SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

o **Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934**
or
þ **Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934**

For Fiscal year ended: December 31, 2006 **Commission File number: No. 1-9059**

BARRICK GOLD CORPORATION

(Exact name of registrant as specified in its charter)

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

BCE Place
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:

þ Annual Information Form þ Audited Annual Financial Statements

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

Common Shares 863,957,797

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

Yes o No þ

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

Yes þ No o

CONTROLS AND PROCEDURES

The disclosure provided under “Controls and Procedures” on pages 90 through 91 of Exhibit 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” on page 69 of Exhibit 2, is incorporated by reference herein.

AUDIT COMMITTEE

The disclosure provided under “Composition of the Audit Committee” on pages 88 through 89 of Exhibit 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 page 90 of Exhibit 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 89 of Exhibit 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 52 to 55 of Exhibit 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 pages 49 through to 50 of Exhibit 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 in the Registrant's registration statements on Form F-3 (No. 333-14148) and Form F-9 (Nos. 333-120133 and 333-106592) and Form S-8 (File Nos. 333-121500, 333-131715 and 333-135769) and in the registration statements on Form F-9 of Barrick Gold Finance Company (No. 333-120133-01) and Barrick Gold Inc. (Nos. 333-120133-02 and 333-106592-01).

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: Vice President, Assistant General Counsel and Secretary

Dated: April 2, 2007

EXHIBIT INDEX

Exhibits	Description
1	Annual Information Form dated as of March 30, 2007
2	Management's Report on Internal Control Over Financial Reporting
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, 2006 and 2005 and for the years ended December 31, 2006, 2005 and 2004, together with the Auditor's report thereon
4	Barrick Gold Corporation's Management's Discussion and Analysis (US GAAP) for the year ended December 31, 2006
5	Management Information Circular and Proxy Statement dated as of March 19, 2007 other than the sections entitled "Report on Executive Compensation" and "Performance Graph" (incorporated by reference to Exhibit 2 of Barrick Gold Corporation's Form 6-K (Commission file No. 1-9059), furnished to the Commission on March 29, 2007)
6	Business Acquisition Report, dated February 10, 2006 (incorporated by reference to Exhibit 1 of Barrick Gold Corporation's Form 6-K (Commission file No. 1-9059), furnished to the Commission on February 14, 2006)
7	Consent of PricewaterhouseCoopers LLP
8	Consent of PricewaterhouseCoopers LLP
9	Certification of Gregory C. Wilkins required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of Sarbanes-Oxley Act of 2002
10	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
11	Certification of Gregory C. Wilkins pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of Sarbanes-Oxley Act of 2002
12	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 1



BARRICK GOLD CORPORATION
BCE 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, 2006

Dated as of March 30, 2007

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.

Cyanidation

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

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 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”.

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 revegetation 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.

Stope

An underground excavation from which ore is extracted.

Strike length

The distance measured along the longest horizontal dimension of an orebody or zone of mineralization.

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 “Narrative Description of the Business - Production and 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 2006 and the exchange rate at December 31, 2006 were one Canadian dollar per 0.8818 and 0.8581 U.S. dollars, respectively. For Australian dollars to U.S. dollars, the average exchange rate for 2006 and the exchange rate at December 31, 2006 were one Australian dollar per 0.7535 and 0.7913 U.S. dollars, respectively.

Barrick Gold Corporation ("Barrick" or the "Company") prepares its financial statements in accordance with the 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 consolidated financial statements of the Company for the year ended December 31, 2006 (the "Consolidated Financial Statements") are incorporated by reference in this Annual Information Form.

Mineral reserves have been calculated in accordance with National Instrument 43-101, as required by Canadian securities regulatory authorities. For United States reporting purposes, Industry Guide 7 (under the Securities Exchange Act of 1934), as interpreted by Staff of the U.S. Securities and Exchange Commission (the "SEC"), applies different standards in order to classify mineralization as a reserve. For U.S. reporting purposes, as at December 31, 2006, 1.88 million ounces of Cortez reserves and the mineralization at the Pueblo Viejo and Buzwagi projects 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.

FORWARD-LOOKING INFORMATION

Certain information contained or incorporated by reference in this Annual Information Form, including any information as to our 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: fluctuations in the currency markets (such as the Canadian and Australian dollars versus the 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 increasing costs associated with mining inputs and labour; 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 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 – Gold Mineral Reserves and Mineral Resources" and "Risk Factors" and to the "Management's Discussion and Analysis of Financial and Operating Results for the year ended December 31, 2006" 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, Jacques McMullen, Vice President, Metallurgy and Process Development of Barrick, Rick Allan, Director - Engineering and Mining Support of Barrick, and Rick Sims, Manager Corporate Reserves of Barrick.

Scientific or technical information in this Annual Information Form relating to the geology of particular properties, and the exploration programs described in this Annual Information Form, are prepared and/or designed and carried out under the supervision of Robert Krcmarov, Vice President, Exploration of Barrick.

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

GENERAL INFORMATION

Incorporation

Barrick 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 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 "– Transactions"). Barrick's head and registered office is located at BCE 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, operating subsidiaries and associated subsidiaries as at March 28, 2007 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 28, 2007 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 largest 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 flagship Goldstrike property on the Carlin Trend in Nevada. Since 1994, Barrick has strategically expanded beyond its North American base to ensure growth in reserves and production, and now also operates in South America, Africa, Australia, Papua New Guinea, Pakistan, Russia and Central Asia.

Barrick has employed a growth strategy that involves acquisitions, a district development program and exploration. In 2006, Barrick acquired Placer Dome, which included 12 mines and 4 significant projects. For details of recent acquisitions and dispositions, see "–Transactions". 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. In the years leading up to 2003, exploration spending across the mining industry, particularly among junior companies, was in a state of general decline. During this same period, Barrick increased its exploration activities and engaged in early stage exploration in four major areas: Peru, Tanzania, Australia and Chile/Argentina. This program resulted in the grassroots discovery of the Lagunas Norte deposit in the Alto Chicama District in Peru in 2002. 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 Central Asia.

From 2002 to 2004, gold production at Barrick's mines decreased and average total cash costs per ounce increased. However, in 2005, overall gold production increased from 2004 as Barrick's Lagunas Norte and Veladero mines commenced operations in the second half of 2005. In 2006, with Barrick's acquisition of Placer Dome and the completion of the sale of certain assets to Goldcorp Inc. ("Goldcorp"), production was 8.64 million ounces of gold and 367 million pounds of copper, with total cash costs of $282 per ounce and $0.79 per pound, respectively. Prior to 2006, Barrick did not produce a significant amount of copper. 2007 gold production is targeted at approximately 8.1 to 8.4 million ounces at expected average total cash costs of $335 to $350 per ounce. 2007 copper production is targeted at approximately 400 million pounds at expected total cash costs of approximately $0.90 per pound. The processing of lower average ore grades and higher waste stripping is contributing to the slight decrease in expected 2007 gold production. A continuing trend of industry wide cost pressures for materials, consumables and labor, together with the processing of lower average ore grades and higher waste stripping, are contributing to higher expected 2007 total cash costs per ounce.

At December 31, 2006, proven and probable mineral reserves for Barrick were 123.1 million ounces of gold, with mineral resources of 35.0 million ounces of measured and indicated gold and 24.9 million ounces of inferred gold. Barrick also had proven and probable mineral reserves of 6.0 billion pounds of copper, with mineral resources

of 6.6 billion pounds of measured and indicated copper and 5.0 billion pounds of inferred copper. For a breakdown of Barrick's reserves and resources by category, see "Narrative Description of the Business – Mineral Reserves and Mineral Resources".

