, Argentina and Papua New Guinea. In 2006, amounts mainly related to community programs in Peru.
(3) In 2006, amount relates to change in estimate of the ARO at the Nickel Plate property in British Columbia, Canada.
(4) In 2008, amounts primarily relate to translation losses on working capital balances in Australia and South America.
(5) For the year ended December 31, 2008, $nil million of pension credit that relates to active employees at producing mines is included in cost of sales (2007: $nil; 2006: $4 million) and $nil million is included in corporate administration (2007: $nil; 2006: $2 million).

Environmental Costs

During the production phases of a mine, we incur and expense the cost of various activities connected with environmental aspects of normal operations, including compliance with and monitoring of environmental regulations; disposal of hazardous waste produced from normal operations; and operation of equipment designed to reduce or eliminate environmental effects. In limited circumstances, costs to acquire and install plant and equipment are capitalized during the production phase of a mine if the costs are expected to mitigate risk or prevent future environmental contamination from normal operations.

When a contingent loss arises from the improper use of an asset, a loss accrual is recorded if the loss is probable and reasonably estimable. Amounts recorded are measured on an undiscounted basis, and adjusted as further information develops or if circumstances change. Recoveries of environmental remediation costs from other parties are recorded as assets when receipt is deemed probable.

b) Impairment Charges

For the years ended December 31	2008	2007	2006
Impairment of goodwill (note 17)	**$ 678**	$ 42	$ —
Impairment of long-lived assets(1)	**71**	—	17
	$ 749	$ 42	$ 17
Write-down of investments (note 12)(2)	**205**	23	6
	$ 954	$ 65	$ 23

(1) In 2008, an impairment charge of $69 million was recorded to reduce the carrying amount to the estimated fair value for Osborne and Marigold. In 2006, the carrying amount of Cuerpo Sur, an extension of Pierina, was tested for impairment on completion of the annual life of mine planning process. An impairment charge of $17 million was recorded to reduce the carrying amount to the estimated fair value.
(2) In 2008, we recorded an impairment charge on our investment in Highland Gold ($140 million), on Asset-Backed Commercial Paper ($39

million) and various other investments in junior gold mining companies ($26 million). In 2007, we recorded an impairment charge on Asset-Backed Commercial Paper of $20 million.

c) Other Income

For the years ended December 31	2008	2007	2006
Gains on sale of assets(1)	**$ 187**	$ 2	$ 9
Gains on sale of investments(2) (note 12)	**59**	71	6
Royalty income	**25**	17	10
Non-hedge derivative gains	**—**	—	2
Currency translation gains	**—**	—	2
Gain on vend-in to Highland Gold (note 12)	**—**	—	51
Interest income(3)	**4**	2	1
Sale of water rights	**4**	5	5
Other	**12**	13	11
	$ 291	$ 110	$ 97

(1) In 2008, we recorded a gain of $167 million on the disposition of royalties to Royal Gold and a gain of $9 on the sale of Doyon royalty. In 2007, we sold certain properties in South America and Australia, including an $8 million gain on the sale of the Paddington Mill. In 2006, we sold certain properties in Canada and Chile.

(2) In 2008, we recorded a gain of $12 million on the sale of our investment in QGX Ltd. We also sold Asset-Backed Commercial Paper for cash proceeds of $49 million and recorded a gain on sale of $42 million. Refer to note 12 for further details.

(3) Represents interest income on our note receivable from NovaGold (note 12).

9 · Income Tax Expense

For the years ended December 31	2008	2007	2006
Current			
Canada	**$ 22**	$ (3)	$ 13
International	**613**	518	444
	$ 635	$ 515	$ 457
Deferred			
Canada	**$ 3**	$ 19	$ (131)
International	**(146)**	(25)	46
	$ (143)	$ (6)	$ (85)
Income tax expense before elements below	**$ 492**	$ 509	$ 372
Net currency translation (gains) losses on deferred tax balances	**98**	(76)	(5)
Canadian tax rate changes	**—**	64	12
Change in tax status in Australia	**—**	—	(31)
Release of end of year valuation allowances – Tanzania	**—**	(156)	—
Total expense	**$ 590**	$ 341	$ 348

Currency Translation

Deferred tax balances are subject to remeasurement for changes in currency exchange rates each period. The most significant balances are Canadian deferred tax assets with a carrying amount of approximately $334 million and Australian and Papua New Guinea net deferred tax liabilities with a carrying amount of approximately $118 million. In 2007, the appreciation of the Canadian and Australian dollar against the US dollar resulted in net translation gains arising totaling $76 million. These gains are included within deferred tax expense/recovery. In 2008, following the strengthening of the US dollar, we recorded translation losses of $98 million.

Canadian Tax Rate Changes

In the second and fourth quarters of 2007 and the second quarter of 2006, federal rate changes were enacted in Canada that lowered the applicable tax rate. The impact of these tax rate changes was to reduce net deferred tax assets in Canada by $64 million in 2007 and $35 million in 2006 that were recorded as a component of deferred income tax expense. Also in second quarter 2006, on change of tax status of a Canadian subsidiary, we recorded a deferred income tax credit of $23 million to reflect the impact on the measurement of deferred income tax assets and liabilities.

Change in Tax Status in Australia

In first quarter 2006, an interpretative decision (“ID”) was issued by the Australia Tax Office that clarified the tax treatment of currency gains and losses on foreign denominated liabilities. Under certain conditions, for taxpayers who have made the functional currency election, and in respect of debt that existed at the time the election was made, the ID provided clarification that unrealized foreign exchange gains that currently exist on intercompany debt will not crystallize upon repayment of the debt. The effect of the ID was recorded as a $31 million reduction of deferred tax liabilities.

Release of Tanzanian Valuation Allowances

In 2007, we released $156 million of end of year deferred tax valuation allowances in Tanzania due to the impact of higher market gold prices.

Reconciliation to Canadian Statutory Rate

For the years ended December 31	2008	2007	2006
At 33.50% (2006 and 2005: 36.12%) statutory rate	**$ 486**	$ 535	$ 563
Increase (decrease) due to:			
Allowances and special tax deductions(1)	**(100)**	(99)	(55)
Impact of foreign tax rates(2)	**(82)**	38	(131)
Expenses not tax-deductible	**13**	48	14
Impairment charges not tax deductible	**227**	15	6
Net currency translation (gains)/losses on deferred tax balances	**98**	(76)	(5)
Release of end of year valuation allowances – Tanzania	**—**	(156)	—
Release of valuation allowances – Other	**(175)**	(88)	(53)
Valuation allowances set up against current year tax losses	**74**	5	7
Impact of changes in tax status in Australia	**—**	—	(31)
Canadian tax rate changes	**—**	64	12
Withholding taxes	**21**	17	19
Mining taxes	**19**	19	9
Other items	**9**	19	(7)
Income tax expense	**$ 590**	$ 341	$ 348

(1) We are able to claim certain allowances and tax deductions unique to extractive industries that result in a lower effective tax rate.
(2) We operate in multiple foreign tax jurisdictions that have tax rates different than the Canadian statutory rate. Additionally, we have reinvested earnings and cash flow generated by the Zaldívar mine in Chile to fund a portion of the construction cost of Pascua-Lama. The reinvestment of these earnings and cash flow resulted in a lower tax rate applied for the period. Amounts in 2007 included the impact of losses realized on deliveries into corporate gold sales contracts in a low tax jurisdiction.

10 · Earnings per share

For the years ended December 31 ($ millions, except shares in millions and per share amounts in dollars)	2008		2007		2006	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Income from continuing operations	**$ 785**	**$ 785**	$ 1,110	$ 1,110	$ 1,209	$ 1,209
Plus: interest on convertible debentures	**—**	**3**	—	2	—	4
Income available to common shareholders and after assumed conversions	**785**	**788**	1,110	1,112	1,209	1,213
Income from discontinued operations	**—**	**—**	9	9	297	297
Net income	**$ 785**	**$ 788**	$ 1,119	$ 1,121	$ 1,506	$ 1,510
Weighted average shares outstanding	**872**	**872**	867	867	842	842
Effect of dilutive securities						
Stock options	**—**	**4**	—	3	—	4
Convertible debentures	**—**	**9**	—	9	—	9
	872	**885**	867	879	842	855
Earnings per share						
Income from continuing operations	**$ 0.90**	**$ 0.89**	$ 1.28	$ 1.27	$ 1.44	$ 1.42
Net income	**$ 0.90**	**$ 0.89**	$ 1.29	$ 1.28	$ 1.79	$ 1.77

Earnings per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if additional common shares are assumed to be issued under securities that entitle their holders to obtain common shares in the future. For stock options, the number of additional shares for inclusion in diluted earnings per share calculations is determined using the treasury stock method. Under this method, stock options, whose exercise price is less than the average market price of our common shares, are assumed to be exercised and the proceeds are used to repurchase common shares at the average market price for the period. The incremental number of common shares issued under stock options and repurchased from proceeds is included in the calculation of diluted earnings per share. For convertible debentures, the number of additional shares for inclusion in diluted earnings per share calculations is determined using the as if converted method. The incremental number of common shares issued is included in the number of weighted average shares outstanding and interest on the convertible debentures is excluded from the calculation of income.

11 · Cash Flow – Other Items

a) Operating Cash Flows – Other Items

For the years ended December 31	2008	2007	2006
Adjustments for non-cash income statement items:			
Currency translation (gains) losses (notes 8a and 8c)	**$ 30**	$ 1	$ (2)
Amortization of discount/premium on debt securities (note 20b)	**(7)**	(3)	(12)
Amortization of debt issue costs (note 20b)	**7**	9	12
Stock option expense (note 27a)	**25**	25	27
Equity in investees (note 12)	**64**	43	4
Gain on sale of investments (note 8c)	**(59)**	(71)	(6)
Losses on write-down of inventory (note 13)	**68**	13	28
Non-controlling interests (note 2b)	**12**	(14)	(1)

Net change in operating assets and liabilities, excluding inventory	**(128)**	(7)	51
Revisions to AROs at closed mines (note 22)	**9**	6	53
Settlement of AROs (note 22)	**(40)**	(33)	(32)
Non-hedge derivative gold options	**—**	30	14
Hedge losses on acquired gold hedge position	**(2)**	2	165
Gain on Highland vend-in (note 8c)	**—**	—	(51)
Income from discontinued operations	**—**	(9)	(297)
Other net operating activities	**$ (21)**	$ (8)	$ (47)
Operating cash flow includes payments for:			
Pension plan contributions (note 28a)	**$ 47**	$ 49	$ 36
Cash interest paid (note 20b)	**$ 213**	$ 236	$ 211

b) Investing Cash Flows – Other Items

For the years ended December 31	2008	2007	2006
Loans to joint venture partners	**$ (4)**	$ (47)	$ —
Purchase of land and water rights	**(16)**	—	—
Purchases of royalties	**(42)**	—	—
Funding for equity investees	**(99)**	—	—
Decrease in restricted cash (note 14)	**18**	19	—
Non-hedge derivative copper options	**—**	(23)	—
Other	**(27)**	9	17
Other net investing activities	**$ (170)**	$ (42)	$ 17

c) Non-Cash Investing and Financing Activities

Placer Dome Acquisition

In 2006, we purchased all of the common shares of Placer Dome for $10,054 million, of which $8,761 million was share consideration (see note 3f). In conjunction with the acquisition, liabilities were assumed as follows:

Fair value of assets acquired(1)	$ 15,346
Consideration paid	10,054
Liabilities assumed(2)	$ 4,830

(1) Includes cash of $1,102 million.
(2) Includes debt obligations of $1,252 million (note 20b).

Vend-in of Assets to Highland Gold (“Highland”)

In 2006, we exchanged various interests in mineral properties for 34.3 million Highland shares with a value of $95 million at the time of closing of the transaction (see note 12).

Sale of South Deep

In 2006, we sold the South Deep mine to Gold Fields Limited (“Gold Fields”) for $1,517 million. The proceeds included 18.7 million Gold Fields common shares with a value of $308 million (see note 3i).

12 · Investments

At December 31	2008	2007
Available-for-sale securities	**$ 31**	$ 96
Held-to-maturity securities	**—**	46
Other investments	**29**	—
Equity investments	**1,085**	1,085
	$ 1,145	$ 1,227

	2008		2007	
At December 31	Fair value(1)	Gains (losses) in OCI	Fair value	Gains (losses) in OCI
Available-for-sale securities Securities in an unrealized gain position				
Allied Gold	**$ 6**	**$ 1**	$ —	$ —
QGX Ltd.	**—**	**—**	13	6
Midway Gold Corp.	**3**	**—**	17	9
Other equity securities	**6**	**2**	43	26
	15	**3**	73	41

Securities in an unrealized loss position				
Benefit plans(2)				
Fixed-income	**$ 2**	**$ —**	$ 4	$ —
Equity	**7**	**(3)**	14	1
Other equity securities(3)	**7**	**(2)**	5	(1)
	16	**(5)**	23	—
	31	**(2)**	96	41
Held-to-maturity securities				
Asset-Backed				
Commercial Paper	**—**	**—**	46	—
Other investments				
Long-term loan receivable from Yokohama Rubber Co. Ltd.(4)	**29**	**—**	—	—
	$ 60	**$ (2)**	$ 142	$ 41

(1) Refer to note 21 for further information on the measurement of fair value.
(2) Under various benefit plans for certain former Homestake executives, a portfolio of marketable fixed-income and equity securities are held in a rabbi trust that is used to fund obligations under the plans.
(3) Other equity securities in a loss position consist of investments in various junior mining companies.
(4) The long-term loan receivable is measured at amortized cost.

Accounting Policy for Available-for-Sale Securities

Available-for-sale securities are recorded at fair value with unrealized gains and losses recorded in other comprehensive income ("OCI"). Realized gains and losses are recorded in earnings when investments mature or on sale, calculated using the average cost of securities sold. If the fair value of an investment declines below its carrying amount, we undertake an assessment of whether the impairment is other than temporary. We consider all relevant facts and circumstances in this assessment, particularly: the length of time and extent to which fair value has been less than the carrying amount; the financial condition and near-term prospects of the investee, including any specific events that have impacted its fair value; both positive and negative evidence that the carrying amount is recoverable within a reasonable period of time; and our ability and intent to hold the investment for a reasonable period of time sufficient for an expected recovery of the fair value up to or beyond the carrying amount. We record in earnings any unrealized declines in fair value judged to be other than temporary.

Available-for-Sale Securities Continuity

	Gold Fields	NovaGold	Other	Total
January 1, 2006	$ —	$ —	$ 62	$ 62
Purchases	—	218	27	245
Received in consideration for sale of South Deep (note 3i)	308	—	—	308
Sales proceeds	—	—	(46)	(46)
Mark-to-market adjustments	6	13	58	77
January 1, 2007	314	231	101	646
Purchases	—	—	11	11
Sales proceeds	(356)	(221)	(48)	(625)
Mark-to-market adjustments	42	(10)	32	64
January 1, 2008	—	—	96	96
Purchases	—	—	18	18
Sales proceeds	—	—	(26)	(26)
Mark-to-market adjustments	—	—	(57)	(57)
December 31, 2008	$ —	$ —	$ 31	$ 31

Gold Fields Limited ("Gold Fields")

The investment in Gold Fields was acquired on December 1, 2006, as partial consideration for the sale of our interest in South Deep and was recorded net of an initial liquidity discount of $48 million to reflect a 120-day restriction on our ability to trade the shares. During 2007, we sold our entire position of 18.7 million shares for proceeds of $356 million and recorded a gain of $48 million.

NovaGold Resources Inc. ("NovaGold")

During 2007, we sold our entire investment in NovaGold for proceeds of $221 million and we recorded a gain of $3 million on the sale.

Asset-Backed Commercial Paper ("ABCP")

In 2007, we recorded impairment charges of $20 million, resulting in a carrying value of $46 million at the end of 2007. An additional $39 million impairment charge was recorded in 2008, resulting in cumulative impairments totaling $59 million and a carrying value of $7 million. Subsequently, we reached an agreement with a third party to sell $66 million of our Asset Backed Commercial Paper ("ABCP"). We received $49 million in proceeds from this sale resulting in a recovery of $42 million which was recorded in Other income.

Agreement with Yokohama Rubber Co. Ltd. ("Yokohama")

In 2008, we advanced $35 million ("the loan") to Yokohama to fund expansion of their production facility and secure a guaranteed supply of OTR

tires. Interest on the loan is receivable at a lower than market rate, due to the benefit of the supply agreement, and is compounded annually. The principal amount and accrued interest is to be repaid in full no later than seven years from the initial date of the loan. In the event that Barrick does not satisfy certain minimum monthly purchase commitments, Yokohama has the right to apply the dollar value of the purchase shortfall against the principal balance of the loan.

The loan was initially recorded at its fair value, based on an estimated market borrowing rate for a comparable loan without the related tire supply agreement. After initial recognition, the loan is recorded at amortized cost and interest income is recognized at an effective rate of 6%. We determined that the supply contract component of the agreement is an intangible asset with an initial fair value of $8 million. The intangible asset is amortized on a straight line basis over its useful life.

Equity Method Investment Continuity

	Highland	Atacama	Cerro Casale	Donlin Creek	Other	Total
At January 1, 2006	$ 131	$ —	$ —	$ —	$ 7	$ 138
Purchases	—	123	—	—	1	124
Vend-in	71	—	—	—	—	71
Equity pick-up	(3)	—	—	—	(1)	(4)
Capitalized interest	—	1	—	—	—	1
Impairment charges	—	—	—	—	(2)	(2)
At January 1, 2007	199	124	—	—	5	328
Acquired under Arizona Star acquisition	—	—	732	—	—	732
Reclassifications	—	—	—	64	(4)	60
Equity pick-up	(30)	(14)	—	—	1	(43)
Capitalized interest	—	8	2	—	—	10
Impairment charges	—	—	—	—	(2)	(2)
At January 1, 2008	169	118	734	64	—	1,085
Purchases	1	—	41	—	—	42
Funding	—	62	1	27	9	99
Equity pick-up	5	(32)	(11)	(17)	(9)	(64)
Elimination of non-controlling interest and inter-company loans	—	—	8	—	—	8
Capitalized interest	—	9	42	4	—	55
Impairment charges	(140)	—	—	—	—	(140)
At December 31, 2008	$ 35	$ 157	$ 815	$ 78	$ —	$ 1,085
Publicly traded	Yes	No	No	No		

Accounting Policy for Equity Method Investments

Under the equity method, we record our equity share of the income or loss of equity investees each period. On acquisition of an equity investment, the underlying identifiable assets and liabilities of an equity investee are recorded at fair value and the income or loss of equity investees is based on these fair values. For an investment in a company that represents a business, if the cost of any equity investment exceeds the total amount of the fair value of identifiable assets and liabilities, any excess is accounted for in a manner similar to goodwill, with the exception that an annual goodwill impairment test is not required. Additional funding into an investee is recorded as an increase in the carrying value of the investment. The carrying amount of each investment in a publicly traded equity investee is evaluated for impairment using the same method as an available-for-sale security.

Our investments in non-publicly traded equity investees are exploration and development projects; therefore, we assess if there has been a potential impairment triggering event for an other-than-temporary impairment by: testing the underlying assets of the equity investee for recoverability; and assessing if there has been a change in our mining plan or strategy for the project. If we determine underlying assets are recoverable and no other potential impairment conditions were identified, then our investment in the non-publicly traded equity investee is carried at cost. If the other underlying assets are not recoverable, we record an impairment charge equal to the difference between the carrying amount of the investee and its fair value. Where reliable information is available, we determine fair value based on the present value if cash flows are expected to be generated by the investee. Where reliable cash flow information is not available, we determine fair value using a market approach.

Highland Gold Mining Ltd. (“Highland”)

In 2006, we acquired 34.3 million common shares as part of a vend-in transaction. On closing of this transaction, the fair value of Highland common shares exceeded the carrying amount of assets exchanged by $76 million. We recorded this difference as a gain of $51 million in Other income and the balance of $25 million as a reduction in the carrying amount of our investment in Highland.

In 2007, Highland announced the issue of 130.1 million new shares for $400 million, decreasing our ownership stake in Highland to 20.4% . The equity was purchased by Millhouse LLC (“Millhouse”) in two tranches. On completion of the transactions, Millhouse was entitled to appoint 3 of 9 Directors to the Board and the CEO of Highland who will not serve on the Board. Our ability to appoint Directors has been reduced from 3 to 2. We continue to account for the investment using the equity method of accounting.

In 2008, we recorded an impairment charge of $140 million against the carrying value at December 31, 2008 of Highland following an other-than-temporary decline in the market value of its publicly traded shares.

Donlin Creek

In 2006, as part of the acquisition of Placer Dome, we acquired an interest in the Donlin Creek project. In 2007, we restructured our agreement with our joint venture partner and formed a limited liability company, Donlin Creek LLC, to advance the Donlin Creek project. We determined that we share joint control with NovaGold, and that Donlin Creek LLC is a VIE. Neither party is the primary beneficiary as we jointly share in the expected earnings or losses of the project. We use the equity method of accounting for our investment in Donlin Creek. The initial cost of our investment in Donlin Creek was $64 million and represents the cost basis of assets transferred into the limited liability company.

Our maximum exposure to loss in this entity is limited to the carrying amount of our investment in Donlin Creek, which totaled $78 million and accounts receivable from our partner totaling a further $56 million that are collateralized against NovaGold's interest in the value of Donlin Creek as of December 31, 2008.

Atacama Copper Pty Limited ("Atacama Copper")

In 2006, we acquired a 50% interest in Atacama Copper. The other 50% interest in Atacama Copper is owned by Antofagasta plc. Atacama Copper is responsible for advancing the Reko Diq project.

We determined that we share joint control with Antofagasta, and that Atacama is a VIE. Neither party is the primary beneficiary as we jointly share in the expected earnings or losses of the project. We use the equity method of accounting for our investment.

Our maximum exposure to loss in this entity is limited to our investment in Atacama, which totaled $157 million as of December 31, 2008, and amounts we will prospectively fund for Atacama's interim exploration program.

Compañía Minera Casale ("Cerro Casale")

During 2008, we completed our acquisition of Arizona Star for $732 million. Arizona Star has an interest in the entity that holds the Cerro Casale deposit. We determined that we share joint control with Kinross and that Cerro Casale is a VIE. Neither party is the primary beneficiary as we jointly share in the expected earnings or losses of the project. We use the equity method of accounting for Arizona Star's investment in Cerro Casale. Our maximum exposure to loss in this entity is limited to our investment in Cerro Casale, which totaled $815 million as of December 31, 2008.

13 · Inventories

	Gold		Copper	
At December 31	**2008**	**2007**	**2008**	**2007**
Raw materials				
Ore in stockpiles	**$ 825**	$ 698	**$ 41**	$ 63
Ore on leach pads	**161**	149	**189**	81
Mine operating supplies	**434**	351	**34**	20
Work in process	**188**	109	**8**	5
Finished products				
Gold doré/bullion	**65**	87	**—**	—
Copper cathode	**—**	—	**13**	9
Copper concentrate	**—**	—	**18**	16
Gold concentrate	**21**	40	**—**	—
	1,694	1,434	**303**	194
Non-current ore in stockpiles(1)	**(595)**	(414)	**(93)**	(85)
	$ 1,099	$ 1,020	**$ 210**	$ 109

(1) Ore that we do not expect to process in the next 12 months is classified within other assets.

Accounting Policy for Inventory

Material extracted from our mines is classified as either ore or waste. Ore represents material that, at the time of extraction, we expect to process into a saleable form, and sell at a profit. Ore is recorded as an asset that is classified within inventory as material is extracted from the open pit or underground mine. Ore is accumulated in stockpiles that are subsequently processed into gold/copper in a saleable form under a mine plan that takes into consideration optimal scheduling of production of our reserves, present plant capacity, and the market price of gold/copper. Gold/copper work in process represents gold/copper in the processing circuit that has not completed the production process, and is not yet in a saleable form.

Gold and copper ore contained in stockpiles is measured by estimating the number of tons added and removed from the stockpile, and the associated estimate of gold and copper contained therein (based on assay data) and applying estimated metallurgical recovery rates (based on the expected processing method). Stockpile ore tonnages are verified by periodic surveys. Costs are allocated to ore stockpiles based on quantities of material stockpiled using current mining costs incurred up to the point of stockpiling the ore and including allocations of waste mining costs, overheads, depreciation, depletion and amortization relating to mining operations. As ore is processed, costs are removed based on recoverable quantities of gold and/or copper and each stockpile's average cost per unit. Ore stockpiles are reduced by provisions required to reduce inventory to net realizable value.

We record gold in process, gold doré and gold in concentrate form at average cost, less provisions required to reduce inventory to market value. Average cost is calculated based on the cost of inventory at the beginning of a period, plus the cost of inventory produced in a period.

Costs capitalized to in process and finished goods inventory include the cost of stockpiles processed; direct and indirect materials and consumables; direct labor; repairs and maintenance; utilities; amortization of property, plant and equipment; and local mine administrative expenses. Costs are removed from inventory and recorded in cost of sales and amortization expense based on the average cost per ounce of gold in inventory. Mine operating supplies are recorded at the lower of purchase cost and market value.

We record provisions to reduce inventory to net realizable value, to reflect changes in economic factors that impact inventory value or to reflect present intentions for the use of slow moving and obsolete supplies inventory.

For the years ended December 31	2008	2007	2006
Inventory impairment charges	**$ 68**	$ 13	$ 28

Ore on leach pads

The recovery of gold and copper from certain oxide ores is achieved through the heap leaching process. Our Pierina, Lagunas Norte, Veladero, Cortez, Bald Mountain, Round Mountain, Ruby Hill and Marigold mines all use a heap leaching process for gold and our Zaldívar mine uses a heap leaching process for copper. Under this method, ore is placed on leach pads where it is treated with a chemical solution, which dissolves the gold or copper contained in the ore. The resulting “pregnant” solution is further processed in a plant where the gold or copper is recovered. For accounting purposes, costs are added to ore on leach pads based on current mining and leaching costs, including applicable depreciation, depletion and amortization relating to mining operations. Costs are removed from ore on leach pads as ounces or pounds are recovered based on the average cost per recoverable ounce of gold or pound of copper on the leach pad.

Estimates of recoverable gold or copper on the leach pads are calculated from the quantities of ore placed on the leach pads (measured tons added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on ore type). In general, leach pads recover between 35% and 95% of the ounces or pounds placed on the pads.

Although the quantities of recoverable gold or copper placed on the leach pads are reconciled by comparing the grades of ore placed on pads to the quantities of gold or copper actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is frequently monitored and estimates are refined based on actual results over time. Historically, our operating results have not been materially impacted by variations between the estimated and actual recoverable quantities of gold or copper on our leach pads. At December 31, 2008, the weighted average cost per recoverable ounce of gold and recoverable pound of copper on leach pads was $439 per ounce and $1.07 per pound, respectively (2007: $287 per ounce of gold and $0.39 per pound of copper). Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis.

The ultimate recovery of gold or copper from a leach pad will not be known until the leaching process is concluded. Based on current mine plans, we expect to place the last ton of ore on our current leach pads at dates for gold ranging from 2009 to 2024 and for copper ranging from 2014 to 2020. Including the estimated time required for residual leaching, rinsing and reclamation activities, we expect that our leaching operations will terminate within a period of up to six years following the date that the last ton of ore is placed on the leach pad.

The current portion of ore inventory on leach pads is determined based on estimates of the quantities of gold or copper at each balance sheet date that we expect to recover during the next 12 months.

Ore in Stockpiles

At December 31	2008	2007	Year(1)
Gold			
Goldstrike			
Ore that requires roasting	**$ 375**	$ 320	2034
Ore that requires autoclaving	**47**	67	2010
Kalgoorlie	**74**	75	2020
Porgera	**113**	88	2022
Cowal	**70**	36	2020
Veladero	**24**	23	2024
Cortez	**54**	19	2012
Turquoise Ridge	**12**	15	2031
Other	**56**	55	
Copper			
Zaldívar	**41**	63	2021
	$ 866	$ 761	

(1) Year in which we expect to fully process the ore in stockpiles.

Purchase Commitments

At December 31, 2008, we had purchase obligations for supplies and consumables of approximately $1,164 million.

14 · Accounts Receivable and Other Current Assets

At December 31	2008	2007
Accounts receivable		

Amounts due from concentrate sales	**$ 8**	$ 19
Amounts due from copper cathode sales	**42**	89
Other receivables	**147**	148
	$ 197	$ 256
Other current assets		
Derivative assets (note 20c)	**$ 817**	$ 334
Goods and services taxes recoverable	**153**	161
Restricted cash	**113**	131
Prepaid expenses	**47**	40
Other	**39**	41
	$ 1,169	$ 707

15 · Property, Plant and Equipment

	Assets subject to amortization(1),(2)	Exploration properties, capital projects and VBPP	Construction in progress(3)	Accumulated amortization	Total
At January 1, 2007	$ 13,410	$ 1,494	$ 404	$ (6,919)	$ 8,389
Additions/disposals	778	84	—	20	882
Acquisitions	145	135	—	—	280
Capitalized interest	16	97	—	—	113
Amortization	—	—	—	(1,004)	(1,004)
Reclassification(4)	—	(66)	—	—	(66)
Transfers between categories(5)	189	(198)	—	—	(9)
At January 1, 2008	$ 14,538	$ 1,546	$ 404	$ (7,903)	$ 8,585
Additions/disposals	611	756	626	(155)	1,838
Acquisitions	1,609	409	—	—	2,018
Capitalized interest	57	110	—	—	167
Amortization	—	—	—	(990)	(990)
Impairments	(71)	—	—	—	(71)
Transfers between categories(5)	481	(209)	(272)	—	—
At December 31, 2008	$ 17,225	$ 2,612	$ 758	$ (9,048)	$ 11,547

(1) Represents capitalized reserve acquisition and development costs and buildings, plant and equipment.
(2) Includes assets under capital leases, leach pads and tailings dams.
(3) Includes construction in process for tangible assets at operating mines and deposits on long lead items. Once the asset is available for use, it is transferred to Buildings, plant and equipment and amortized over its estimated useful life.
(4) Represents the reclassification of Donlin Creek to equity investments.
(5) Includes construction in process that is transferred to Buildings, plant and equipment as the asset is available for use and Value beyond proven and probable reserves ("VBPP") that is transferred to capitalized reserve acquisition and development costs, once mineralized material is converted into proven and probable reserves.

a) Accounting Policy for Property, Plant and Equipment

Capitalized Reserve Acquisition Costs

We capitalize the cost of acquisition of land and mineral rights. On acquiring a mineral or petroleum and natural gas property, we estimate the fair value of proven and probable reserves, and we record these amounts as assets at the date of acquisition. When production begins, capitalized reserve acquisition costs are amortized using the "units-of-production" method, whereby the numerator is the number of ounces of gold/pounds of copper/barrels of oil equivalent (boe) produced and the denominator is the estimated recoverable ounces of gold/pounds of copper/boe contained in proven and probable reserves.

Capitalized Development Costs

Capitalized development costs include the costs of removing overburden and waste materials at our open pit mining operations prior to the commencement of production; costs incurred to access reserves at our underground mining operations; drilling and related costs incurred that meet the definition of an asset (refer to note 7 for capitalization criteria for drilling and related costs), and qualifying development costs incurred at our petroleum and natural gas properties.

The cost of removing overburden and waste materials to access the ore body at an open pit mine prior to the production phase are referred to as "pre-stripping costs". Pre-stripping costs are capitalized during the development of an open pit mine. Where a mine operates several open pits that utilize common processing facilities, we capitalize the pre-stripping costs associated with each pit. The production phase of an open pit mine commences when saleable materials, beyond a de minimus amount, are produced. Stripping costs incurred during the production phase of a mine are variable production costs that are included as a component of inventory to be recognized as a component of cost of sales in the same period as the revenue from the sale of inventory. Capitalized pre-stripping costs are amortized using the units-of-production method, whereby the denominator is the estimated recoverable ounces of gold/pounds of copper in the associated open pit.

At our underground mines, we incur development costs to build new shafts, drifts and ramps that will enable us to physically access ore underground. The time over which we will continue to incur these costs depends on the mine life, which could in some cases be up to 25 years.

These underground development costs are capitalized as incurred. Costs incurred and capitalized to enable access to specific ore blocks or areas of the mine, and which only

provide an economic benefit over the period of mining that ore block or area, are amortized using the units-of-production method, whereby the denominator is estimated recoverable ounces of gold/pounds of copper contained in proven and probable reserves within that ore block or area. If capitalized underground development costs provide an economic benefit over the entire mine life, the costs are amortized using the units-of-production method, whereby the denominator is the estimated recoverable ounces of gold/pounds of copper contained in total accessible proven and probable reserves.

For our petroleum and natural gas properties, we follow the successful efforts method of accounting, whereby exploration expenditures which are either general in nature or related to an unsuccessful drilling program are written off. Only costs which relate directly to the discovery and development of specific commercial oil and gas reserves are capitalized as development costs and amortized using the units-of-production method, whereby the denominator is the estimated recoverable amount of boe.

Buildings, Plant and Equipment

We record buildings, plant and equipment at cost, which includes all expenditures incurred to prepare an asset for its intended use. Cost includes the purchase price; brokers' commissions; and installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges. In addition, if the cost of an asset acquired other than through a business combination is different from its tax basis on acquisition, the cost is adjusted to reflect the related future income tax consequences.

We capitalize costs that extend the productive capacity or useful economic life of an asset. Costs incurred that do not extend the productive capacity or useful economic life of an asset are considered repairs and maintenance and expensed as incurred. We amortize the capitalized cost of assets less any estimated residual value, using the straight line method over the estimated useful economic life of the asset based on their expected use in our business. The longest estimated useful economic life for buildings and equipment at ore processing facilities is 25 years and for mining equipment is 15 years. Depreciation of oil and gas plants and related facilities is calculated using the units-of-production method.

In the normal course of our business, we have entered into certain leasing arrangements whose conditions meet the criteria for the leases to be classified as capital leases. For capital leases, we record an asset and an obligation at an amount equal to the present value at the beginning of the lease term of minimum lease payments over the lease term. In the case of our capital leasing arrangements, there is transfer of ownership of the leased assets to us at the end of the lease term and therefore we amortize these assets on a basis consistent with our other owned assets.

Exploration Properties and Capital Projects

The amounts capitalized to exploration and development projects comprise the cost of mineral interests acquired either as individual asset purchases or as part of a business combination. The value of such assets is primarily driven by the nature and amount of mineralized material contained in such properties. Exploration and development stage mineral interests represent interests in properties that contain proven and probable reserves or are believed to potentially contain mineralized material consisting of (i) other mineralized material such as measured, indicated and inferred material within pits; (ii) other mine exploration potential such as inferred material not immediately adjacent to existing reserves and mineralization but located within the immediate mine area; (iii) other mine-related exploration potential that is not part of measured, indicated or inferred material greenfield exploration potential; (v) any acquired right to explore or extract a potential mineral deposit. Amounts capitalized to capital projects include costs associated with the construction of tangible assets, such as processing plants, permanent housing facilities and other tangible infrastructure associated with the project.

Value Beyond Proven and Probable Reserves ("VBPP")

On acquisition of mineral property, we prepare an estimate of the fair value of the resources and exploration potential of that property and record this amount as an asset ("VBPP") as at the date of acquisition. At the time mineralized material is converted into proven and probable reserves, we classify any associated VBPP, which is not subject to amortization, as a component of amounts allocated to proven and probable reserves, which are subject to amortization. As part of our annual business cycle, we prepare estimates of proven and probable gold and copper mineral reserves for each mineral property. The change in reserves,

net of production is, among other things, used to determine the amount to be converted from VBPP to proven and probable reserves. For the year ended December 31, 2008, we transferred $178 million of VBPP to proven and probable reserves (2007: $54 million). In 2008, we added $381 million to VBPP on acquiring the additional 40% of Cortez, based on the preliminary purchase price allocation.