For the year ended December 31, 2006, Barrick produced 8.64 million ounces of gold. The following table summarizes Barrick's interest in its producing mines and its share of gold production from these mines:

Gold Mines	**Ownership**[1]	**2006**[6] (thousands of ounces)	**2005** (thousands of ounces)
North America			
Goldstrike Property, Nevada			
Goldstrike Open Pit	100%	1,388	1,514
Goldstrike Underground	100%	477	510
Goldstrike Property total		1,865	2,024
Eskay Creek Mine, British Columbia	100%	113	172
Round Mountain Mine, Nevada[2]	50%	340	368
Hemlo Property, Ontario [2]	50%	205	230
Marigold Mine, Nevada [2]	33%	50	69
Bald Mountain Mine	100%	273	n/a
Cortez Mine	60%	253	n/a
Turquoise Ridge Mine	75%	180	n/a
Golden Sunlight Mine	100%	93	n/a
		3,372	2,863
South America			
Veladero Mine, Argentina[3]	100%	511	56
Pierina Mine, Peru	100%	509	628
Lagunas Norte Mine, Peru[3]	100%	1,084	550
		2,104	1,234
Australia Pacific			
Plutonic Mine, Western Australia	100%	237	251
Darlot Mine, Western Australia	100%	137	135
Lawlers Mine, Western Australia	100%	110	131

Gold Mines	Ownership[1]	2006[6] (thousands of ounces)	2005 (thousands of ounces)
Kalgoorlie Mine, Western Australia *(2)*	50%	338	417
Granny Smith Mine, Western Australia	100%	295	n/a
Kanowna Mine, Western Australia	100%	477	n/a
Osborne Mine, Queensland, Australia	100%	30	n/a
Henty Mine, Tasmania	100%	68	n/a
Cowal Mine, Central New South Wales, Australia *(4)*	100%	122	—
Porgera Mine, Papa New Guinea	75%	406	n/a
		2,220	934
Africa			
Bulyanhulu Mine, Tanzania	100%	330	311
Tulawaka Mine, Tanzania *(2)*	70%	98	87
North Mara Mine, Tanzania	100%	362	n/a
South Deep Mine, South Africa *(5)*	50%	124	n/a
		914	398
Other		33	31
Company Total		8,643	5,460

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

(2) Barrick's proportional share.

(3) The Veladero and Lagunas Norte mines commenced production in the second half of 2005.

(4) The Cowal mine commenced production in May 2006.

(5) Barrick sold its interest in the South Deep mine in December 2006.

(6) Barrick's share of the acquired Placer Dome mines production reflects the results from January 20, 2006.

For the year ended December 31, 2006, Barrick produced 367 million pounds of copper. Barrick did not produce any significant amount of copper prior to the production from the copper mines acquired with Placer Dome in 2006. 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	2006[1] (millions of pounds)	2005[2] (millions of pounds)
Zaldívar Mine, Chile	100%	308	n/a
Osborne Mine, Queensland, Australia	100%	59	n/a
Company Total		367	

(1) Barrick's share of the acquired Placer Dome mines production reflects the results from January 20, 2006.

(2) *The 2005 comparative period for copper has not been included as Barrick did not produce any significant amount of copper prior to the production from the copper mines acquired with Placer Dome.*

See Note 4 "Segment Information" to the Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2006 (the "Management's Discussion and Analysis") for further information on the Company's operating and geographic segments.

Transactions

Placer Dome

Following the completion of acquisition of 100% of the shares of Placer Dome on March 8, 2006, Barrick amalgamated with Placer Dome pursuant to articles of amalgamation dated May 9, 2006. Barrick's total acquisition costs for Placer Dome were approximately $10.0 billion, including $1.3 billion in cash and 322.8 million Barrick common shares. Barrick accounted for its acquisition of Placer Dome as a purchase business combination, with Barrick as the accounting acquirer. On February 10, 2006, Barrick filed a business acquisition report in connection with its acquisition of Placer Dome in accordance with applicable securities laws, which is incorporated by reference in this Annual Information Form and is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov, under cover of Form 6-K furnished on February 14, 2006. For additional information regarding Barrick's accounting for the acquisition of Placer Dome, see Note 3 to the Consolidated Financial Statements.

The properties acquired by Barrick as a result of its acquisition of Placer Dome include 12 producing mines based in North America, South America, Africa, Australia and Papua New Guinea, and four significant projects that are in various stages of exploration/development. Of these properties, the 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 (see "– Transactions – Sale of South Deep Mine to Gold Fields Limited"). The most significant projects are Cortez Hills and Donlin Creek in the United States, Sedibelo in South Africa, and Pueblo Viejo in the Dominican Republic (see "– Transactions – Sale of Certain Placer Dome Operations to Goldcorp"). For a description of Barrick's principal operating properties, see "Principal Regions".

In 2006, Barrick substantially completed the integration of Placer Dome's mines and offices. The integration plan focused on integrating people and mining operations of Placer Dome, consolidation of certain business functions and exploration offices, and elimination of redundancies between the two organizations. Barrick has identified over $200 million in annual synergies from the combined companies and expects to achieve at least $200 million in annual synergies starting in 2007.

Sale of Certain Placer Dome Operations to Goldcorp

In May 2006, Barrick completed the sale of Placer Dome (CLA) Limited to Goldcorp pursuant to the provisions of a bid support and purchase agreement between Barrick and Goldcorp dated October 30, 2005 which the parties entered into in connection with Barrick's bid for Placer Dome. Total cash consideration received by Barrick from the sale to Goldcorp was approximately $1.6 billion. On completion, Goldcorp acquired all of Placer Dome's Canadian properties and operations (other than the office in Vancouver), 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 in the Dominican Republic. Goldcorp also agreed to be responsible for all liabilities relating solely to these assets, including employment commitments and environmental, closure and reclamation liabilities.

Acquisition of Interest in Reko Diq

In September 2006, Barrick completed the acquisition of a 50% interest in Atacama Copper Pty Ltd. ("Atacama"), which has a 75% interest in the Reko Diq project in Pakistan and associated mineral interests. The Reko Diq project is located in a mining district which has significant gold and copper porphyry deposits as part of an extended gold and copper belt. Barrick paid cash consideration of $123 million, including the cost of acquiring a

claw-back right held by BHP Billiton, and Barrick committed to fund its share of an exploration program at Reko Diq. See “Exploration, Development and Business Development”.

Sale of South Deep Mine to Gold Fields Limited

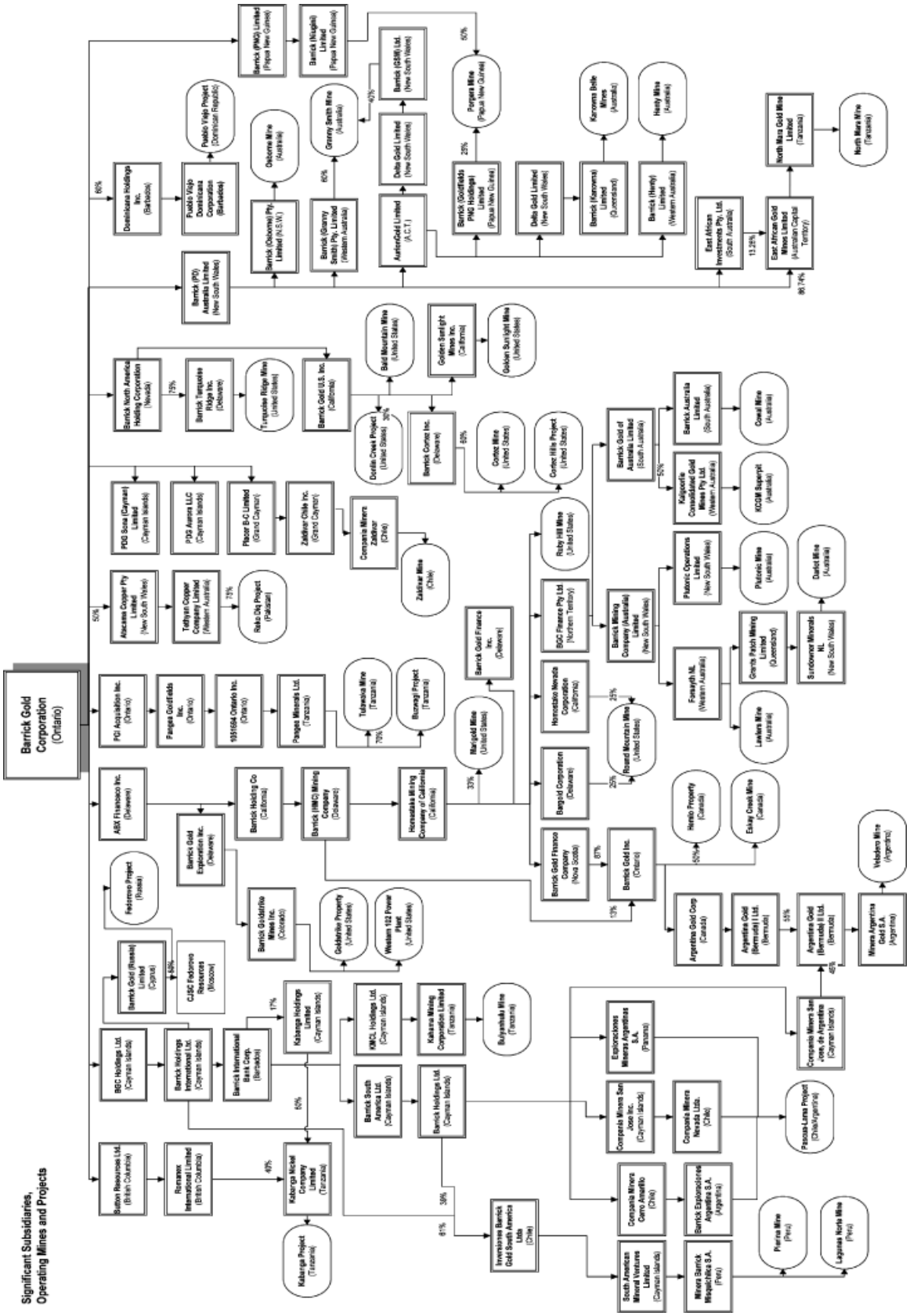
In December 2006, Barrick sold its 50% interest in the South Deep Mine in South Africa to Gold Fields Limited (“Gold Fields”) for consideration of $1.5 billion, of which $1.2 billion was paid in cash and the balance in Gold Fields shares with a value of $308 million on closing.

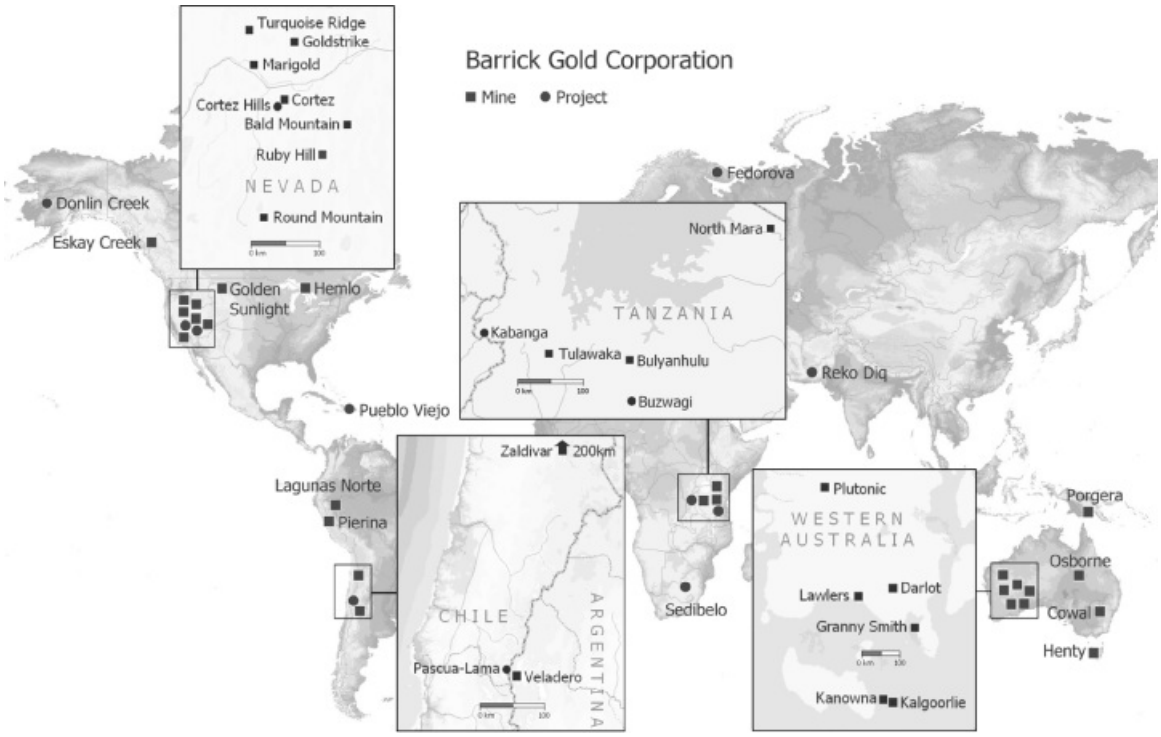
Acquisition of Pioneer Metals Corporation and an Interest in NovaGold Resources Inc.

In July 2006, Barrick commenced offers for the shares of both Pioneer Metals Corporation (“Pioneer”) and NovaGold Resources Inc. (“NovaGold”). Barrick concluded its offer for NovaGold in December 2006, acquiring an approximate 15% interest in NovaGold for cash of approximately $218 million. Barrick concluded its offer for Pioneer in December 2006, acquiring an approximate 91% interest in Pioneer for cash of approximately $53 million. In March 2007, Barrick acquired the remaining shares of Pioneer by way of an amalgamation.

Vend-in of Assets of Highland

In December 2006, Barrick transferred ownership of certain companies holding Russian and Kyrgyz licenses in return for 34.3 million common shares of Highland Gold Mining Ltd. (“Highland”), increasing Barrick’s interest in Highland from 20% to 34%. See “Exploration, Development and Business Development”.