Exploration Properties, Capital Projects and VBPP

	Carrying amount at December 31, 2008	Carrying amount at December 31, 2007
Exploration projects and other land positions PNG land positions	**$ 171**	$ 135
Value beyond proven and probable reserves at producing mines	**525**	322
Capital projects		
Pascua-Lama	**777**	609

Pueblo Viejo	**439**	140
Sedibelo	**123**	81
Buzwagi	**495**	224
Punta Colorado Wind Farm	**82**	35
	$ 2,612	$ 1,546

Capitalized Interest

Interest cost is considered an element of the historical cost of an asset when a period of time is necessary to prepare it for its intended use. We capitalize interest costs to exploration properties and capital projects prior to when production begins while exploration, development or construction activities are in progress. We also capitalize interest costs on the cost of certain equity method investments, wherein the only significant assets are exploration properties or capital projects, and while exploration, development or construction activities are in progress.

Gold and Copper Mineral Reserves

At the end of each fiscal year, as part of our annual business cycle, we prepare estimates of proven and probable gold and copper mineral reserves for each mineral property, including the transfer of amounts allocated to VBPP to proven and probable reserves subject to amortization. We prospectively revise calculations of amortization of property, plant and equipment. The effect of changes in reserve estimates and transfers of VBPP amounts to proven and probable reserves subject to amortization on amortization expense for 2008 was a decrease of $52 million (2007: $31 million increase; 2006: $75 million decrease).

b) Amortization and Accretion

	2008	2007	2006
Amortization	**$ 990**	$ 1,004	$ 735
Accretion (note 22)	**43**	50	39
	$ 1,033	$ 1,054	$ 774

c) Impairment Evaluations

Producing Mines, Capital Projects and Petroleum & Natural Gas Properties

We review and test the carrying amounts of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. We group assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. For operating mines, capital projects and petroleum and natural gas properties, the individual mine/project/property is included in a single group for impairment testing purposes. If there are indications that impairment may have occurred at a particular mine site/capital project/petroleum and natural gas property, we compare the sum of the undiscounted cash flows expected to be generated from that mine site/capital project/petroleum and natural gas property to its carrying amount, including goodwill. If the sum of undiscounted cash flows is less than the carrying amount, an impairment loss is recognized if the carrying amount of the individual long-lived assets within the group exceeds their fair values.

Long-lived assets subject to potential impairment at mine sites/capital projects/petroleum and natural gas properties include buildings, plant and equipment, and capitalized reserve acquisition and development costs and VBPP. For impairment assessment purposes, the estimated fair value of buildings, plant and equipment is based on a combination of current depreciated replacement cost and current market value. The estimated fair value of capitalized reserve acquisition, development costs and VBPP is determined using an income approach which measures the present value of the related cash flows expected to be derived from the asset.

As at December 31, 2008, we decreased our long-term gold and copper price assumptions, which we determined was, in combination with an overall downturn in the economy, a triggering event to test the long-lived assets at all of our mines/projects/properties for impairment. As a result we identified our Marigold gold mine in North America, our Henty and Kanowna gold mines, and Osborne copper mine in Australia as being potentially impaired. Consequently, we compared the estimated fair value of the individual long-lived assets to their carrying amount and noted impairments of: Marigold $12 million and Osborne $57 million; and no impairments at Kanowna or Henty.

Exploration Projects

After acquisition, various factors can affect the recoverability of the capitalized cost of land and mineral rights, particularly 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. If we determine that a potential impairment condition may exist, we compare the sum of the undiscounted cash flows expected to be generated from the project to its carrying amount. If the sum of undiscounted cash flows is less than the carrying amount, an impairment charge is recognized if the carrying amount of the individual long-lived assets within the group exceeds their fair value. For projects that do not have reliable cash flow projections, a market approach is applied. We are continuing with our current exploration projects as planned and have not noted any indications of impairment.

d) Capital Commitments

In addition to entering into various operational commitments in the normal course of business, we had commitments of approximately $552 million at December 31, 2008 for construction activities at our capital projects.

e) Insurance

We purchase insurance coverage for certain insurable losses, subject to varying deductibles, at our mineral properties including losses such as

property damage and business interruption. We record losses relating to insurable events as they occur. Proceeds receivable from insurance coverage are recorded at such time as receipt is probable and the amount receivable is fixed or determinable.

Insurance Proceeds

	2008	2007	2006
Cost of sales	**$ 30**	$ 16	$ —
Other income	**2**	—	—
Discontinued operations	**—**	21	12
	$ 32	$ 37	$ 12

16 · Intangible Assets

	2008			2007		
For the years ended December 31	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**
Water rights(1)	**$ 48**	**$ —**	**$ 48**	$ 28	$ —	$ 28
Technology(2)	**17**	**—**	**17**	17	—	17
Supply contracts(3)	**23**	**21**	**2**	23	15	8
Royalties(4)	**—**	**—**	**—**	17	2	15
Supply agreement(5)	**8**	**—**	**8**	—	—	—
	$ 96	**$ 21**	**$ 75**	$ 85	$ 17	$ 68
Aggregate period amortization expense	**$ —**	**$ 6**	**$ —**	$ —	$ 7	$ —

For the years ended December 31	**2009**	**2010**	**2011**	**2012**	**2013**
Estimated aggregate amortization expense	$ 3	$ 1	$ 1	$ 1	$ 1

(1) Water rights in South America ($38 million) and Africa ($10 million) are subject to annual impairment testing and will be amortized when used in the future.
(2) The amount will be amortized using the units-of-production method over the estimated proven and probable reserves of the Pueblo Viejo mine, with no assumed residual value.
(3) Supply contracts are being amortized over the weighted average contract lives of 4–10 years, with no assumed residual value.
(4) In 2008, we sold the Mulatos royalty as part of the sale of non-core royalties to Royal Gold (note 3G). The Mulatos royalty had a carrying value of $15 million, net of accumulated amortization of $2 million.
(5) The supply agreement with Yokohama Rubber Company to secure a supply of tires will be amortized evenly over the 120-month term of the agreement.

Accounting Policy for Intangible Assets

Intangible assets acquired as part of an acquisition of a business are recognized separately from goodwill if the asset is separable or arises from contractual or legal rights. Intangible assets are also recognized when acquired individually or with a group of other assets.

Intangible assets are initially recorded at their estimated fair value. Intangible assets with a finite life are amortized over their useful economic lives on a straight line or units-of-production basis, as appropriate. Intangible assets having indefinite lives and intangible assets that are not yet ready for use are not amortized and are reviewed annually for impairment.

17 · Goodwill

		Gold			Copper		Other	
	North America	Australia	South America	Africa	Australia	South America	Barrick Energy	Total
Opening balance, January 1, 2007	$ 2,423	$ 1,811	$ 441	$ 373	$ 64	$ 743	$ —	$ 5,855
Additions(1)	—	34	—	—	—	—	—	34
Impairments(2)	(42)	—	—	—	—	—	—	(42)
Closing balance, December 31, 2007	$ 2,381	$ 1,845	$ 441	$ 373	$ 64	$ 743	$ —	$ 5,847
Additions(3)	23	—	—	—	—	—	96	119
Other(4)	—	—	—	—	—	—	(8)	(8)
Impairments(5)	(8)	(302)	—	(216)	(64)	—	(88)	(678)
Closing balance, December 31, 2008	$ 2,396	$ 1,543	$ 441	$ 157	$ —	$ 743	$ —	$ 5,280

(1) Represents goodwill acquired as a result of the acquisition of an additional 20% interest in Porgera. This goodwill is expected to be deductible for income tax purposes (note 3d).
(2) Impairment charges recorded in 2007 related to the Golden Sunlight ($35 million) and Eskay Creek ($7 million) mines, as a result of our annual goodwill impairment test. The goodwill impairment charges are primarily due to the short remaining lives of these mines.
(3) Represents goodwill acquired as a result of the acquisitions of an additional 40% interest in Cortez ($20 million), an additional 40% interest in Storm ($3 million) and Barrick Energy ($96 million). See note 3.
(4) Represents the impact of foreign exchange rate changes on the translation of Barrick Energy from CAD$to US$.

(5) Impairment charges recorded in 2008 related to Kanowna ($272 million), North Mara ($216 million), Barrick Energy ($88 million), Osborne ($64 million), Henty ($30 million) and Marigold ($8 million).

Accounting Policy for Goodwill and Goodwill Impairment

Under the purchase method, the costs of business acquisitions are allocated to the assets acquired and liabilities assumed based on the estimated fair value at the date of acquisition. The excess of purchase cost over the net fair value of identified tangible and intangible assets and liabilities acquired represents goodwill that is allocated to reporting units. We believe that goodwill arises principally because of the following factors: 1) The going concern value implicit in our ability to sustain and/or grow our business by increasing reserves and resources through new discoveries; 2) The ability to capture unique synergies that can be realized from managing a portfolio of both acquired and existing mines and mineral properties in our regional business units; and 3) the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value.

Each individual mineral property that is an operating mine is a reporting unit for goodwill impairment testing purposes. On an annual basis, as at October 1, and at any other time if events or changes in circumstances indicate that the fair value of a reporting unit has been reduced below its carrying amount, we evaluate the carrying amount of goodwill for potential impairment. In 2008, we determined that due to volatile economic conditions it was appropriate to reassess the carrying amount of goodwill for potential impairment as at December 31.

There is no active market for our reporting units. Consequently, when assessing a reporting unit for potential goodwill impairment, we use an income approach (being the net present value of expected future cash flows or net asset value ("NAV") of the relevant reporting unit) to determine the fair value we could receive for the reporting unit in an arm's length transaction at the measurement date. Expected future cash flows are based on a probability-weighted approach applied to potential outcomes. Estimates of expected future cash flow reflect estimates of projected future revenues, cash costs of production and capital expenditures contained in our long-term life of mine ("LOM") plans, which are updated for each reporting unit in the fourth quarter of each fiscal year.

Our LOM plans are based on detailed research, analysis and modeling to optimize the internal rate of return generated from each reporting unit. As such, these plans consider the optimal level of investment, overall production levels and sequence of extraction taking into account all relevant characteristics of the ore body, including waste to ore ratios, ore grades, haul distances, chemical and metallurgical properties impacting process recoveries and capacities of available extraction, haulage and processing equipment. Therefore, the LOM plan is the appropriate basis for forecasting production output in each future year and the related production costs and capital expenditures.

Projected future revenues reflect the forecasted future production levels at each of our reporting units as detailed in our LOM plans. Included in these forecasts is the production of mineral resources that do not currently qualify for inclusion in proven and probable ore reserves where there is a high degree of confidence in its economic extraction. This is consistent with the methodology we use to measure value beyond proven and probable reserves when allocating the purchase price of a business combination to acquired mining assets, and is therefore consistent with the provisions of EITF 04-3, Mining Assets: Impairment and Business Combinations.

Projected future revenues also reflect our estimated long-term metals prices, which are determined based on current prices, an analysis of the expected total production costs of the producers and forward pricing curves of the particular metal and forecasts of expected long-term metals prices prepared by analysts. These estimates often differ from current price levels, but our methodology is consistent with how a market participant would assess future long-term metals prices. In 2008, we have used an estimated future gold price of $850 per ounce (2007: $800), and estimated year one and long-term copper prices of $1.50 and $2.00 per pound, respectively (2007: $3.25 year one and $2.00 long-term).

Our estimates of future cash costs of production and capital expenditures are based on the LOM plans for each reporting unit. Costs incurred in currencies other than the US dollar are translated to US dollars using expected long-term exchange rates based on the relevant forward pricing curve. Oil prices are a significant component, both direct and indirect, of our expected cash costs of production. We have used an estimated average oil price of $75 per barrel, which is based on the spot price, forward pricing curve, and long-term oil price forecasts prepared by analysts.

The discount rate applied to present value the net future cash flows is based upon our real weighted average cost of capital with an appropriate adjustment for the remaining life of a mine and risks associated with the relevant cash flows based on the geographic location of the reporting unit. These risk adjustments were based on observed historical country risk premiums and the average credit default swap spreads for the period. In 2008, we used the following real discount rates for our gold mines: United States 2.68%–4.03% (2007: 3.97%); Canada 3.29% (2007: 4.54%); Australia 3.66%–4.29% (2007: 4.98%); Argentina 13.74% (2007: 9.18%); Tanzania 8.77%–9.84% (2007: 7.01%); Papua New Guinea 9.84% (2007: 7.86%); and Peru 6.33%–6.96% (2007: 5.4%). For our copper mines, we used the following real discount rates in 2008: Australia 6.95% (2007: 8.64%); and Chile 8.83% (2007: 8.36%). The increase in discount rates compared to the prior year primarily reflects higher equity premiums over the risk-free borrowing rate, and an increase in country risk premiums due to rising credit spreads and increased political risk in certain jurisdictions.

For our gold reporting units, we apply a market multiple to the NAV computed using the present value of future cash flows approach in order to assess their estimated fair value. Gold companies typically trade at a market capitalization that is based on a multiple of their underlying NAV. Consequently, a market participant would generally apply a NAV multiple when estimating the fair value of an operating gold mine. For each reporting unit, the selection of an appropriate NAV multiple to apply considers the change in our total Enterprise value from October 1, 2007 and compares this to companies within each region.

To assess the NAV multiple on comparable companies, we considered the following:

- Target prices per Analyst Reports;
- Trading prices on the date of Analyst Reports; and
- Trading prices on October 1, 2008.

The selected multiple for a particular reporting unit considers its remaining economic life. For reporting units with operating lives of five years or less, we selected multiples on the lower end of the observed multiples range. Reporting units with operating lives of twenty years or greater were given multiples on the higher end of the observed multiples. In 2008, we have used the following multiples in our assessment of the fair value of our gold reporting units: North America 1.0–2.1 (2007: 1.0–2.0); Australia 1.0–1.6 (2007: 1.5–2.1); South America 1.0–1.4 (2007: 1.2–1.7); and Africa 1.0–1.6 (2007: 1.3–2.0).

We determined the fair value of our Barrick Energy reporting unit based on observed trading multiples relating to boe production per day and proven and probable reserves of boe.

In 2008, we recorded a goodwill impairment charge of $30 million at our Henty gold mine in Australia, primarily as a result of its short remaining mine life. We recorded a $64 million goodwill impairment at our Osborne copper mine in Australia due to a decline in our price assumption, which resulted in a reduction in estimated production levels and remaining mine life. We recorded a goodwill impairment of $272 million at our Kanowna gold mine in Australia and $216 million at our North Mara gold mine in Africa, primarily due to the overall decline in trading multiples of gold mining companies and higher discount factors; and $8 million at our Marigold mine in North America, primarily due to an increase in costs. We also recorded a goodwill impairment charge of $88 million for Barrick Energy due to the significant decline in oil prices since its acquisition date.

18 · Other Assets

At December 31	2008	2007
Non-current ore in stockpiles (note 13)	**$ 688**	$ 499
Derivative assets (note 20c)	**15**	220
Goods and services taxes recoverable	**117**	54
Debt issue costs	**29**	27
Deferred share-based compensation (note 27b)	**84**	75
Notes receivable	**96**	97
Deposits receivable	**45**	147
Other	**59**	84
	$ 1,133	$ 1,203

Debt Issue Costs

In 2008, an addition of $11 million of debt issue costs arose on the issuance of $1,250 million in debentures. In 2007, no new debt financings were put into place and there were no additions to debt issue costs.

Amortization of debt issue costs is calculated using the interest method over the term of each debt obligation, and classified as a component of interest cost (see note 20b).

19 · Other Current Liabilities

At December 31	2008	2007
Asset retirement obligations (note 22)	**$ 93**	$ 74
Derivative liabilities (note 20c)	**440**	100
Post-retirement benefits (note 28)	**10**	11
Deferred revenue	**15**	23
Income taxes payable (note 9)	**48**	38
Other	**62**	9
	$ 668	$ 255

20 · Financial Instruments

Financial instruments include cash; evidence of ownership in an entity; or a contract that imposes an obligation on one party and conveys a right to a second entity to deliver/receive cash or another financial instrument. Information on certain types of financial instruments is included elsewhere in these financial statements as follows: accounts receivable – note 14; investments – note 12; restricted share units – note 27b.

a) Cash and Equivalents

Cash and equivalents include cash, term deposits, treasury bills and money markets with original maturities of less than 90 days.

At December 31	2008	2007
Cash deposits	**$ 426**	$ 1,239
Term deposits	**107**	114
Treasury bills	**203**	852
Money market investments	**701**	2
	$ 1,437	$ 2,207

b) Long-Term Debt(1)

	2008					2007				2006				
	At Dec. 31	Proceeds	Repayments	Amortization(2)	Assumed on acquisition of Barrick Energy	At Dec. 31	Proceeds	Repayments	Amortization(2)	At Dec. 31	Proceeds	Repayments	Amortization(2)	Assumed on acquisition of Placer Dome
Fixed rate notes	$ 1,250	$ 1,250	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
5.80%/4.875% notes	747	—	—	(2)	—	745	—	—	—	745	—	—	—	—
Copper-linked notes	190	—	325	—	—	515	—	393	—	908	995	87	—	—
US dollar notes	805	325	—	—	—	480	393	—	—	87	87	—	—	—
Senior convertible debentures	289	—	—	4	—	293	—	—	3	296	—	—	4	300
Project financing	115	—	99	—	—	214	—	91	—	305	13	64	—	—
Capital leases	70	6	21	—	—	85	15	24	—	94	7	16	—	6
Other debt obligations(3)	977	152	150	5	57	923		101	—	1,024	50	—	6	867
7.50% debentures(4)	—	—	—	—	—	—	—	500	—	498	—	—	—	—
Series B Preferred Securities	—	—	—	—	—	—	—	—	—	—	—	77	2	79
First credit facility(5)	—	990	990	—	—	—	—	—	—	—	1,000	1,000	—	—
	4,443	2,723	1,585	7	57	3,255	408	1,109	3	3,957	2,152	1,244	12	1,252
Less: current portion	(93)	—	—	—	—	(102)	—	—	—	(713)	—	—	—	—
	$ 4,350	$ 2,723	$ 1,585	$ 7	$ 57	$ 3,153	$ 408	$ 1,109	$ 3	$ 3,244	$ 2,152	$ 1,244	$ 12	$ 1,252
Short-term debt														
Demand financing facility	113	—	18	—	—	131	—	19	—	150	—	—	—	150
Second credit facility(6)	—	—	—	—	—	—	—	—	—	—	37	337	—	300
	$ 113	$ —	$ 18	$ —	$ —	$ 131	$ —	$ 19	$ —	$ 150	$ 37	$ 337	$ —	$ 450

(1) The agreements which govern our long-term debt each contain various provisions which are not summarized herein. In certain cases, these provisions allow Barrick to, at its option, redeem indebtedness prior to maturity at specified prices and also may permit redemption of debt by Barrick upon the occurrence of certain specified changes in tax legislation.
(2) Amortization of debt discount/premium.
(3) The obligations have an aggregate principal amount of $977 million, of which $163 million is subject to floating interest rates and $814 million is subject to fixed interest rates ranging from 4.75% to 8.05%. The obligations mature at various times between 2009 and 2035.
(4) During second quarter 2007, we repaid the $500 million 7.5% debentures from existing cash balances and proceeds from the sale of investments.
(5) 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 $1.5 billion or the equivalent amount in Canadian currency. The credit facility, which is unsecured, has an interest rate of Libor plus 0.25% to 0.35% on drawn down amounts, and a commitment rate of 0.07% to 0.08% on undrawn amounts. We increased the limit of this facility from $1 billion in August 2006. $200 million matures in 2012 and the remaining $1.3 billion matures in 2013.
(6) During third quarter 2006, we terminated a second credit facility which consisted of unused bank lines of credit of $850 million with an international consortium of banks.

Fixed Rate Notes

In September, 2008, we issued an aggregate of $1,250 million of notes through our wholly-owned indirect subsidiaries Barrick North America Finance LLC and Barrick Gold Financeco LLC (collectively the “LLCs”) consisting of $500 million of 5-year notes with a coupon rate of 6.125%, $500 million of 10-year notes with a coupon rate of 6.8%, and $250 million of 30-year notes with a coupon rate of 7.5% (collectively the “Notes”). The LLCs used the proceeds to provide loans to us. We provide sufficient funds to the LLCs to meet the principal and interest obligations on the notes. We also provided an unconditional and irrevocable guarantee of these payments and will provide an unconditional and irrevocable guarantee for any additional securities issued by these entities where the conditions of issuance require a guarantee to be issued, which will rank equally with our other unsecured and unsubordinated obligations.

We used these proceeds to repay the $990 million we drew down in first quarter 2008, which was used to partially fund our acquisition of the 40% interest in Cortez. The amounts were drawn down using our existing $1.5 billion credit facility.

Copper-Linked Notes/US Dollar Notes

In October 2006, we issued $1,000 million of Copper-Linked Notes. During the first three years, the full $1,000 million obligation of these notes is to be repaid through the delivery of (the US dollar equivalent of) 324 million pounds of copper. At December 31, 2008, 53 million pounds of copper remained to be delivered. Coincident with the repayment of (the US dollar equivalent of) 324 million pounds of copper, we will reborrow $1,000 million. Over the next year, the total amount outstanding under these notes will continue to be $1,000 million, with a portion repayable in a copper-linked equivalent and a portion repayable in a fixed amount of US dollars at the maturity of the notes (2016 and 2036). As the copper-linked equivalent is repaid, the fixed US dollar obligation will increase. After 2009, only the fixed US dollar obligation will remain. The accounting principles applicable to these Copper-Linked Notes require separate accounting for the future delivery of copper (a fixed-price forward sales contract that meets the definition of a derivative that must be separately accounted for) and for the underlying bond (see note 20c). $400 million of US dollar notes with a coupon of 5.75% mature in 2016 and $600 million of US dollar notes with a coupon of 6.35% mature in 2036.

Senior Convertible Debentures

The convertible senior debentures (the “Securities”) mature in 2023 and had an aggregate principal amount of $289 million outstanding as at the end of 2008. Holders of the Securities may, upon the occurrence of certain circumstances and within specified time periods, convert their Securities into common shares of Barrick. These circumstances are: if the closing price of our common shares exceeds 120% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter; if certain credit ratings assigned to the Securities fall below specified levels or if the Securities cease to be rated by specified rating agencies or such ratings are suspended or withdrawn; if for each of five consecutive trading days, the trading price per $1,000 principal amount of the Securities was less than 98% of the product of the closing price of our common shares and the then current conversion rate; if the Securities have been called for redemption provided that only such Securities called for redemption may be converted and upon the occurrence of specified corporate transactions. On December 31, 2008, the conversion rate per each $1,000 principal amount of Securities was 40.3766 common shares and the effective conversion price was $24.77 per common share. The conversion rate is subject to adjustment in certain circumstances. As such, the effective conversion price may also change.

The Securities were convertible from October 1, 2007 through December 31, 2008. During the period January 1, 2008 to December 31, 2008, $29 thousand principal amount of Securities was converted for 1,156 common shares of Barrick. If all the Securities had been converted and settlement occurred on December 31, 2008, we would have issued approximately 9.3 million common shares with an aggregate fair value of approximately $341.5 million based on our closing share price on December 31, 2008. The Securities are also convertible from January 1, 2009 through March 31, 2009.

We may redeem the Securities at any time on or after October 20, 2010 and prior to maturity, in whole or in part, at a prescribed redemption price that varies depending upon the date of redemption from 100.825% to 100% of the principal amount, plus accrued and unpaid interest. The maximum amount we could be required to pay to redeem the securities is $232 million plus accrued interest. Holders of the Securities can require the repurchase of the Securities for 100% of their principal amount, plus accrued and unpaid interest, on October 15, 2013 and October 15, 2018.

In addition, if specified designated events occur prior to maturity of the Securities, we will be required to offer to purchase all outstanding Securities at a repurchase price equal to 100% of the principal amount, plus accrued and unpaid interest. For accounting purposes the Securities are classified as a “conventional convertible debenture” and the conversion feature has not been bifurcated from the host instrument.

Project Financing

One of our wholly-owned subsidiaries, Minera Argentina Gold S.A. in Argentina, had a limited recourse amortizing loan of $115 million outstanding at December 31, 2008, the majority of which has a variable interest rate. We have guaranteed the loan until completion occurs, after which it will become non-recourse to the parent company. As at December 31, 2008, completion as defined in the loan agreement has not occurred. The loan is insured for political risks by branches of the Canadian and German governments.

Series B Preferred Securities

On December 18, 2006, we redeemed all of the outstanding 8.5% Series B Preferred Securities due December 31, 2045 for total cash of $80 million. The redemption price was comprised of the outstanding principal amount of $77 million plus accrued and unpaid interest to December 17, 2006 of $3 million.

Demand Financing Facility

We have a demand financing facility that permits borrowings of up to $150 million. The terms of the facility require us to maintain cash on deposit with the lender as a compensating balance equal to the amount outstanding under the facility, which is restricted as to use. The net effective interest rate is 0.4% per annum. At December 31, 2008, $113 million had been drawn on the facility and an equal amount had been placed on deposit that is included in restricted cash within other current assets (see note 14).

	For the years ended December 31					
	2008		2007		2006	
Interest	Interest cost	Effective rate(1)	Interest cost	Effective rate(1)	Interest cost	Effective rate(1)
Fixed rate debentures	**$ 26**	**7.0%**	$ —	—	$ —	—
5.80%/4.875% notes	**42**	**5.7%**	41	5.6%	41	5.5%
Copper-linked notes/US dollar notes	**62**	**6.2%**	63	6.2%	13	5.8%
Senior convertible debentures	**4**	**1.5%**	2	0.8%	6	2.0%
Project financing	**19**	**11.0%**	26	9.1%	31	8.8%
Capital leases	**4**	**5.0%**	6	7.7%	6	6.7%
Other debt obligations	**50**	**5.3%**	60	6.1%	53	5.4%
7.50% debentures	—	—	16	9.9%	49	9.8%
Series B Preferred Securities	—	—	—	—	3	4.4%
First credit facility	**17**	**3.3%**	1	—	29	7.4%
Demand financing facility	**11**	**8.9%**	13	8.9%	12	8.8%
Second credit facility	—	—	—	—	6	5.0%
Other interest	**8**		9		2	
	243		237		251	
Less: interest allocated to discontinued operations	—		—		(23)	
Less: interest capitalized	**(222)**		(124)		(102)	
	$ 21		$ 113		$ 126	

Cash interest paid	**$ 213**	$ 236	$ 211
Amortization of debt issue costs	**7**	9	12
Amortization of premium	**(7)**	(3)	(12)
Losses on interest rate hedges	**1**	4	12
Increase (decrease) in interest accruals	**29**	(9)	28
Interest cost	**$ 243**	$ 237	$ 251

(1) The effective rate includes the stated interest rate under the debt agreement, amortization of debt issue costs and debt discount/premium and the impact of interest rate contracts designated in a hedging relationship with long-term debt.

Scheduled Debt Repayments

	2009	2010	2011	2012	2013 and thereafter
Fixed rate debentures	$ —	$ —	$ —	$ —	$ 1,250
5.80%/4.875% notes	—	—	—	—	750
Project financing	52	30	10	23	—
US dollar notes	—	—	—	—	1,000
Other debt obligations	16	—	—	107	794
Senior convertible debentures	—	—	—	—	230
	$ 68	$ 30	$ 10	$ 130	$ 4,024
Minimum annual payments under capital leases	$ 25	$ 21	$ 9	$ 4	$ 5

c) Use of Derivative Instruments ("Derivatives") in Risk Management

In the normal course of business, our assets, liabilities and forecasted transactions are impacted by various market risks including, but not limited to:

Item	Impacted by
· Sales	· Prices of gold and copper
· Cost of sales	
· Consumption of diesel fuel, propane and natural gas	· Prices of diesel fuel, propane and natural gas
· Non-US dollar expenditures	· Currency exchange rates – US dollar versus A$, ARS, C$, CLP, JPY, PGK, TZS and ZAR
· By-product credits	· Prices of silver and copper
· Corporate administration, exploration and business development costs	· Currency exchange rates – US dollar versus A$, ARS, C$, CLP, JPY, PGK, TZS and ZAR
· Capital expenditures	
· Non-US dollar capital expenditures	· Currency exchange rates – US dollar versus A$, ARS, C$, CLP, EUR and PGK
· Consumption of steel	· Price of steel
· Interest earned on cash	· US dollar interest rates
· Fair value of fixed-rate debt	· US dollar interest rates

Under our risk management policy, we seek to mitigate the impact of these risks to provide certainty for a portion of our revenues and to control costs and enable us to plan our business with greater certainty. The timeframe and manner in which we manage these risks varies for each item based upon our assessment of the risk and available alternatives for mitigating risk. For these particular risks, we believe that derivatives are an appropriate way of managing the risk.

The primary objective of the hedging elements of our derivative instrument positions is that changes in the values of hedged items are offset by changes in the values of derivatives. Many of the derivatives we use meet the FAS 133 hedge effectiveness criteria and are designated in a hedge accounting relationship. Some of the derivative instruments are effective in achieving our risk management objectives, but they do not meet the strict FAS 133 hedge effectiveness criteria, and they are classified as "economic hedges". The change in fair value of these economic hedges is recorded in current period earnings, classified with the income statement line item that is consistent with the derivative instruments' intended risk objective.

Summary of Derivatives at December 31, 2008(1)

	Notional amount by term to maturity				Accounting classification by notional amount			
	Within 1 year	2 to 3 years	4 to 5 years	Total	Cash flow hedge	Fair value hedge	Non-hedge	Fair value (USD)
US dollar interest rate contracts								
Net pay-fixed swap positions (millions)	$ —	$ (75)	$ —	$ (75)	$ —	$ —	$ (75)	$ (8)

Currency contracts									
C$:US$ contracts (C$millions)	259	17	—	276	286	—	(10)	$	(31)
A$:US$ contracts (A$millions)	1,558	2,456	713	4,727	4,709	—	18	$	(464)
CLP:US$ contracts (CLP billions)	52,023	—	—	52,023	52,023	—	—	$	(7)
JPY:US$ contracts (JPY millions)	900	—	—	900	900	—	—	$	1
ZAR:US$ contracts (ZAR millions)	—	—	—	—	—	—	—	$	1
PGK:US$ contracts (PGK millions)	45	—	—	45	—	—	45	$	(1)
Commodity contracts									
Copper call option spread contracts (millions of pounds)	53	—	—	53	—	—	53	$	—
Copper sold forward contracts (millions of pounds)	74	—	—	74	74	—	—	$	123
Copper collar sell contracts (millions of pounds)	327	—	—	327	129	—	198	$	585
Copper collar buy contracts (millions of pounds)	(198)	—	—	(198)	—	—	(198)	$	(54)
Diesel contracts (thousands of barrels) (2)	2,104	1,940	1,030	5,074	4,876	—	198	$	(147)
Propane contracts (thousands of gallons)	30,000	—	—	30,000	30,000	—	—	$	(38)
Steel contracts (metric tonnes)	3,000	—	—	3,000	—	—	3,000	$	(3)

(1) Excludes gold and silver sales contracts (see notes 5 and 6); refer to note 21 for further information on fair value measurements.
(2) Diesel commodity contracts represent a combination of WTI, WTB, MOPS and JET hedge contracts and diesel price contracts based on the price of WTI, WTB, MOPS, and JET, respectively, plus a spread. WTI represents West Texas Intermediate, WTB represents Waterborne, MOPS represents Mean of Platts Singapore, JET represents Jet Fuel.

Fair Values of Derivative Instruments at December 31

	Asset Derivatives		Liability Derivatives	
At December 31	**2008**	**2007**	**2008**	**2007**
Derivatives classified as hedging instruments for accounting purposes				
Currency contracts	22	302	(526)	(43)
Commodity contracts	402	144	(205)	(31)
Total derivatives classified as hedging instruments for accounting purposes	424	446	(731)	(74)
Derivatives not classified as hedging instruments for accounting purposes	—	—		
US dollar interest rate contracts			(8)	(10)
Currency contracts	4	13	(1)	(30)
Commodity contracts	404	95	(135)	(51)
Total derivatives not classified as hedging instruments for accounting purposes	408	108	(144)	(91)
Total derivatives	832	554	(875)	(165)

US Dollar Interest Rate Contracts

Cash Flow Hedges

During the third quarter of 2008, we added $500 million of pay-fixed interest rate swaps that were designated as hedges against the movement of interest rates for an anticipated fixed-rate debt issuance. We issued the debt in September and subsequently closed out the swaps at a cost of $18 million. This hedge loss remains as a component of OCI and will be amortized as a component of interest expense over the 10-year term of the debt.

Non-hedge Contracts

We have a net US dollar pay-fixed interest rate swap position outstanding that was used to economically hedge the US dollar interest rate risk implicit in a prior gold lease rate swap position. Changes in the fair value of these interest rate swaps are recognized in current period earnings through interest expense.

Currency Contracts

Cash Flow Hedges

Currency contracts have been designated against forecasted non-US dollar denominated expenditures as a hedge of the variability of the US dollar amount of those expenditures caused by changes in currency exchange rates over the next four years. Hedged items are identified as the first stated quantity of dollars of forecasted expenditures in a future month. For C$286 million, A$4,653 million and CLP52,023 million portions of the contracts, we have concluded that the hedges are 100% effective under FAS 133 because the critical terms (including notional amount and maturity date) of the hedged items and currency contracts are the same. For the remaining A$56 million prospective and retrospective hedge effectiveness is assessed using the hypothetical derivative method under FAS 133. The retrospective test involves comparing the effect of

historic changes in exchange rates each period on the fair value of both the actual and hypothetical derivative using a dollar offset approach. The effective portion of changes in fair value of the currency contracts is recorded in OCI until the forecasted expenditure impacts earnings; for expenditures capitalized to the cost of inventory, this is upon sale of inventory, and for capital expenditures, this is when amortization of the capital assets is recorded in earnings. The prospective test involves comparing the effect of a theoretical shift in forward exchange rates on the fair value of both the actual and hypothetical derivative. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

Non-hedge Contracts

Non-hedge currency contracts are used to mitigate the variability of the US dollar amount of non-US dollar denominated exposures that do not meet the criterion in FAS 133. Changes in the fair value of non-hedge currency contracts are recorded in current period cost of sales, corporate administration, other income, other expense or income tax expense according to the intention of the hedging instrument.

Commodity Contracts

Cash Flow Hedges

Diesel Fuel/Propane

Commodity contracts have been designated against forecasted purchases of the commodities for expected consumption at our mining operations. The contracts act as a hedge of the impact of variability in market prices on the cost of future commodity purchases over the next five years. Hedged items are identified as the first stated quantity in thousands of barrels of forecasted purchases in a future month. Prospective and retrospective hedge effectiveness is assessed using the hypothetical derivative method under FAS 133. The prospective test is based on regression analysis of the month-on-month change in fair value of both the actual derivative and a hypothetical derivative caused by actual historic changes in commodity prices over the last three years. The retrospective test involves comparing the effect of historic changes in commodity prices each period on the fair value of both the actual and hypothetical derivative using a dollar offset approach. The effective portion of changes in fair value of the commodity contracts is recorded in OCI until the forecasted transaction impacts earnings. The cost of commodity consumption is capitalized to the cost of inventory, and therefore this is upon the sale of inventory. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

Non-hedge Contracts

Non-hedge fuel contracts are used to mitigate the risk of price changes on fuel consumption at various sites. On completion of regression analysis, we concluded that contracts totaling 198 thousand barrels of fuel do not meet the “highly effective” criterion in FAS 133 due to currency and basis differences between derivative contract prices and the prices charged to the sites by oil suppliers. Although not qualifying as an accounting hedge, the contracts protect the Company to a significant extent from the effects of changes in fuel prices. Changes in the fair value of non-hedge fuel contracts are recorded in current period cost of sales.

Cash Flow Hedges

Copper

The copper-linked notes contain an embedded fixed-price forward copper sales contract that meets the definition of a derivative and must be separately accounted for. At December 31, 2008, 53 million pounds of embedded fixed-price forward copper sales contracts were outstanding at a price of $3.08/lb. The resulting copper derivative has been designated against future copper cathode at the Zaldívar mine as a cash flow hedge of the variability in market prices of those future sales.

In addition to the embedded fixed-price forward copper sales contracts outstanding, there are 21 million pounds of copper forwards outstanding at an average price of $3.05/lb hedging future sales at Zaldívar.