Significant Subsidiaries,
Operating Mines and Projects
Barrick Gold Corporation (Ontario)
Barrick (PNG) Limited (Papua New Guinea)
Barrick (Niugini) Limited (Papua New Guinea)
Barrick (GSR) Ltd. (New South Wales)
Dominicana Holdings Inc. (Barbados)
Pueblo Viejo Dominicana Corporation (Barbados)
Pueblo Viejo Project (Dominican Republic)
Barrick (Osborne) Pty. Limited (N.S.W.)
Osborne Mine (Australia)
Barrick (Granny Smith) Pty. Limited (Western Australia)
Granny Smith Mine (Australia)
AuricGold Limited (A.C.T.)
Delta Gold Limited (New South Wales)
Barrick (GoldFields PNG Holdings) Limited (Papua New Guinea)
Porgera Mine (Papua New Guinea)
Barrick (PD) Australia Limited (New South Wales)
Barrick (Kanowna) Limited (Queensland)
Karowna Belle Mines (Australia)
Barrick (Hunty) Limited (Western Australia)
Hunty Mine (Australia)
East African Investments Pty. Ltd. (South Australia)
East African Gold Mines Limited (Australian Capital Territory)
North Mara Gold Mine Limited (Tanzania)
North Mara Mine (Tanzania)
Barrick North America Holding Corporation (Nevada)
Barrick Turquoise Ridge Inc. (Delaware)
Turquoise Ridge Mine (United States)
Barrick Gold U.S. Inc. (California)
Bald Mountain Mine (United States)
Golden Sunlight Mines Inc. (California)
Golden Sunlight Mine (United States)
Donlin Creek Project (United States)
Barrick Cortez Inc. (Delaware)
Cortez Mine (United States)
Cortez Hills Project (United States)
PDG Sosa (Cayman) Limited (Cayman Islands)
PDG Aeros LLC (Cayman Islands)
Pilcor B-G Limited (Grand Cayman)
Zaldivar Chile Inc. (Grand Cayman)
Compania Minera Zaldivar (Chile)
Zaldivar Mine (Chile)
Atacama Copper Pty Limited (New South Wales)
Tethyan Copper Company Limited (Western Australia)
Reko Diq Project (Pakistan)
PGI Acquisition Inc. (Ontario)
Fenpax Goldfields Inc. (Ontario)
1051684 Ontario Inc. (Ontario)
Fenpax Minerals Ltd. (Tanzania)
Tulawaka Mine (Tanzania)
Buzwagi Project (Tanzania)
Barrick Gold Finance Inc. (Delaware)
Marigold Mine (United States)
Ruby Hill Mine (United States)
Homestake Nevada Corporation (California)
Round Mountain Mine (United States)
BGC Finance Pty Ltd (Northern Territory)
Barrick Mining Company (Australia) Limited (New South Wales)
Barrick Gold of Australia Limited (South Australia)
Barrick Australia Limited (South Australia)
Kalgoorlie Consolidated Gold Mines Pty Ltd. (Western Australia)
Cowal Mine (Australia)
KCGM Superpit (Australia)
Pluto Operations Limited (New South Wales)
Pluto Mine (Australia)
Darlot Mine (Australia)
Forsayth NL (Western Australia)
Gravis Patch Mining Limited (Queensland)
Sundowner Minerals NL (New South Wales)
Lawlers Mine (Australia)
ABX Financeco Inc. (Delaware)
Barrick Holding Co (California)
Barrick (HMC) Mining Company (Delaware)
Homestake Mining Company of California (California)
Bargold Corporation (Delaware)
Barrick Gold Finance Company (Nova Scotia)
Barrick Gold Inc. (Ontario)
Hemlo Property (Canada)
Eskay Creek Mine (Canada)
Barrick Gold Exploration Inc. (Delaware)
Fedorovo Project (Russia)
Barrick Gold (Russia) Limited (Cyprus)
CJSC Fedorovo Resources (Moscow)
Barrick Goldstrike Mines Inc. (Colorado)
Goldstrike Property (United States)
Western 102 Power Plant (United States)
Argentina Gold Corp (Canada)
Argentina Gold (Bermuda) Ltd. (Bermuda)
Argentina Gold (Bermuda) Ltd. (Bermuda)
Minera Argentina Gold S.A. (Argentina)
Veladero Mine (Argentina)
Barrick Holdings Ltd. (Cayman Islands)
Barrick International Bank Corp. (Barbados)
Kabanga Holdings Limited (Cayman Islands)
KMDL Holdings Ltd. (Cayman Islands)
Kabanga Mining Corporation Limited (Tanzania)
Bulyanhulu Mine (Tanzania)
Barrick South America Ltd. (Cayman Islands)
Barrick Holdings Ltd. (Cayman Islands)
Exploraciones Mineras Argentinas S.A. (Panama)
Compania Minera San Jose Inc. (Cayman Islands)
Compania Minera Nevada Ltda. (Chile)
Pascua-Lama Project (Chile/Argentina)
Compania Minera San Jose de Argentina (Cayman Islands)
Compania Minera Cerro Amarillo (Chile)
Barrick Exploraciones Argentina S.A. (Argentina)
Minera Barrick Misquichilca S.A. (Peru)
Pierina Mine (Peru)
Lagunas Norte Mine (Peru)
South American Mineral Ventures Limited (Cayman Islands)
Inversiones Barrick Gold South America Ltda. (Chile)
Kabanga Project (Tanzania)
Kabanga Nickel Company Limited (Tanzania)
Romarex International Limited (British Columbia)
Button Resources Ltd. (British Columbia)
BGC Holdings Ltd. (Cayman Islands)
Barrick Holdings International Ltd. (Cayman Islands)
50%
75%
100%
60%
40%
17%
65%
38%
61%
45%
55%
87%
13%
25%
33%
79%
95.74%


Barrick Gold Corporation
Mine
Project
Turquoise Ridge
Goldstrike
Marigold
Cortez Hills
Cortez
Bald Mountain
Ruby Hill
NEVADA
Round Mountain
Donlin Creek
Eskay Creek
Golden Sunlight
Hemlo
Pueblo Viejo
Lagunas Norte
Pierina
Zaldivar
200km
CHILE
ARGENTINA
Pascua-Lama
Veladero
Fedorova
North Mara
TANZANIA
Kabanga
Tulawaka
Bulyanhulu
Buzwagi
Reko Diq
Sedibelo
Plutonic
WESTERN AUSTRALIA
Lawlers
Darlot
Granny Smith
Kanowna
Kalgoorlie
Porgera
Osborne
Cowal
Henty

NARRATIVE DESCRIPTION OF THE BUSINESS

Production and Total Cash Costs

For the year-ended December 31, 2006, Barrick produced 8.64 million ounces of gold at average total cash costs of $282 per ounce and 367 million pounds of copper at average total cash costs of $0.79 per pound. Barrick's 2007 gold production is targeted at approximately 8.1 to 8.4 million ounces at expected average total cash costs of $335 to $350 per ounce. 2007 copper production is targeted at approximately 400 million pounds at expected total cash costs of approximately $0.90 per pound. The processing of lower average ore grades and higher waste stripping is contributing to the slight decrease in expected 2007 gold production. A continuing trend of industry wide cost pressures for materials, consumables and labor, together with the processing of lower average ore grades and higher waste stripping, are contributing to expected higher 2007 total cash costs per ounce. See "Forward-Looking Information".

Total cash costs include all costs absorbed into inventory, including royalties, by-product credits, production taxes and accretion expense, and exclude inventory purchase accounting adjustments and amortization. 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, copper pounds sold or ore tons processed, as applicable. 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. Barrick has provided the reconciliations set out below to illustrate the impact of excluding amortization and inventory purchase accounting adjustments 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 impact 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 South Deep and Tulawaka mines, although Barrick fully consolidated these mines in its Consolidated Financial Statements, its production and total cash cost statistics only reflect its equity share of the production.

In managing its mining operations, Barrick disaggregates cost of sales between amortization and the other components of cost of sales. Barrick uses total cash costs per ounce/pound statistics as a key performance measure internally to monitor the performance of its regional business units. Management uses these statistics to assess how well the Company's regional business units are performing against internal plans, and also to assess the overall effectiveness and efficiency of the Company's mining operations. Management also use amortization costs per ounce/pound statistics to monitor business performance. By disaggregating cost of sales into these two components and separately monitoring them, management is better able to identify and address key performance trends. Management believes that the presentation of these statistics in this manner in this Annual Information Form enhances the ability of investors to assess the Company's performance. These statistics also enable investors to better

understand year-over-year changes in cash production costs, which in turn affect Barrick's profitability and ability to generate cash flow.

The principal limitation associated with total cash costs per ounce/pound statistics is that they do not reflect the total costs to produce gold/copper, which in turn impacts the earnings of Barrick. Management believes that it has compensated for this limitation by highlighting the fact that total cash costs exclude amortization and inventory purchase accounting adjustments as well as providing details of the financial effect. Management believes that the benefits of providing disaggregated information outweigh the limitation in the method of presentation of total cash costs per ounce/pound statistics.

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.

Illustration of Impact of Excluding Certain Costs from Total Cash Costs per Ounce/Pound

($ millions, except per ounce/pound information in dollars)	For the years ended Dec.31			
	Gold			Copper[1]
	2006	2005	2004	2006
Cost of sales[2]	$ 2,343	$ 1,214	$ 1,047	$ 393
Cost of sales at South Deep included in discontinued operations	101	—	—	—
Cost of sales attributable to non-controlling interests[3]	(63)	(7)	—	—
Inventory purchase accounting adjustments included in cost of sales[4]	(11)	—	—	(97)
Cost of sales as adjusted	2,370	1,207	1,047	296
Amortization at producing mines-consolidated	627	409	425	66
Amortization at South Deep included in discontinued operations	18	—	—	—
Amortization at producing mines attributable to non-controlling interests[3]	(16)	(5)	—	—
Amortization at producing mines-equity basis	629	404	425	66
Inventory purchase accounting adjustments[4]	11	—	—	97
Cost of sales including amortization and inventory purchase accounting adjustments-equity basis	$ 3,010	$ 1,611	$ 1,472	$ 459

Total cash costs per ounce/pound	For the years ended Dec.31			
	Gold			Copper[1]
(Per ounce/pound information in dollars)	2006	2005	2004	2006
Ounces/pounds sold – consolidated (thousands/millions)	8,566	5,353	4,936	376
Sales attributable to non-controlling interests[3]	(176)	(33)	—	—
Ounces/pounds sold – equity basis	8,390	5,320	4,936	376
Total cash costs per ounce/pound – equity basis	$ 282	$ 227	$ 214	$ 0.79
Amortization per ounce/pound – equity basis	76	76	86	0.17
Inventory purchase accounting adjustments per ounce/pound	1	—	—	0.26
Cost of sales and amortization per ounce/pound attributable to non-controlling interests[3]	2	—	—	—
Total costs per ounce/pound[5] – consolidated basis	$ 361	$ 303	$ 300	$ 1.22

1 The 2005 and 2004 comparative periods for copper have been omitted as Barrick did not produce any significant amounts of copper prior to the production from the copper mines acquired with Placer Dome.

2 The aggregate amount of cost of sales for gold and copper is as per Barrick's Consolidated Financial Statements.

3 Relates to a 30% interest in Tulawaka and a 50% interest in South Deep.

4 Based on Barrick's equity interest.

5 Includes amortization, amounts attributable to non-controlling interests and inventory purchase accounting adjustments.

Mineral Reserves and Mineral Resources

At December 31, 2006, Barrick's total proven and probable gold mineral reserves were 123.1 million ounces. In aggregate, Barrick increased its total reserves from year-end 2005 by approximately 34 million ounces. This increase in gold reserves is a combination of Barrick acquiring approximately 35 million contained ounces of gold reserves in connection with its acquisition of Placer Dome (net of the gold reserves at South Deep, which Barrick sold in December 2006); adding approximately 9.1 million contained ounces of gold reserves (primarily attributable to additional reserves at Pueblo Viejo, Lagunas Norte and Porgera), which includes the reclassification of approximately one million ounces of gold reserves to mineralized material in respect of the Pascua-Lama project; and producing 8.64 million ounces of gold (10.1 million contained ounces) (see "Regional Business Units — South America – Pascua-Lama Project" and "- Reconciliation of Mineral Reserves"). At December 31, 2006, Barrick's total proven and probable copper mineral reserves were 6.0 billion pounds. During 2006, Barrick produced 367 million pounds of copper (419 million contained pounds). Except as noted below, 2006 reserves have been calculated using an assumed gold price of $475 (A$640) per ounce, a silver price of $8.50 per ounce, a copper price of $1.50 per pound and exchange rates of $1.21 C$/U.S.$ and $0.74 U.S.$/A$. Reserves at the Kalgoorlie property assumed a gold price of $500 ($A675). Copper reserves at the Osborne property assumed a copper price of $1.75 per pound. 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, 2006 in accordance with definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum and incorporated into National Instrument 43-101 (see "Definitions" below). Calculations have been prepared by employees of Barrick, its joint venture partners or its joint venture operating companies, as applicable, under the supervision of Jacques McMullen, Vice President, Metallurgy and Process Development, Rick Allan, Director — Engineering and Mining Support, and Rick Sims, Manager Corporate Reserves. Such calculations incorporate then current and/or expected mine plans and cost levels at each property. 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 Reserves, Resources and Reconciliation Tables". Barrick's normal data

verification procedures have been employed in connection with the calculations. Sampling, analytical and test data underlying the stated mineral resources and reserves have been verified by Mr. McMullen, Mr. Allan and/or Mr. Sims, employees under their supervision, and/or independent Qualified Persons. Verification procedures include industry-standard quality control practices. For details of data verification and quality control practices at each material property, see “Principal Regions”.

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 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, 2006, 1.88 million ounces of Cortez reserves and the mineralization at the Pueblo Viejo and Buzwagi projects 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.

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 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, may render the present proven and probable reserves unprofitable to develop at a particular site or sites for periods of time. See “Risk Factors” and “Forward-Looking Information”.

Definitions

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

An ***inferred mineral resource*** is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence, limited sampling and reasonably assumed but not verified geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

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

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

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

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

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

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

As at December 31, 2006	PROVEN			PROBABLE			TOTAL		
Based on attributable ounces	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)
NORTH AMERICA									
Goldstrike Open Pit	62,699	0.117	7,336	42,507	0.136	5,786	105,206	0.125	13,122
Goldstrike Underground	3,108	0.495	1,538	4,554	0.285	1,296	7,662	0.370	2,834
Goldstrike Property Total	65,807	0.135	8,874	47,061	0.150	7,082	112,868	0.141	15,956
Pueblo Viejo (60%)(7)	12,684	0.088	1,112	105,890	0.092	9,761	118,574	0.092	10,873
Cortez (60%)(7)	40,240	0.075	3,020	70,171	0.052	3,671	110,411	0.061	6,691
Bald Mountain	75,366	0.033	2,470	34,556	0.029	987	109,922	0.031	3,457
Turquoise Ridge (75%)	3,516	0.544	1,913	2,811	0.544	1,530	6,327	0.544	3,443
Round Mountain (50%)	40,462	0.021	845	72,580	0.015	1,107	113,042	0.017	1,952
Ruby Hill	8,812	0.059	522	10,667	0.052	558	19,479	0.055	1,080
Hemlo (50%)	5,417	0.084	454	3,629	0.073	264	9,046	0.079	718
Marigold (33%)	16,664	0.022	360	17,626	0.020	348	34,290	0.021	708
Golden Sunlight	4,399	0.081	357	284	0.067	19	4,683	0.080	376
Eskay Creek	104	0.731	76	32	0.844	27	136	0.757	103
South Arturo (60%)	—	—	—	—	—	—	—	—	—
Donlin Creek (30%)	—	—	—	—	—	—	—	—	—
SOUTH AMERICA									
Pascua-Lama	38,227	0.053	2,029	352,758	0.042	14,959	390,985	0.043	16,988
Veladero	24,581	0.032	791	346,982	0.030	10,577	371,563	0.031	11,368
Lagunas Norte	10,853	0.051	553	194,980	0.042	8,251	205,833	0.043	8,804
Pierina	13,784	0.042	582	18,850	0.033	627	32,634	0.037	1,209
AUSTRALIA PACIFIC									
Porgera (75%)	45,952	0.102	4,703	17,924	0.132	2,364	63,876	0.111	7,067
Kalgoorlie (50%)	47,603	0.053	2,536	40,072	0.064	2,554	87,675	0.058	5,090
Cowal	12,684	0.038	476	74,003	0.037	2,711	86,687	0.037	3,187
Plutonic	984	0.119	117	17,662	0.121	2,130	18,646	0.121	2,247
Kanowna	5,241	0.179	938	7,649	0.129	986	12,890	0.149	1,924
Darlot	2,145	0.113	242	3,509	0.150	526	5,654	0.136	768
Granny Smith	4,370	0.055	242	3,025	0.148	448	7,395	0.093	690
Lawlers	874	0.106	93	2,402	0.139	333	3,276	0.130	426
Henty	—	—	—	741	0.266	197	741	0.266	197
Osborne	3,653	0.025	90	4,164	0.016	65	7,817	0.020	155
Reko Diq (37.5%) (12)	—	—	—	—	—	—	—	—	—
AFRICA									
Bulyanhulu	1,325	0.411	544	29,131	0.365	10,641	30,456	0.367	11,185
North Mara	19,224	0.106	2,030	12,567	0.099	1,246	31,791	0.103	3,276
Buzwagi(7)	95	0.063	6	45,073	0.058	2,634	45,168	0.058	2,640
Tulawaka (70%)	259	0.116	30	667	0.450	300	926	0.356	330
OTHER	—	—	—	363	0.435	158	363	0.435	158
TOTAL	**505,325**	**0.071**	**36,005**	**1,537,829**	**0.057**	**87,061**	**2,043,154**	**0.060**	**123,066**