Copper collar contracts totaling 129 million pounds have also been designated as hedges against copper cathode sales at our Zaldívar mine. The contracts contain purchased put and sold call options with average strike prices of $3.00/lb and $3.80/lb respectively.

Hedged items are identified as the first stated quantity of pounds of forecasted sales in a future month. Prospective hedge effectiveness is assessed on these hedges using a dollar offset method. The dollar offset assessment involves comparing the effect of theoretical shifts in forward copper prices on the fair value of both the actual hedging derivative and a hypothetical hedging derivative. The retrospective assessment involves comparing the effect of historic changes in copper prices each period on the fair value of both the actual and hypothetical derivative using a dollar offset approach. The effective portion of changes in fair value of the copper contracts is recorded in OCI until the forecasted copper sale impacts earnings. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

Non-hedge Contracts

We have purchased and sold call options on copper that, when combined with the aforementioned embedded fixed-price forward copper sales contracts, economically lock in copper sales prices between $3.08/lb and $3.58/lb. At December 31, 2008, the notional amount of these options outstanding was 53 million pounds.

During 2008 we de-designated collar sell contracts for 153 million pounds and crystallized $213 million of gains in OCI, of which $192 million remains at year-end. These hedges were originally designated against future copper production at our Zaldívar and Osborne mines. The exposure is still expected to occur and therefore amounts crystallized in OCI will be recorded in copper revenue when the originally designated sales occur. We continue to hold these collar contracts as non-hedge contracts. When combined with existing non-hedge collar sell contracts,

198 million pounds of collar sell contracts were outstanding at December 31, 2008. The contracts contain purchased put and sold call options with an average strike of $3.09/lb and $3.88/lb, respectively.

During 2008 we entered into collar buy contracts for 198 million pounds to economically lock in the gains on the de-designated and existing non-hedge contracts. The contracts contain sold put and purchased call options with average strike prices of $1.57/lb and $2.01/lb, respectively.

These contracts do not meet the "highly effective" criterion for hedge accounting under FAS 133. Changes in the fair value of these copper options are recorded in current period revenue.

Non-hedge Gains (Losses)

For the years ended December 31	2008	2007	2006	Income statement classification
Commodity contracts				
Copper	**$ 67**	$ 48	$ (14)	Revenue
Gold	**19**	(8)	7	Revenue
Silver	**—**	—	(5)	Cost of sales
Fuel	**(30)**	7	1	Cost of sales
Steel	**(3)**	—	—	Project expense
Currency contracts	**(8)**	(7)	—	Cost of sales/corporate administration/ other income/expense/ income tax expense
Interest rate contracts	**(4)**	(2)	8	Interest income/expense
Share purchase warrants	**—**	(1)	—	Other income/expense
	41	37	(3)	
Hedge ineffectiveness	**—**	4	3	Various
	$ 41	$ 41	$ —	

Derivative Assets and Liabilities

	2008	2007
At January 1	**$ 389**	$ 178
Derivatives cash (inflow) outflow		
Operating activities	**(147)**	(309)
Investing activities		23
Financing activities	**23**	197
Change in fair value of:		
Non-hedge derivatives	**(1)**	33
Cash flow hedges		
Effective portion	**(301)**	257
Ineffective portion	**(6)**	9
Share purchase warrants	**—**	(1)
Fair value hedges	**—**	2
At December 31	**$ (43)**	$ 389
Classification:		
Other current assets	**$ 817**	$ 334
Other assets	**15**	220
Other current liabilities	**(440)**	(100)
Other long-term obligations	**(435)**	(65)
	$ (43)	$ 389

Cash Flow Hedge Gains (Losses) in OCI

	Commodity price hedges			Currency hedges			Interest rate hedges		
	Gold/ silver	Copper	Fuel	Operating costs	Administration costs	Capital expenditures	Cash balances	Long-term debt	Total
At December 31, 2005	$ —	$ —	$ 38	$ 102	$ 30	$ 39	$ (2)	$ (18)	$ 189
Effective portion of change in fair value of hedging instruments	(148)	29	(1)	137	(2)	4	(2)	—	17
Transfers to earnings:									
On recording hedged items in earnings	165	28	(16)	(84)	(14)	(4(1)	1	1	77
At December 31, 2006	$ 17	$ 57	$ 21	$ 155	$ 14	$ 39	$ (3)	$ (17)	$ 283
Effective portion of change in fair value of hedging instruments	—	(75)	87	249	32	(35)	—	(1)	257
Transfers to earnings:									
On recording hedged items in earnings	(2)	32	(29)	(166)	(19)	(5(1)	3	1	(185)
At December 31, 2007	$ 15	$ 14	$ 79	$ 238	$ 27	$ (1)	$ —	$ (17)	$ 355

Effective portion of change in fair value of hedging instruments	—	582	(215)	(610)	(46)	5	—	(17)	(301)
Transfers to earnings:									
On recording hedged items in earnings	(2)	(112)	(33)	(106)	(11)	(4)	—	1	(267)
At December 31, 2008	$ 13	$ 484	$ (169)	$ (478)	$ (30)	$ —	$ —	$ (33)	$ (213)

Hedge gains/losses classified within	Gold sales	Copper sales	Cost of sales	Cost of sales	Administration	Amortization	Interest income	Interest expense	
Portion of hedge gain (loss) expected to affect 2009 earnings(2)	$ 9	$ 484	$ (109)	$ (126)	$ (23)	$ 3	$ —	$ (3)	$ 235

(1) On determining that certain forecasted capital expenditures were no longer likely to occur within two months of the originally specified time frame.
(2) Based on the fair value of hedge contracts at December 31, 2008.

d) Credit Risk

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. For cash and equivalents and accounts receivable, credit risk represents the carrying amount on the balance sheet, net of any overdraft positions.

For derivatives, when the fair value is positive, this creates credit risk. When the fair value of a derivative is negative, we assume no credit risk. In cases where we have a legally enforceable master netting agreement with a counter-party, credit risk exposure represents the net amount of the positive and negative fair values for similar types of derivatives. For a net negative amount, we regard credit risk as being zero. A net positive amount for a counterparty is a reasonable measure of credit risk when there is a legally enforceable master netting agreement. We mitigate credit risk by:

- entering into derivatives with high credit-quality counterparties;
- limiting the amount of exposure to each counterparty; and
- monitoring the financial condition of counterparties.

Location of credit risk is determined by physical location of the bank branch, customer or counterparty.

Credit Quality of Financial Assets

	S&P Credit rating				
At December 31, 2008	AA – or higher	A – or higher	BBB or lower	Not rated	Total
Cash and equivalents(1),(2)	$ 231	$ 1,181	$ 25	$ —	$ 1,437
Derivatives(2)	87	354	—	—	441
Accounts receivable	22	6	38	131	197
	$ 340	$ 1,541	$ 63	$ 131	$ 2,075
Number of counterparties	27	21	16		
Largest counterparty (%)	26%	44%	21%		

Concentrations of Credit Risk

At December 31, 2008	United States	Canada	Other International	Total
Cash and equivalents(1),(2)	$ 1,190	$ 86	$ 161	$ 1,437
Derivatives(3)	184	18	239	441
Accounts receivable	29	36	132	197
	$ 1,403	$ 140	$ 532	$ 2,075

(1) Based on where the parent entity of the counterparties we transact with is domiciled.
(2) The amounts presented reflect the outstanding bank balance held with institutions as at December 31, 2008.
(3) The amounts presented reflect the net credit exposure after considering the effect of master netting agreements.

e) Risks Relating to the Use of Derivatives

By using derivatives, in addition to credit risk, we are affected by market risk and market liquidity risk. Market risk is the risk that the fair value of a derivative might be adversely affected by a change in commodity prices, interest rates, gold lease rates, or currency exchange rates, and that this in turn affects our financial condition. We manage market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken. We mitigate 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 derivatives. Our counterparties cannot require settlement solely because of an adverse change in the fair value of a derivative.

Market liquidity risk is the risk that a derivative cannot be eliminated quickly, by either liquidating it or by establishing an offsetting position. Under the terms of our trading agreements, counterparties cannot require us to immediately settle outstanding derivatives, except upon the occurrence of customary events of default such as covenant breaches, including financial covenants, insolvency or bankruptcy. We generally mitigate market liquidity risk by spreading out the maturity of our derivatives over time.

21 · Fair Value Measurements

In 2008, we adopted FAS 157 for financial assets and liabilities that are measured at fair value on a recurring basis. FAS 157 defines fair value, establishes a framework for measuring fair value under US GAAP, and requires expanded disclosures about fair value measurements. The primary assets and liabilities affected were available-for-sale securities and derivative instruments. The adoption of FAS 157 did not change the valuation techniques that we use to value financial assets and financial liabilities. We have elected to present information for derivative instruments on a net basis. Beginning in 2009, we will also apply FAS 157 to non-financial assets and liabilities that we periodically measure at fair value under US GAAP. The principal assets and liabilities that will be affected are: goodwill, tangible and intangible assets measured and recognized at fair value as a result of an impairment assessment; and non-financial assets and non-financial liabilities recognized as a result of a business combination. The application of FAS 157 is not expected to have a significant impact on our methodology for measuring the fair value of these assets and liabilities, but will result in expanded disclosures.

The fair value hierarchy established by FAS 157 establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and

commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

FAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing the fair value of a particular contract, the market participant would consider the credit risk of the counterparty to the contract. Consequently, when it is appropriate to do so, we adjust our valuation models to incorporate a measure of credit risk.

a) Assets and Liabilities Measured at Fair Value on a Recurring Basis

Fair Value Measurements at December 31, 2008

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Aggregate fair value
Cash equivalents	$ 904	$ —	$ —	$ 904
Available-for-sale securities	31	—	—	31
Receivables from provisional copper and gold sales	—	50	—	50
Derivative instruments	—	(43)	—	(43)
	$ 935	$ 7	$ —	$ 942

b) Assets Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Held-to-maturity securities
At January 1, 2008	$ 46
Impairment charge(1)	(39)
Sales(2)	(7)
At December 31, 2008	$ —

(1) In the first quarter, we recorded an impairment charge on ABCP of $39 million.
(2) In the second quarter, we reached a settlement agreement with respect to ABCP for proceeds of $49 million.

c) Valuation Techniques

Cash Equivalents

The fair value of our cash equivalents are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. Our cash equivalents are comprised of U.S. Treasury bills and money market securities that are invested primarily in U.S. Treasury bills.

Available-for-Sale Securities

The fair value of available-for-sale securities is determined based on a market approach reflecting the closing price of each particular security at the balance sheet date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore available-for-sale securities are classified within Level 1 of the fair value hierarchy established by FAS 157.

Derivative Instruments

The fair value of derivative instruments is determined using either present value techniques or option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. Due to the recent instability of the financial markets, counterparty credit risk has had a larger impact on our derivative valuations than in previous periods. The fair value of our derivative contracts is adjusted for credit risk based upon the observed credit default swap spread for each particular counterparty, as appropriate. The fair value of US dollar interest rate and currency swap contracts is determined by discounting contracted cash flows using a discount rate derived from observed LIBOR and swap rate curves for comparable assets and liabilities. In the case of currency contracts, we convert non-US dollar cash flows into US dollars using an exchange rate derived from currency swap curves for comparable assets and liabilities. The fair value of commodity forward contracts is determined by discounting contractual cash flows using a discount rate derived from observed LIBOR and swap rate curves. Contractual cash flows are calculated using a forward pricing

curve derived from observed forward prices for each commodity. The fair value of commodity options is determined using option-pricing models that utilize a combination of inputs including quoted market prices and market-corroborated inputs. Derivative instruments are classified within Level 2 of the fair value hierarchy.

Receivables from Provisional Copper and Gold Sales

The fair value of receivables rising from copper and gold sales contracts that contain provisional pricing mechanisms is determined using the appropriate quoted forward price from the exchange that is the principal active market for the particular metal. As such, these receivables are classified within Level 2 of the fair value hierarchy.

d) Fair Value Information

	2008		2007	
At December 31	**Carrying amount**	**Estimated fair value**	**Carrying amount**	**Estimated fair value**
Financial assets				
Cash and equivalents(1)	**$ 1,437**	**$ 1,437**	$ 2,207	$ 2,207
Accounts receivable(1)	**197**	**197**	256	256
Available-for-sale securities(2)	**31**	**31**	96	96
Equity-method investments(3)	**1,085**	**1,085**	1,085	1,113
Derivative assets	**832**	**832**	554	554
Held-to-maturity securities(3)	—	—	46	46
	$ 3,582	**$ 3,582**	$ 4,244	$ 4,272
Financial liabilities				
Accounts payable(1)	**$ 970**	**$ 970**	$ 808	$ 808
Long-term debt(4)	**4,350**	**3,507**	3,255	3,151
Derivative liabilities	**875**	**875**	165	165
Restricted share units(5)	**120**	**120**	100	100
Deferred share units(5)	**5**	**5**	4	4
	$ 6,320	**$ 5,477**	$ 4,332	$ 4,228

(1) Recorded at cost. Fair value approximates the carrying amounts due to the short-term nature and generally negligible credit losses.
(2) Recorded at fair value. Quoted market prices are used to determine fair value.
(3) Includes ABCP.
(4) Long-term debt is generally recorded at cost except for obligations that are designated in a fair-value hedge relationship, which are recorded at fair value in periods when a hedge relationship exists. The fair value of long-term debt is primarily determined using quoted market prices.
(5) Recorded at fair value based on our period-end closing market share price.

22 · Asset Retirement Obligations

Asset Retirement Obligations (AROs)	**2008**	**2007**
At January 1	**$ 966**	$ 893
AROs acquired during the year	**37**	—
AROs arising in the period	**56**	53
Impact of revisions to expected cash flows Recorded in earnings	**9**	6
Settlements		
Cash payments	**(40)**	(33)
Settlement gains	**(5)**	(3)
Accretion	**43**	50
At December 31	**1,066**	966
Current portion	**(93)**	(74)
	$ 973	$ 892

Each period we assess cost estimates and other assumptions used in the valuation of AROs at each of our mineral properties to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the ARO. For closed mines, any change in the fair value of AROs results in a corresponding charge or credit within other expense, whereas at operating mines the charge is recorded as an adjustment to the carrying amount of the corresponding asset. In 2008, charges of $9

million were recorded for changes in cost estimates for AROs at closed mines (2007: $6 million; 2006: $53 million).

At December 31	2008	2007
Operating mines		
ARO increase(1)	**$ 56**	$ 53
ARO decrease(2)	**(7)**	—
Closed mines		
ARO increase(3)	**9**	6

(1) These adjustments were recorded with a corresponding adjustment to property, plant and equipment.
(2) Represents a decrease in AROs at a mine where the corresponding ARO asset had been fully amortized and was therefore recorded as a recovery in other income.
(3) For closed mines, any change in the fair value of AROs results in a corresponding charge or credit to other expense or other income, respectively.

AROs arise from the acquisition, development, construction and normal operation of mining property, plant and equipment, due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of AROs relate to tailings and heap leach pad closure/rehabilitation; demolition of buildings/mine facilities;

ongoing water treatment; and ongoing care and maintenance of closed mines. The fair values of AROs are measured by discounting the expected cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. We prepare estimates of the timing and amount of expected cash flows when an ARO is incurred. We update expected cash flows to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and a corresponding change in the life-of-mine plan; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. When expected cash flows increase, the revised cash flows are discounted using a current discount factor whereas when expected cash flows decrease the reduced cash flows are discounted using a historic discount factor, and then in both cases any change in the fair value of the ARO is recorded. We record the fair value of an ARO when it is incurred. At producing mines AROs incurred and changes in the fair value of AROs are recorded as an adjustment to the corresponding asset carrying amounts. At closed mines, any adjustment to the fair value of an ARO is charged directly to earnings. AROs are adjusted to reflect the passage of time (accretion) calculated by applying the discount factor implicit in the initial fair-value measurement to the beginning-of-period carrying amount of the AROs. For producing mines, development projects and closed mines, accretion is recorded in amortization and accretion. Upon settlement of an ARO, we record a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains/losses are recorded in Other (income) expense. Other environmental remediation costs that are not AROs as defined by FAS 143 are expensed as incurred (see note 8a).

23 · Other Non-current Liabilities

At December 31	2008	2007
Pension benefits (note 28)	**$ 113**	$ 87
Other post-retirement benefits (note 28)	**29**	27
Derivative liabilities (note 20c)	**435**	65
Restricted share units (note 27)	**120**	94
Deferred revenue	**8**	88
Other	**76**	70
	$ 781	$ 431

24 · Deferred Income Taxes

Recognition and Measurement

We record deferred income tax assets and liabilities where temporary differences exist between the carrying amounts of assets and liabilities in our balance sheet and their tax bases. The measurement and recognition of deferred income tax assets and liabilities takes into account: enacted rates that will apply when temporary differences reverse; interpretations of relevant tax legislation; tax planning strategies; estimates of the tax bases of assets and liabilities; and the deductibility of expenditures for income tax purposes. We recognize the effect of changes in our assessment of these estimates and factors when they occur. Changes in deferred income tax assets, liabilities and valuation allowances are allocated between net income, other comprehensive income and goodwill based on the source of the change.

Deferred income taxes have not been provided on the undistributed earnings of foreign subsidiaries, which are considered to be reinvested indefinitely outside Canada. The determination of the unrecorded deferred income tax liability is not considered practicable.

Sources of Deferred Income Tax Assets and Liabilities

At December 31	2008	2007
Deferred tax assets		
Tax loss carry forwards	**$ 657**	$ 729
Alternative minimum tax (“AMT”) credits	**251**	247
Asset retirement obligations	**366**	342
Property, plant and equipment	**232**	279
Post-retirement benefit obligations	**32**	23
Derivative instruments	**90**	—

Accrued interest payable	**70**	45
Other	**3**	10
	1,701	1,675
Valuation allowances	**(318)**	(419)
	1,383	1,256
Deferred tax liabilities		
Property, plant and equipment	**(1,102)**	(1,145)
Derivative instruments	**—**	(122)
Inventory	**(162)**	(98)
Other	**(4)**	(10)
	$ 115	$ (119)
Classification:		
Non-current assets	**$ 869**	$ 722
Non-current liabilities	**(754)**	(841)
	$ 115	$ (119)

Expiry Dates of Tax Losses and AMT Credits

	2009	2010	2011	2012	2013+	No expiry date	Total
Tax losses(1)							
Canada	$ 5	$ —	$ —	$ —	$ 1,193	$ —	$ 1,198
Australia	—	—	—	—	—	157	157
Barbados	—	—	—	—	967	—	967
Chile	—	—	—	—	—	684	684
Tanzania	—	—	—	—	—	230	230
U.S.	—	—	—	—	143	—	143
Other	—	4	—	—	—	50	54
	$ 5	$ 4	$ —	$ —	$ 2,303	$ 1,121	$ 3,433
AMT credits(2)	—	—	—	—	—	$ 251	$ 251

(1) Represents the gross amount of tax loss carry forwards translated at closing exchange rates at December 31, 2008.
(2) Represents the amounts deductible against future taxes payable in years when taxes payable exceed “minimum tax” as defined by United States tax legislation.

Net Deferred Tax Assets

	2008	2007
Gross deferred tax assets		
Canada	**$ 384**	$ 494
Chile	**41**	117
Argentina	**61**	37
Australia	**171**	14
Tanzania	**199**	197
United States	**289**	225
Other	**42**	57
	1,187	1,141
Valuation allowances		
Canada	**(50)**	(55)
Chile	**(23)**	(105)
Argentina	**(61)**	(26)
Australia	**(9)**	(2)
Tanzania	**(30)**	(30)
United States	**(123)**	(190)
Other	**(22)**	(11)
	$ (318)	$ (419)
Non-current assets	**$ 869**	$ 722

Valuation Allowances

We consider the need to record a valuation allowance against deferred tax assets, taking into account the effects of local tax law. A valuation allowance is not recorded when we conclude that sufficient positive evidence exists to demonstrate that it is more likely than not that a deferred tax asset will be realized. The main factors considered are:

· Historic and expected future levels of taxable income;
· Tax plans that affect whether tax assets can be realized; and
· The nature, amount and expected timing of reversal of taxable temporary differences.

Levels of future taxable income are mainly affected by: market gold and silver prices; forecasted future costs and expenses to produce gold

reserves; quantities of proven and probable gold reserves; market interest rates; and foreign currency exchange rates. If these factors or other circumstances change, we record an adjustment to valuation allowances to reflect our latest assessment of the amount of deferred tax assets that will more likely than not be realized.

A deferred income tax asset totaling $334 million has been recorded in Canada. This deferred tax asset primarily arose due to mark-to-market losses realized for acquired Placer Dome derivative instruments. Projections of various sources of income support the conclusion that the realizability of this deferred tax asset is more likely than not, and consequently no valuation allowance has been set up for this deferred tax asset.

A deferred tax asset of $169 million has been recorded in Tanzania following the release of tax valuation allowances totaling $189 million in 2007. The release of tax valuation allowances resulted from the impact of rising market gold prices on expectations of future taxable income and the ability to realize these tax assets.

A partial valuation allowance of $123 million has been set up against deferred tax assets in the United States at December 31, 2008. The majority of this valuation allowance relates to AMT credits in periods when partly due to low market gold prices, Barrick was an AMT taxpayer in the United States. If market gold prices continue to rise, it is reasonably possible that some or all of these valuation allowances could be released in future periods.

Source of Changes in Deferred Tax Balances

For the years ended December 31	2008	2007	2006
Temporary differences			
Property, plant and equipment	**$ (3)**	$ 24	$ (1,111)
Asset retirement obligations	**24**	39	128
Tax loss carry forwards	**(72)**	(69)	546
Derivatives	**212**	(113)	52
Other	**(2)**	9	(17)
	$ 159	$ (110)	$ (402)
Net currency translation gains/(losses) on deferred tax balances	**(98)**	76	5
Canadian tax rate changes	**—**	(64)	(12)
Adjustment to deferred tax balances due to change in tax status(1)	**—**	—	31
Release of end of year Tanzanian valuation allowances	**—**	156	—
Release of other valuation allowances	**175**	88	53
	$ 236	$ 146	$ (325)
Intraperiod allocation to:			
Income from continuing operations before income taxes	**$ 45**	$ 174	$ 109
Placer Dome acquisition (note 3f)	**—**	—	(432)
Porgera mine acquisition (note 3d)	**—**	20	—
Cortez acquisition (note 3b)	**11**	—	—
Barrick Energy Inc. acquisition (note 3a)	**(22)**	—	—
Kainantu acquisition (note 3e)	**(19)**	—	—
Other acquisition	**2**	—	—
OCI (note 26)	**219**	(48)	(2)
Other	**(2)**	5	28
	$ 234	$ 151	$ (297)

(1) Relates to changes in tax status in Australia (note 9).

Unrecognized Tax Benefits

	2008	2007
Balance at January 1	**$ 15**	$ 20
Additions based on tax positions related to the current year	**2**	1
Additions for tax positions of prior years	**40**	—
Reductions for tax positions of prior years	**—**	(2)
Settlements	**(11)**	(4)
Balance at December 31(1),(2)	**$ 46**	$ 15

(1) If recognized, the total amount of $46 million would be recognized as a benefit to income taxes on the income statement, and therefore would impact the reported effective tax rate.
(2) Includes interest and penalties of $1 million.

We expect the amount of unrecognized tax benefits to decrease within 12 months of the reporting date by approximately $21 to $22 million, related primarily to the expected settlement of Canadian and US income tax and Canadian mining tax assessments.

Tax Years Still Under Examination

Canada	2004–2008
United States	2005–2008

Peru	2004–2008
Chile(1)	2005–2008
Argentina	2003–2008
Australia	all years open
Papua New Guinea	2003–2008
Tanzania	all years open

(1) In addition, operating loss carry forwards from earlier periods are still open for examination.

Peruvian Tax Assessment

On September 30, 2004, the Tax Court of Peru issued a decision in our favor in the matter of our appeal of a 2002 income tax assessment for an amount of $32 million, excluding interest and penalties. The assessment mainly related to the validity of a revaluation of the Pierina mining concession, which affected its tax basis for the years 1999 and 2000. The full life-of-mine effect on current and deferred income tax liabilities totaling $141 million was fully recorded at December 31, 2002, as well as other related costs of about $21 million.

In January 2005, we received written confirmation that there would be no appeal of the September 30, 2004 Tax Court of Peru decision. In December 2004, we recorded a $141 million reduction in current and deferred income tax liabilities and a $21 million reduction in other accrued costs. The confirmation concluded the administrative and judicial appeals process with resolution in Barrick's favor.

Notwithstanding the favorable Tax Court decision we received in 2004 on the 1999 to 2000 revaluation matter, in an audit concluded in 2005, SUNAT has reassessed us on the same issue for tax years 2001 to 2003. On October 19, 2007, SUNAT confirmed their reassessment. The tax assessment is for $49 million of tax, plus interest and penalties of $116 million. We filed an appeal to the Tax Court of Peru within the statutory period. We believe that the audit reassessment has no merit, that we will prevail in court again, and accordingly no liability has been recorded for this reassessment.

25 · Capital Stock

a) Common Shares

Our authorized capital stock includes an unlimited number of common shares (issued 872,738,664 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).

In 2008, we declared and paid dividends in US dollars totaling $0.40 per share ($349 million) (2007: $0.30 per share, $261 million; 2006: $0.22 per share, $191 million).

b) Exchangeable Shares

In connection with a 1998 acquisition, Barrick Gold Inc. ("BGI") issued 11.1 million BGI exchangeable shares, which are each exchangeable for 0.53 of a Barrick common share at any time at the option of the holder, and have essentially the same voting, dividend (payable in Canadian dollars), and other rights as 0.53 of a Barrick common share. BGI is a subsidiary that holds our interest in the Hemlo and Eskay Creek Mines.

At December 31, 2008, 0.5 million (2007: 1.4 million) BGI exchangeable shares were outstanding, which are equivalent to 0.3 million Barrick common shares (2007: 0.7 million common shares), and are reflected in the number of common shares outstanding. We have the right to require the exchange of each outstanding BGI exchangeable share for 0.53 of a Barrick common share.

26 · Other Comprehensive Income (Loss) ("OCI")

	2008	2007	2006
Accumulated OCI at January 1			
Cash flow hedge gains, net of tax of $105, $60, $61	**$ 250**	$ 223	$ 128
Investments, net of tax of $4, $7, $nil	**37**	46	12
Currency translation adjustments, net of tax of $nil, $nil, $nil	**(143)**	(143)	(143)
Pension plans and other post-retirement benefits, net of tax of $2, $4, $nil	**7**	(7)	(28)
	$ 151	$ 119	$ (31)
Other comprehensive income (loss) for the period:			
Changes in fair value of cash flow hedges	**(301)**	257	17
Changes in fair value of investments	**(52)**	58	43
Currency translation adjustments(1)	**(54)**	—	—
Pension plans and other post-retirement benefits:			
Adjustments to minimum pension liability prior to adoption of FAS 158	—	—	15
FAS 158 adjustments (note 28c):			
Elimination of minimum pension liability	—	—	13
Net actuarial gain (loss)	**(62)**	19	(9)
Transition obligation (asset)	**1**	1	(2)
Less: reclassification adjustments for gains/losses recorded in earnings:			
Transfers of cash flow hedge (gains) losses to earnings:			

On recording hedged items in earnings	**(267)**	(185)	77
Investments:			
Other than temporary impairment charges	**26**	1	4
Gains realized on sale	**(17)**	(71)	(6)
Other comprehensive income (loss), before tax	**(726)**	80	152
Income tax recovery (expense) related to OCI	**219**	(48)	(2)
Other comprehensive income (loss), net of tax	**$ (507)**	$ 32	$ 150
Accumulated OCI at December 31			
Cash flow hedge gains (losses), net of tax of $89, $105, $60	**(124)**	250	223
Investments, net of tax of $nil, $4, $7	**(2)**	37	46
Currency translation adjustments, net of tax of $nil, $nil, $nil	**(197)**	(143)	(143)
Pension plans and other post-retirement benefits, net of tax of $19, $2, $4	**(33)**	7	(7)
	$ (356)	$ 151	$ 119

(1) Represents currency transiation adjustments for Barrick Energy.

27 · Stock-based Compensation

a) Stock Options

Under Barrick's stock option plan, certain officers and key employees of the Corporation may purchase common shares at an exercise price that is equal to the closing share price on the day before the grant of the option. The grant date is the date when the details of the award, including the number of options granted by individual and the exercise price, are approved. Stock options vest evenly over four years, beginning in the year after granting. Options granted in July 2004 and prior are exercisable over 10 years, whereas options granted since December 2004 are exercisable over seven years. At December 31, 2008, 7.4 million (2007: 10 million; 2006: 13 million) common shares, in addition to those currently outstanding, were available for granting options. Stock options when exercised result in an increase to the number of common shares issued by Barrick.

Compensation expense for stock options was $25 million in 2008 (2007: $25 million; 2006: $27 million), and is presented as a component of cost of sales, corporate administration and other expense, consistent with the classification of other elements of compensation expense for those employees who had stock options. The recognition of compensation expense for stock options reduced earnings per share for 2008 by $0.03 per share (2007: $0.03 per share, 2006: $0.03 per share).

Total intrinsic value relating to options exercised in 2008 was $61 million (2007: $58 million; 2006: $27 million).

Employee Stock Option Activity (Number of Shares in Millions)

	2008		2007		2006	
	Shares	Average price	Shares	Average price	Shares	Average price
C$ options						
At January 1	**7.1**	**$ 27**	11.9	$ 28	14.7	$ 28
Issued on acquisition of Placer Dome	**—**	**—**	—	—	1.7	34
Exercised	**(2.1)**	**28**	(3.9)	28	(2.4)	26
Forfeited	**—**	**—**	(0.1)	29	(0.2)	27
Cancelled/expired	**(0.2)**	**28**	(0.8)	35	(1.9)	40
At December 31	**4.8**	**$ 27**	7.1	$ 27	11.9	$ 28
US$ options						
At January 1	**7.0**	**$ 28**	7.7	$ 25	6.9	$ 24
Granted	**2.8**	**34**	1.4	40	1.1	30
Issued on acquisition of Placer Dome	**—**	**—**	—	—	1.0	19
Exercised	**(0.8)**	**24**	(1.7)	23	(0.9)	21
Forfeited	**(0.1)**	**31**	(0.3)	25	(0.4)	24
Cancelled/expired	**—**	**—**	(0.1)	22	—	25
At December 31	**8.9**	**$ 28**	7.0	$ 28	7.7	$ 25

Stock Options Outstanding (Number of Shares in Millions)

	Outstanding				Exercisable		
Range of exercise prices	Shares	Average price	Average life (years)	Intrinsic value(1) ($ millions)	Shares	Average price	Intrinsic value(1) ($ millions)
C$ options							
$22 – $27	2.8	$ 24	3	$ 58	2.8	$ 24	$ 58
$28 – $31	2.0	29	5	30	2.0	29	30
	4.8	$ 26	4	$ 88	4.8	$ 26	$ 88
US$ options							
$ 9 – $19	0.1	$ 13	4	$ 4	0.1	$ 13	$ 3
$20 – $27	5.0	25	4	58	3.2	24	41
$28 – $32	1.3	30	7	8	0.6	30	4

$33 – $42	2.5	42	6	(13)	0.3	41	(1)
	8.9	$ 30	5	$ 57	4.2	$ 26	$ 47

(1) Based on the closing market share price on December 31, 2008 of C$44.71 and US$36.77.

Option Information

For the years ended December 31 (per share and per option amounts in dollars)	2008	2007	2006
Valuation assumptions	**Lattice(1),(2)**	Lattice(1),(2)	Lattice(1),(2)
Expected term (years)	**4.5–5.2**	4.5–5	4.5–5
Expected volatility(2)	**30%–70%**	30%–38%	30%–38%
Weighted average expected volatility(2)	**43%**	36.6%	31.6%
Expected dividend yield	**0.7%–1.5%**	0.7%–0.9%	0.7%–0.9%
Risk-free interest rate(2)	**0.25%–5.1%**	3.2%–5.1%	4.3%–5.1%
Options granted (in millions)	**2.8**	1.4	1.1
Weighted average fair value per option	**$ 12.07**	$ 12.91	$ 9.42

(1) Different assumptions were used for the multiple stock option grants during the year.
(2) The volatility and risk-free interest rate assumption varied over the expected term of these stock option grants.

The expected volatility assumptions have been developed taking into consideration both historical and implied volatility of our US dollar share price. The risk-free rate for periods within the contractual life of the option is based on the US Treasury yield curve in effect at the time of the grant.

We use the straight-line method for attributing stock option expense over the vesting period. Stock option expense incorporates an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeitures rates. We make adjustments if the actual forfeiture rate differs from the expected rate.

The expected term assumption is derived from the option valuation model and is in part based on historical data regarding the exercise behavior of option holders based on multiple share-price paths. The Lattice model also takes into consideration employee turnover and voluntary exercise patterns of option holders.

As at December 31, 2008, there was $42 million (2007: $33 million; 2006: $39 million) of total unrecognized compensation cost relating to unvested stock options. We expect to recognize this cost over a weighted average period of two years (2007: two years; 2006: two years).

b) Restricted Share Units (RSUs) and Deferred Share Units (DSUs)

Under our RSU plan, selected employees are granted RSUs where each RSU has a value equal to one Barrick common share. RSUs vest at the end of a two and a half or three-year period and are settled in cash on the third anniversary of the grant date. Additional RSUs are credited to reflect dividends paid on Barrick common shares over the vesting period.

A liability for RSUs is recorded at fair value on the grant date, with a corresponding amount recorded as a deferred compensation asset that is amortized on a straight-line basis over the vesting period. Changes in the fair value of the RSU liability are recorded each period, with a corresponding adjustment to the deferred compensation asset. Compensation expense for RSUs incorporates an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates. We make adjustments if the actual forfeiture rate differs from the expected rate. At December 31, 2008, the weighted average remaining contractual life of RSUs was 1.90 years.

Compensation expense for RSUs was $33 million in 2008 (2007: $16 million; 2006: $6 million) and is presented as a component of cost of sales, corporate administration and other expense, consistent with the classification of other elements of compensation expense for those employees who had RSUs. As at December 31, 2008 there was $84 million of total unamortized compensation cost relating to unvested RSUs (2007: $75 million; 2006: $36 million).

Under our DSU plan, Directors must receive a specified portion of their basic annual retainer in the form of DSUs, with the option to elect to receive 100% of such retainer in DSUs. Each DSU has the same value as one Barrick common share. DSUs must be retained until the Director leaves the Board, at which time the cash value of the DSUs will be paid out. Additional DSUs are credited to reflect dividends paid on Barrick common shares. DSUs are recorded at fair value on the grant date and are adjusted for changes in fair value. The fair value of amounts granted each period together with changes in fair value are expensed.

DSU and RSU Activity

	DSUs	Fair value	RSUs	Fair value

	(thousands)	(millions)	(thousands)	(millions)
At December 31, 2005	47	$ 1.4	611	$ 16.4
Settled for cash	—	—	(82)	(2.5)
Forfeited	—	—	(58)	(1.6)
Granted(1)	22	0.7	893	27
Converted to stock options(1)	—	—	(18)	(0.5)
Credits for dividends	—	—	8	0.2
Change in value	—	—	—	2.6
At December 31, 2006	69	$ 2.1	1,354	$ 41.6
Settled for cash	(11)	(0.3)	(119)	(4.9)
Forfeited	—	—	(38)	(1.4)
Granted	42	1.4	1,174	47.5
Credits for dividends	—	—	12	0.4
Change in value	—	0.9	—	17.0
At December 31, 2007	100	$ 4.1	2,383	$ 100.2
Settled for cash	(4)	(0.1)	(348)	(10.3)
Forfeited	—	—	(262)	(10.6)
Granted	34	1.2	1,493	42.0
Credits for dividends	—	—	20	0.7
Change in value	—	(0.5)	—	(1.7)
At December 31, 2008	130	$ 4.7	3,286	$ 120.3

(1) In January 2006, under our RSU plan, 18,112 restricted share units were converted to 72,448 stock options.

c) Performance Restricted Share Units (PRSUs)

In 2008, Barrick launched a PRSU plan. Under this plan, selected employees are granted PRSUs, where each PRSU has a value equal to one Barrick common share. PRSUs vest at the end of a three-year period and are settled in cash on the third anniversary of the grant date. Additional RSUs are credited to reflect dividends paid on Barrick common shares over the vesting period. Vesting is based on the achievement of performance goals and the target settlement will range from 0% to 200% of the value. At December 31, 2008, 133 thousand units were outstanding.

d) Employee Share Purchase Plan (ESPP)

In 2008, Barrick launched an Employee Share Purchase Plan. This plan enables Barrick employees to purchase Company shares through payroll deduction. Each year, employees may contribute 1%–6% of their combined base salary and annual bonus, and Barrick will match 50% of the contribution, up to a maximum of $5,000 per year. During 2008, Barrick contributed $0.5 million to this plan.

28 · Post-retirement Benefits

a) 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, which is expensed in the year it is earned by the employee, was $47 million in 2008, $49 million in 2007 and $36 million in 2006.

b) Defined Benefit Pension Plans

We have qualified defined benefit pension plans that cover certain of our United States and Canadian employees and provide benefits based on employees' years of service. Through the acquisition of Placer Dome, we acquired pension plans in the United States, Canada and Australia. Our policy is to fund the amounts necessary on an actuarial basis to provide enough assets to meet the benefits payable to plan members. Independent trustees administer assets of the plans, which are invested mainly in fixed income and equity securities. In 2007, one of our qualified defined benefit plans in Canada was wound up. No curtailment gain or loss resulted and the obligations of the plans are expected to be settled at the end of 2009. Also in 2007, both of our defined benefit plans in Australia were wound up. No curtailment gain or loss resulted for either plan. In 2006, actuarial assumptions were amended for one of our qualified defined benefit plans in Canada and another one of our other plans in Canada was partially wound up; no curtailment gain or loss resulted for either plan. Also in 2006, one of our qualified defined benefit plans in the United States was amended to freeze benefits accruals for all employees, resulting in a curtailment gain of $8 million.

As well as the qualified plans, we have non-qualified defined benefit pension plans covering certain employees and former directors of the Company. An irrevocable trust ("rabbi trust") was set up to fund these plans. The fair value of assets held in this trust was $9 million in 2008 (2007: $19 million), and is recorded in our consolidated balance sheet under available-for-sale securities.

Actuarial gains and losses arise when the actual return on plan assets differs from the expected return on plan assets for a period, or when the expected and actuarial accrued benefit obligations differ at the end of the year. We amortize actuarial gains and losses over the average remaining life expectancy of plan participants, in excess of a 10% corridor.

Pension Expense (Credit)

For the years ended December 31	2008	2007	2006
Expected return on plan assets	**$ (19)**	$ (21)	$ (20)

Service cost	—	2	4
Interest cost	**21**	21	22
Actuarial losses	**1**	1	1
Curtailment gains	**—**	—	(8)
	$ 3	$ 3	$ (1)

c) Pension Plan Information

Fair Value of Plan Assets

For the years ended December 31	2008	2007	2006
Balance at January 1	**$ 293**	$ 301	$ 166
Increase for plans assumed on acquisitions	**9**	—	127
Actual return on plan assets	**(41)**	31	35
Company contributions	**12**	10	10
Settlements	**—**	(14)	—
Benefits paid	**(33)**	(35)	(37)
Foreign currency adjustments	**(3)**	—	—
Balance at December 31	**$ 237**	$ 293	$ 301

At December 31	2008 Target(1)	2008 Actual	2008 Actual
Composition of plan assets:			
Equity securities	**43%**	**43%**	**$ 103**
Fixed income securities	**57%**	**57%**	**134**
	100%	**100%**	**$ 237**

(1) Based on the weighted average target for all defined benefit plans.

Projected Benefit Obligation (PBO)

For the years ended December 31	2008	2007
Balance at January 1	**$ 364**	$ 389
Increase for plans assumed on acquisition of 40% of Cortez	**9**	—
Service cost	**—**	2
Interest cost	**21**	21
Actuarial (gains) losses	**4**	1
Benefits paid	**(33)**	(35)
Foreign currency adjustments	**(8)**	—
Curtailments	**—**	(14)
Balance at December 31	**$ 357**	$ 364
Funded status(1)	**$ (120)**	$ (71)
ABO(2),(3)	**$ 357**	$ 254

(1) Represents the fair value of plan assets less projected benefit obligations. Plan assets exclude investments held in a rabbi trust that are recorded separately on our balance sheet under Investments (fair value $9 million at December 31, 2008).
(2) For 2008, we used a measurement date of December 31, 2008 to calculate accumulated benefit obligations.
(3) Represents the accumulated benefit obligation ("ABO") for all plans. The ABO for plans where the PBO exceeds the fair value of plan assets was $326 million (2007: $254 million).

Pension Plan Assets/Liabilities

For the years ended December 31	2008	2007
Non-current assets	**$ —**	$ 25
Current liabilities	**(7)**	(8)
Non-current liabilities	**(113)**	(87)
Other comprehensive income(1)	**52**	(9)
	$ (68)	$ (79)

(1) Amounts represent actuarial (gains) losses.

The projected benefit obligation and fair value of plan assets for pension plans with a projected benefit obligation in excess of plan assets at December 31, 2008 and 2007 were as follows:

For the years ended December 31	2008	2007
Projected benefit obligation, end of year	**$ 326**	$ 329
Fair value of plan assets, end of year	**$ 205**	$ 258

The projected benefit obligation and fair value of plan assets for pension plans with an accumulated benefit obligation in excess of plan assets at December 31, 2008 and 2007 were as follows:

For the years ended December 31	2008	2007
Projected benefit obligation, end of year	**$ 357**	$ 329
Accumulated benefit obligation, end of year	**$ 326**	$ 330
Fair value of plan assets, end of year	**$ 205**	$ 258

Expected Future Benefit Payments

For the years ending December 31	
2009	$ 57
2010	29
2011	24
2012	24
2013	24
2014 – 2018	$ 116

d) Actuarial Assumptions

For the years ended December 31	2008	2007	2006
Discount rate(1)			
Benefit obligation	**4.50–6.25%**	4.50–6.30%	4.40–5.90%
Pension cost	**4.50–6.25%**	4.50–5.81%	4.40–5.90%
Return on plan assets(1)	**3.75–7.00%**	4.50–7.25%	7.00–7.25%
Wage increases	**3.50–5.00%**	3.50–5.00%	3.50–5.00%

(1) Effect of a one-percent change: Discount rate: $25 million decrease in ABO and $1 million increase in pension cost; Return on plan assets: $3 million decrease in pension cost.

Pension plan assets, which consist primarily of fixed-income and equity securities, are valued using current market quotations. Plan obligations and the annual pension expense are determined on an actuarial basis and are affected by numerous assumptions and estimates including the market value of plan assets, estimates of the expected return on plan assets, discount rates, future wage increases and other assumptions. The discount rate, assumed rate of return on plan assets and wage increases are the assumptions that generally have the most significant impact on our pension cost and obligation.

The discount rate for benefit obligation and pension cost purposes is the rate at which the pension obligation could be effectively settled. This rate was developed by matching the cash flows underlying the pension obligation with a spot rate curve based on the actual returns available on high-grade (Moody's Aa) US corporate bonds. Bonds included in this analysis were restricted to those with a minimum outstanding balance of $50 million. Only non-callable bonds, or bonds with a make-whole provision, were included. Finally, outlying bonds (highest and lowest 10%) were discarded as being non-representative and likely to be subject to a change in investment grade. The resulting discount rate from this analysis was rounded to the nearest five basis points. The procedure was applied separately for pension and post-retirement plan purposes, and produced the same rate in each case.

The assumed rate of return on assets for pension cost purposes is the weighted average of expected long-term asset return assumptions. In estimating the long-term rate of return for plan assets, historical markets are studied and long-term historical returns on equities and fixed-income investments reflect the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are finalized.

Wage increases reflect the best estimate of merit increases to be provided, consistent with assumed inflation rates.

e) 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. Actuarial gains and losses resulting from variances between actual results and economic estimates or actuarial assumptions are deferred and amortized over the average remaining life expectancy of participants when the net gains or losses exceed 10% of the accumulated post-retirement benefit obligation.

Other Post-retirement Benefits Expense

For the years ended December 31	2008	2007	2006
Interest cost	**$ 2**	$ 2	$ 2
Other	**—**	—	—
	$ 2	$ 2	$ 2

Fair Value of Plan Assets

For the years ended December 31	2008	2007	2006
Balance at January 1	**$ —**	**$ —**	**$ —**

Contributions	**2**	2	3
Benefits paid	**(2)**	(2)	(3)
Balance at December 31	**$ —**	**$ —**	**$ —**

Accumulated Post-retirement Benefit Obligation (APBO)

For the years ended December 31	2008	2007	2006
Balance at January 1	**$ 30**	$ 37	$ 39
Interest cost	**2**	2	2
Actuarial (gains) losses	**2**	(7)	(1)
Benefits paid	**(2)**	(2)	(3)
Balance at December 31	**$ 32**	$ 30	$ 37
Funded status	**(32)**	(30)	(37)
Unrecognized net transition obligation	**n/a**	n/a	n/a
Unrecognized actuarial losses	**n/a**	n/a	n/a
Net benefit liability recorded	**n/a**	n/a	n/a

Other Post-retirement Assets/Liabilities

For the years ended December 31	2008	2007
Current liability	**$ (3)**	$ (3)
Non-current liability	**(29)**	(27)
Accumulated other comprehensive income	**—**	(1)
	$ (32)	$ (31)

Amounts recognized in accumulated other comprehensive income consist of : (1)

For the years ended December 31	2008	2007
Net actuarial loss (gain)	**$ 1**	$ (2)
Transition obligation (asset)	**(1)**	1
	$ —	$ (1)

(1) The estimated amounts that will be amortized into net periodic benefit cost in 2008.

We have assumed a health care cost trend of 8% in 2008, decreasing ratability to 5% in 2011 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, 2008 would have had no significant effect on the post-retirement obligation and would have had no significant effect on the benefit expense for 2008.

Expected Future Benefit Payments

For the years ending December 31	
2009	**$ 3**
2010	**3**
2011	**3**
2012	**3**
2013	**2**
2014 – 2018	**$ 11**

29 · Litigation and Claims

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. 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 a loss is probable, and the amount can be reliably estimated, then a loss is recorded. When a contingent loss is not probable but is reasonably possible, or is probable but the amount of loss cannot be reliably estimated, then details of the contingent loss are disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case we disclose the nature of the guarantee. Legal fees incurred in connection with pending legal proceedings are expensed as incurred.

Wagner Complaint

On June 12, 2003, a complaint was filed against Barrick and several of its current or former officers in the U.S. District Court for the Southern District of New York. The complaint is on behalf of Barrick shareholders who purchased Barrick shares between February 14, 2002 and September 26, 2002. It alleges that Barrick and the individual defendants violated U.S. securities laws by making false and misleading statements concerning Barrick's projected operating results and earnings in 2002. The complaint seeks an unspecified amount of damages. In November 2008, near the completion of discovery, this matter was scheduled for trial in March 2009. The trial date has since been adjourned because of a settlement in principle among the parties. Efforts to finalize the settlement and seek the necessary Court approval are ongoing. No amounts have been accrued for any potential loss under this complaint.

Cortez Hills Complaint

On November 12, 2008, the United States Bureau of Land Management issued a Record of Decision approving the Cortez Hills Expansion Project. On November 20, 2008, the TeMoak Shoshone Tribe, the East Fork Band Council of the TeMoak Shoshone Tribe and the Timbisha Shoshone Tribe, the Western Shoshone Defense Project, and Great Basin Resource Watch filed a lawsuit against the United States seeking to enjoin the majority of the activities comprising the Project on grounds that it violated the Western Shoshone rights under the *Religious Freedom Restoration Act* ("RFRA"), that it violated the *Federal Land Policy and Management Act* 's prohibition on "unnecessary and undue degradation," and that the Project's Environment Impact Statement did not meet the requirements of the *National Environmental Policy Act*. The Plaintiffs' RFRA claim is based on the assertion that the Project and adjoining areas are sacred to certain Western Shoshone. On November 24, 2008, the Plaintiffs filed a Motion for a Temporary Restraining Order and a Preliminary Injunction barring work on the Project until after a trial on the merits. After a four day hearing, on January 26, 2009, the Court denied the Plaintiffs' Motion for a Preliminary Injunction, concluding that the Plaintiffs had failed to demonstrate a likelihood of success on the merits. The Plaintiffs have appealed that decision to the United States Court of Appeals for the Ninth Circuit.

Marinduque Complaint

Placer Dome has been named the sole defendant in a Complaint filed on October 4, 2005, by the Provincial Government of Marinduque, an island province of the Philippines ("Province"), with the District Court in Clark County, Nevada. The action was removed to the Nevada Federal District Court on motion of Placer Dome. The Complaint asserts that Placer Dome is responsible for alleged environmental degradation with consequent economic damages and impacts to the environment in the vicinity of the Marcopper mine that was owned and operated by Marcopper Mining Corporation ("Marcopper"). Placer Dome indirectly owned a minority shareholding of 39.9% in Marcopper until the divestiture of its shareholding in 1997. The Province seeks "to recover damages for injuries to the natural, ecological and wildlife resources within its territory", but "does not seek to recover damages for individual injuries sustained by its citizens either to their persons or their property". In addition to damages for injury to natural resources, the Province seeks compensation for the costs of restoring the environment, an order directing Placer Dome to undertake and complete "the remediation, environmental cleanup, and balancing of the ecology of the affected areas," and payment of the costs of environmental monitoring. The Complaint addresses the discharge of mine tailings into Calancan Bay, the 1993 Maguila - guila dam breach, the 1996 Boac river tailings spill, and alleged past and continuing damage from acid rock drainage.

At the time of the amalgamation of Placer Dome and Barrick Gold Corporation, a variety of motions were pending before the District Court, including motions to dismiss the action for lack of personal jurisdiction and for *forum non conveniens* (improper choice of forum). On June 29, 2006, the Province filed a Motion to join Barrick Gold Corporation as an additional named Defendant and for leave to file a Third Amended Complaint which the Court granted on March 2, 2007. On March 6, 2007, the Court issued an order setting a briefing schedule on the Company's motion to dismiss on grounds of *forum non conveniens*. On June 7, 2007, the Court issued an order granting the Company's motion to dismiss. On June 25, 2007, the Province filed a motion requesting the Court to reconsider its Order dismissing the action. On January 16, 2008, the district court issued an order denying the Province's motion for reconsideration. Following the district court's order, the Province filed Notice of Appeal to the U.S. Court of Appeals for the Ninth Circuit. Under the briefing schedule established by the Court of Appeals the Province's initial brief in the Appeal was filed on August 15, 2008, the Company's responsive brief was filed on September 15, 2008, and the Province's reply brief was filed on October 15, 2008. Oral argument before the U.S. Court of Appeals is set for March 10, 2009. We will challenge the claims of the Province on various grounds and otherwise vigorously defend the action. No amounts have been accrued for any potential loss under this complaint.

Calancan Bay (Philippines) Complaint

On July 23, 2004, a complaint was filed against Marcopper and Placer Dome Inc. ("PDI") in the Regional Trial Court of Boac, on the Philippine island of Marinduque, on behalf of a putative class of fishermen who reside in the communities around Calancan Bay, in northern Marinduque. The complaint alleges injuries to health and economic damages to the local fisheries resulting from the disposal of mine tailings from the Marcopper mine. The total amount of damages claimed is approximately US$900 million.

On October 16, 2006, the court granted the plaintiffs' application for indigent status, allowing the case to proceed without payment of filing fees. On January 17, 2007, the Court issued a summons to Marcopper and PDI. On March 25, 2008, an attempt was made to serve PDI by serving the summons and complaint on Placer Dome Technical Services (Philippines) Inc. ("PDTS"). PDTS has returned the summons and complaint with a manifestation stating that PDTS is not an agent of PDI for any purpose and is not authorized to accept service or to take any other action on behalf of PDI. On April 3, 2008, PDI made a special appearance by counsel to move to dismiss the complaint for lack of personal jurisdiction and on other grounds. The plaintiffs have opposed the motion to dismiss. A hearing on the motion to dismiss originally set by the trial court for November 27, 2008 has been rescheduled for March 11, 2009.

The Company intends to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

Pakistani Constitutional Litigation

On November 28, 2006, a Constitutional Petition was filed in the High Court of Balochistan by three Pakistani citizens against: Barrick, the governments of Balochistan and Pakistan, the Balochistan Development Authority ("BDA"), Tethyan Copper Company ("TCC"), Antofagasta Plc ("Antofagasta"), Muslim Lakhani and BHP (Pakistan) Pvt Limited ("BHP").

The Petition alleged, among other things, that the entry by the BDA into the 1993 Joint Venture Agreement ("JVA") with BHP to facilitate the exploration of the Reko Diq area and the grant of related exploration licenses were illegal and that the subsequent transfer of the interests of BHP in the JVA and the licenses to TCC was also illegal and should therefore be set aside. Barrick currently indirectly holds 50% of the shares of TCC, with Antofagasta indirectly holding the other 50%.

On June 26, 2007, the High Court of Balochistan dismissed the Petition against Barrick and the other respondents in its entirety. On August 23, 2007, the petitioners filed a Civil Petition for Leave to Appeal in the Supreme Court of Pakistan. The Supreme Court of Pakistan has not yet considered the Civil Petition for Leave to Appeal. Barrick intends to defend this action vigorously. No amounts have been accrued for any potential loss under this complaint.

Management's Discussion and Analysis ("MD&A")

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Barrick Gold Corporation ("Barrick", "we", "our" or the "Company"), our operations, financial performance and present and future business environment. This MD&A, which has been prepared as of February 19, 2009, should be read in conjunction with our unaudited consolidated financial statements for the year ended December 31, 2008. Unless otherwise indicated, all amounts are presented in US dollars.

For the purposes of preparing our MD&A, we consider the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. We evaluate materiality with reference to all relevant circumstances, including potential market sensitivity.

Continuous disclosure materials, including our most recent Form 40-F/Annual Information Form, annual MD&A, audited consolidated financial statements, and Notice of Annual Meeting of Shareholders and Proxy Circular will be available on our website at www.barrick.com, on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. For an explanation of terminology unique to the mining industry, readers should refer to the glossary on page 77.

Cautionary Statement on Forward-Looking Information

Certain information contained or incorporated by reference in this MD&A, including any information as to our strategy, plans or future financial or operating performance, constitutes "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intend", "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 us, 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: the impact of global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future cash flows; fluctuations in the currency markets (such as Canadian and Australian dollars, South African rand, Chilean peso, Argentinean peso, Peruvian sol and Papua New Guinean kina versus US dollar); fluctuations in the spot and forward price of gold and copper or certain other commodities (such as silver, diesel fuel and electricity); 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, Dominican Republic, Australia, Papua New Guinea, Chile, Peru, Argentina, South Africa, Tanzania, Russia, Pakistan or Barbados or other countries in which we do or may carry on business in the future; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; employee relations; availability and

increased costs associated with mining inputs and labor; litigation; the speculative nature of exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our 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 exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion or copper cathode losses (and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. Specific reference is made to Barrick's most recent Form 40-F/Annual Information Form on file with the SEC and Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements. We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable law.

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Changes in Definitions of Non-GAAP Measures

We use certain non-GAAP financial measures in our MD&A. In this MD&A, we have changed the definition of “adjusted net income”, “total cash costs”, “EBITDA”, “realized price” and “cash margin”. For a description of the change in the definition of (a) adjusted net income, please see pages 72 and 73, (b) total cash costs, please see pages 38 and 73 to 74, (c) EBITDA, please see page 75, (d) realized price, please see pages 75 to 76, and (e) cash margin, please see page 76. For a detailed discussion of each of the non-GAAP measures used in our MD&A, please see the discussion under “Non-GAAP Financial Performance Measures” beginning on page 72 of our MD&A.

Core Business, Enterprise Strategy and our Ability to Deliver Results

Our Vision

To be the world’s best gold mining company by finding, acquiring, developing and producing quality reserves in a safe, profitable and socially responsible manner.

Our Business

Governed by our five core values; behave like an owner, act with a sense of urgency, be a team player, continually improve, and deliver results, we have become the world’s preeminent gold mining company. Our annual gold production and gold reserves are the largest in the industry. We also produce significant amounts of copper at some of our operating mines. We sell our production in the world market through three primary distribution channels: gold bullion is sold in the gold spot market; gold and copper concentrate is sold to independent smelting companies; and copper cathode is sold under copper cathode sales contracts with various third parties.

Our Strategy

To increase total returns for our shareholders, we aim to increase earnings and operating cash flow and to provide leverage to gold prices through annual gold production and growing our reserve/resource base through a combination of organic growth, driven by new mineral reserve discoveries and the development of new projects, and also through acquisitions. Our profitability is largely dependent upon the volume of gold and copper production, realized prices of gold and copper and production costs. As gold prices have risen in recent years, we have been able to realize higher cash margins per ounce through containment of production costs. Although gold production has seen a declining trend in the past three years, we intend to increase production levels through the development of new mines and also through acquisitions.

Building new mines is key to our long term goal of increasing profitability and building shareholder value. It can take a number of years for a project to move from the exploration stage through to mine construction and production. Our business strategy reflects this long lead time by ensuring that we have an inventory of projects combined with effective management of current operating mines.

The projects in our inventory are at various stages of development, ranging from scoping to feasibility to construction. Three projects are at an advanced stage, namely Buzwagi, Cortez Hills and Pueblo Viejo. We are confident that we have the managerial team and resources to successfully bring these advanced projects into production. These projects will require substantial upfront capital that we expect to fund from a combination of future operating cash flow and new financings. We expect that these three new mines will operate at lower average total cash costs than the average total cash costs of our current portfolio of operating mines. We also expect these new mines will report higher

amortization than our current portfolio, reflecting the high capital cost of building new mines in today's economic environment. The other projects in our inventory include both gold and non-gold projects at various stages of feasibility. In light of today's low price environment for other metals, our primary focus is on projects with a significant gold component. A decision to proceed with other projects will depend upon numerous factors, but particularly the expected economic returns on the project and the cost and availability of financing.

Acquisitions have always been an integral part of our growth strategy. In 2006, we acquired Placer Dome Inc., one of the world's largest gold mining companies. In 2007, we continued to expand our projects through the acquisition of a 51% interest in the Cerro Casale copper-gold deposit in Chile, and a package of exploration licenses in Papua New Guinea from Highlands Pacific. We also increased our interest in the Porgera mine from 75% to 95%. In 2008, we increased our ownership in the Cortez mine and Cortez Hills project from 60% to 100%.



Key Strategic Performance

In 2008, our strategic targets focused on share price performance, creating a high performance organization, responsible mining, advancing our inventory of projects and meeting our financial and operating targets with a focus on core areas such as production, cost control, and increasing reserves. Our successes in each of these areas have laid the foundation for our 2009 key areas of focus: share price performance, growth, financial strength and flexibility, operational excellence, respect for our people, ensuring our license to operate and continuing to build and maintain a high performance organization.

Strategic Performance and 2009 Stategic Objectives

2008 Strategic Objectives	Performance	Key 2009 Strategic Objectives
Operational Excellence · Meet guidance for production and total cash costs · Excellent financial management in areas of financial risk management, financial reporting, cost control and investor communications **Growth** · Continue to focus on exploration to find new gold reserves and resources · Expanding the role of R&D to add value to our existing operations · Targeted acquisitions to strengthen operational base **Capital Management and Projects** · Effective capital allocation through prioritization and sequencing of projects · Projects built on-time and on-budget · Address long-term energy needs and explore alternative energy projects	· Met guidance for gold production and met revised total cash cost guidance · Continued our emphasis on cost controls, supply security and supplier development · Increased gold reserves by 11% to 138.5 million ounces and increased gold resources by 29% to 65.0 million ounces · Moving into the execution phase of our internet based "Unlock the Value" program which is aimed at enhancing the recovery of the silver content of our Veladero deposit located in Argentina · Acquired additional 40% of Cortez to consolidate 100% interest · Buzwagi construction on schedule and within budget with production expected in mid-2009. · Cortez Hills regulatory approval obtained to allow commencement of construction and pre-stripping · Pueblo Viejo construction activity commenced · Acquired Barrick Energy as part of a long term strategy to contain the cost of oil consumption	**Operational Excellence** · Meet or improve upon operational guidance · Intense focus on capital efficiency and allocation of capital · Deliver projects on time and on budget · Manage financial and commodity exposures **Growth** · Focus on reserve/resource growth through a combination of new discoveries and acquisitions **Enhance Financial Strength and Flexibility** · Maintain investment grade credit ratings · Ensure credibility with shareholders by delivering on guidance and providing high-quality continuous communication · Ensure access to capital markets

High Performance Organization · Strengthen leadership through sustained training and support for our people · Continue building culture focused on our values, innovation and open communication · Enhanced people management to be the employer of choice by attracting, motivating and retaining top people in competitive markets · Support the business by developing robust infrastructure, standardizing and streamlining business processes	· Continued Business Process Improvement program and implementation of standardized technology solutions and business processes across the company · Developed and implemented Compass, a set of learning and development programs for early stage professionals, in each of our technical mining disciplines	**High Performance Organization** · Maintain entrepreneurial culture · Enhance employee ownership and accountability · Reward and recognize bold leadership · Focus and simplify work practices
Responsible Mining · Effective community and government relations that work to strengthen relationships with the communities around our operations · Environmental leadership on climate change, water management, energy management and International Cyanide Management Code implementation **Innovation** · Focus on innovation, through R&D efforts, to increase recovery, improve ore characterization, reduce energy equirements and improve plant design · Using technology as an enabler to develop strategy, increase automation and remote management at our mines	· Improved our safety record with fewer lost-time and total incidents · Over 20,000 people trained in Courageous Safety and Leadership to date · A Community Relations Leadership Team was established and played a key role in the development of a strategy to strengthen relationships with communities around our operations · We established a climate change policy and program during the year and have completed the company's first carbon profile and are engaged in a risk assessment to guide our efforts in the future. · Voluntary application of the International Cyanide Management Code, which establishes strict guidelines for the safe management of cyanide in mining. Fourteen Barrick mines have been formally certified under the Code, with a further five mines on track for certification in 2009	**Respect our People** · "Every person going home safe and healthy every day" · Personal development and career advancement of our employees · Continuously recognize the achievements of our people **Ensure License to Operate** · Welcomed partner of communities and government · Effective environmental stewardship · Compliance with regulatory standards

Capability to Execute our Strategy

Our capability to execute our financial and operational strategy comes from the strength of our experienced management team, skilled workforce and organizational structure, a strong inventory of projects that facilitates the long-term sustainability of our business, our strong research and development group, our strong financial position and our commitment to achieving high standards in terms of environmental, health and safety performance.

Experienced Management Team, Skilled Workforce and Organizational Structure

We have an experienced management team with a proven track record in the mining industry. Strong leadership and governance are critical to the successful implementation of our core business strategies.

We manage our business using a regional business unit ("RBU") structure. We have four RBUs, each of which is led by its own Regional President: North America, South America, Australia Pacific, and Africa. Each RBU operates as a standalone business unit with a range of functional groups. Since their inception, the RBUs have added value to our business by realizing operational efficiencies in the region, allocating resources more effectively and understanding and better managing the local business environment, including labor, consumable costs and supply and government and community relations.

A skilled workforce has a significant impact on the efficiency and effectiveness of our operations. The remote nature of many of our mine sites presents some challenges in maintaining a well-trained and skilled workforce. As a result, we continue to focus on training and development for key members of our senior mine management, technical professionals and frontline workers through our talent management processes and enhanced distance learning programs and e-learning technologies. We have also expanded our technical training and development programs to include all of our technical mining disciplines (mining, metallurgy, maintenance and geology). This program is now improving the technical and leadership skills of over 300 professionals.

In addition, we have a Continuous Improvement ("CI") group that is focused on improving operational excellence. An ongoing focus for the CI group continues to be the identification of cost reduction opportunities, through process improvements, better utilization of plant and equipment and metallurgical recovery improvements to increase production rates and lower costs.

Advanced Exploration and Project Development

Our inventory of advanced exploration targets and development projects represents an important component of our long-term strategy of growing our reserves and resources. Our exploration is focused on prospective land positions and we prioritize exploration targets to optimize the

investment in our exploration programs. An economic discovery is no longer a guarantee of a new mine, as considerable opposition to new mining projects can develop from institutional NGOs or unstable political climates. The development of a new mine requires successful permitting and government relations, community dialogue and engagement, and significant financial and human capital. As a result of these factors, the timeline and cost of developing projects has increased significantly. In 2008, we formed a dedicated Capital Projects group to focus on managing large projects and building new mines. This specialized group manages all project activities up to and including the commissioning of new mines, at which point responsibility for mine operations is handed over to the RBUs.

Research and Development

Our research and development ("R&D") group is supported by an in-house Technology Center located in Vancouver, and supports both operations and projects. In 2009, we are moving into the execution phase of our internet-based "Unlock the Value" program which is aimed at enhancing the recovery of the silver content of our Veladero deposit located in Argentina. The silver recovery program for the Pueblo Viejo project also has increased expected recoveries significantly from the former Placer Dome feasibility work.

Financial Strength

The current global economic crisis has underlined the importance of maintaining adequate levels of liquidity and a strong balance sheet. We actively manage our liquidity by focusing on maintaining and growing operating cash flow, effective capital allocation and prioritization of capital projects, and putting in place financing, when appropriate, for our capital needs.

Environmental, Health and Safety

Safeguarding the environment is critical to our social license to operate. In mining, water and energy conservation are also a critical part of the environmental equation. Our new Global Water Conservation Standard has been finalized and is now being implemented as a company-wide priority. All 27 Barrick mines have conducted energy self-assessments and are working toward greater energy efficiency and conservation.

Our Environmental Management System continues to garner recognition. Most recently, our Ruby Hill mine in Nevada won the prestigious federal Bureau of Land Management award for its environmental management and concurrent reclamation practices. In Argentina, a pioneering wetlands rehabilitation program near our Veladero mine was recognized internationally by the industry association OLAMI (Organizacion Latinoamericana de Minería).

We also announced a $30 million expansion of the Punta Colorado wind farm project near Pascua-Lama in Chile, increasing our investment to $70 million and generating capacity from 20 to 36 megawatts. This brings the company's total investment in renewable energy projects to $98 million to date, including a high altitude wind turbine near our Veladero mine in Argentina and solar power in Nevada. In 2008, we also became the first mining company to join the International Leadership Council of the Nature Conservancy, the world's largest conservation organization.

We believe that the health and safety of our workers is fundamental to our business. Our vision is: "Every person going home safe and healthy every day". We are committed to the identification, elimination or control of workplace hazards for the protection of ourselves and others. Our long-term goal is to be a zero incident company.

For us to succeed in fulfilling this goal, we are working to:

- Provide the expertise and resources needed to maintain safe and healthy working environments
- Establish clearly defined safety and occupational health programs and measure safety and health performance, making improvements as warranted
- Operate in accordance with recognized industry standards, while complying with applicable regulations
- Investigate the causes of accidents and incidents and develop effective preventative and remedial action
- Train employees to carry out their jobs safely and productively
- Maintain a high degree of emergency preparedness.
- Require that vendors and contractors comply with our applicable safety and health standards.

Market Overview and 2008 Financial and Operational Results

Market Overview

In 2008, the global economy experienced a tumultuous year, as many commodity prices and stock market indices reached all-time highs. Gold reached an all-time high of $1,032 per ounce in 2008, and copper reached a high of $4.06 per pound in 2008. Commodity prices declined precipitously during the latter half of the year as global credit markets seized up, investor confidence plummeted and many economies entered recession. The decrease in bank liquidity and the resulting credit crisis led to some high profile bank failures and other near failures. These developments had a pervasive impact on virtually all industries through the devaluation of global equities and commodities; increased volatility in global equities, commodities, foreign exchange and precious metals markets; deterioration in the credit ratings of a number of large financial institutions; decreases in market liquidity and unwinding of levered trades by hedge funds; intervention by governments and central banks in the marketplace; and a general slowdown in global economic activity. Although gold prices retreated to a low of $682 per ounce in 2008, market prices have since increased as investors have looked to gold as a safe haven, with recent prices in the range of $950 to $975 per ounce. These developments have had, and we expect will continue to have, a significant impact on our business. In particular:

- Volatility in gold prices leads to volatility in our revenues, earnings and cash flow.

- Lower copper prices impact the revenues and cash flow generated by our copper production and the potential returns on projects containing significant quantities of copper such as Cerro Casale and Reko Diq. Our copper hedge position largely economically protects us from lower copper prices in 2009, but beyond 2009 we are dependent on market copper prices.
- Lower energy prices, commodity and consumables prices and currency exchange rates should benefit our production costs in the medium to long term. In the short term, our currency and energy hedge positions will result in higher prices than current market rates, delaying the realization of benefits to production costs.
- Lower silver, platinum group metals, nickel and copper prices would impact the economics of capital projects containing significant quantities of these metals, such as Pascua-Lama, Sedibelo, Fedorova, Kabanga, Cerro Casale and Reko Diq.
- The global credit/liquidity crisis is impacting the cost and availability of new financing.

In response to these conditions we have taken a number of actions, including:

- A critical review of spending to contain costs;
- An extensive review of sustaining capital expenditures to prioritize allocations of capital; and
- Focusing on advancing our near term gold projects (Buzwagi, Cortez Hills and Pueblo Viejo) to optimize returns and cash flow.

Although current economic and credit conditions create many challenges and risks, a continuation of the trend of higher gold prices, if gold maintains its appeal as a safe haven, could enable us to increase cash margins from gold sales and operating cash flow from our current portfolio of operating mines. At the same time there is risk that a decline in gold prices could also occur.

Mineral Markets

Gold

The market price of gold is one of the most significant factors in determining the profitability of Barrick's operations(1). The price of gold is subject to volatile price movements over short periods of time, especially in the current market environment, and is affected by numerous industry and macroeconomic factors that are beyond our control. Gold price volatility increased significantly compared to 2007, and the price ranged from $682 to $1,032 per ounce in 2008, with an average market price of $872 per ounce. Gold strongly outperformed all other major commodities in 2008 as it benefited from safe-haven flows during the financial crisis. However, safe-haven flows were subsequently outweighed by US dollar strengthening and a general deleveraging of balance sheets across the globe, which resulted in gold trading as low as $682 per ounce in November, after reaching over $1,000 per

(1) Refer to our financial outlook section in this MD&A for an illustration of the sensitivity of our revenues to movements in the gold price.

ounce in March. By year end, gold was trading at $870 per ounce due to less speculative selling and strong investment demand from Exchange Traded Funds ("ETFs") and coin sales.

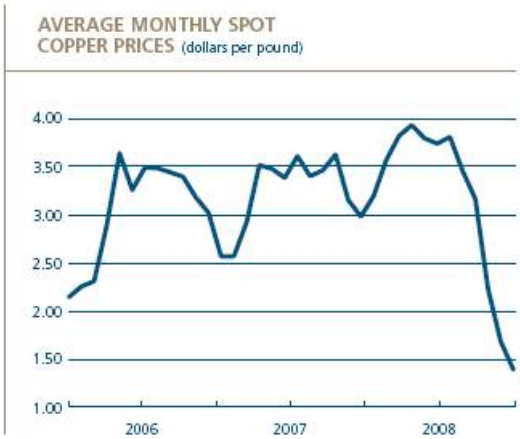
We believe that the uncertainty in the global financial markets, the amount of monetary stimulus being injected into the global economy, possible inflationary pressures in the medium term from an exceptionally low interest rate environment, the possibility of currency revaluations, including US dollar depreciation, and a sharp increase in government spending in response to the financial crisis are all supportive of higher gold prices in 2009 if such trends continue.