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

	PROVEN			PROBABLE			TOTAL		
Based on attributable pounds	Tons (000's)	Grade[8] (%)	Contained lbs[9] (millions)	Tons (000's)	Grade[8] (%)	Contained lbs[9] (millions)	Tons (000's)	Grade[8] (%)	Contained lbs[9] (millions)
Zaldívar	199,406	0.570	2,274	317,749	0.538	3,416	517,155	0.550	5,690
Osborne	3,653	2.190	160	4,164	1.873	156	7,817	2.021	316
TOTAL	**203,059**	**0.599**	**2,434**	**321,913**	**0.555**	**3,572**	**524,972**	**0.572**	**6,006**

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

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

As at December 31, 2006	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED		
Based on attributable ounces	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)	Ounces[9] (000's)	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)
NORTH AMERICA										
Goldstrike Open Pit	12,168	0.054	655	8,016	0.045	358	1,013	489	0.078	38
Goldstrike Underground	1,185	0.393	466	2,958	0.316	934	1,400	2,159	0.301	650
Goldstrike Property Total	13,353	0.084	1,121	10,974	0.118	1,292	2,413	2,648	0.260	688
Pueblo Viejo (60%)	496	0.085	42	15,820	0.078	1,238	1,280	32,528	0.082	2,674
Cortez (60%)	7,506	0.038	287	19,174	0.042	800	1,087	3,925	0.131	516
Bald Mountain	15,037	0.035	527	8,252	0.036	297	824	17,290	0.023	398
Turquoise Ridge (75%)	1,973	0.430	849	1,628	0.434	707	1,556	1,471	0.493	725
Round Mountain (50%)	4,799	0.021	103	8,268	0.019	160	263	16,449	0.013	216
Ruby Hill	190	0.100	19	411	0.083	34	53	—	—	—
Hemlo (50%)	1,461	0.108	158	1,439	0.114	164	322	2,854	0.142	405
Marigold (33%)	12,683	0.018	222	18,846	0.018	333	555	88,212	0.011	1,012
Golden Sunlight	952	0.061	58	68	0.044	3	61	207	0.130	27
Eskay Creek	22	0.636	14	14	0.786	11	25	56	0.357	20
South Arturo (60%)	—	—	—	12,644	0.060	754	754	786	0.053	42
Donlin Creek (30%)	4,296	0.061	260	77,745	0.073	5,666	5,926	8,196	0.058	476
SOUTH AMERICA										
Pascua-Lama	7,681	0.048	366	68,147	0.040	2,733	3,099	12,949	0.040	513
Veladero	543	0.020	11	4,636	0.040	184	195	5,051	0.231	1,165
Lagunas Norte	2,267	0.034	78	82,847	0.028	2,316	2,394	37,639	0.030	1,135
Pierina	122	0.033	4	378	0.048	18	22	76	0.039	3
AUSTRALIA PACIFIC										
Porgera (75%)	17,083	0.058	997	16,203	0.047	759	1,756	11,419	0.081	926
Kalgoorlie (50%)	2,649	0.065	172	3,122	0.069	215	387	986	0.193	190
Cowal	805	0.041	33	22,703	0.036	823	856	5,215	0.029	150
Plutonic	250	0.220	55	19,458	0.147	2,858	2,913	6,729	0.188	1,263
Kanowna	2,746	0.145	397	4,436	0.115	512	909	13,358	0.117	1,561
Darlot	479	0.113	54	2,942	0.110	323	377	98	0.184	18
Granny Smith	181	0.177	32	1,500	0.063	95	127	11,543	0.195	2,251
Lawlers	53	0.113	6	7,453	0.173	1,287	1,293	761	0.179	136
Henty	—	—	—	56	0.196	11	11	151	0.245	37
Osborne	2,271	0.028	64	2,355	0.027	63	127	2,797	0.019	52
Reko Diq (37.5%) (12)	—		—	525,797	0.007	3,610	3,610	448,085	0.010	4,376
AFRICA										
Bulyanhulu	—	—	—	1,202	0.483	580	580	7,355	0.504	3,708
North Mara	3,647	0.096	349	3,578	0.074	265	614	1,134	0.086	97
Buzwagi	15	0.067	1	7,204	0.056	406	407	1,153	0.058	67
Tulawaka (70%)	—	—	—	204	0.505	103	103	97	0.082	8
OTHER	—	—	—	165	0.400	66	66	266	0.301	80
TOTAL	103,560	0.061	6,279	949,669	0.030	28,686	34,965	741,484	0.034	24,935

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

As at December 31, 2006	MEASURED (M)			INDICATED (I)			(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)
Zaldívar	21,898	0.470	206	60,262	0.431	520	726	69,119	0.468	647
Osborne	2,271	2.356	107	2,355	1.656	78	185	2,797	1.448	81
Reko Diq (37.5%)**(12)**	—		—	525,797	0.540	5,675	5,675	448,085	0.482	4,319
TOTAL	**24,169**	**0.648**	**313**	**588,414**	**0.533**	**6,273**	**6,586**	**520,001**	**0.485**	**5,047**

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

CONTAINED SILVER WITHIN REPORTED GOLD RESERVES (A)

For the year ended Dec. 31, 2006	IN PROVEN GOLD RESERVES			IN PROBABLE GOLD RESERVES			TOTAL			
	Tons (000s)	Grade[8] (oz/ton)	Ounces[9] (000s)	Tons (000s)	Grade[8] (oz/ton)	Ounces[9] (000s)	Tons (000s)	Grade[8] (oz/ton)	Ounces[9] (000s)	Process recovery %
NORTH AMERICA										
Pueblo Viejo (60%)	6,504	0.59	3,843	105,890	0.46	48,794	112,394	0.47	52,637	85.0%
Eskay Creek	104	38.66	4,021	32	40.19	1,286	136	39.02	5,307	89.7%
SOUTH AMERICA										
Pascua-Lama	38,227	1.90	72,471	352,758	1.75	616,850	390,985	1.76	689,321	78.5%
Lagunas Norte	10,853	0.11	1,175	194,980	0.10	20,016	205,833	0.10	21,191	19.4%
Veladero	24,581	0.46	11,272	346,982	0.49	170,322	371,563	0.49	181,594	6.7%
Pierina	13,784	0.20	2,690	18,850	0.16	3,013	32,634	0.17	5,703	36.1%
AFRICA										
Bulyanhulu	1,325	0.22	289	29,131	0.27	7,896	30,456	0.27	8,185	65.0%
TOTAL	95,378	1.00	95,761	1,048,623	0.83	868,177	1,144,001	0.84	963,938	63.7%

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

CONTAINED COPPER WITHIN REPORTED GOLD RESERVES (A)