We believe the outlook for mine production from all gold mining companies over the next 5 to 10 years, which currently represents over 60% of total global supply, is one of gradual decline. The primary drivers for the global decline are a trend of lower grade production by many producers; increasing delays and impediments in bringing projects – especially large-scale projects – to the production stage; inflationary pressures on capital costs which have subsequently eased, but have been replaced by global financing conditions that constrain the ability of mining companies to finance projects; a lack of global exploration success in recent years; and a dearth of new, promising regions for gold exploration and production. A decrease in global industry production increases the potential for increases in the sustainable long term gold price.



Copper

London Metals Exchange ("LME") copper prices traded in a range of $1.28 to $4.06 per pound in 2008, and averaged $3.15 per pound for the year. Our realized price of $3.39 in 2008 exceeded LME spot prices due to the impact of our copper hedging program. In 2008, copper prices reached all-time highs before suffering large declines through the end of 2008, due to the global economic slowdown. Future copper prices should be influenced by demand from Asia, global economic performance and production levels of mines and smelters. Our 2009 copper production is economically protected from declines in LME spot prices through the use of forwards and collars. At spot prices between $1.57 and $2.01 per pound we expect to realize an average minimum price of $3.03 per pound. On approximately half of our production we are exposed to a decline in market prices below $1.57 per pound and have upside participation above $2.01 per pound through buying calls that allowed us to lock in gains from $3.03 to $2.01 per pound and selling puts to finance these calls.



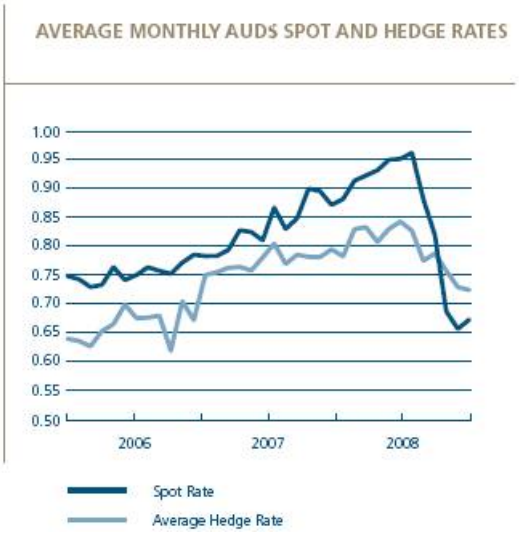
Currency Exchange Rates

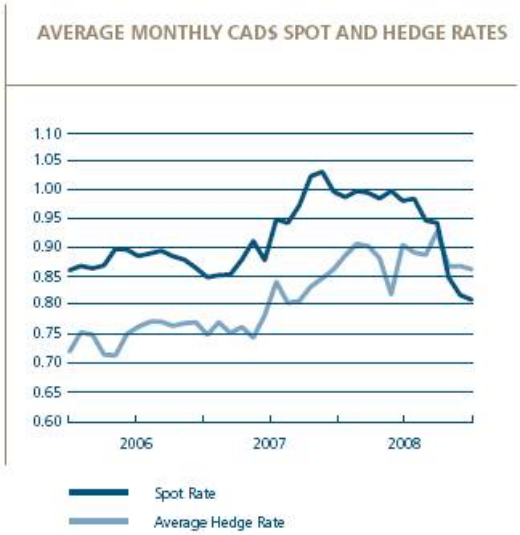
The results of our mining operations outside the United States, particularly our mine operating costs, are affected by currency exchange rates. The largest single exposure we have is to the Australian dollar. We also have exposure to the Canadian dollar through a combination of Canadian mine operating costs and corporate administration costs; and the Papua New Guinea kina, Peruvian sol, Chilean peso and Argentinean peso through mine operating costs.

Fluctuations in the US dollar increase the volatility of our costs reported in US dollars, subject to protection we have put in place through our currency hedging program. In 2008, the Canadian dollar traded in a wide range of $0.77 to $1.03 and closed at $0.81 due to volatility in the global economy and weaker energy and commodity prices. The Australian dollar experienced high volatility as well, trading in a range of $0.60 to $0.98 and closed at $0.70, due in part to decreasing interest rate differentials and the impact of the global economic slowdown and weaker commodity prices.

About 60-65% of our consolidated production costs are denominated in US dollars and are not exposed to fluctuations in US dollar exchange rates. For the remaining portion, our currency hedge position allows for more accurate forecasting of our anticipated expenditures in US dollar terms and mitigates our exposure to volatility in the US dollar. Over the last three years, our currency hedge position has provided benefits to us in the form of hedge gains when contract exchange rates are compared to prevailing market exchange rates as follows: 2008 – $106 million; 2007 – $166 million; and 2006 – $84 million. These gains are recorded within our operating costs. We have also recorded hedge gains as an offset to corporate administration costs as follows: 2008 – $11 million; 2007 – $19 million; and 2006 – $14 million.

For 2009, our average Australian and Canadian dollar hedge rates exceed the current market rates for these currencies. The average hedge rates vary depending on when the contracts were put in place. We are approximately 95% hedged in 2009 for expected Australian and Canadian operating expenditures at rates of 0.76 and 0.94, respectively. In addition, we have hedged 90% of our expected 2010 Australian operating expenditures at a rate of $0.80. Assuming market exchange rates remain at the December 31st levels of $0.70 and $0.82, we expect to record opportunity losses of approximately $135 million in 2009 (about $14 per ounce on total 2009 production), or approximately $100 million for the Australian dollar and approximately $35 million for the Canadian dollar, which will primarily impact our administration costs. Further information on our currency hedge positions is included in note 20 to the Financial Statements.

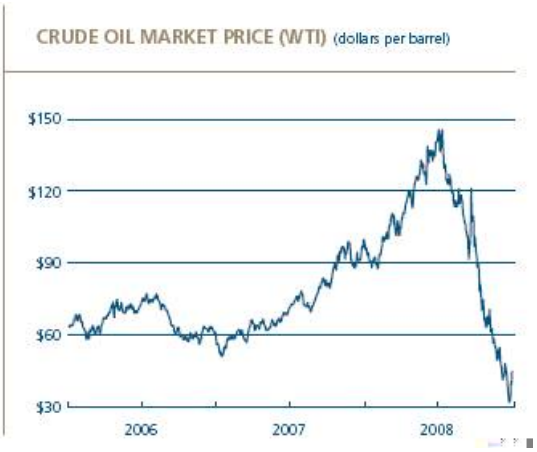




Fuel

We consume on average about 3.5 million barrels of diesel fuel annually across all our mines. Diesel fuel is refined from crude oil and is therefore subject to the same price volatility affecting crude oil prices. With global demand decreasing towards the end of 2008 on fears of a global slowdown in economic activity, oil prices decreased from a record high of $147 per barrel in third quarter 2008 to close at $45 per barrel at the end of the year.

Volatility in crude prices has a significant direct and indirect impact on our production costs. In order to mitigate this volatility, we employ a strategy combining the use of futures contracts and our production from Barrick Energy to effectively hedge our exposure to high oil prices. We currently have futures contracts in place totaling 5.1 million barrels, which represents about 62% of our total estimated direct consumption in 2009 and 21% of our total estimated direct consumption over the following four years. Those contracts are primarily designated for our Nevada-based mines, and have an average price of $91 per barrel. In 2008, we realized benefits in the form of fuel hedge gains on those contracts totaling $33 million (2007: $29 million; 2006: $16 million), when contract prices were compared to market prices. At a price of $42 per barrel, we expect to realize opportunity losses of approximately $100 million in 2009 from our financial contracts. In 2009, we expect Barrick Energy to produce about 1.4 million barrels of oil equivalent at a cash cost of about $29 per barrel. The combination of our financial contracts and expected Barrick Energy production provide us with an economic hedge of 3.5 million barrels for 2009 at an average cost of $69 per barrel.



Cost Pressures

Beyond fuel, the mining industry has also experienced high volatility in the prices of many of its other commodities and consumables used in the production of gold and copper.

In the case of sulfuric acid, we experienced a period of high market prices and supply shortages which have had a significant impact on production costs and disrupted production levels, particularly at our Zaldívar copper mine. We have now secured the supply and price of substantially all of our sulfuric acid needs for 2009 and over half of the supply expected to be required for 2010 and 2011 through firmly committed contracts, which should reduce the risk of future supply shortages and exposure to fluctuating prices.

Electricity prices fell from the highs experienced in third quarter 2008 primarily due to the decrease in the prices of diesel, coal, propane and natural gas, which are used for power generation. We continue to pursue alternative strategies to reduce our energy cost exposure, such as the operation of our natural gas-fired electricity plant to power our Nevada-based mines and its adjacent solar farm, our wind farm in Chile and our high-altitude wind turbine in Argentina.

The trend to lower prices for commodities and other consumables seen in the latter half of 2008 is expected to provide some eventual relief from the extraordinary rate of cost escalation the industry has witnessed over the last few years if prices remain at these lower levels. However, these lower prices will not significantly benefit our operating costs in 2009 due to the impact of existing inventory supplies, committed purchase contracts and commodity hedge contracts.

In addition to the volatile environment for operating expenses, we are also subject to fluctuations in certain commodity prices with respect to our capital projects. In particular, the cost of structured steel is a significant proportion of our pre-production capital costs at our development projects. Steel prices have been volatile since February 2008, when steel billet contracts first began trading on the LME. From the introduction of the January 2008 Mediterranean Steel Futures contract on the LME to the end of 2008, prices traded in a $1,110 per tonne range ($255 to $1,265 per tonne), closing the year at $368 per tonne. The fluctuations in the price of steel are a result of broad volatility in commodity prices.

US Dollar Interest Rates

As a result of the contraction of global credit markets and in an effort to spur economic activity and avoid potential deflation, the US Federal Reserve reduced short-term US dollar interest rates in 2008. Commercial credit spreads have widened, largely in response to the global re-pricing of credit. Rising credit spreads would increase our costs of new financing if this environment persists. In 2009, we expect that short-term rates will remain approximately at present levels followed by incremental increases to the short-term rate once economic conditions and credit markets normalize.

Our interest rate exposure mainly relates to the mark-to-market value of derivative instruments, the fair value and ongoing payments under U.S. dollar interest-rate swaps and to the interest payments on Barrick's variable-rate debt ($0.3 billion at the end of the year), interest receipts on Barrick's cash balances ($1.4 billion at the end of the year) and the valuation and forward prices of our Project Gold Sales Contracts. At present, the amount of interest expense recorded in our consolidated statement of income is not materially impacted by changes in short-term interest rates, due to the fact that the majority of our interest costs incurred are capitalized within property, plant and equipment. The relative amounts of variable-rate financial assets and liabilities may change in the future, depending upon the amount of operating cash flow we generate, as well as amounts invested in capital expenditures.



Financial Overview

Summary of Key Financial Results

($ millions, except per share data in dollars) For the years ended December 31	2008	2007	2006
Revenues	**$ 7,913**	$ 6,332	$ 5,630
Net income	**785**	1,119	1,506
Per share(1)	**0.90**	1.29	1.79
Net income	**785**	1,119	1,506
Impairment charges related to goodwill, property, plant and equipment, and investments	**899**	59	17
(Gains)/losses on the disposition of long-lived assets	**(178)**	(59)	(301)
Foreign currency translation (gains)/losses	**135**	(73)	(7)
Unrealized (gains)/losses on non-hedge derivative instruments	**20**	(10)	15
Adjusted net income(2)	**1,661**	1,036	1,230
Per share(1)	**1.90**	1.19	1.46
EBITDA(3)	**2,347**	2,436	2,605
Operating cash flow	**2,206**	1,732	2,122
Sustaining capital expenditures(4)	**742**	679	720
Project capital expenditures(4)	**739**	243	258
Total assets	**24,161**	21,951	21,510
Total liabilities	**8,702**	6,613	7,255
Dividends declared	**$ 349**	$ 261	$ 191

(1) Calculated using weighted average number of shares outstanding under the basic method.
(2) Adjusted net income is a non-GAAP financial performance measure with no standardized meaning under US GAAP. For further information and a detailed reconciliation, please see page 72 of this MD&A.
(3) EBITDA is a non-GAAP financial performance measure with no standardized meaning under US GAAP. For further information and a detailed reconciliation, please see page 75 of this MD&A.
(4) Amount presented is on a cash basis and reflects our equity share of capital expenditures on our advanced projects. For a detailed reconciliation and further discussion, please see page 57 of this MD&A.

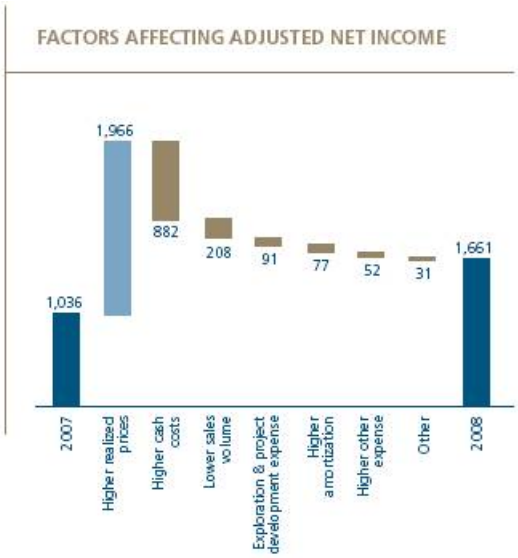
In 2008, net income decreased by $334 million, or 30% to a total of $785 million. EBITDA of $2,347 million was slightly lower than the $2,436 million recorded in the prior year. These decreases primarily relate to impairment charges related to goodwill and long-lived assets of $749 million and investments of $205 million. The goodwill and long-lived asset impairments were mainly due to: higher discount factors and lower valuation multiples reflecting present equity market conditions; lower copper price assumptions, which resulted in a significant reduction in production levels and remaining economic life at our Osborne copper mine; a significant decline in the oil price since the acquisition date of Barrick Energy; and the expected closure of the Henty mine on exhausting reserves in 2009. Investment impairment charges are primarily attributable to the write-down of our investment in Highland Gold due to the significant decrease in equity values of companies with significant exposure to the Russian market.

Impairment Charges Related to Goodwill, Property, Plant and Equipment, and Investments

($ millions) For the years ended December 31	2008	2007	2006
Kanowna	**$ 272**	$ —	$ —
North Mara	**218**	—	—
Investment in Highland Gold	**120**	—	—
Osborne	**104**	—	—

Barrick Energy	**88**	—	—
Henty	**30**	—	—
Asset-Backed Commercial Paper	**28**	14	—
Golden Sunlight	—	35	—
Eskay Creek	—	7	—
Other	**39**	3	17
Total (net of tax)	**$ 899**	$ 59	$ 17

Various other factors affected both net income and adjusted net income. The following chart illustrates those factors in the context of adjusted net income.



In 2008, we amended our definition of adjusted net income to exclude from this measure the impact of: impairment charges related to goodwill, property, plant and equipment, and investments; gains/losses on the disposition of long-lived assets; foreign currency translation gains/losses; and unrealized gains/losses on non-hedge derivative contracts. Previously, our adjusted net income was defined as net income excluding the impact of deliveries into our Corporate Gold Sales Contracts. Management believes that highlighting the impact of these adjustments provides investors and analysts with a better understanding of our underlying operating results. In addition, management uses this measure to prepare its internal budgets, forecasts and public guidance. Consequently, for these reasons, management believes that the inclusion of this financial measure provides useful information that, when used in conjunction with net income computed in accordance with US GAAP, provides investors and analysts with a better understanding of our performance for the period and our future prospects. Adjusted net income is a non-GAAP financial measure. For a full definition and reconciliation, refer to page 72 of this MD&A.

Operating cash flow increased $474 million from the prior year to a total of $2,206 million. The increase in operating cash flow reflects higher realized gold prices partly offset by higher total cash costs, lower gold sales volumes and higher inventory and working capital balances. Sustaining capital expenditures were $742 million, slightly higher than the prior year. Our share of project capital expenditures was $739 million, compared to $243 million in 2007, reflecting an increase in activity at the Cortez Hills, Pueblo Viejo and Buzwagi projects.

Summary of Key Operational Statistics

($ millions, except per ounce/pound data in dollars)	**Gold**			**Copper**		
For the years ended December 31	**2008**	**2007**	**2006**	**2008**	**2007**	**2006**
Production (000s ounces/millions pounds)(1)	**7,657**	8,060	8,643	**370**	402	367
Reserves (millions of contained ounces/billions of contained pounds)(2)	**138.5**	124.6	123.1	**10.0**	6.2	6.0
Sales						
000s ounces/millions pounds	**7,595**	8,055	8,390	**367**	401	376
$ millions	**$ 6,656**	$ 5,027	$ 4,493	**$ 1,228**	$ 1,305	$ 1,137
Market price	**872**	695	604	**3.15**	3.23	3.05
Realized price(3)	**870**	619	543	**3.39**	3.22	3.06
Cost of sales ($ millions)	**3,426**	2,805	2,319	**436**	339	391
Total cash costs(4)	**$ 443**	$ 345	$ 280	**$ 1.19**	$ 0.82	$ 0.78

(1) Gold production and total cash cost per ounce/per pound statistics reflect our equity share of production.

(2) 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 and Exchange Act of 1934), as interpreted by Staff of the SEC, applies different standards in order to classify mineralization as a reserve. Accordingly, for U.S. reporting purposes, Cerro Casale is classified as mineralized material and approximately 600 thousand ounces of reserves for Pueblo Viejo (Barrick's 60% interest) are classified as mineralized material. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 141 to 148.

(3) Realized price is a non-GAAP financial performance measure with no standardized meaning under US GAAP. For further information and a detailed reconciliation, please see page 75 of this MD&A.

(4) Total cash costs per ounce/pound is a non-GAAP financial performance measure with no standardized meaning under US GAAP. For further information and a detailed reconciliation, please see page 73 of this MD&A.

Total revenues of $7.9 billion were up $1.6 billion or 25% compared to the prior year, primarily due to higher realized gold and copper prices, which was partially offset by a decrease in sales volumes. Realized gold prices of $870 per ounce in 2008 were 41% higher than in 2007, principally due to higher market gold prices. Realized gold prices in 2007 reflect a reduction of $636 million (2006: $367 million), or $76 per ounce (2006: $44 per ounce), due to the voluntary delivery of 2.5 million ounces (2006: 1.2 million ounces) into our Corporate Gold Sales Contracts at average prices below the prevailing spot price.

Realized copper prices in 2008 were 5% higher than in 2007, with variability quarter to quarter reflecting the variability of market prices throughout the year, and the impact of our copper hedge positions in fourth quarter 2008. Current spot prices are significantly lower than 2008 realized prices. However, due to our hedge positions, we are largely economically protected from the decline in spot prices in 2009. In 2010, we are fully exposed to copper market prices.

In 2008, cost of sales attributable to gold increased by $621 million, or 22% compared to the prior year. On a total cash costs(1) per ounce basis, costs were up $98 per ounce, or 28% compared to the prior year. Cost of sales and total cash costs were impacted by increased amounts of waste mining at certain of our operations; inflationary pressures for input costs such as labor, oil, electricity and commodities and other consumables; increases in royalties and production taxes, and lower by-product credits and other gold price linked costs. In addition, total cash costs were impacted by lower average head grades.

Cost of sales attributable to copper increased by $97 million, or 29% compared to the prior year. Total cash costs per pound increased by $0.37, or 45% compared to the prior year. The increase in cost of sales attributable to copper and total cash costs per pound was primarily attributable to a significant increase in sulfuric acid prices and higher electricity prices resulting from a new higher-cost power contract at Zaldívar. The increases also reflect inflationary pressures on labor and other consumables and currency exchange impacts.

In 2008, we amended our definition of total cash costs to exclude the impact of unrealized non-hedge gains/losses on derivative contracts and to include the economic impact of our Barrick Energy unit. These changes are consistent with how management prepares its budget, forecasts and public guidance for total cash costs. In addition, many other gold companies present their total cash costs metric in this manner. Consequently, management believes that the changes to the calculation of total cash costs in 2008 provides investors and analysts with more accurate information on our underlying cash costs of production in the periods presented and is more comparable to the measure of total cash costs presented by other gold mining companies.

We produce an insignificant amount of non-gold metals in conjunction with the production of gold at certain of our operating mines, and in particular, copper is contained within the ore concentrate produced at our Bulyanhulu mine. The net economic effect of these non-gold metals is recorded within cost of sales as a by-product credit. In 2008, we recorded by-product credits of $6 million (2007: $15 million).

Some gold producers report a measure of total cash costs per ounce that reflects the net contribution from all non-gold revenue streams as a by-product credit of producing gold. We have provided a measure of total cash costs per ounce on this basis, whether or not these non-gold metals are produced in conjunction with gold, in order to enable investors to better understand our performance in comparison to those other gold producers. Total cash costs on a full credit for non-gold sales basis(2) were $337 per ounce compared to $228 in the prior year.

Cash margins per ounce illustrate the trends in profitability and the impact of fluctuations in realized prices and total cash costs on our ability to generate earnings and operating cash flow.(3) Cash margins per ounce increased in 2008 as the rise in gold prices outpaced rising total cash costs.

(1) Total cash costs is a financial performance measure with no standardized meaning under US GAAP. For a full definition of total cash costs and a reconciliation to cost of sales, refer to page 73 of this MD&A.

(2) Total gold cash costs per ounce — full credit for non-gold sales is a financial performance measure with no standardized meaning under US GAAP. For further information and a detailed reconciliation of this measure, please see page 73 of this MD&A.

(3) Cash margins per ounce, is a non-GAAP measure used by management to assess the ability of our gold operations to generate operating cash flow and analyze profitability trends. It has no standardized meaning under US GAAP. For a full definition and calculation, please refer to page 76 of this MD&A. Assuming an average spot gold price in 2009 of $850, we expect to realize cash margins of about $375 to $400 per ounce.



(1) 2007 cash margins reflect a $76 per ounce (2006: $44 per ounce) impact from our voluntary deliveries into our Corporate Gold Sales Contracts.
(2) Assuming an average market gold price of $850 per ounce in 2009.

Operational Overview

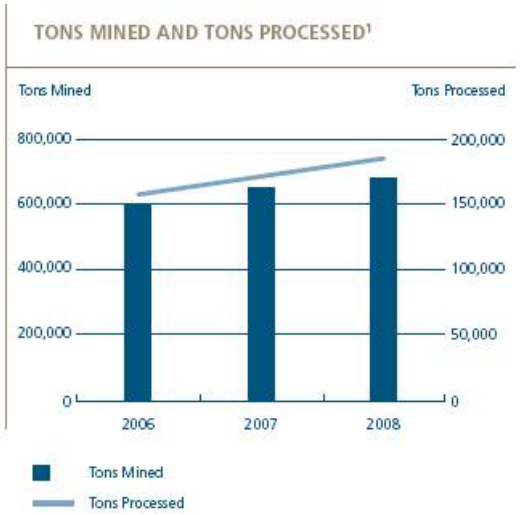
For the years ended December 31	2008	2007	% Change	2006
Gold				
Tons mined (millions)	**680**	653	4%	600
Ore tons processed (millions)	**191**	172	11%	157
Average grade (ozs/ton)	**0.047**	0.055	(15)%	0.067
Recovery rate	**84.4%**	84.7%	(1)%	82.3%
Gold produced (000s/oz)	**7,657**	8,060	(5)%	8,643
Copper				
Tons mined (millions)	**83,221**	89,607	(7)%	92,342
Ore tons processed (millions)	**43,813**	39,016	12%	28,166
Average grade (percent)	**0.6**	0.7	(14)%	0.10
Copper produced (millions/lbs)	**370**	402	(8)%	367

Production

Gold production in 2008 was 403 thousand ounces or 5% lower than in 2007, reflecting lower production in Africa, Australia and North America, partially offset by higher production in South America. Copper production was 8% lower than the prior year period due to lower production from both Zaldívar and Osborne in 2008.

Tons Mined and Tons Processed – Gold

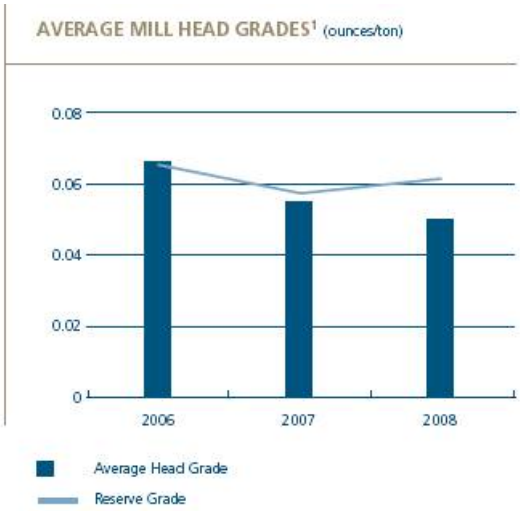
Total tons mined and tons processed increased by 4% and 11%, respectively, compared to 2007. The higher tons mined was mainly due to the increased waste stripping activity at Cowal following the East Wall slip and the acquisition of the additional 40% interest in Cortez. Higher tons processed resulted from increased material placed on the leach pad at Veladero and the impact of the acquisition of an additional 40% of Cortez in early 2008.



(1) All amounts presented are based on equity production.

Average Mill Head Grades – Gold

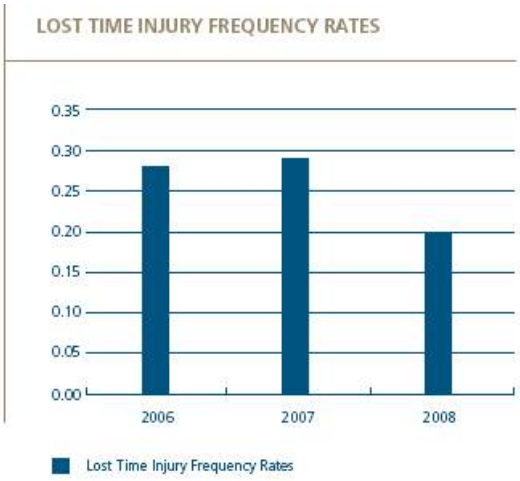
Average mill head grades decreased by approximately 15% in 2008 compared to the prior year, primarily due to mine sequencing that resulted in lower ore grades at certain mines. We were mining below our average reserve grade in 2008. In 2008, we continued to take advantage of the high gold price environment in order to process material that would otherwise be uneconomical in a lower gold price environment, thereby earning an operational contribution from low-grade material that would otherwise be classified as waste.



(1) All amounts presented based on equity production. Average mill head grades are expressed as the number of ounces of gold contained in a ton of ore processed. Reserve grade represents expected grade over the life of the mine and is calculated based on reserves reported at the end of the immediately preceding year.

Safety

In 2008, we achieved a reduction in the number of total injuries and lost time injuries, continuing a trend of year over year performance improvements. Lost time injuries are recorded when an employee or contractor takes time off the following day or shift following an incident. An incident-free work place is our vision. In addition, we are pleased to announce that seven producing sites achieved zero lost time injury rates in 2008, including Pascua-Lama which has achieved a total of 5 million hours worked with no lost time injury.



Reserves(4)

At year-end 2008, the Company added 23.0 million ounces, and after depletion of 9.1 million ounces, proven and probable gold reserves increased by 13.9 million ounces to 138.5 million ounces, the largest in the industry, based on an assumed $725 per ounce gold price. The increase reflects the inclusion of 10.8 million ounces attributable to our 51% ownership interest in Cerro Casale in proven and probable reserves; 1.2 million additional ounces at Pueblo Viejo, and 6.4 million ounces at Cortez reflecting 2.4 million ounces at the Cortez-Crossroads deposit and our additional 40% in ownership.

Measured and indicated gold mineral resources grew by 29% to 65.0 million ounces and inferred gold mineral resources grew 9% to 34.8 million ounces based on an $850 per ounce gold price. We recorded 2.3 million ounces in gold mineral resources for Cerro Casale. Reko Diq resources increased by 4.7 million ounces to 8.5 million ounces and Donlin Creek resources increased 3.1 million ounces to 17.7 million ounces at year end 2008. Measured and indicated resources in the Cortez Hills underground increased from 1.1 million ounces to 2.0 million ounces.

(4) For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 141 to 148 of this Financial Report 2008.

Copper reserves increased to 6.4 billion pounds and measured and indicated resources increased by 7.1 billion pounds to 12.5 billion pounds. Contained silver within reported gold reserves is over one billion ounces.

Replacing gold and copper reserves depleted by production year over year is necessary in order to maintain production levels over the long term. If depletion of reserves exceeds discoveries over the long term, then we may not be able to sustain gold and copper production levels. Reserves can be replaced by expanding known ore bodies, acquiring mines or properties or discovering new deposits. Once a site with gold or copper mineralization is discovered, it takes several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves and to permit and construct mining and processing facilities.

Key Business Transactions

Acquisition of 40% interest in Cortez

On March 5, 2008, we completed our acquisition of the additional 40% interest in the Cortez property for a total cash consideration of $1.7 billion. The acquisition consolidates 100% ownership for Barrick of the existing Cortez mine and the Cortez Hills expansion.

Acquisition of Barrick Energy

In 2008, we acquired all the issued and outstanding shares of Cadence Energy Inc. for cash consideration of $377 million, as well as oil and gas assets at Sturgeon Lake, Alberta, from Daylight Resources Trust, for cash consideration of $83 million. Daylight's Sturgeon Lake assets are adjacent to Cadence Energy's Sturgeon Lake assets and the consolidated ownership will allow us to exploit and develop these assets. These acquisitions together comprise Barrick Energy, which was formed as part of our long-term strategy to economically hedge our exposure to oil prices.

Operating Segments Review

We report our results of operations using a geographical business unit approach: North America, South America, Australia Pacific and Africa. In addition, we have a Capital Projects segment, distinct from our regional business units, to focus on managing projects. This structure reflects how we manage our business and how we classify our operations for planning and measuring performance.

In our Financial Statements, we present a measure of historical segment income that reflects gold sales and copper sales at average consolidated realized gold and copper prices, respectively, less segment expenses and amortization of segment property, plant and equipment.

We monitor segment expenses and period to period fluctuations in our total cost of sales on a unit basis, per ounce of gold and per pound of copper, which is referred to as total cash costs. Therefore, the discussion of results for our producing mines focuses primarily on this statistic to explain changes in segment expenses.

North America

Key Operating Statistics

For the years ended December 31	2008	2007	% Change	2006
Tons mined (millions)	**360**	335	7%	274
Ore tons processed (millions)	**92**	76	21%	69
Average grade (ozs/ton)	**0.041**	0.051	(20)%	0.045
Gold produced (000s/oz)	**3,028**	3,201	(5)%	3,372
Cost of sales ($ millions)	**$ 1,517**	$ 1,178	29%	$ 1,039
Total cash costs (per oz)	**$ 493**	$ 363	36%	$ 310

Production for 2008 was 5% lower than the same prior year period due to lower production at Golden Sunlight, Eskay Creek, Turquoise Ridge, Round Mountain and Hemlo; partly offset by higher production at Cortez and Goldstrike.

At Goldstrike, production increased by 77 thousand ounces as a result of a 10% increase in average grade due to processing of higher grade ore as a result of the completion of a significant waste stripping phase in second quarter 2008. At Cortez, production increased by 105 thousand ounces compared to the prior year, primarily reflecting the acquisition of the remaining 40% interest in first quarter 2008. At Golden

Sunlight, production decreased by 78 thousand ounces as the mine entered into an extended period of waste stripping due to a mine expansion plan, which extends the mine life to 2015 and adds approximately 400 thousand ounces to proven and probable reserves. At Eskay Creek, planned production ended in late first quarter 2008, and reclamation and closure activities have commenced. At Turquoise Ridge, lower production resulted from the decision to place the Getchell mine on care and maintenance. At Round Mountain and Hemlo, production decreased due to an expected decline in ore tons processed and grade.

Cost of sales applicable to gold increased by $339 million, or 29%, and total cash costs per ounce increased by $130, or 36% compared to the same prior year period. The increase in cost of sales and total cash costs during the current year reflect higher input costs for diesel, propane and labor; higher royalties and production taxes; lower average grade at certain of our mines; and lower silver by-product credits due to the end of operations at Eskay Creek. In addition, total cash costs were impacted by lower production levels.

In 2009, we expect gold production in the range of 2.55 to 2.7 million ounces. Cost of sales applicable to gold is expected to be $1.3 to $1.5 billion, or on a total cash costs basis $520 to $550 per ounce. Production is expected to be lower than 2008 primarily due to lower processed grade and recovery rates of alkaline ore at Goldstrike; Golden Sunlight, where the mine will be entering into an extensive waste stripping phase and due to lower grades at Round Mountain; partially offset by higher production expected at Cortez. In 2008, we conducted tests using a modified pressure technology that would allow the autoclaves at Goldstrike to process alkaline ore that would have been previously treated at the roaster facility, thus extending the life of the autoclave and accelerating the production time-table for this type of ore. However, recovery percentages were lower than expected. Accordingly, expected production from alkaline ore in 2009 is approximately 400 thousand ounces lower than 2008. Cost of sales and total cash costs per ounce are expected to be slightly higher in 2009, mainly due to the impact of lower production levels.

Significant Projects – Cortez Hills

Cortez Hills entered construction in late November following receipt of the Record of Decision and is expected to enter production in the first quarter of 2010, assuming satisfactory resolution of pending litigation regarding the project. In fourth quarter 2008, a number of opponents of the Cortez Hills expansion filed suit in the United States District Court for the District of Nevada seeking to overturn the Bureau of Land Management's approval of the Cortez Hills project on environmental and religious grounds. The plaintiffs unsuccessfully sought to enjoin construction of the project pending consideration of their claims. The District Court's denial of the requested injunction is currently being appealed.

Pre-stripping work is currently underway on the open pit along with work on the conveyor, crusher, workshops and access roads. Once completed, the Cortez Hills project is expected to become a key, long life, low cost mine. Total construction costs remain in line with the pre-production capital budget of approximately $500 million. In addition to the original scope of work, we have accelerated our underground development schedule. To date, we have spent $40 million, and we expect to spend an additional $50 to $80 million advancing underground development in the following twelve months. The expanded Cortez operation is expected to have average production of about 1.0 million ounces at total cash costs of about $350 to $400(5) per ounce in its first full five years of production. Total cash costs in the current plan reflect the inclusion of incremental lower grade heap leach ore from the Pipeline area due to a higher gold price assumption, and the associated costs for labor, consumables and stripping. Higher proven and probable reserves of 13.3 million ounces at year-end 2008 for Cortez reflect the 40% interest acquired earlier in the year plus an additional 2.4 million ounces in the Crossroads area. Measured and indicated resources in the Cortez Hills underground increased from 1.1 million ounces to 2.0 million ounces. The Cortez property continues to demonstrate significant exploration potential. As a follow up to the successful 2008 work program, the Company plans to spend $18 million on exploration at Cortez with a total of seven rigs being committed to this extensive, underexplored property in 2009.

(5) Based on an oil price of $75 per barrel and life of mine HFO power.

South America

Key Operating Statistics

For the years ended December 31	2008	2007	% Change	2006
Gold				
Tons mined (millions)	**151**	151	0%	168
Ore tons processed (millions)	**65**	59	10%	53
Average grade (ozs/ton)	**0.037**	0.042	(12)%	0.054
Gold produced (000s/oz)	**2,111**	2,079	2%	2,104
Cost of sales ($ millions)	**$ 531**	$ 400	33%	$ 305
Total cash costs (per oz)	**$ 251**	$ 193	30%	$ 147
Copper				
Copper produced (millions of lbs)	**295**	315	(6)%	308
Cost of sales ($ millions)	**$ 315**	$ 231	36%	$ 282
Total cash costs (per lb)	**$ 1.08**	$ 0.69	57%	$ 0.62

Gold production levels in 2008 were up slightly from the prior year period as an increase in tons processed was partially offset by lower average grades. At Veladero, production was up 62 thousand ounces, or 13% compared to the same prior year period, primarily as a result of a 19% increase in ore placed on the leach pad. Lagunas Norte continued to deliver strong results, with production totaling 1,175 thousand ounces, 18% higher than the prior year. These increases were partially offset by a decrease in production of 120 thousand ounces at Pierina as a result of the planned mining of lower grade ore as the mine nears the end of its economic life.

Cost of sales applicable to gold was $531 million, an increase of $131 million or 33% compared to the same prior year period. Total cash costs per ounce increased by $58 per ounce to $251 per ounce in 2008. The increase in cost of sales and total cash costs is largely due to increased production at our higher cost Veladero mine, which contributed $45 per ounce of the overall increase in total cash costs; higher input costs for consumables and labor used in the production process; higher maintenance expenditures; and higher costs for consumables used within the production process compared to the prior year.

In 2009, we expect gold production in the range of 1.95 to 2.06 million ounces. Cost of sales applicable to gold is expected to be about $550 to $640 million, or $285 to $310 per ounce on a total cash costs basis. Production is expected to be slightly lower than 2008, as higher production at Veladero is expected to be offset by lower production at Pierina. As a result of this production mix, we expect cost of sales and total cash costs per ounce to be higher in 2009.

In 2008, Zaldívar produced 295 million pounds of copper at an applicable cost of sales of $315 million or $1.08 per pound on a total cash

costs basis. Lower production compared to the prior year reflects lower tonnage placed on the leach pad and the realization of lower overall recovery rates as a result of poor leaching kinetics due to shortages in the supply of sulfuric acid experienced in 2008. We expect production to increase to a range of 305 to 320 million pounds in 2009 due to higher expected recovery rates reflecting the resolution of sulfuric acid supply constraints. Cost of sales applicable to copper and total cash costs per pound in 2008 were impacted by the increased cost of fuel and acid, along with inflationary pressures on labor and consumables, and higher electricity prices resulting from the transition to a new higher-cost power contract in mid-2008. We expect 2009 cost of sales applicable to copper to be in the range of $350 million to $400 million, and total cash costs to be in the range of $1.15 to 1.25 per pound.

Australia Pacific

Key Operating Statistics

For the years ended December 31	2008	2007	% Change	2006
Gold				
Tons mined (millions)	**147**	144	2%	137
Ore tons processed (millions)	**29**	33	(12)%	30
Average grade (ozs/ton)	**0.077**	0.078	(1)%	0.087
Gold produced (000s/oz)	**1,942**	2,123	(9)%	2,220
Cost of sales ($ millions)	**$ 1,051**	$ 934	13%	$ 749
Total cash costs (per oz)	**$ 550**	$ 447	23%	$ 350
Copper				
Copper produced (millions of lbs)	**75**	87	(14)%	59
Cost of sales ($ millions)	**$ 121**	$ 108	12%	$ 109
Total cash costs (per lb)	**$ 1.64**	$ 1.36	21%	$ 1.52

Total gold production in 2008 was 9% lower than the same prior year period as a result of lower gold production at Kanowna, Yilgarn South(6), Plutonic and Cowal, partially offset by increased production at Porgera.

At Kanowna, production decreased primarily due to decreased processing of open pit material due to the disposition of the Paddington mill in August 2007. In the latter half of 2008, Kanowna transitioned to an underground mining operation. The decrease in production at Plutonic was primarily due to stope sequencing and mine planning issues resulting from blocked paste holes and a backlog of paste requirements. Production was also impacted by an explosion at the Varanus gas processing facility in June 2008, which resulted in the temporary closure of the mill. Yilgarn South production levels were primarily impacted by lower ore feed at Granny Smith as the processing of open pit material ended in early 2008. This decrease was partially offset by the ramp-up of underground operations in the second half of the year. At Cowal, the East Wall slip in December 2007 restricted access to high grade ore in the first half of the year which resulted in the mining of lower grade ore. Access to higher grade ore and increased throughput rates partially improved overall recovery rates in the latter part of the year. At Porgera, production levels benefited from the 20% increase in ownership to 95% and the mining of higher grade ore from both the open pit and underground mine.

Cost of sales applicable to gold was higher by $117 million, or 13% compared to the prior year. Total cash cost per ounce increased by 23% or $103 per ounce compared to the same prior year period. The increase in cost of sales and total cash costs is due to the impact of higher diesel, commodity and consumables prices, primarily at Plutonic where gas was temporarily sourced from higher cost suppliers; increased labor rates; slightly higher currency hedge rates; and higher maintenance costs at Cowal coupled with the ongoing remediation work related to the East Wall. We are approximately 95% hedged in 2009 for expected Australia operating expenditures at a rate of $0.76. In addition, we have a 90% hedge on expected 2010 Australian operating expenditures at a rate of $0.80.

In 2009, we expect gold production in the range of 1.85 to 2.0 million ounces as a result of higher expected production at Cowal as completion of the remediation activities of the East Wall provides access to higher grade ore; and at Kalgoorlie and Plutonic where production is expected to increase based on improved ore grades, equipment availability and the resolution of natural gas supply issues from the gas explosion in 2008; partially offset by lower expected production at Porgera attributable to lower tons processed due to a scheduled maintenance shut down of the ball mill for a major overhaul. Cost of sales is expected to be about $1.1 to $1.2 billion. Total cash costs are expected to be in the range of $580 to $610 per ounce due to labor rate increases, higher royalty costs and increased costs related to diesel consumption and maintenance due to fleet expansion at Kalgoorlie.

At Osborne, copper production decreased by 14% to 75 million pounds from 87 million in the prior year, at cash costs of $1.64 per pound compared to $1.36 per pound in the prior year. Cost of sales applicable to copper increased by $13 million, or 12% compared to the prior year. Production was impacted by the hanging wall issues of the underground mine encountered during the year restricting access to higher grade material. Production levels in 2009 are expected to range from 70 to 80 million pounds with total cash costs of $1.50 to 1.70 per pound. Cost of sales applicable to copper is expected to be in the range of $105 to $140 million.

Africa

Key Operating Statistics

For the years ended December 31	2008	2007	% Change	2006
Tons mined (millions)	**22**	23	(4)%	21
Ore tons processed (millions)	**4**	4	0%	5
Average grade (ozs/ton)	**0.154**	0.165	(7)%	0.188
Gold produced (000s/oz)	**545**	605	(10)%	914
Cost of sales ($ millions)	**$ 327**	$ 293	12%	$ 226

Total cash costs (per oz)	**$ 560**	$ 405	38%	$ 312

(6) Effective first quarter 2008, the Darlot, Lawlers, and Granny Smith mines are being managed as a single unit (Yilgarn South), with shared administrative services in order to achieve operational and administrative efficiencies.

Total gold production in 2008 decreased by 10% compared to the prior year. At North Mara, production was impacted by equipment availability issues resulting from the excavator fire in January and disruption due to local civil disturbances. At Bulyanhulu, lower staffing levels in the first half of the year due to the illegal strike in fourth quarter 2007 led to delays in underground mining activities and limited our ability to access higher grade areas of the ore body. We returned to normal staffing levels in the second half of 2008 and have continued to train the workforce in order to increase future productivity. At Tulawaka, production decreased 18% compared to the prior year as higher grade open pit operations came to an end in September and the start of underground mining was delayed due to ventilation, remodeling and training issues resulting in a revised mine plan.

Cost of sales applicable to gold increased by $34 million, or 12%, and total cash costs per ounce for the region in 2008 were 38% higher than the prior year. Total cash costs per ounce increased primarily due to lower production driven by lower throughput and recoveries at our higher cost mines. Cost of sales and total cash costs were also impacted by higher input costs due to inflationary pressures on labor, commodities, and consumables and lower copper by-product credits at Bulyanhulu due to lower production levels.

In 2009, we expect gold production in the range of 0.71 to 0.8 million ounces. We expect cost of sales applicable to gold to be in the range of $315 to $395 million, or $445 to $495 per ounce on a total cash costs basis. Production is expected to increase primarily due to the commencement of mining operations at Buzwagi in the second quarter and higher production expected at Bulyanhulu due to ongoing training to increase mining productivity, partially offset by lower production expected at Tulawaka due to the ceasing of open pit operations in third quarter 2008. Cost of sales and total cash costs per ounce are expected to be lower in 2009, reflecting the increase in production levels, and inclusion of lower cost Buzwagi production.

Capital Projects

Key Operating Statistics

($ millions) **For the years ended December 31**	**2008**	**2007**	**2006**
Project expense	**$ 185**	$ 173	$ 111
Project expense incurred by equity investees	**69**	14	—
Total project expense	**254**	187	111
Capital expenditures(1)	**584**	169	211
Capital commitments	**$ 552**	$ 159	$ 117

(1) Amounts presented represent our share of capital expenditures on a cash basis, and exclude expenditures incurred at our Cortez property (2008: $155 million, 2007: $75 million, and 2006: $47 million) which is not managed by the Capital Projects group.

We spent $254 million in project expenses and $584 million (our share) in capital expenditures in 2008. Project expenses primarily relate to activities undertaken to advance the Pueblo Viejo ($62 million), Kainantu ($28 million), Pascua-Lama ($21 million) and Fedorova ($24 million) projects. Capital expenditures are mainly attributable to our Buzwagi, Pueblo Viejo and Pascua-Lama projects. We expect capital expenditures to increase in 2009 as construction activities at these three capital projects ramp up.

Project expenses incurred by equity investees reflect our share of expenditures related to the Reko Diq, Cerro Casale and Donlin Creek projects.

Overview

The recent volatility and decline in prices for gold, copper, silver, platinum group metals, energy, foreign currencies, input commodities and consumables, steel and Engineering Procurement Construction Management (EPCM) services could have a significant impact on the pre-production capital costs, operating costs as well as the overall development timeframe of our capital projects. Certain changes such as the decline in the price of precious and base metals may have negative impacts, while others, such as the decline in prices for input commodities and consumables, the strengthening of the US dollar and the increased availability and reduced cost of EPCM services may have positive impacts. In addition, the sharp contraction in credit markets could result in higher financing costs if these conditions persist for an extended period of time and could also impact our project development schedules.

The impact of a continuation of the present economic environment for commodity prices and credit markets is also potentially significant to our early stage projects.

The significant decrease in platinum group metals prices in fourth quarter 2008 has negatively impacted the economics of some of our projects, including Sedibelo and Fedorova. Similarly, the significant decline in nickel prices has impacted the viability of our Kabanga project. We

are currently reviewing the project economics and timelines for these projects with a view towards optimizing our development schedule in light of the market environment. We will also need to consider the views of our partners on the projects.

Projects

The Buzwagi project in Tanzania was 90% complete at year end and is on schedule to pour first gold in second quarter 2009 in line with its pre-production capital budget of about $400 million, contributing about 200 thousand ounces in 2009 at total cash costs of about $320 to $335(7) per ounce.

The Pueblo Viejo project in the Dominican Republic is advancing on schedule and within its preproduction capital budget of approximately $2.7 billion (100% basis)(8), with initial production anticipated in the fourth quarter of 2011. Barrick's 60% share of annual gold production in the first full five years of operation is expected to be about 600 to 650 thousand ounces at total cash costs of about $275 to $300(7) per ounce. Pueblo Viejo is a long life asset with an expected mine life of over 25 years and we continue to find new reserves.

At Pascua-Lama, the majority of remaining key sectoral permits, including water rights, have been granted by the government of San Juan province in Argentina. Progress was made on certain fiscal matters at the federal level; however, the resolution of cross-border taxation between Chile and Argentina remains outstanding. Work is ongoing, including project optimization, to finalize project economics. The mix of silver and gold production provided for in the mine plan and assumed silver prices will significantly impact estimated total cash costs. Subject to resolution of cross-border taxation and other matters, we expect to provide updated details on the project economics in second quarter 2009.

At Donlin Creek, a large, undeveloped, refractory gold deposit in Alaska, a preferred design for the Donlin Creek project has been identified and a feasibility study update continues on schedule for completion by the first quarter 2009 after which it may be approved or subject to further update. The project is expected to have a throughput design of approximately 50 thousand tonnes per day using onsite diesel and wind cogeneration for power. Pre-permitting activities are underway concurrent with the feasibility study update.

At Sedibelo, a platinum project in South Africa, regulatory approval was obtained enabling the transfer of the initial 10% stake in the property following the completion of a bankable feasibility study in 2008. During fourth quarter, the right to mine was granted by the Department of Minerals and Energy which expires in June 2009 if mining related activities have not commenced.

Reko Diq is a large copper-gold porphyry mineral deposit on the Tethyan belt, located in southwest Pakistan in the province of Baluchistan. The project feasibility study remains on schedule and is expected to be completed in the second half of 2009.

At Cerro Casale, one of the world's largest undeveloped gold and copper deposits located in the Maricunga district of Region III in Chile, 145 km southeast of Copiapo, the pre-feasibility study was completed and indicated positive returns. We expect to complete a full feasibility study by the end of third quarter 2009.

Kabanga is one of the world's largest undeveloped nickel sulfide deposits located in Tanzania. Xstrata Nickel earned a 50% interest in the project under the earn-in agreement during the quarter. All future expenditures will be funded equally by Xstrata Nickel and Barrick. We are committed to completing the final phase of the feasibility in 2009 at an expected cost of $40 million (100% basis).

(7) Based on an oil price of $75 per barrel and life of mine HFO power.
(8) Pre-production, followed by $0.3b to complete phased expansion to 24,000 tpd.

Review of Significant Operating Expenses

Exploration Expense

($ millions) **For the years ended December 31**	**2008**	**2007**	**2006**	**Comments on significant trends and variances**
Exploration				
North America	**$ 69**	$ 66	$ 61	Mainly due to higher costs incurred at Cortez ($11 million), partially offset by lower costs incurred at Goldstrike ($3 million) and the Grace Property ($5 million) compared to the prior year.
South America	**40**	33	22	Mainly due to higher activity at Lagunas Norte ($4 million) and Zaldívar ($3 million). The increase in 2007 over 2006 was due to higher activity at Lagunas Norte and Zaldívar.
Australia Pacific	**52**	46	44	Mainly due to higher activity at Osborne ($8 million) partially offset by Granny Smith ($2 million).
Africa	**18**	15	22	No significant change from the prior year.
Capital Projects/Global Exploration	**25**	11	3	Mainly due to higher activity at Kainantu ($10 million) and the Pinson Property ($7 million) partially offset by lower expenditures at Pueblo Viejo ($3 million).
Other	**12**	8	19	No significant change from 2007. Lower expenditures in 2007 compared to 2006 were mainly due to the sale of exploration properties to Highland and discontinuation of active exploration in China and Turkey.
Total	**$ 216**	$ 179	$ 171	

Project Development Expense

($ millions) For the years ended December 31	2008	2007	2006	Comments on significant trends and variances
Mine development	**$ 150**	$ 151	$ 96	In 2008, higher expenditures at Kainantu ($27 million) and Fedorova ($5 million) were largely offset by lower expenditures at Donlin Creek ($33 million). The increase in 2007 over 2006 was due to increased development activities at Pueblo Viejo (increase of $42 million), and Sedibelo (increase of $12 million), partially offset by Donlin Creek (decrease of $5 million).
Non-capitalizable project costs	**51**	32	15	Non-capitalizable costs mainly represent items incurred in the development/construction phase that cannot be capitalized. 2008 expenditures increased due to additional spending at the Pinson Property ($17 million) and Cortez Hills ($2 million). The increase in 2007 over 2006 was due to an increase at Sedibelo ($11 million), Porgera ($4 million) and South Arturo ($2 million).
Business development/other	**41**	5	8	Higher expenses in 2008 reflect an increase in costs related to reserve development ($8 million), corporate development projects ($4 million), research and development spending ($8 million), information technology related to our projects ($7 million) and corporate efficiency programs such as the Business Process Improvement project ($5 million).
Total	**$ 242**	$ 188	$ 119	

Amortization Expense

($ millions) For the years ended December 31	2008	2007	2006	Comments on significant trends and variances
Gold mines				
North America	**$ 350**	$ 314	$ 247	Lower amortization reflects lower sales volumes across all our regions, an increase in reserve estimates at Pierina resulting in reduced amortization rates and lower amortization incurred at Eskay Creek, which is no longer in production, partially offset by higher amortization at Cortez with the additional 40% ownership and a full year of the additional ownership in Porgera compared to 2007.
South America	**165**	234	127	
Australia Pacific	**258**	239	186	
Africa	**62**	78	88	
Copper mines				
South America	**66**	80	51	Lower amortization in South America reflects lower copper sales volumes in 2008 as well as an increase in reserves at Zaldívar compared to the prior year. Higher amortization in Australia is mainly due to a decrease in the reserve base at Osborne compared to the prior year.
Australia Pacific	**57**	39	17	
Sub-total	**$ 958**	$ 984	$ 716	
Other	**32**	20	19	Reflects amortization of corporate assets and the additional amortization related to Barrick Energy.
Total	**$ 990**	$ 1,004	$ 735	

Impairment Charges, Write-down of Investments, Corporate Administration, Interest Income and Interest Expense

($ millions) For the years ended December 31	2008	2007	2006	Comments on significant trends and variances
Impairment charges	**$ 749**	$ 42	$ 17	Impairment charges in 2008 reflect the charges taken for goodwill ($678 million) and impairments of long-lived assets ($71 million). Refer to page 65 of this MD&A for further information on goodwill impairment charges.
Write-down of investments	**205**	23	6	In 2008, we recorded an impairment charge on our investment in Highland Gold ($140 million), on Asset-Backed Commercial Paper ($39 million) which was subsequently reversed into Other Income, and various other investments in junior gold mining companies ($26 million). In 2007, we recorded an impairment charge on Asset Backed Commercial Paper of $20 million.
Corporate administration	**155**	155	142	No significant change from the prior year. The increase in 2007 over 2006 was due to the strengthening of the Canadian dollar vs. the US dollar as costs are primarily in Canadian dollars.
Interest income	**39**	141	110	Decrease is mainly due to lower average cash balances in 2008.
Interest expense				

Total incurred	**243**	237	251	Slight increase in 2008 reflects additional interest incurred as part of the bond issuance in third quarter 2008 used to repay the drawdown of $990 million credit facility to finance the additional 40% interest in Cortez, partially offset by lower interest payments due to the repayment of $500 million, 7.5% debentures in 2007 and lower interest on Veladero financing in 2008.
Capitalized	**222**	124	102	Higher costs capitalized in 2008 related to Cortez Hills ($40 million), Cerro Casale ($41 million), Buzwagi ($11 million), Kainantu ($7 million) and Pueblo Viejo ($3 million) partially offset by a decrease at Pascua-Lama ($4 million).
Interest expense allocated to discontinued operations	—	—	23	Interest expense in 2006 related to South Deep.
Expensed	**$ 21**	$ 113	$ 126	

Income Tax

(percentages) **For the years ended December 31**	**2008**	**2007**	**2006**
Effective tax rate on ordinary income	**30%**	28%	23%
Impairment charges	**13%**	1%	—
Net currency translation (gains)/losses on deferred tax balances	**5%**	(4)%	(1)%
Deliveries into Corporate Gold Sales Contracts	**—**	7%	4%
Canadian tax rate changes	**—**	3%	1%
Release of deferred tax valuation allowances	**(7)%**	(12)%	(3)%
Impact of change in Australian tax status	**—**	—	(2)%
Actual effective tax rate	**41%**	23%	22%

Our effective tax rate on ordinary income increased from 28% to 30% in 2008 primarily due to higher market gold prices, the impact of changes in the mix of production, and on the mix of taxable income in the various tax jurisdictions where we operate. In 2007 we released valuation allowances totaling $156 million in Tanzania due to the impact of higher market gold prices on expected levels of taxable income in Tanzania.

Currency Translation

Deferred tax balances are subject to remeasurement for changes in currency exchange rates each period. The most significant balances are Canadian deferred tax assets with a carrying amount of approximately $334 million and Australian and Papua New Guinea net deferred tax liabilities with a carrying amount of approximately $118 million. In 2007, the appreciation of the Canadian and Australian dollar against the US dollar resulted in net translation gains arising totaling $76 million. These gains are included within deferred tax expense/recovery. In 2008, following the strengthening of the US dollar, we recorded translation losses of $98 million.

In fourth quarter 2008, Barrick Gold Corporation filed an election under Canadian draft legislation to prepare its Canadian tax return using US dollars as the functional currency effective 2008. Upon the expected enactment of the legislation in early 2009, we will be recording a one-time benefit of approximately $50 to $60 million.

Canadian Tax Rate Changes

In the second and fourth quarters of 2007 and the second quarter of 2006, federal rate changes were enacted in Canada that lowered the applicable tax rate. The impact of this tax rate change was to reduce net deferred tax assets in Canada by $64 million in 2007 and $35 million in 2006 which are recorded as a component of deferred income tax expense in the respective year. Also, in second quarter 2006, due to a change in the tax status of a Canadian subsidiary, we recorded a deferred income tax credit of $23 million to reflect the impact on the measurement of deferred income tax assets and liabilities.

Change in Tax Status in Australia

In first quarter 2006, an interpretative decision (“ID”) was issued by the Australia Tax Office that clarified the tax treatment of currency gains and losses on foreign denominated liabilities. Under certain conditions, for taxpayers who have made the functional currency election, and in respect of debt that existed at the time the election was made, the ID provided clarification that unrealized foreign exchange gains that currently exist on inter-company debt will not crystallize upon repayment of the debt. The effect of the ID was recorded as a $31 million reduction of deferred tax liabilities.

Financial Outlook

2009 Guidance

	2008 Actual	**2009 Guidance**
Gold		

Production (millions of ounces)	**7.7**	**7.2–7.6**
Cost of sales	**$3,426**	**$3,200–$3,600**
Total cash costs ($ per ounce)	**$ 443**	**$450–$475**
Total cash costs – full credit non-gold sales ($ per ounce)	**$ 337**	**$360–$385**
Amortization ($ per ounce)	**115**	**$115–$120**
Copper		
Production (millions of pounds)	**370**	**375–400**
Cost of sales	**$ 436**	**$470–$540**
Total cash costs ($ per pound)	**$ 1.19**	**$1.25–$1.35**
Amortization ($ per pound)	**$ 0.33**	**$0.20–$0.25**
Corporate administration	**$ 155**	**$160**
Exploration expense	**$ 216**	**$150–$160**
Project expense(1) (including equity pick-up)	**$ 229**	**$250–$270**
Other expense	**$ 295**	**$200**
Interest income	**$ 39**	**$10**
Interest expense	**$ 21**	**$30**
Capital expenditures – sustaining	**$ 890**	**$750–$850**
Capital expenditures – projects(2)	**$ 937**	**$1,300–$1,500**
Effective income tax rate	**30%**	**30%**

1. Represents Barrick's share of expenditures. For US GAAP purposes, 100% of expenditures are recorded in project expense with a non-controlling interest credit for our partners' share. In 2009, project expenditures are expected to be in the range of $350 to $$370 million, less $100 million attributable to our partner's share.

2. Represents Barrick's share of expenditures including capitalized interest of about $215 million. For US GAAP purposes, capital expenditures are recorded on a 100% basis, with funding from our partners for their share of expenditures recorded as an inflow in other financing activities in the consolidated statement of cash flows. In 2009, capital expenditures – projects is expected to be in the range of $1.7 to $1.9 billion including our partner's share of $400 million as well as capitalized interest of approximately $250 million. Our 2009 guidance range could increase depending upon progress at Pascua-Lama.

Outlook Assumptions and Economic Sensitivity Analysis

Sensitivity	2009 Guidance Assumption	Comments
Market gold price impact on reported revenues	$ 850/oz	A $50/oz increase/decrease in the market gold price causes reported revenues to increase/decrease by $365 million, assuming production at the mid-point of our 2009 guidance range.
Crude oil price impact on cost of sales	$ 50/bbl	In 2009, we are largely protected against movements in the market price for oil due to the combination of our financial fuel contracts and our Barrick Energy production, which together provide us with an economic hedge against rising oil prices.

2009 Guidance Analysis

Production

We prepare estimates of future production based on mine plans that reflect the expected method by which we will mine reserves at each mine. Actual gold and copper production may vary from these estimates due to a number of operational factors, including if the volume and/or grade of ore mined differs from estimates, which could occur because of: changing mining rates; ore dilution; varying metallurgical and other ore characteristics; and short-term mining conditions that require different sequential development of ore bodies or mining in different areas of the mine. Certain non-operating factors, including litigation risk, regulatory environment and the impact of global economic conditions may also cause actual production to vary from guidance. Mining rates are also impacted by various risks and hazards inherent at each operation, including natural phenomena, such as inclement weather conditions, floods and earthquakes, and unexpected civil disturbances, labor shortages or strikes.

We expect 2009 gold production of about 7.2 to 7.6 million ounces and copper production of about 375 to 400 million pounds. Lower gold production is expected primarily in North America as a result of lower production at Goldstrike, Ruby Hill, and Golden Sunlight, partly offset by increased production in Africa as production at Buzwagi is expected to begin in second quarter 2009. Production in South America and Australia is expected to be similar to 2008 levels. Production and cash costs during the year are expected to vary due to mine sequencing. As a result, first quarter operating performance is anticipated to be weaker with expected improvement throughout the remainder of the year reflecting the ramp up at Buzwagi, the crusher expansion at Veladero and higher expected grades from both Veladero and Lagunas Norte.

Beyond 2009, we expect gold production in 2010 to increase to about 7.7 to 8.1 million ounces with the production startup of Cortez Hills, at expected lower cash costs.

Cost of Sales and Total Cash Costs

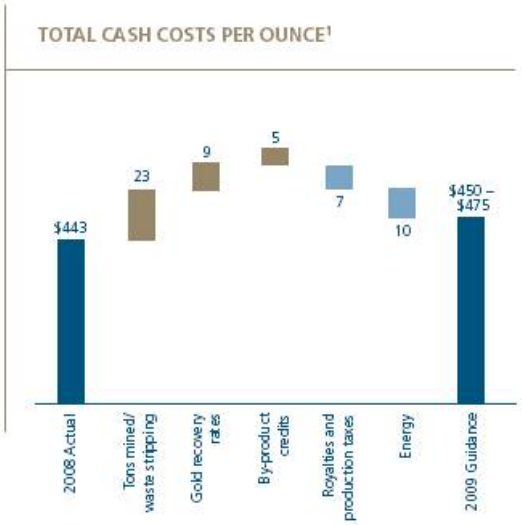
We prepare estimates of cost of sales and total cash costs based on expected costs associated with mine plans that reflect the expected method by which we will mine reserves at each mine. Cost of sales and total cash costs per ounce/pound are also affected by ore metallurgy that impacts

gold and copper recovery rates, labor costs, the cost of mining supplies and services, foreign currency exchange rates and stripping costs incurred during the production phase of the mine. In the normal course of our operations, we attempt to manage each of these risks to mitigate where possible, the effect they have on our operating results. The following table provides a reconciliation of our cost of sales guidance to our total cash costs guidance.

Reconciliation of Cost of Sales Guidance to Total Cash Costs per Ounce/Pound Guidance

	Gold	Copper
Cost of sales ($ millions)	$3,200–$3,600	$470–$540
Production (millions of ounces/lbs)	7.2–7.6	375–400
Total cash costs ($ per ounce/per lb)	$450–$475	$1.25–$1.35
Expected copper margin per ounce ($ per ounce)	$90	—
Total cash costs on a full non-gold sales basis ($ per ounce)	$360–$385	—

Cost of sales applicable to gold is expected to be in the range of $3.2 billion to $3.6 billion, and cost of sales applicable to copper is expected to be about $470 million to $540 million. Total cash costs are expected to be in the range of $450 to $475 per ounce, $360 to $385 per ounce on a full non-gold sales basis, and $1.25 to $1.35 per pound for copper. Gold total cash costs in 2009 are forecast to be about 4% higher than 2008 primarily due to lower production levels as a result of a decrease in gold recovery rates; an increase in waste tons mined; and lower silver and copper by-product credits as a result of decreases in realized prices and the closure of Eskay Creek in first quarter 2008. These cost increases are expected to be partially offset by lower royalties and production taxes and lower energy costs. Total cash costs and total cash costs on a full credit non-gold sales basis for 2009 include currency/fuel hedge opportunity losses totaling about $30 per ounce based on a spot oil price assumption of $50 per barrel (WTI) and a US dollar to Australian dollar exchange rate assumption of $0.70.



(1) Chart depicts approximate impacts of each category on total cash costs per ounce.

Total cash costs for copper are expected to be approximately $0.06 to $0.16 per pound higher than 2008, primarily as a result of increased costs for electricity and acid at Zaldívar. Total cash costs in 2009 include currency/fuel hedge losses of about $0.04 per pound.

Exploration

Lower costs are expected in 2009 primarily due to reduced global exploration activities due to a focus on more near-term opportunities and mine site exploration expenditures at Kanowna, Osborne, Round Mountain, Zaldívar, and Lagunas Norte.

Project Expenses

Project expenses are classified under a combination of project expenses and equity method investments on our income statement. In aggregate, we expect to expense approximately $250 to $270 million for our share of expenditures in 2009. In 2009, our expected project expenses are primarily attributable to our commitment to complete the feasibility studies at Reko Diq, Cerro Casale, Donlin Creek and Kabanga, as well as the development costs associated with the extension of the mine life at Golden Sunlight.

The timing of the funding for project expenditures through equity method investments and the subsequent expense recognition vary. The funding is initially recorded as an increase in the carrying amount of our investment. Our share of expenses is recognized as amounts are spent on the projects through “equity investees” in our consolidated statement of income.

Other Expense

The decrease in other expenses is primarily due to non-hedge derivative losses and currency translation losses recorded in 2008, which are not included in our estimated 2009 guidance.

Interest Income and Interest Expense

We expect lower interest income in 2009 primarily due to lower market interest rates and lower average cash balances. We expect higher interest expense in 2009 mainly due to an increase in net debt outstanding of $689 million.

Capital Expenditures

Projects

The expected increase in capital expenditures is mainly due to higher expenditures at the Pueblo Viejo, Cortez Hills, and Pascua-Lama projects, partly offset by the completion of the Buzwagi project. At the Pueblo Viejo and Cortez Hills projects, construction activities are expected to accelerate significantly in 2009.

Sustaining Capital

Sustaining capital expenditures for the mine sites as well as the corporate office and RBU offices are expected to be in line with the 2008 expenditure levels.

Income Tax Rate

Our expected effective tax rate excludes the impact of currency translation gains/losses and changes in tax valuation allowances. We do not anticipate any signifi-cant change in our effective tax rate for 2009.

Review of Quarterly Results

Quarterly Information

	2008				2007			
($ millions, except where indicated)	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Sales(1)	**$ 2,110**	**$ 1,878**	**$ 1,967**	**$ 1,958**	$ 1,917	$ 1,684	$ 1,642	$ 1,089
Realized price – gold	**807**	**872**	**894**	**925**	798	681	624	386
Realized price – copper	**3.06**	**3.49**	**3.65**	**3.54**	3.11	3.38	3.43	2.77
Cost of sales	**1,191**	**1,028**	**882**	**775**	834	794	776	740
Net income/(loss)	**(468)**	**254**	**485**	**514**	537	345	396	(159)
Per share(2) – (dollars)	**(0.54)**	**0.29**	**0.56**	**0.59**	0.62	0.40	0.46	(0.18)
Adjusted net income(3)	**277**	**408**	**441**	**537**	597	293	318	(181)
Per share(2) – (dollars)	**0.32**	**0.47**	**0.51**	**0.62**	0.69	0.34	0.37	(0.21)
EBITDA(4)	**(a45)**	**522**	**886**	**984**	793	710	740	193
Operating cash flow	**$ 439**	**$ 508**	**$ 531**	**$ 728**	$ 676	$ 557	$ 336	$ 163

1. Per our consolidated financial statements.
2. Calculated using weighted average number of shares outstanding under the basic method of earnings per share.
3. Adjusted net income is a non-GAAP financial performance measure with no standardized meaning under US GAAP. All prior quarters have been restated to reflect the revised definition of adjusted net income. For further information and a detailed reconciliation, please see page 72 of this MD&A.
4. EBITDA is calculated by excluding income tax expense, interest expense, interest income and amortization, and is a non-GAAP financial performance measure with no standardized meaning under US GAAP. For further information and a detailed reconciliation, please see page 75 of this MD&A.

Our financial results for the last eight quarters reflect the following general trends: volatile spot gold and copper prices that impact realized sales price and higher production costs largely due to higher inflationary cost pressures.

Fourth Quarter Results

In fourth quarter 2008 we reported a loss of $468 million, compared to net income of $537 million in the prior year period. The loss in fourth quarter 2008 was primarily driven by post-tax impairment charges totaling $773 million. Adjusted net income in fourth quarter 2008, which excludes the impact of impairment charges, was $277 million lower than the prior year period, a decrease of 54%, as higher gold prices and higher sales volumes for gold and copper were offset by higher total cash costs for gold and copper.

Impairment Charges Related to Goodwill, Property, Plant and Equipment, and Investments

($ millions) **For the three months ended December 31**	**2008**
Kanowna	$ 272
North Mara	216
Barrick Energy	88
Osborne	104
Highland	42
Henty	30

Other	21
Total (net of tax)	$ 773

In fourth quarter 2008, we sold 2.19 million ounces of gold and 105 million pounds of copper, compared to 2.04 million ounces and 93 million pounds in the same prior year quarter. Sales in fourth quarter were higher than the same prior year period reflecting higher market prices and higher sales volumes for both copper and gold. In fourth quarter 2008, cost of sales attributable to gold was $1,058 million or $471 per ounce on a total cash cost basis, an increase of $300 million or $102 per ounce from the prior year. As expected, gold production and cost of sales/total cash costs per ounce in fourth quarter 2008 were impacted by mine sequencing, inflationary pressures for items such as labor, energy, and commodities and consumables, gold-related costs and opportunity losses on currency and commodity hedge contracts. Total cash costs on a full credit for non-gold sales increased by $117 per ounce to $382 per ounce, compared to $265 per ounce in the prior year.

Operating cash flow in fourth quarter was $439 million, or 35% lower than the same prior year period reflecting lower cash margins on copper and gold, as well as higher working capital outflows.

Financial Condition Review

Summary Balance Sheet and Key Financial Ratios

($ millions, except ratios) **For the years ended December 31**	**2008**	**2007**
Total cash and cash equivalents	**$ 1,437**	$ 2,207
Total current assets	**4,112**	4,299
Total current liabilities	**1,844**	1,296
Working capital	**2,268**	3,003
Total assets	**24,161**	21,951
Total liabilities	**8,702**	6,613
Net debt(1)	**$ 2,889**	$ 941
Total shareholders' equity	**$ 15,277**	$ 15,256
Total common shares outstanding(2)	**872,723,090**	870,465,549
Key Financial Ratios:		
Current ratio(3)	**2.23:1**	3.32:1
Debt-to-market capitalization(4)	**0.14:1**	0.09:1
Debt-to-book value(5)	**0.19:1**	0.15:1
Debt-to-equity(6)	**0.30:1**	0.22:1

1. Represents total long-term debt of $4,326 million (2007: $3,148 million) excluding fair value adjustments less total cash and cash equivalents of $1,437 million ($2,207 million) as at December 31, 2008.
2. Total common shares outstanding does not include: special voting shares 1 (2007:1), scheduled to be cancelled at the end of February 2009, Stock options 13,350,011 (2007: 12,706,450) and Exchangeable shares 503,251 (2007: 3,465,892) which represent Barrick Gold Inc. ("BGI") exchangeable shares. Each BGI share is exchangeable for 0.53 Barrick common shares. At January 30, 2009, these shares were convertible into approximately 266,929 (2007: 1,836,923) Barrick common shares. Each BGI share is scheduled to be redeemed at the end of February 2009.
3. Represents current assets divided by current liabilities as at December 31, 2008 and December 31, 2007.
4. Represents total debt divided by total market capitalization (share price as at December 31 times the total common shares outstanding) as at December 31, 2008 and December 31, 2007.
5. Represents total debt divided by Total Liabilities and Shareholders' Equity as at December 31, 2008 and December 31, 2007.
6. Represents total debt divided by Total Shareholders' Equity as at December 31, 2008 and December 31, 2007.

Balance Sheet Review

Total assets were $24.1 billion in 2008, an increase of $2.2 billion or 10.1% compared to the prior year. The increase primarily reflects an increase of $3.0 billion in property, plant and equipment due to the acquisition of a 40% interest in Cortez, the acquisition of Barrick Energy and sustaining and project capital expenditures. These increases were partially offset by a decrease in goodwill, reflecting the impairment charges recorded in fourth quarter 2008, and a decrease in cash and equivalents, which was utilized to partially finance our acquisition activity in 2008. Total liabilities increased by $2.1 billion, or 32% compared to the prior year, primarily due to an increase in long term debt of $1.2 billion reflecting the issuance of fixed rate notes in third quarter 2008 to pay down our line of credit, which was utilized for the Cortez and Barrick Energy transactions.

Our asset base is primarily comprised of non-current assets such as property, plant and equipment and goodwill, reflecting the capital intensive nature of the mining business and our history of growing through acquisitions, production inventories and cash and equivalents. We typically do not carry a material accounts receivable balance, since only sales of concentrate have a settlement period.

Shareholders' Equity

For information regarding the outstanding shares and stock options, please refer to the Financial Statements and our 2008 Management Information Circular and Proxy Statement.

Dividend Policy

In 2008, we increased our dividend from $0.30 per common share to $0.40 per common share. The 33% increase in the dividend reflects our

ability to generate substantial cash flows from our operations in a high gold price environment. With strong cash flow and the industry's only A-rated balance sheet, we determined that we have the financial resources to return additional value to shareholders while still investing in advanced projects. The amount and timing of any dividends is within the discretion of our Board of Directors. The Board of Directors reviews the dividend policy semi-annually based on our current and projected liquidity profile, and capital requirements for capital projects and potential acquisitions.

Comprehensive Income

Comprehensive income consists of net income or loss, together with certain other economic gains and losses, that collectively are described as "other comprehensive income" or "OCI", and excluded from the income statement.

In 2008, other comprehensive losses of $507 million, after-tax, mainly included: losses of $301 million on hedge contracts designated for future periods, caused primarily by changes in currency exchange rates, copper prices, and fuel prices; reclassification adjustments totaling $267 million for gains on hedge contracts designated for 2008 that were transferred to earnings in 2008; $17 million transferred to earnings related to gains recorded on the sale of shares in various investments in junior mining companies, $26 million in losses transferred to income due to the impairment of investments; $52 million of losses recorded as a result of changes in the fair value of investments held during the year; and $54 million in losses for currency translation adjustments on Barrick Energy.

Included in accumulated other comprehensive income at December 31, 2008 were unrealized pre-tax losses on currency, commodity and interest rate hedge contracts totaling $213 million, based on December 31, 2008 market foreign exchange rates. The related hedge contracts are designated against operating costs and capital expenditures primarily over the next three years and are expected to help protect against the impact of the strengthening of the Australian and Canadian dollar against the US dollar. The hedge gains/losses are expected to be recorded in earnings at the same time as the corresponding hedged operating costs and amortization of capital expenditures are also recorded in earnings.

Financial Position

We maintained a strong financial position throughout the market turbulence that was experienced in 2008. This is reflected in our strong cash and working capital balances and our low debt to equity and debt to market capitalization ratios as at December 31, 2008.

Our strong financial position is reflected in the fact that we have the only A-rated balance sheet in the gold mining industry as measured by S&P. Through 2008, our ratings, as established by S&P, Moody's and DBRS, have remained stable. Our ability to access unsecured debt markets and the related cost of debt financing is, in part, dependent upon maintaining an acceptable credit rating. Deterioration in our credit rating would not adversely affect existing debt securities, but could impact funding costs for any new debt financing.

Credit Rating from Major Rating Agencies

At January 28, 2009:	
Standard and Poor's ("S&P")	**A–**
Moody's	**Baa1**
DBRS	**A**

The key factors impacting our financial position, and therefore our credit rating, include the following:

- Our market capitalization and the strength of our balance sheet, including the amount of net debt and our debt-to-equity ratio (refer to liquidity section of this MD&A for discussion of key factors impacting these measures in 2008);
- Our net cash flow, including cash generated by operating activities (refer to liquidity section of this MD&A for discussion of key factors impacting these measures in 2008);
- Expected capital expenditure requirements and other off balance sheet commitments (refer to the guidance and off balance sheet arrangements section of this MD&A for discussion of key factors impacting these measures in future periods);
- The quantity of our gold reserves (refer to pages 141 to 148 for more information); and
- Our geo-political risk profile.

Liquidity

Total cash and cash equivalents at the end of 2008 were $1.4 billion. At year end, our cash position consisted of a mix of term deposits and treasury bills. Net debt was $2.9 billion, with a debt-to-equity ratio of 0.30:1. The majority of our outstanding long-term debt matures at various dates beyond 2012, with approximately $300 million repayable in the period 2009 to 2012. Counterparties to debt and derivative instruments do not have unilateral discretionary rights to accelerate repayment at earlier dates.

Our primary source of liquidity is operating cash flow, and over the past three years we have generated an average of about $2 billion per year. The principal risk factor affecting operating cash flow is market gold and copper prices. We are largely protected in 2009 from the decline in market copper prices by our copper hedge position; beyond 2009 we are subject to market prices. At present production rates, if copper prices remain at present levels of $1.50 per pound, proceeds from copper sales in 2010 would decline by about $722 million from levels in 2008, partly offset by the positive impact of expected higher levels of gold production and sales in 2010 to 7.7 to 8.1 million ounces.

The principal uses of liquidity are sustaining capital expenditures, construction activities at capital projects, acquisitions, dividend payments and interest payments. Sustaining capital expenditures have averaged about $0.7 billion per year over the past three years and assuming 2008

dividend rates, dividends total about $0.35 billion per year. The balance of cash flow generated by operations, after paying for sustaining capital and dividends, is available for investment in capital projects and acquisitions. We have invested $4.7 billion on capital projects and acquisitions in the past three years, partly financed by cash flow from operations and partly by new financings. We expect to spend about $4.2 billion over the next four years to fund remaining construction activities at Buzwagi, Cortez Hills, Pueblo Viejo, and Pascua-Lama, partly funded by project financing for a portion of the construction cost of Pueblo Viejo and Pascua-Lama.

For Pueblo Viejo we are in active discussions with a group of export credit agencies to put in place $1 billion of project financing, including our partners' share, which covers a portion of the total capital cost of the project. We have a $1.5 billion credit facility available as a source of financing and we may also raise new financing if we undertake any other projects, acquisitions, or for other purposes.

Investments in capital projects and acquisitions will be subject to an internal capital allocation review prior to proceeding with new expenditures. This review entails an assessment of our overall liquidity, the overall level of investment required, and the prioritization of investments. The assessment also takes into account expected levels of future operating cash flow and the cost and availability of new financing. If copper remains at recent low levels and there is a decline in market gold prices then this could impact the timing and amount of future investment in capital projects and/or acquisitions.

Alternatives for sourcing our future capital needs include our significant cash position, credit facilities, future operating cash flow, project financings and debt or equity financings. These alternatives are continually evaluated to determine the optimal mix of capital resources of our capital needs.

In light of the current global economic crisis, our ability to secure new financing for our expected capital needs for capital projects could be significantly impacted, particularly if this situation persists for an extended period of time. In particular:

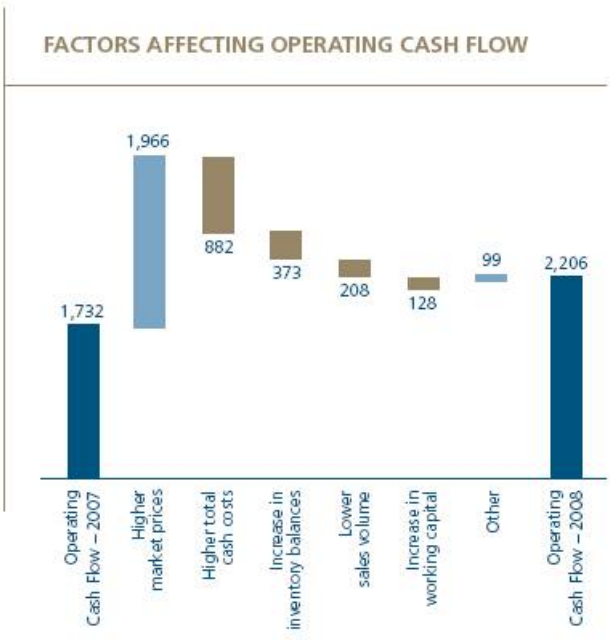
- An increased cost of financing due to rising credit spreads could have a negative impact on overall project economics.
- A lack of availability of credit on acceptable terms could make it difficult for us to raise the capital required to build some or all of our projects on the timelines previously anticipated or at all.
- Our joint venture partners may also have difficulty securing funding for their share of project capital requirements which could impact the ability to build some of the projects.

Sources and Uses of Cash

Cash Inflow (Outflow) Summary

($ millions) **For the years ended December 31**	**2008**	**2007**	**2006**
Operating activities	**$ 2,206**	$ 1,732	$ 2,122
Investing activities	**(3,912)**	(1,562)	(1,593)
Financing activities	**933**	(1,036)	(1,347)
Discontinued operations	**—**	21	2,828
Effects of exchange rates	**3**	9	(4)
Change in cash and equivalents	**$ (770)**	$ (836)	$ 2,006

In 2008, net cash provided by operating activities totaled $2,206 million, an increase of $474 million compared to the prior year. Higher market gold and copper prices were partially offset by lower sales volumes and higher cash costs for both gold and copper.



Cash used in investing activities amounted to $3,912 million, primarily due to acquisitions and capital expenditures, partially offset by proceeds received from the sale of other investments. Significant investing activities in 2008 included the $1.7 billion cash acquisition of the additional 40% interest in Cortez and the $460 million cash acquisition of Barrick Energy. Capital expenditures, including capitalized interest, amounted to $1,776 million, of which $742 million were sustaining capital expenditures related to our operating mines and $739 million related to our development projects on an equity basis.

Capital Expenditures(1)

($ millions) For the years ended December 31	2008	2007	2006
Project capital expenditures			
Pascua-Lama	**$ 112**	$ 102	$ 44
Cortez Hills	**155**	75	47
Buzwagi	**273**	66	—
Pueblo Viejo	**157**	—	—
Kainantu	**4**	—	—
Sedibelo	**38**	—	—
Cowal	—	—	141
Ruby Hill	—	—	26
Sub-total(2)	**$ 739**	$ 243	$ 258
Capital expenditures attributable to non-controlling interests(3)	**104**	—	—
Total project capital expenditures	**$ 843**	$ 243	$ 258
Regional capital expenditures			
North America	**$ 161**	$ 143	$ 177
South America	**154**	195	244
Australia Pacific	**215**	218	202
Africa	**172**	106	85
Other/Barrick Energy	**40**	17	12
Sub-total	**742**	679	720
Capitalized interest	**191**	124	109
Total capital expenditures	**$ 1,776**	$ 1,046	$ 1,087

(1) These amounts are presented on a cash basis consistent with the amounts presented on the Consolidated Statement of Cash Flows.
(2) On an accrual basis, our share of project capital expenditures is $937 million including capitalized interest.
(3) Amount reflects our partners' share of expenditures at the Pueblo Viejo project on a cash basis.

Cash provided by financing activities for 2008 was $933 million, including proceeds of $1.25 billion of proceeds from debt issuance in third quarter that was primarily used to repay amounts drawn down on our lines of credit to finance the purchase of the additional 40% in Cortez and the acquisition of Cadence Energy Inc. These amounts were partially offset by dividend payments of $349 million.

Financial Instruments

We use a mixture of cash, long-term debt and shareholders' equity to maintain an efficient capital structure and ensure adequate liquidity exists to meet the cash needs of our business. We use interest rate contracts to mitigate interest rate risk that is implicit in our cash balances and outstanding long-term debt. In the normal course of business, we are inherently exposed to currency and commodity price risk. We use currency and commodity hedging instruments to mitigate these inherent business risks. We also hold certain derivative instruments that do not qualify for hedge accounting treatment. These non-hedge derivatives are described in note 20 to our Financial Statements. For a discussion of certain risks and assumptions that relate to the use of derivatives, including market risk, market liquidity risk and credit risk, refer to notes 2 and 20 to our Financial Statements. For a discussion of the methods used to value financial instruments, as well as any significant assumptions, refer to note 20 to our Financial Statements.

Summary of Financial Instruments(1)
As at and for the year ended December 31, 2008

Financial Instrument	Principal/ Notional Amount	Associated Risks	Gains/(losses) Recorded in Earnings	Amounts Recorded in OCI
Cash and equivalents	$ 1,437 million	· Interest rate · Credit	$ 39 million	—
Investments in available-for-sale securities	$ 31 million	· Market	$ 17 million	$ (2 million)
Long-term debt	$ 4,443 million	· Interest rate	$ (17 million)	—
Hedging instruments – currency contracts	C$ 286 million A$ 4,709 million CLP 52,023 million	· Market/liquidity	$ 121 million	$ (508 million)
Hedging instruments – copper contracts	402 million lbs	· Market/liquidity · Credit	$ 112 million	$ 484 million

Hedging instruments – fuel and propane contracts	4.9 million bbls	· Market/liquidity · Credit	$ 33 million	$ (169 million)
Non-hedge derivatives	various	· Market/liquidity · Credit	$ 41 million	—

(1) Refer to pages 58 to 61 for information on gold and silver sales contracts.

Off Balance Sheet Arrangements

Project Gold Sales Contracts

We have 9.5 million(9) ounces of existing gold sales contracts. The contracting parties are bullion banks whose business includes entering into contracts to purchase gold from mining companies. The terms of our gold and silver sales contracts enable us to deliver gold and silver whenever we choose over the primarily ten-year terms of the contracts. The forward sales prices on our Project Gold Sales Contracts have not been fully fixed, and thus remain sensitive to long-term interest rates. As part of our Master Trading Agreements ("MTAs"), Project Gold Sales Contracts are not subject to any provisions regarding any financial go-ahead decisions with construction, or any possible delay or change on the projects.

(9) Includes floating spot-price gold contracts under which we are committed to deliver 4.2 million ounces of gold at spot prices less an average fixed-price adjustment of $529 per ounce.

Key Aspects of Project Gold Sales Contracts

As at December 31, 2008		
Weighted average future price(1)	$	364/ounce
Mark-to-market value at December 31, 2008 (millions)(2)	$	(4,865)
Duration(3)		2.2 years

(1) Weighted average price based on current contract rates resetting from 2009 to 2017.
(2) At a spot gold price of $870 per ounce and market interest rates.
(3) Calculated as the weighted average years from December 31, 2008 to the first interim reset date for both floating and fixed price contracts.

Included in the 9.5 million ounces committed under our Project Gold Sales Contracts are floating spotprice contracts under which we are committed to deliver 4.2 million ounces of gold at future spot prices less an average price adjustment of $529 per ounce. Project Gold Sales Contracts allow us to move positions between fixed and floating prices. When a contract is converted from a fixed price to a floating price, the difference between the current market price of gold at the date of conversion and the contracted forward sales price is locked-in; i.e. the unrealized loss is fixed. Thereafter, future increases and decreases in market gold prices directly impact the final contract price. In a rising gold price environment, we have the opportunity to improve the price of the contract (assuming the gold price appreciates at a rate more than contango) and participate in higher gold prices

by resetting a floating price contract to a fixed price contract. Conversely, a decline in gold price subsequent to the conversion would reduce the final contract price we receive. Therefore, floating price contracts increase our exposure to gold price movements, both upwards and downwards.

US dollar interest rates, gold lease rates, credit spreads relating to both the counterparties and Barrick's credit quality, and the economic impact on the counterparties associated with funding Project Gold Sales Contracts with negative mark-to-market balances have a material impact on the difference between the forward gold price over the current spot price ("contango"), and, ultimately, the realized price under gold forward sales contracts entered into by Barrick. Low US dollar interest rates, higher gold lease rates and an increase in the credit spreads compared to the prior year, may cause the Project Gold Sales Contracts to be in backwardation when rates are reset, with the result that our realized price under the forward sales contracts will decrease as contracts reset over the next few years. We estimate that the impact of a continuation of present unusual market conditions for US dollar interest rates, credit spreads and gold lease rates in existence as at December 31, 2008 would lead to a decline in the weighted average future contract price by approximately $4 per ounce in 2009 and approximately $15 per ounce in 2010 on the entire position. This was calculated assuming a constant spot gold price of $870 per ounce, the current Project Gold Sales Contracts position as at December 31, 2008, and resetting contracts with current interim delivery dates in 2009 and 2010 to the end of 2010. In 2009, we have no significant exposure to gold lease rates, and about one third of the Project Gold Sales Contracts are exposed to US dollar interest rates and credit spreads.

Counterparty Risk

If a counterparty to a Project Gold Sales Contract is unable to conduct transactions in an accessible international bullion market due to causes beyond its control, including the inability of the counterparty to purchase gold in the open market or to fund any such purchase, and no commercially reasonable alternative means exist for the counterparty to enter into transactions having the same effect, the counterparty has no obligation to extend the scheduled delivery date of such contract and, depending on the circumstances, this may result in early settlement of such contract. To date we have seen no evidence of lack of bullion availability with any of our counterparties.

Counterparty risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. Counterparty risk can be assessed both in terms of credit risk and liquidity risk. For cash and equivalents and accounts receivable, credit risk represents the carrying amount on the balance sheet, net of any overdraft positions.

For derivatives, when the fair value is positive, this creates credit risk. When the fair value of a derivative is negative, we assume no credit risk. However, liquidity risk exists to the extent a counterparty is no longer able to perform in accordance with the terms of the contract due to insolvency. In cases where we have a legally enforceable master netting agreement with a counterparty, credit risk exposure represents the net amount of the positive and negative fair values for similar types of derivatives. For a net negative amount, we regard credit risk as being zero. A net positive amount for a counterparty is a reasonable basis to measure credit risk when there is a legally enforceable master netting agreement. We mitigate credit and liquidity risk by:

- Entering into derivatives with high credit-quality counterparties;
- Limiting the amount of exposure to each counterparty; and
- Monitoring the financial condition of counterparties.

For our Project Gold Sales Contracts, the insolvency of a counterparty could, in certain circumstances, lead to a requirement to settle transactions between ourselves and the insolvent counterparty and may ultimately require the payment of a net amount by us to the counterparty. In determining the amounts owing as a consequence of any such settlement, we would be entitled to claim contractual damages suffered by us as a result of a counterparty default. These damages could include the costs of effecting replacement trades with other counterparties that would put us in the same position as we would have been if the insolvent counterparty had not defaulted. A settlement caused by a counterparty insolvency event would not trigger any crossdefaults under our other financial instruments.

We currently have Project Gold Sales Contracts in place with 17 counterparties, which consist primarily of large commercial banks. We proactively manage our exposure to individual counterparties in order to mitigate both credit and liquidity risks. As at December 31, 2008 no counterparty had in excess of 10% of the total ounce or mark-to-market position. Subsequent to December 31, 2008, one counterparty represented 13% of the mark-to-market and total ounce position due to an assignment of another counterparty position. Through December 31, 2008, none of the counterparties with which we held outstanding contracts had declared insolvency. In the event of a potential counterparty default due to insolvency, we would seek to have the contract reassigned to an alternative counterparty who is better able to perform under the contract. In certain circumstances, we have been able to assign contracts to alternative counterparties to manage counterparty risk, and we expect that we will be able to continue to do so to the extent creditworthy counterparties are willing to take on assigned contracts.

Silver Sales Contracts (fixed and floating)

We also have 16 million ounces of silver sales contracts under which we are committed to deliver silver over the next ten years. 8.9 million of these silver sales contracts are floating price contracts at spot prices, less an average fixedprice adjustment of $4.61 per ounce. These floating spot-price contracts were previously fixedprice contracts, for which, under the price-setting mechanisms of the MTAs, we elected to receive a price based on the market silver spot price at the time of delivery, adjusted by the difference between the spot price and the contract price at the time of such election.

Summary of Silver Sales Contracts (fixed and floating)

As at December 31, 2008		
Millions of silver ounces		16.0
Average future price(1)	$	8.36
Mark-to-market value at December 31, 2008(2)	$	(67)

(1) Barrick may choose to settle any silver sales contract in advance of the termination date at any time, at its discretion. Historically, delivery has occurred in advance of the contractual termination date.
(2) At a spot silver price of $10.79 per ounce.

Key Terms of Gold and Silver Sales Contracts

In all of our MTAs, which govern the terms of gold and silver sales contracts with our 17 counterparties, the following applies.

- The counterparties do not have unilateral discretionary “right to break” provisions.
- There are no credit downgrade provisions.
- We are not subject to any margin calls, regardless of the price of gold or silver.
- We have the right to settle our gold and silver sales contracts on two days notice at any time during the life of the contracts, or keep these forward gold and silver sales contracts outstanding for up to 10 years.
- At our option, we can sell gold or silver at the market price or the contract price, whichever is higher, up to the termination date of the MTAs. Unless extended further, currently, 250 thousand ounces have a termination date of January 2012, 550 thousand ounces have a termination date of December 2017, and the remaining 8.7 million ounces have termination dates from 2018 to 2022.

The MTAs with our counterparties do provide for early close out of certain transactions in the event of a material adverse change in our ability, or our principal hedging subsidiary’s ability, to perform our or its gold and silver delivery and other obligations under the MTAs and related parent guarantees, a lack of gold or silver market and for customary events of default such as covenant breaches, insolvency or bankruptcy. The principal financial covenants are:

- We must maintain a minimum consolidated net worth of at least $2 billion (approximately $15 billion at year end). The MTAs exclude unrealized mark-to-market valuations in the calculation of consolidated net worth.
- We must maintain a maximum long-term debt to consolidated net worth ratio of less than 2:1; we have consistently been below 1:1 for the entire year.

In all cases, under the terms of the MTAs, the period over which we are required to deliver gold is extended annually by one year, or kept "evergreen", regardless of the intended delivery dates, unless otherwise notified by the counterparty. This means that, with each year that passes, the termination date of most MTAs is extended into the future by one year. In 2008, three

counterparties notified us that they would not be extending the termination date by one year on the basis of credit conditions. All of these termination dates were 10 years or longer, which allows for a current/final termination date of 2017 or later.

As spot gold prices increase or decrease, the value of our gold mineral reserves and amount of potential operating cash inflows generally increase or decrease. The unrealized mark-to-market loss on our fixedprice Project Gold Sales Contracts also increases or decreases. The mark-to-market value represents the cancellation value of these contracts based on current market levels, and does not represent an immediate economic obligation for payment by us. Our obligations under the Project Gold Sales Contracts are to deliver an agreed upon quantity of gold at a contracted price by the termination date of the contracts (currently 2018 in most cases). Project Gold Sales Contracts are not recorded on our balance sheet. The economic impact of these contracts is reflected in our Financial Statements within gold sales based on selling prices under the contracts at the time we record revenue from the physical delivery of gold and silver under the contracts.

Fair Value of Derivative Positions

As at December 31, 2008 **($ millions)**	**Unrealized Gain/(Loss)**
Fixed Price Gold Sales contracts	$ (2,661)
Floating Spot-Price Gold Sales contracts	(2,204)
Silver Sales Contracts	(67)
Foreign currency contracts	(501)
Interest rate contracts	(8)
Copper contracts	654
Fuel contracts	(185)
Steel contracts	(3)
Total	$ (4,975)

Commitments and Contingencies

Capital Expenditures Not Yet Committed

We expect to incur capital expenditures during the next five years for both projects and producing mines. The projects are at various stages of development, from primarily exploration or scoping study stage through to the construction execution stage. The ultimate decision to incur capital at each potential site is subject to positive results which allow the project to advance past decision hurdles. Three projects are at an advanced stage, namely Buzwagi, Cortez Hills and Pueblo Viejo at December 31, 2008 (refer to pages 45 to 46 for further details).

Contractual Obligations and Commitments

($ millions) **As at December 31, 2008**	**Payments due** **2009**	**2010**	**2011**	**2012**	**2013**	**2014 and thereafter**	**Total**
Long-term debt(1)							
Repayment of principal	**$ 68**	$ 30	$ 10	$ 130	$ 564	$ 3,460	$ 4,262
Capital leases	**25**	21	9	4	5	—	64
Interest	**260**	255	251	248	231	2,763	4,008
Asset retirement obligations(2)	**94**	94	82	89	58	1,017	1,434
Operating leases	**12**	7	4	3	—	—	26
Restricted share units	**29**	37	57	—	—	—	123
Pension benefits	**57**	29	24	24	24	116	274
Other post-retirement obligations	**3**	3	3	3	2	11	25
Derivative liabilities(3)	**442**	225	132	77	—	—	876
Purchase obligations for supplies and consumables(4)	**483**	269	175	93	82	62	1,164
Capital commitments(5)	**426**	77	26	10	12	1	552
Social development costs	**55**	7	7	3	3	95	170
Total	**$ 1,954**	$ 1,054	$ 780	$ 684	$ 981	$ 7,525	$ 12,978

(1) Long-term Debt and Interest – 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 or for other customary events of default. The Veladero financing is collateralized by assets at the Veladero mine. Other than this security, we are not required to post any collateral under any debt obligations. The terms of our debt obligations would not be affected by deterioration in our credit rating. Projected interest payments on variable rate debt were based on interest rates in effect at December 31, 2008. Interest is calculated on our long-term debt obligations using both fixed and variable rates.

(2) Asset Retirement Obligations – Amounts presented in the table represent the undiscounted future payments for the expected cost of asset retirement obligations.

(3) Derivative Liabilities – Amounts presented in the table relate to derivative contracts disclosed under notes 2 and 20 to the Financial Statements. Payments related to derivative contracts cannot be reasonably estimated given variable market conditions.

(4) Purchase Obligations for Supplies and Consumables – Includes commitments related to new purchase obligations to secure a supply of

acid, tires and cyanide for our production process.

(5) Capital Commitments – Purchase obligations for capital expenditures include only those items where binding commitments have been entered into. Commitments at the end of 2008 mainly related to construction capital at Pueblo Viejo and Pascua-Lama.

Litigation and Claims

We are currently subject to various litigation as disclosed in note 29 to the Financial Statements, and we may be involved in disputes with other parties in the future that may result in litigation. If we are unable to resolve these disputes favorably, it may have a material adverse impact on our financial condition, cash flow and results of operations.

Critical Accounting Policies and Estimates

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 conjunction with its review of this MD&A. The accounting policies and methods we utilize determine how we report our financial condition and results of operations, and they may require management to make estimates or rely on assumptions about matters that are inherently uncertain.

Our financial condition and results of operations are reported using accounting policies and methods prescribed by US GAAP. In certain cases, US GAAP allows accounting policies and methods to be selected from two or more alternatives, any of which might be reasonable yet result in our reporting materially different amounts. We exercise judgment in selecting and applying our accounting policies and methods to ensure that, while US GAAP compliant, they reflect our judgment of an appropriate manner in which to record and report our financial condition and results of operations.

Accounting Policy Changes in 2008

This section includes a discussion of significant accounting policy changes and critical accounting estimates that were adopted in our 2008 Financial Statements.

FAS 157, Fair Value Measurements (FAS 157)

In 2008, we implemented FAS 157 for financial assets and financial liabilities that are measured at fair value on a recurring basis. The primary assets and liabilities that are recognized and disclosed at fair value in accordance with the provisions of FAS 157 are: available-for-sale securities; receivables from provisional copper and gold sales; derivate assets and derivative liabilities; held-to-maturity investments; equity method investments and long-term debt. The adoption of FAS 157 has resulted in expanded disclosures about our fair value measurements for financial assets and financial liabilities recognized in our financial statements. However, the adoption of FAS 157 did not have an impact on the measurement of fair value as our valuation methodology for these assets and liabilities is consistent with the fair value framework established by FAS 157. Refer to note 21 of the Consolidated Financial Statements for details of the adoption of FAS 157 and related disclosures.

We have not applied the provisions of FAS 157 to nonfinancial assets and nonfinancial liabilities as permitted by the delay specified in FSP FAS 157-2. FSP FAS 157-2 delays the effective date of FAS 157 to fiscal years beginning after November 15, 2008, for non-financial assets and liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Therefore, beginning in 2009 we will apply the requirements of FAS 157 to nonfinancial assets and nonfinancial liabilities that we periodically measure at fair value under US GAAP, which will principally affect: goodwill, tangible and intangible assets measured and recognized at fair value as a result of an impairment assessment; and nonfinancial assets and nonfinancial liabilities recognized as a result of a business combination. The application of the provisions of FAS 157 is not expected to have a significant impact on our methodology for measuring the fair value of these assets and liabilities, but will result in expanded disclosures.

Changes in Financial Statement Presentation – Accretion expense

In first quarter 2008, we made a change to our accounting policy regarding the financial statement classification of accretion expense. Prior to this change, we recorded accretion expense at producing mines as a component of cost of sales and accretion expense at closed mines as a component of other expense.

Beginning in first quarter 2008, we recorded accretion expense at producing mines and accretion expense at closed mines in amortization and accretion on our Consolidated Statements of Income.

Future Accounting Policy Changes

This section includes a discussion of future accounting changes that may have a significant impact on our Financial Statements.

FAS 161, Disclosures about Derivative Instruments and Hedging Activities (FAS 161)

In first quarter 2009, we will begin applying the provisions of FAS 161 to our financial statement note disclosures. FAS 161 requires entities to provide enhanced disclosures about (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under FAS 133 and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity's financial position; financial performance and cash flows. We are currently evaluating the impact of adopting FAS 161 on our note disclosures related to derivative instruments and hedging activities.

FAS 141(R), Business Combinations (FAS 141(R))

In first quarter 2009, we will begin applying the provisions of FAS 141(R), which replaced FAS 141, for business combinations consummated after the effective date of December 15, 2008. Early adoption of FAS 141(R) was not permitted. Under FAS 141(R), business acquisitions will be accounted for under the "acquisition method", compared to the "purchase method" mandated by FAS 141.

The more significant changes to Barrick's accounting for business combinations that will result from applying the acquisition method include: (i) the definition of a business is broadened to include development stage entities, and therefore more acquisitions will be accounted for as business combinations rather than asset acquisitions; (ii) the measurement date for equity interests issued by the acquirer is the acquisition date instead of a few days before and after terms are agreed to and announced, which may significantly change the amount recorded for the acquired business if share prices differ from the agreement and announcement date to the acquisition date; (iii) all future adjustments to income tax estimates will be recorded to income tax expense, whereas under FAS 141 certain changes in income tax estimates were recorded to goodwill; (iv) acquisition-related costs of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees, and other professional or consulting fees will be expensed as incurred, whereas under FAS 141 these costs are capitalized as part of the business combination; (v) the assets acquired and liabilities assumed are recorded at 100% of fair value even if less than 100% is obtained, whereas under FAS 141 only the controlling interest's portion is recorded at fair value; and (vi) the non-controlling interest will be recorded at its share of fair value of net assets acquired, including its share of goodwill, whereas under FAS 141 the non-controlling interest is recorded at its share of carrying value of net assets acquired with no goodwill being allocated.

FAS 160, Non-controlling Interests in Consolidated Financial Statements (FAS 160)

In first quarter 2009, we will begin applying the provisions of FAS 160. Under FAS 160, the non-controlling interest will be measured at 100% of the fair value of assets acquired and liabilities assumed, for transactions consummated after the effective date of December 15, 2008. Under current standards, the non-controlling interest is measured at book value. For presentation and disclosure purposes, non-controlling interests will be classified as a separate component of shareholders' equity. In addition, FAS 160 will change the manner in which increases/decreases in ownership percentages are accounted for. Changes in ownership percentages will be recorded as equity transactions and no gain or loss will be recognized as long as the parent retains control of the subsidiary. When a parent company deconsolidates a subsidiary but retains a non-controlling interest, the non-controlling interest is re-measured at fair value on the date control is lost and a gain or loss is recognized at that time. Finally, under FAS 160, accumulated losses attributable to the non-controlling interests are no longer limited to the original carrying amount, and therefore non-controlling interests could have a negative carrying balance. The provisions of FAS 160 are to be applied prospectively with the exception of the presentation and disclosure provisions, which are to be applied for all prior periods presented in the financial statements. Early adoption was not permitted. The effect of FAS 160 on our balance sheet in first quarter 2009 will be a reclassification of non-controlling interests in the amount of $182 million as at December 31, 2008 to the shareholders' equity section of the consolidated balance sheet.

Critical Accounting Estimates and Judgments

Certain accounting estimates have been identified as being "critical" to the presentation of our financial condition and results of operations because they require us to make subjective and/or complex judgments about matters that are inherently uncertain; or there is a reasonable likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates.

Reserve Estimates Used to Measure Amortization of Property, Plant and Equipment

We record amortization expense based on the estimated useful economic lives of long-lived assets. Changes in reserve estimates are generally calculated at the end of each year and cause amortization expense to increase or decrease prospectively. The estimate that most significantly affects the measurement of amortization is quantities of proven and probable gold and copper reserves, because we amortize a large portion of property, plant and equipment using the units-of-production method. The estimation of quantities of gold and copper reserves, in accordance with the principles in Industry Guide No. 7, issued by the US Securities and Exchange Commission ("SEC") is complex, requiring significant subjective assumptions that arise from the evaluation of geological, geophysical, engineering and economic data for a given ore body. This data could change over time as a result of numerous factors, including new information gained from development activities, evolving production history and a reassessment of the viability of production under different economic conditions. Changes in data and/or assumptions could cause reserve estimates to substantially change from period to period. Actual gold and copper production could differ from expected gold and copper production based on reserves, and an adverse change in gold or copper prices could make a reserve uneconomic to mine. Variations could also occur in actual ore grades and gold, silver and copper recovery rates from estimates.

A key trend that could reasonably impact reserve estimates is rising market mineral prices, because the mineral price assumption used in preparing reserve estimates is calculated based on the trailing three-year average market price. As this assumption rises, it could result in an upward revision to reserve estimates as material not previously classified as a reserve becomes economic at higher gold prices. Following the recent trend in market gold prices over the last three years, the mineral price assumption used to measure reserves has also been rising. The gold price assumption was $725 per ounce in 2008 (2007: $575 per ounce; 2006: $475 per ounce). The copper price assumption was $2.00 per pound in 2008 (2007: $2.00 per pound).

The impact of a change in reserve estimates is generally more significant for mines near the end of the mine life because the overall impact on amortization is spread over a shorter time period. Also, amortization expense is more significantly impacted by changes in reserve estimates at underground mines than open-pit mines due to the following factors:

(i) Underground development costs incurred to access ore at underground mines are significant and amortized using the units-of-production method; and

(ii) Reserves at underground mines are often more sensitive to mineral price assumptions and changes in production costs. Production costs at

underground mines are impacted by factors such as dilution, which can significantly impact mining and processing costs per ounce.

Impact of Historic Changes in Reserve Estimates on Amortization

For the years ended December 31 ($ millions, except reserves in millions of contained oz/pounds)	2008 Reserves increase (decrease)(1)	2008 Amortization increase (decrease)	2007 Reserves increase (decrease)(1)	2007 Amortization increase (decrease)
Gold				
North America	**3.1**	**$ (9)**	5.0	$ 3
South America	**3.6**	**(39)**	0.1	23
Australia Pacific	**1.5**	**(10)**	3.5	(2)
Africa	**0.5**	**(5)**	0.5	(2)
Total Gold	**8.7**	**$ (63)**	9.1	$ 22
Copper				
Australia Pacific	**(51)**	**10**	89	(6)
South America	**750**	**(4)**	255	10
Total Copper	**699**	**$ 6**	344	$ 4

(1) Each year we update our reserve estimates as at the end of the year as part of our normal business cycle. Reserve changes presented were calculated at the beginning of the applicable fiscal year and are in millions of contained ounces.

Impairment Assessments of Operating Mines, Development Projects and Petroleum & Natural Gas Properties

We review and test the carrying amounts of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. We group assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. For each operating mine site/development project/petroleum and natural gas property, all related assets are included in a single group for impairment testing purposes. If there are indications that impairment may have occurred at a particular mine site/development project/petroleum and natural gas property, we compare the sum of the undiscounted cash flows expected to be generated from that mine site/development project/petroleum and natural gas property to its carrying amount. If the sum of undiscounted cash flows is less than the carrying amount, an impairment loss is recognized if the carrying amount of the individual long-lived assets within the group exceeds their fair values. We used a long term gold price of $850 per ounce (2007: $800 per ounce) and a long term copper price of $1.50 per pound in 2009 and $2.00 per pound (2007: $2.00 per pound) thereafter, in preparing our cash flow estimates.

Long-lived assets subject to potential impairment at mine sites/development projects/petroleum and natural gas properties include buildings, plant and equipment, and capitalized reserve acquisition and development costs, and amounts allocated to value beyond proven and probable reserves (“VBPP”). For impairment assessment purposes, the estimated fair value of buildings, plant and equipment is based on a combination of current depreciated replacement cost and current market value. The estimated fair value of capitalized reserve acquisition, development costs and VBPP is determined using an income approach which measures the present value of the related cash flows expected to be derived from the asset.

In 2008, due to volatile economic conditions we tested the long-lived assets at all of our mines/projects/properties for impairment, and as a result we identified our Marigold gold mine in North America, our Henty and Kanowna gold mines, and Osborne copper mine in Australia as being potentially impaired. Consequently, we compared the estimated fair value of the individual long-lived assets to their carrying amount and as a result, recorded impairments of: Marigold $12 million and Osborne $57 million.

Impairment Assessments of Exploration Projects

After acquisition, various factors can affect the recoverability of the capitalized cost of land and mineral rights, particularly 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. If we conclude that an impairment condition may exist, we compare the sum of the undiscounted cash flows expected to be generated from the project to its carrying amount. If the sum of the undiscounted cash flows is less than the carrying amount, an impairment charge is recognized if the carrying amount of the individual long-lived assets within the group exceeds their fair value. For projects that do not have reliable cash flow projections, a market approach is applied. We are continuing with our current exploration projects as planned and have not noted any indication of impairment.

Accounting for Goodwill and Goodwill Impairment

We allocate goodwill arising from business combinations to reporting units acquired by preparing estimates of the fair value of the entire reporting unit and comparing this amount to the fair value of assets (including identifiable intangible assets) and liabilities of the reporting unit as at the date of acquisition. The difference represents the amount of goodwill allocated to each reporting unit. We believe that goodwill arises principally because of the following factors: (1) the going concern value implicit in the Company’s ability to sustain/grow its business by increasing reserves and resources through new discoveries whose potential value was not identified at the time of acquisition; (2) the ability to capture unique synergies from a business combination that can be realized from managing a portfolio of mines and mineral properties in the same geographic region; and (3) the requirement to record a deferred tax liability for the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value.

We test for impairment of goodwill on an annual basis in the fourth quarter of our fiscal year and at any other time if events or a change in circumstances indicate that it is more likely than not that the fair value of a reporting unit has been reduced below its carrying amount. Circumstances that could trigger an impairment test include, but are not limited to: a significant adverse change in the business climate or legal factors; an adverse action or assessment by a regulator; the likelihood that a reporting unit or a significant portion of a reporting unit will be sold or otherwise disposed of; adverse results of testing for recoverability of a significant asset group within a reporting unit; and a significant change to the operating plans for the reporting unit. The impairment test for goodwill is a two-step process. Step one consists of a comparison of the fair value of a reporting unit to its carrying amount, including the allocated goodwill. If the carrying amount of the reporting unit exceeds the fair value, step two requires the fair value of the reporting unit to be allocated to the underlying assets and liabilities of that reporting unit, resulting in an implied fair value of goodwill. If the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, we record an impairment charge equal to the excess.

Each individual mineral property that is an operating mine is a reporting unit for the purposes of allocating goodwill and testing for goodwill impairment. Goodwill arising on the acquisition of mineral properties is allocated to both existing and acquired reporting units, if the existing reporting unit is expected to benefit from the synergies of the business combination. The amount of goodwill allocated to existing reporting units is based on the estimated fair value of the combination synergies attributable to that reporting unit. Allocating goodwill to reporting units which are individual operating mines, which by their very nature have a limited useful life, will result in future goodwill impairment charges by the end of the mine life. The timing and amount of future goodwill impairment charges is difficult to determine and will be dependent on a multitude of factors that impact valuations of mineral properties, including changes in observed market multiples for valuation purposes, changes in geo-political risk and country specific discount rates, changes in market gold prices and total cash costs, success in finding new reserves, future exploration potential and future capital requirements.

There is no active market for our reporting units. Consequently, when assessing a reporting unit for potential goodwill impairment, we use an income approach (being the present value of expected future net cash flows or net asset value (“NAV”) of the relevant

reporting unit) to determine the fair value we could receive for the reporting unit in an arm’s length transaction at the measurement date. Future cash flows are based on our best estimates of projected future revenues, cash costs of production and capital expenditures contained in our long term Life of Mine (“LOM”) plans, which are updated for each reporting unit in the fourth quarter of each fiscal year. Consequently, the process for determining the fair value of a reporting unit is subjective and requires management to make numerous estimates and assumptions, and therefore projected future results prepared using these estimates and assumptions used in our goodwill impairment tests may differ in material respects from actual future results.

Our LOM plans are based on detailed research, analysis and modeling to optimize the internal rate of return generated from each reporting unit. As such, these plans consider an optimal level of investment, overall production levels and sequence of extraction taking into account all relevant characteristics of the ore body, including waste to ore ratios, ore grades, haul distances, chemical and metallurgical properties impacting process recoveries and capacities of available extraction, haulage and processing equipment. Therefore, the LOM plan is the appropriate basis for forecasting production output in each future year and the related production costs and capital expenditures.

Projected future revenues reflect the forecasted future production levels at each of our reporting units as detailed in our LOM plans. Included in these forecasts is the production of mineral resources that do not currently qualify for inclusion in proven and probable ore reserves where there is a high degree of confidence in its economic extraction. This is consistent with the methodology we use to measure value beyond proven and probable reserves when allocating the purchase price of a business combination to acquired mining assets, and is therefore consistent with the provisions of EITF 04-3, Mining Assets: Impairment and Business Combinations.

Projected future revenues also reflect our estimated long term metals prices, which are determined based on current prices, an analysis of the expected total production costs of the producers and forward pricing curves of the particular metal and forecasts of expected long-term metals prices prepared by analysts. These estimates often differ from current price levels, but our methodology is consistent with how a market participant would assess future long term metals prices. In 2008, we have used an estimated long-term future gold price of $850 per ounce (2007: $800 per ounce), and an estimated long-term future copper price of $1.50 per pound for 2009 (2007: $2.50 per pound) and $2.00 per pound thereafter.

Our estimates of future cash costs of production and capital expenditures are based on the LOM plans for each reporting unit. Costs incurred in currencies other than the US dollar are translated to US dollars using expected long-term exchange rates based on the relevant forward pricing curve. Oil prices are a significant component, both direct and indirect, of our expected cash costs of production. We have used an estimated average oil price of $75 per barrel, which is based on the spot price, forward pricing curve, and long term oil price forecasts prepared by analysts.

The discount rates used in determining the present value of a reporting unit are based upon our real weighted average cost of capital, with appropriate adjustment for the remaining life of the mine and risks associated with the relevant cash flows based on the geographic location of the reporting unit. These risk adjustments were based on observed historical country risk premiums and the average credit default swap spreads. In 2008, we used the following real discount rates for our gold mines: United States 2.68%–4.03% (2007: 3.97%); Canada 3.29% (2007: 4.54%); Australia 3.66%–4.29% (2007: 4.98%); Argentina 13.74% (2007: 9.18%); Tanzania 8.49%–9.84% (2007: 7.01%); Papua New Guinea 9.84% (2007: 7.86%); and Peru 6.33%–6.96% (2007: 5.4%). For our copper mines, we used the following real discount rates for 2008: Australia 6.95% (2007: 8.64%); and Chile 8.83% (2007: 8.36%). The increase in discount rates compared to the prior year primarily reflects higher equity premiums over the risk-free borrowing rate, and an increase in country risk premiums due to rising credit spreads and increased political risk in certain jurisdictions.

For our gold reporting units, we apply a market multiple to the NAV computed using the present value of future cash flows approach in order to assess their estimated fair value. Gold companies typically trade at a market capitalization that is based on a multiple of their underlying NAV. Consequently, a market participant would generally apply a NAV multiple when estimating the fair value of an operating gold mine.

The selected multiple for a particular reporting unit considers its remaining economic life, the expected potential beyond proven and probable reserves and any other factors relevant to the valuation of a property. For reporting units with operating lives of five years or less, we selected multiples on the lower end of the observed multiples range. Reporting units with operating lives greater than five years were generally based on the median and/or average observed multiples. In 2008, we have used the following multiples in our assessment of the fair value of our gold reporting units: North America 1.0–2.1 (2007: 1.0–2.0); Australia 1.0–1.6 (2007: 1.5–2.1); South America 1.0–1.4 (2007: 1.2–1.7); and Africa 1.0–1.6 (2007: 1.3–2.0).

Due to the fact that goodwill is tested for impairment at a mine site level and operating mines have a finite reserve life, goodwill impairment charges are inevitable. By the end of the life the likelihood of impairment charges increases as mines near the end of their reserve lives. In 2008, we recorded total goodwill impairment charges of $678 million, including: $272 million at our Kanowna gold mine in Australia primarily due to the overall decline in the trading multiples on gold mining companies and higher discount factors; $216 million at our North Mara gold mine in Africa due to the overall decline in trading multiples of gold mining companies and higher discount factors; $88 million at our Barrick Energy business unit due to the significant decline in oil price since its acquisition date; $64 million at our Osborne copper mine in Australia due to a decline in our copper price assumptions, which resulted in a reduction in estimated production levels and remaining mine life; and $30 million at our Henty gold mine in Australia primarily a result of its short remaining mine life.

Individual mines have a finite reserve life. Consequently mines with a short remaining reserve life are generally at greater risk of incurring a goodwill impairment charge. Based on our most recent life of mine plans, Pierina, Tulawaka, Osborne, Henty, Golden Sunlight and Storm have remaining reserve lives of four years or less. The aggregate goodwill carrying amount for these mines at December 31, 2008 was $70 million. The most significant factors impacting the outcome of goodwill impairment tests are market gold and copper prices; and discount rates and market multiple assumptions used in the estimation of the value of reporting units. An adverse change in any one or a combination of these factors could lead to the recognition of further impairment charges in the future periods. The mines most likely to be affected by an adverse change in these factors include the Zaldívar copper mine due to the significant recent decline in copper prices and risk of a further decline in copper prices that could cause us to lower our long-term copper price estimate; and the Porgera gold mine due to an increase in the discount rate largely due to sovereign credit spreads widening for Papua New Guinea and the recent decline in observed market multiples whereby a continuation of these two trends could potentially impact the outcome of the goodwill impairment test in future periods.

Production Stage

We assess each mine construction project to determine when a mine moves into production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant or its location. We consider various relevant criteria to assess when the mine is substantially complete and ready for its intended use and moved into production stage. Some of the criteria considered would include, but are not limited to, the following: (1) the level of capital expenditures compared to construction cost estimates; (2) completion of a reasonable period of testing of mine plant and equipment; (3) ability to produce minerals in saleable form (within specifications); and (4) ability to sustain ongoing production of minerals.

When a mine construction project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventory or expensed, except for capitalizable costs related to property, plant and equipment additions or improvements, underground mine development or reserve development.

Pre-production stripping costs are capitalized until an “other than de minimis” level of mineral is produced, after which time such costs are either capitalized to inventory or expensed. We consider various relevant criteria to assess when an “other than de minimis” level of mineral is produced. Some of the criteria considered would include, but are not limited to, the following: (1) the amount of ounces mined versus total ounces in reserves; (2) the amount of ore tons mined vs. total LOM expected ore tons mined; (3) the current stripping ratio versus the LOM strip ratio; and (4) the ore grade versus the LOM grade.

Fair Value of Asset Retirement Obligations (“AROs”)

AROs arise from the acquisition, development, construction and normal operation of mining property, plant and equipment, due to government controls and regulations that protect the environment and public safety on the closure and reclamation of mining properties. We record the fair value of an ARO in our Consolidated Financial Statements when it is incurred and capitalize this amount as an increase in the carrying amount of the related asset. At operating mines, the increase in an ARO is recorded as an adjustment to the corresponding asset carrying amount and results in a prospective increase in amortization expense. At closed mines, any adjustment to an ARO is charged directly to earnings.

The fair values of AROs are measured by discounting the expected cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. We prepare estimates of the timing and amounts of expected cash flows when an ARO is incurred, which are updated to reflect changes in facts and circumstances, or if we are required to submit updated mine closure plans to regulatory authorities. In the future, changes in regulations or laws or enforcement could adversely affect our operations; and any instances of non-compliance with laws or regulations that result in fines or injunctions or delays in projects, or any unforeseen environmental contamination at, or related to, our mining properties, could result in us suffering significant costs. We mitigate these risks through environmental and health and safety programs under which we monitor compliance with laws and regulations and take steps to reduce the risk of environmental contamination occurring. We maintain insurance for some environmental risks, however, for some risks, coverage cannot be purchased at a reasonable cost. Our coverage may not provide full recovery for all possible causes of loss. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and a corresponding change in the life of mine plan; changing ore characteristics that ultimately impact the environment; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. In general, as the end of the mine life nears, the reliability of expected cash flows increases, but earlier in the mine life, the estimation of an ARO is inherently more subjective. Significant judgments and estimates are

made when estimating the fair value of AROs. Expected cash flows relating to AROs could occur over periods up to 40 years and the assessment of the extent of environmental remediation work is highly subjective. Considering all of these factors that go into the determination of an ARO, the fair value of AROs can materially change over time.

At our operating mines, we continue to record AROs based on disturbance of the environment over time. It is reasonably possible that circumstances could arise during or by the end of the mine life that will require material revisions to AROs. In particular, the extent of water treatment can have a material effect on the fair value of AROs, and the expected water quality at the end of the mine life, which is the primary driver of the extent of water treatment, can change significantly. We periodically prepare updated studies for our mines, following which it may be necessary to adjust the fair value of AROs. The period of time over which we have assumed that water quality monitoring and treatment will be required has a significant impact on AROs at closed mines. The amount of AROs recorded reflects the expected cost, taking into account the probability of particular scenarios. The difference between the upper end of the range of these assumptions and the lower end of the range can be significant, and consequently changes in these assumptions could have a material effect on the fair value of AROs and future earnings in a period of change.

At one closed mine, the principal uncertainty that could impact the fair value of the ARO is the manner in which a tailings facility will need to be remediated. In measuring the ARO, we have concluded that there are two possible methods that could be used. We have recorded the ARO using the more costly method until such time that the less costly method can be proven as technically feasible and approved.

AROs

($ millions) **As at December 31**	**2008**	**2007**
Operating mines	**$ 832**	$ 769
Closed mines	**201**	197
Development projects	**17**	—
Other	**16**	—
Total	**$ 1,066**	$ 966

Deferred Tax Assets and Liabilities

Measurement of Temporary Differences

We are periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in our Financial Statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period of changes.

Valuation Allowances

Each period, we evaluate the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning activities. Levels of future taxable income are affected by, among other things, market gold prices, and production costs, quantities of proven and probable gold and copper reserves, interest rates and foreign currency exchange rates. If we determine that it is more likely than not (a likelihood of more than 50%) that all or some portion of a deferred tax asset will not be realized, we record a valuation allowance against the amount we do not expect to realize. Changes in valuation allowances are recorded as a component of income tax expense or recovery for each period. The most significant recent trend impacting expected levels of future taxable income and the amount of valuation allowances, has been rising market gold prices. A continuation of a trend of higher gold prices could lead to the release of some of the valuation allowances recorded, with a corresponding effect on earnings in the period of release. Conversely, a decline in market gold prices could lead to an increase in valuation allowances and a corresponding increase in income tax expense.

In 2008, we released $175 million of valuation allowances primarily because sources of income became available that enabled tax losses and US Alternative Minimum Tax (“AMT”) credits to be realized.

In 2007, we released $156 million of end of year valuation allowances in Tanzania due to the estimated effect of higher market gold prices on the ability to utilize deferred tax assets. We released other valuation allowances during 2007 totaling $88 million, partly because sources of income became available that enabled tax losses to be realized.

In 2006, we released $25 million of valuation allowances in the United States due to the estimated effect of higher market gold prices on the ability to utilize deferred tax assets. Also in 2006, we released $9 million of valuation allowances in a Chilean entity due to the availability of income, and we released valuation allowances of $19 million in Canada, reflecting utilization of capital losses.

Valuation Allowances

($ millions) **As at December 31**	**2008**	**2007**
United States	**$ 123**	$ 190
Chile	**23**	105
Argentina	**61**	26
Canada	**50**	55
Tanzania	**30**	30

Other	**31**	13
Total	**$ 318**	$ 419

United States: most of the valuation allowances relate to AMT credits, which have an unlimited carry-forward period. Increasing levels of future taxable income due to higher gold selling prices and other factors and circumstances may result in our becoming a regular taxpayer under the US regime, which may cause us to release some, or all, of the valuation allowance on the AMT credits.

Chile, Argentina and Tanzania: the valuation allowances relate to the full amount of tax assets in subsidiaries that do not have any present sources of gold production or taxable income. In the event that these subsidiaries have sources of taxable income in the future, we may release some or all of the valuation allowances.

Canada: substantially all of the valuation allowances relate to capital losses that can only be utilized if any capital gains are realized.

Internal Control over Financial Reporting and Disclosure Controls and Procedures

Management is responsible for establishing and maintaining adequate internal control over financial reporting and other financial disclosure. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP.

The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with US GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's Financial Statements.

Internal control over other financial disclosure is a process designed to ensure that other financial information included in this MD&A and Barrick's Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company for the periods presented in this report. The Company's disclosure controls and procedures are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to Management by others within those entities, particularly during the period in which this report is being prepared.

Due to its inherent limitations, internal control over financial reporting and disclosure may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may change.

The management of Barrick, with the participation of our chief executive and financial officers, have evaluated the effectiveness of the design and operation of the internal controls over financial reporting and disclosure controls and procedures as of the end of the period covered by this report and have concluded that they were effective at a reasonable assurance level.

Barrick's annual management report on internal control over financial reporting and the integrated audit report of Barrick's auditors for the year ended December 31, 2008 will be included in Barrick's 2008 Annual Report and its 2008 Form 40-F/Annual Information Form on file with the SEC and Canadian provincial securities regulatory authorities.

International Financial Reporting Standards (IFRS)

Barrick is a 'domestic issuer' under Canadian securities law and a 'foreign private issuer' under US Securities and Exchange Commission (SEC) regulations. We file our financial statements with both Canadian and US securities regulators in accordance with US GAAP, as permitted under current regulations. Effective January 1, 2011, all publicly accountable Canadian enterprises must apply IFRS. In December 2007, the SEC confirmed that foreign private issuers will be entitled to file financial statements in accordance with IFRS without reconciliation to US GAAP. As a result of these regulatory developments, we completed an initial assessment of the merits of a potential conversion to IFRS and, in third quarter 2008, we made a decision to convert to IFRS and begin filing financial statements prepared under IFRS in our 2011 fiscal year consistent with other Canadian issuers, primarily to improve the comparability of our financial results with those of other gold mining companies.

The conversion to IFRS from US GAAP is a significant undertaking, and as a result, we established a dedicated IFRS conversion team in early 2009 to lead this process. The conversion to IFRS may have a material effect on our:

- reported financial position and results of operations;
- systems of internal controls and procedures over financial reporting, including related business processes;
- information technology and data systems;

- disclosure controls and procedures;
- current financial reporting training curriculum; and
- downstream business activities such as our corporate hedging programs, joint venture agreements and other contractual arrangements, debt covenants, compensation programs and tax planning arrangements.

The IFRS conversion team is responsible for preparing our detailed IFRS conversion plan. We expect to complete the detailed IFRS conversion plan by the end of first quarter 2009.

We are in the process of completing our detailed technical analysis of US GAAP-IFRS accounting differences, which we expect to complete by the end of the third quarter 2009. Furthermore, IFRS accounting standards, and the interpretation thereof, are constantly evolving and therefore are subject to change through the end of 2011. Consequently, our IFRS conversion team will continuously monitor IFRS accounting developments and update our conversion plan and public disclosure as necessary.

Non-GAAP Financial Measures

Adjusted Net Income (Adjusted Net Income per Share)

Adjusted net income is a non-GAAP financial measure which excludes the following from net income:

- impairment charges related to goodwill, property, plant and equipment, and investments;
- gains/losses on the disposition of long-lived assets;
- foreign currency translation gains/losses; and
- unrealized gains/losses on non-hedge derivative instruments.

Management uses this measure internally to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented, and to assist with the planning and forecasting of future operating results. We believe that adjusted net income allows investors and analysts to better evaluate the results of the underlying business of the Company.

While the adjustments to net income in this measure include items that are recurring, management believes that adjusted net income is a useful measure of the Company's performance because impairment charges and gains/losses on asset dispositions do not reflect the underlying operating performance of our core mining business and are not necessarily indicative of future operating results. Further, foreign currency translation gains/losses and unrealized gains/losses from non-hedge derivative contracts are not necessarily reflective of the underlying operating results for the reporting periods presented.

As noted, the Company uses this measure for its own internal purposes. Management's internal budgets and forecasts and public guidance do not reflect potential impairment charges, potential gains/losses on the disposition of assets, foreign currency translation gains/losses, or unrealized gains/losses on non-hedge derivative contracts. Consequently, the presentation of adjusted net income enables investors and analysts to better understand the underlying operating performance of our core mining business through the eyes of Management. Management periodically evaluates the components of adjusted net income based on an internal assessment of performance measures that are useful for evaluating the operating performance of our business segments and a review of the non-GAAP measures used by mining industry analysts and other mining companies.

Adjusted net income is intended to provide additional information only and does not have any standardized meaning prescribed by US GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with US GAAP. The measure is not necessarily indicative of operating profit or cash flow from operations as determined under US GAAP. Other companies may calculate this measure differently. The following table reconciles this non-GAAP measure to the most directly comparable US GAAP measure.

Reconciliation of Net Income to Adjusted Net Income

	For the years ended December 31			For the three months ended December 31	
($ millions, except per share amounts in dollars)	**2008**	**2007**	**2006**	**2008**	**2007**
Net income	**$ 785**	$ 1,119	$ 1,506	**$ (468)**	$ 537
Impairment charges related to goodwill, property, plant and equipment, and investments	**899**	59	17	**773**	54
(Gains)/losses on the disposition of long-lived assets	**(178)**	(59)	(301)	**(123)**	6
Foreign currency translation (gains)/losses	**135**	(73)	(7)	**84**	(11)
Unrealized (gains)/losses on non-hedge derivative instruments	**20**	(10)	15	**11**	11
Adjusted net income	**$ 1,661**	$ 1,036	$ 1,230	**$ 277**	$ 597
Adjusted net income per share(1)	**$ 1.90**	$ 1.19	$ 1.46	**$ 0.32**	$ 0.69

(1) Calculated using net income and weighted average number of shares outstanding under the basic method of earnings per share.

Total Cash Costs

Total cash costs per ounce/pound are non-GAAP financial measures. Total cash costs include all costs absorbed into inventory, as well as royalties, by-product credits, and production taxes, and exclude inventory purchase accounting adjustments, unrealized gains/losses from non-hedge currency and commodity contracts, and amortization and accretion. Total cash costs also includes the gross margin generated by our Barrick Energy business unit, which was acquired to provide a long-term economic hedge of our exposure to oil prices, as a credit against gold cash costs. The presentation of these statistics in this manner allows us to monitor and manage those factors that impact production costs on a monthly basis. We calculate total cash costs based on our equity interest in production from our mines. Total cash costs per ounce/pound are calculated by dividing the aggregate of these costs by gold ounces and copper pounds sold. Total cash costs and total cash costs per ounce/pound are calculated on a consistent basis for the periods presented.

In our income statement, we present amortization separately from cost of sales. Some companies include amortization in cost of sales, which results in a different measurement of cost of sales in the income statement. Under purchase accounting rules, we record the fair value of acquired work in progress and finished goods inventories as at the date of acquisition. As the acquired inventory is sold, any purchase accounting adjustments, reflected in the carrying amount of inventory at acquisition, impacts cost of sales. The method of valuing these inventories is based on estimated selling prices less costs to complete and a reasonable profit margin. Consequently, the fair values do not necessarily reflect costs to produce consistent with ore mined and processed into gold and copper after the acquisition. Many mining companies record the unrealized gains/losses from non-hedge currency and commodity contracts in other income, and therefore these amounts are not reflected in the cost of sales/cash costs measures presented by these companies. Consequently, we believe that removing these unrealized gains/losses provides investors and analysts with a measure of our cash costs of production that is more comparable to the cash costs measures presented by other mining companies. We have provided below reconciliations to illustrate the impact of excluding amortization and accretion, inventory purchase accounting adjustments and unrealized gains/losses from non-hedge currency and commodity contracts from total cash costs per ounce/pound statistics.

We believe that using an equity interest presentation is a fairer, more accurate way to measure economic performance than using a consolidated basis. For mines where we hold less than a 100% share in the production, we exclude the economic share of gold production that flows to our partners who hold a non-controlling interest. Consequently, for the Tulawaka mine, although we fully consolidated the results of operations from this mine in our consolidated financial statements, our production and total cash cost statistics only reflect our equity share of the production.

In 2008, we have provided an alternative measure of total gold cash costs per ounce which treats the gross margin from all non-gold sales, whether or not these non-gold metals are produced in conjunction with gold, as a credit against the cost of producing gold. A number of other gold producers present total

cash costs net of the contribution from non-gold sales. We believe that including a measure of total gold cash costs per ounce on this basis provides investors and analysts with information with which to compare our performance to other gold producers, and to assess the overall performance of our gold mining business. In addition, this measure provides information to enable investors and analysts to understand the importance of non-gold revenues to our cost structure.

Total cash costs per ounce/pound statistics are intended to provide additional information, do not have any standardized meaning prescribed by US GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with US GAAP. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under US GAAP. Other companies may calculate these measures differently.

Reconciliation of Cost of Sales to Total Cash Costs per Ounce/Pound

($ millions, except per ounce/pound information in dollars)	Gold			Copper		
For the years ended December 31	2008	2007	2006	2008	2007	2006
Cost of sales	**$ 3,426**	$ 2,805	$ 2,319	**$ 436**	$ 339	$ 391
Cost of sales attributable to discontinued operations	**—**	(9)	51	**—**	—	—
Cost of sales attributable to non-controlling interests(1)	**(14)**	(15)	(12)	**—**	—	—
Unrealized non-hedge gains/(losses) on currency and commodity contracts	**(15)**	(5)	—	**—**	—	—
Inventory purchase accounting adjustments	**(16)**	—	(11)	**—**	(9)	(97)
Impact of Barrick Energy	**(14)**	—	—	**—**	—	—
Total cash costs	**3,367**	2,776	2,347	**436**	330	294
Ounces/pounds sold – consolidated basis (000s)	**7,658**	8,108	8,566	**367**	401	376
Ounces/pounds sold – non-controlling interest (000s)	**(63)**	(53)	(176)	**—**	—	—
Ounces/pounds sold – equity basis (000s)	**7,595**	8,055	8,390	**367**	401	376
Total cash costs per ounce/per pound	**$ 443**	$ 345	$ 280	**$ 1.19**	$ 0.82	$ 0.78

(1) Relates to a 70% interest in Tulawaka and a 50% interest in South Deep prior to 2007.

Total Gold Cash Costs per Ounce – Full Credit for Non-Gold Sales

($ millions, except per ounce/pound data in dollars)	For the years ended December 31			For the three months ended December 31	
	2008	2007	2006	2008	2007
Ounces gold sold – equity basis (000s)	**7,595**	8,055	8,390	**2,190**	2,042
Total cash costs per – ounce equity basis	**$ 443**	$ 345	$ 280	**$ 471**	$ 369
Revenues from copper sales	**$ 1,228**	$ 1,305	$ 1,137	**$ 321**	$ 273
Unrealized non-hedge gains/(losses) from copper contracts	**14**	(16)	13	**(3)**	16
Net revenues from copper excluding unrealized non-hedge gains/losses from copper contracts	**1,242**	1,289	1,150	**318**	289
Copper cost of sales per consolidated statement of income	**436**	339	391	**122**	76
Inventory purchase accounting adjustments included in cost of sales	**—**	(9)	(97)	**—**	—
Cost of sales – copper	**$ 436**	$ 348	$ 488	**$ 122**	$ 76
Gross margin – copper	**806**	941	662	**196**	213

Copper gross margin per ounce	**106**	117	79	**89**	104
Total gold cash costs per ounce – full credit basis for non-gold sales	**$ 337**	$ 228	$ 201	**$ 382**	$ 265

EBITDA

EBITDA is a non-GAAP financial measure, which excludes the following from net income:

- income tax expense;
- interest expense;
- interest income; and
- depreciation and amortization.

Management believes that EBITDA is a valuable indicator of the Company's ability to generate liquidity by producing operating cash flow to: fund working capital needs, service debt obligations, and fund capital expenditures. Management uses EBITDA for this purpose. EBITDA is also frequently used by investors and analysts for valuation purposes whereby EBITDA is multiplied by a factor or "EBITDA multiple" that is based on observed or inferred relationship between EBITDA and market values to determine the approximate total enterprise value of a company.

EBITDA is intended to provide additional information to investors and analysts, does not have any standardized meaning prescribed by US GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with US GAAP.EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined under US GAAP. Other companies may calculate EBITDA differently.

The following table provides a reconciliation of EBITDA to net income.

Reconciliation of Net Income to EBITDA

	For the years ended December 31			For the three months ended December 31	
($ millions, except per share amounts in dollars)	**2008**	**2007**	**2006**	**2008**	**2007**
Net income	**$ 785**	$ 1,119	$ 1,506	**$ (468)**	$ 537
Income tax expense	**590**	341	348	**164**	15
Interest expense	**21**	113	126	**—**	22
Interest income	**(39)**	(141)	(110)	**(5)**	(34)
Depreciation and amortization	**990**	1,004	735	**264**	253
EBITDA	**$ 2,347**	$ 2,436	$ 2,605	**$ (45)**	$ 793

Realized Prices

Realized price is a non-GAAP financial measure which excludes from sales:

- unrealized gains and losses on non-hedge derivative contracts, and
- unrealized mark-to-market gains and losses on outstanding receivables from copper and gold sales contracts.

This measure is intended to enable management to better understand the price realized in each reporting period for gold and copper sales because unrealized mark-to-market value of non-hedge gold and copper derivatives and unrealized mark-to-market gains and losses on outstanding receivables from copper and gold sales contracts are subject to change each period due to changes in market factors such as spot and forward gold and copper prices such that prices ultimately realized may differ from those recorded. The exclusion of such unrealized mark-to-market gains and losses from the presentation of this performance measure enables investors to understand performance based on the realized proceeds of selling gold and copper production. The gains and losses on non-hedge derivatives and receivable balances relate to instruments/balances that mature in future periods, at which time the gains and losses will become realized. The amounts of these gains and losses reflect fair values based on market valuation assumptions at the end of each period and do not necessarily represent the amounts that will become realized on maturity. For those reasons, Management believes that this measure provides a more accurate reflection of the Company's past performance and is a better indicator of its expected performance in future periods.

The realized price measure is intended to provide additional information, and does not have any standardized meaning prescribed by US GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with US GAAP. The measure is not necessarily indicative of sales as determined under US GAAP. Other companies may calculate this measure differently. The following table reconciles realized prices to the most directly comparable US GAAP measure.

Reconciliation of Sales to Realized Price per Ounce/per Pound

($ millions, except per ounce/pound data in dollars)	**Gold**			**Copper**		
For the years ended December 31	**2008**	**2007**	**2006**	**2008**	**2007**	**2006**
Sales	**$ 6,656**	$ 5,027	$ 4,493	**$ 1,228**	$ 1,305	$ 1,137

Sales attributable to non-controlling interests	**(56)**	(38)	52	—	—	—
Unrealized non-hedge gold/copper derivative (gains) losses	**2**	(2)	7	**(23)**	(26)	13
Unrealized mark-to-market provisional price adjustments	**(1)**	(2)	1	**38**	10	—
Sales – as adjusted	**6,601**	4,985	4,553	**1,243**	1,289	1,150
Ounces/pounds sold (000s)	**7,595**	8,055	8,390	**367**	401	376
Realized gold/copper price per ounce/pound	**$ 870**	$ 619	$ 543	**$ 3.39**	$ 3.22	$ 3.06

Cash Margin per Ounce

Management uses a non-GAAP financial measure cash margin per ounce that represents realized price per ounce less total cash costs per ounce. This measure is used by management to analyze trends in our profitability on a unit basis and to assess the cash generating capabilities of our operating mines in each reporting period for gold and copper sales.

Management believes that this measure reflects the net contribution from our gold sales and is an important indicator of expected performance in future periods. Our cash margin per ounce is intended to provide additional information, does not have any standardized meaning prescribed by US GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with US GAAP. This measure is not necessarily indicative of operating profit or cash flow from operations as determined under US GAAP. Other companies may calculate cash margin per ounce differently. The following table derives this non-GAAP measure from previously defined non-GAAP measures of realized gold/copper price per ounce and total cash costs per ounce.

Reconciliation of Cash Margin per Ounce

(per ounce data in dollars) **For the years ended December 31**	**2008**	**2007**	**2006**
Realized gold price per ounce	**$ 870**	$ 619	$ 543
Total cash costs per ounce	**443**	345	280
Cash margin per ounce	**$ 427**	$ 274	$ 263

Glossary of Technical Terms

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

BACKFILL: Primarily waste sand or rock used to support the roof or walls after removal of ore from a stope.

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

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.

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.

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.

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

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

GRADE: The amount of metal 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.

HEAP LEACH PAD: A large impermeable foundation or pad used as a base for ore during heap leaching.

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

MINERAL RESERVE: See pages 141 to 148 — “Summary Gold Mineral Reserves and Mineral Resources.”

MINERAL RESOURCE: See pages 141 to 148 — “Summary 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.

MINING RATE: Tons of ore mined per day or even specified time period.

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.

ORE BODY: 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.

RECLAMATION: The process by which lands disturbed as a result of mining activity are modified to support beneficial land use. Reclamation activity may include the removal of buildings, equipment, machinery and other physical remnants of mining, closure of tailings storage facilities, leach pads and other mine features, and contouring, covering and re-vegetation of waste rock and other disturbed areas.

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.

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

STRIPPING: Removal of overburden or waste rock overlying an ore body in preparation for mining by open pit methods. Expressed as the total number of tons mined or to be mined for each ounce of gold.

TAILINGS: The material that remains after all economically and technically recoverable precious metals have been removed from the ore during processing.

Exhibit 99.5

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the inclusion in the Annual Report on Form 40-F of Barrick Gold Corporation (the "Company") of our report dated February 19, 2009 relating to the Company's consolidated financial statements and the effectiveness of internal control over financial reporting.

/s/ PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Ontario
March 30, 2009

Exhibit 99.6

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-121500, 333-131715, 333-135769) of Barrick Gold Corporation (the "Company") and the Registration Statements on Form F-9 and Form F-3 of the Company, Barrick North America Finance LLC and Barrick Gold Financeco LLC (File Nos. 333-151327, 333-151327-02 and 333-151327-01) of our report dated February 19, 2009 relating to the Company's consolidated financial statements and the effectiveness of internal control over financial reporting which appears in the Company's Annual Report on Form 40-F.

/s/ PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Ontario
March 30, 2009

Exhibit 99.7

CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Aaron W. Regent certify that:

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

2. Based on my knowledge, this 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 report;

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

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 30, 2009

/s/ AARON W. REGENT

Name: Aaron W. Regent
Title: President and Chief Executive Officer

Exhibit 99.8

CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jamie C. Sokalsky certify that:

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

2. Based on my knowledge, this 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 report;

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

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 30, 2009

/s/ JAMIE C. SOKALSKY

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

Exhibit 99.9

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, 2008 (the "Report").

I, Aaron W. Regent, 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: March 30, 2009

/s/ AARON W. REGENT
Name: Aaron W. Regent
Title: President and Chief Executive Officer

Exhibit 99.10

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, 2008 (the "Report").

I, Jamie C. Sokalsky, Executive 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: March 30, 2009

/s/ JAMIE C. SOKALSKY
Name: Jamie C. Sokalsky
Title: Executive Vice President and Chief Financial Officer