For the year ended Dec. 31, 2006	IN PROVEN GOLD RESERVES			IN PROBABLE GOLD RESERVES			TOTAL			
	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]	6,504	0.111	14	105,890	0.095	200	112,394	0.096	215	88.1%
SOUTH AMERICA										
Pascua-Lama	38,227	0.093	71	352,758	0.070	494	390,985	0.072	565	56.0%
AFRICA										
Buzwagi[7]	95	0.153	0.3	45,073	0.131	118	45,168	0.131	119	77.6%
Bulyanhulu	1,325	0.426	11	29,131	0.580	338	30,456	0.574	349	85.0%
TOTAL	46,151	0.105	97	532,852	0.108	1,151	579,003	0.108	1,248	71.7%

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

CONTAINED SILVER WITHIN REPORTED GOLD RESOURCES

For the year ended Dec. 31, 2006	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED		
Based on attributable ounces	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)	Ounces[9] (000's)	Tons (000's)	Grade[8] (oz/ton)	Ounces[9] (000's)
NORTH AMERICA										
Eskay Creek	22	30.41	669	14	45.36	635	1,304	56	8.57	480
Pueblo Viejo (60%)	496	0.37	183	15,820	0.28	4,363	4,546	32,528	0.12	3,981
SOUTH AMERICA										
Lagunas Norte	808	0.16	126	16,817	0.12	2,027	2,153	767	0.09	70
Pascua-Lama	7,681	0.49	3,793	68,147	0.52	35,685	39,478	12,949	0.87	11,242
Pierina	122	0.27	33	378	0.24	89	122	76	0.08	6
Veladero	543	0.17	91	4,636	0.06	259	350	5,051	7.32	36,983
AFRICA										
Bulyanhulu	—	—	—	1,202	0.30	366	366	7,355	0.50	3,708
TOTAL	**9,672**	**0.51**	**4,895**	**107,014**	**0.41**	**43,424**	**48,319**	**58,782**	**0.96**	**56,470**

CONTAINED COPPER WITHIN REPORTED GOLD RESOURCES

For the year ended Dec. 31, 2006	IN MEASURED (M) GOLD RESOURES			IN INDICATED (I) GOLD RESOURCES			(M) + (I)	INFERRED		
Based on attributable ounces	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%)	496	0.058	0.6	15,820	0.053	17	17	32,528	0.031	20
SOUTH AMERICA										
Pascua-Lama	7,681	0.070	10.8	68,147	0.072	99	109	12,949	0.026	6.8
AFRICA										
Buzwagi	15	0.223	0.1	7,204	0.162	23	23	1,153	0.251	6
TOTAL	**8,192**	**0.070**	**11.5**	**91,171**	**0.076**	**139**	**150**	**46,630**	**0.035**	**33**

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)	Barrick Mineral Reserves 12/31/2005 (6)	Placer Dome Mineral Reserves 12/31/2005 (6)	Processed in 2006	Increase (decrease)	Mineral Reserves 12/31/2006 (4)
NORTH AMERICA					
Goldstrike Open Pit	14,603		1,597	116	13,122
Goldstrike Underground	2,773		531	592	2,834
Goldstrike Property Total	17,376		2,128	708	15,956
Pueblo Viejo (60%)(7)		8,049	0	2,824	10,873
Cortez (60%)(7)		6,326	329	694	6,691
Bald Mountain		3,390	393	460	3,457
Turquoise Ridge (75%)		3,304	182	321	3,443
Round Mountain (50%)	2,338		407	21	1,952
Ruby Hill	1,011		0	69	1,080
Hemlo (50%)	944		217	(9)	718
Marigold (33%)	689		17	36	708
Golden Sunlight		597	130	(91)	376
Eskay Creek	217		132	18	103
South Arturo	—	—	—	—	—
Donlin Creek (30%)	—	—	—	—	—
SOUTH AMERICA					
Pascua-Lama	18,349		0	(1,361)	16,988
Veladero	12,641		890	(383)	11,368
Lagunas Norte	8,266		1,411	1,949	8,804
Pierina	1,916		579	(128)	1,209
AUSTRALIA PACIFIC					
Porgera (75%)		6,076	435	1,426	7,067
Kalgoorlie (50%)	4,894		399	595	5,090
Cowal	2,495		142	834	3,187
Plutonic	2,399		261	109	2,247
Kanowna		2,439	504	(11)	1,924
Darlot	914		142	(4)	768
Granny Smith		668	322	344	690
Lawlers	472		117	71	426
Henty		166	72	103	197
Osborne		161	42	36	155
Reko Diq (37.5%) (12)	—	—	—	—	—
AFRICA					
Bulyanhulu	10,732		377	830	11,185
North Mara		4,296	407	(613)	3,276
Buzwagi(7)	2,403		0	237	2,640
Tulawaka (70%)	377		103	56	330
OTHER (3)	158		0	0	158
TOTAL	88,591	35,472	10,138	9,141	123,066

Copper Property (million pounds) (9)	Barrick Mineral Reserves 12/31/2005 (6)	Placer Mineral Reserves 12/31/2005 (6)	Processed in 2006	Increase (decrease)	Mineral Reserves 12/31/2006 (4)
Zaldivar	—	5,854	419	255	5,690
Osbone	—	292	65	89	316
TOTAL	—	6,146	484	344	6,006

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, 2006.

(4) Mineral reserves have been calculated as at December 31, 2006 using an assumed gold price of $475 (A$640) per ounce, a silver price of $8.50 per ounce, a copper price of $1.50 per pound and exchange rates of $1.21 C$/$U.S. and $0.74 $U.S./A$. Reserves at the Kalgoorlie property assumed a gold price of $500 (A$675) per ounce. Copper reserves at the Osborne property assumed a copper price of $1.75 per pound. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property.

(5) Resources as at December 31, 2006 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 $525 (A$710) per ounce, a silver price of $9.00 per ounce and a copper price of $1.75 per pound have been used in estimating resources. Copper resources at the Osborne property assumed a copper price of $2.00 per pound.

(6) Barrick's mineral reserves have been calculated as at December 31, 2005 using an assumed gold price of $400 (A$560) per ounce, a silver price of $6.25 per ounce and an exchange rate of $1.30 C$/$U.S. and $0.72 $U.S./A$. Reserves at the Hemlo and Eskay Creek properties assumed a gold price of $425 per ounce. Reserves at the Hemlo property assumed an exchange rate of $1.20 C$/$U.S. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property. For information on reserves and resources as at December 31, 2005 announced by Placer Dome, see Placer Dome's press release of February 20, 2006.

(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, 2006, 1.88 million ounces of Cortez reserves and the mineralization at the Pueblo Viejo and Buzwagi projects 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) Reserves as at December 31, 2006 include stockpile material totalling approximately 100 million tons, containing approximately 6.9 million ounces. Properties at which stockpile material represents more than 5% of the reported reserves are as follows:

Property	Tons (000's)	Grade (oz/ton)	Contained Ounces (000's)
Tulawaka	259	0.116	30
Kalgoorlie	13,088	0.032	418
Lawlers	327	0.070	23
Granny Smith	3,674	0.035	129
Porgera	19,726	0.071	1,405
Eskay Creek	42	0.333	14
Goldstrike	39,221	0.095	3,736
Round Mountain	5,668	0.021	118

(11) The metallurgical recovery applicable at each property and the cut-off grades used to determine reserves as at December 31, 2006 are as follows:

Mine	Metallurgical Recovery (%)	Cut-off Grade (oz/ton)
Goldstrike Property		
Open Pit	83.9	0.050-0.070
Underground	89.9	0.293
Pueblo Viejo	89.8	0.050-0.076
Cortez	78.5	0.005-0.302
Bald Mountain	74.3	0.008-0.012
Turquoise Ridge	90.3	0.320-0.363
Round Mountain	70.0	0.007-0.028
Ruby Hill	74.7	0.008-0.010
Hemlo Property		
David Bell	93.0	0.213
Williams	92.9	0.024-0.167
Marigold	72.0	0.008
Golden Sunlight	79.0	0.033-0.100
Eskay Creek	82.3	0.925
Pascua-Lama	82.5	0.024-0.090
Veladero	73.1	0.017-0.022
Lagunas Norte	63.5	0.011-0.027
Pierina	82.4	0.011-0.013
Porgera	87.2	0.038-0.146
Kalgoorlie	86.0	0.026
Cowal	80.0	0.015-0.017
Plutonic	90.1	0.011-0.117
Kanowna	90.9	0.026-0.219
Darlot	96.0	0.058-0.112
Granny Smith	89.0	0.097

Mine	Metallurgical Recovery (%)	Cut-off Grade (oz/ton)
Lawlers	95.2	0.109
Henty	93.6	0.191
Osborne (Gold)	69.3	n/a
Bulyanhulu	92.0	0.219-0.241
North Mara	89.93	0.035-0.038
Buzwagi	93.8	0.025
Tulawaka	94.61	0.047-0.104

Mine	Metallurgical Recovery (%)	Cut-off Grade (%)
Zaldívar	70.3	0.214
Osborne (Copper)	89.7	1.22

(12) Gold and copper resource estimates for Reko Diq have been prepared by employees and consultants of Tethyan Copper Company Limited ("Tethyan") in accordance with the JORC Code. For additional information related to Reko Diq resources reported by Tethyan, including related assumptions, see Tethyan's press release dated January 11, 2006 and its 2005 Fourth Quarter Report. Such resource estimates have been reviewed by Jacques McMullen, Vice President, Metallurgy and Process Development of Barrick, Rick Allan, Director — Engineering and Mining Support of Barrick, and Rick Sims, Manager Corporate Reserves of Barrick. The inferred and indicated mineral resource amounts reported under the JORC Code are substantially similar to the inferred and indicated mineral resource amounts that would be reported in accordance with National Instrument 43-101.

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. Gold is a metal traded on world markets, with benchmark prices generally based on the London gold market quotations. Gold bullion is held principally 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". Governments, central banks and other official institutions hold significant quantities of gold as an important 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.

Barrick's gold is currently being refined to market delivery standards by several refiners throughout the world. The gold is then delivered to meet commitments under gold sale contracts or sold to various gold bullion dealers on a competitive basis at spot prices. 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 uses of gold. The introduction of more readily accessible and more liquid gold investment vehicles (such as gold exchange traded funds) has

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

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 significantly 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 $4.076 to a low of 60.4 cents. Copper prices rose significantly in the first half of 2006, mainly due to strong physical and investment demand, as well as relatively low global copper inventory levels, exacerbated by labor strikes at some of Chile's large copper mines.

Marketing of copper in concentrates produced by the Osborne Mine is mainly to smelters in Japan and South Korea. At the Zaldívar Mine, copper cathode is marketed to Europe, North America, South America and Asia while concentrate is marketed to a local smelter in Chile.

Employees and Labour Relations

As at December 31, 2006, excluding contractors, Barrick employed approximately 11,900 employees worldwide, as well as approximately 4,600 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 3,700 persons at the Company's operations. Management believes that labour relations at all locations are good.

Despite generally good labour relations, recent increased demand for skilled workers in the resource industry has led to high employee turnover at certain of Barrick's operations. This competition for qualified employees may lead to workforce shortages.

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 Labour 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.

REGIONAL BUSINESS UNITS

Barrick manages its business using a regional business unit ("RBU") structure. Barrick has four RBUs: North America, South America, Australia Pacific, and Africa. Each region receives direction from Barrick's corporate office, but has responsibility for all aspects of its business, such as strategy and sustainability of mining operations, including exploration, development, construction, production and closure. For the purposes of this Annual Information Form, Barrick has identified Goldstrike, Lagunas Norte, Veladero and Zaldívar as material operating properties and Pascua-Lama as a material development project. The following is a description of Barrick's material operations and its material development project by RBU.

North America

Operating Properties

Barrick's material North American operations consist of its Goldstrike property. Its other operations consist of its 60% interest in the Cortez property, its 50% interest in the Round Mountain mine, its Ruby Hill mine, its Eskay Creek mine, 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 60% interest in the Cortez Hills project, its 30% interest in the Donlin Creek project and its 60% interest in the Pueblo Viejo project.

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. The Goldstrike 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 Goldstrike 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 Open Pit and Goldstrike Underground mines.

As of December 31, 2006, 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 Goldstrike Underground mines and the majority of the beneficiation and processing facilities at the Goldstrike property are situated on land owned by Barrick.

Geology

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

Processing

The property has two processing facilities: an autoclave installation, which is used to treat the property's non-carbonaceous sulphide (refractory) ore; and the roaster, which is used to treat the property's carbonaceous ore (whose active carbon content responds poorly to autoclaving). The combined design capacity of these two facilities is approximately 33,000 to 35,000 tons per day. These process facilities treat the ore from both the Goldstrike Open Pit and Goldstrike Underground mines. Gold contained in recovered ore is processed into doré on-site and shipped to outside refineries for processing into gold bullion. All operations permits have been obtained and are in good standing. In 2004, the Nevada Public Utilities Commission approved Barrick's proposal to build a 115 megawatt natural gas-fired power plant that is capable of providing up to 85% of Goldstrike's future power requirements. The plant was completed and began operating in December 2005. By building the power plant and bringing additional energy generating capacity on line, Barrick was granted the right to purchase power on the

open market and firm import capacity on the transmission system to meet Goldstrike's future power requirements in excess of the amount produced by Barrick's power plant. Barrick has engaged a third-party energy management company to purchase natural gas to fuel the power plant and to optimize power purchases in the open market. 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. In 2006, 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, 2006, 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 20 to the Consolidated Financial Statements), for the property was $58.9 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

In 2006, the exploration and development drilling program focused on the North Post underground reserve delineation and Deep North Post resource delineation projects with positive results. One target at the northeast corner of the property was tested with negative results and the Banshee reserve delineation project was started at the end of the year. A total of 14,452 meters of underground and surface drilling were completed in 2006. In 2007, the exploration group expects to focus on the West Banshee reserve delineation and East Banshee and North Post resource delineation drilling programs. New drill targets are expected to be generated by continued relogging and remodeling of the geology across the property.

Goldstrike Open Pit Mine

The Goldstrike Open Pit mine is an open pit truck-and-shovel operation, using standard, proven equipment. It produced 1,387,864 ounces of gold in 2006 at average total cash costs of $286 per ounce. Based on existing reserves and production capacity, the expected remaining mine life is approximately 19 years.

Geology

The gold mineralization at Goldstrike 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.

Drilling and Analysis

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.

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.

Royalties

Most of the property comprising the Goldstrike 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.

Production Information

The following table summarizes certain production and financial information for the Goldstrike Open Pit mine for the periods indicated:

	Year ended December 31, 2006	Year ended December 31, 2005
Tons mined (000's)	131,229	129,833
Tons of ore processed (000's)	10,507	10,097
Average grade processed (ounces per ton)	0.152	0.175
Recovery rate (%)	86.9	85.6
Ounces of gold produced (000's)	1,388	1,514
Average total cash costs per ounce[1]	$ 289	$ 235

1. For an explanation of total cash costs per ounce, refer to "Narrative Description of the Business – Production and Total Cash Costs".

Goldstrike Underground Mine

The Goldstrike Underground mine includes two major orebodies: Meikle and Rodeo. The Meikle orebody, located 1.6 kilometers north of the Goldstrike 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 Goldstrike 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 Goldstrike Open Pit mine.

Two different underground mining methods are used at Goldstrike Underground mine, long-hole open stoping and drift-and-fill (used for flat-lying mineralization or where ground conditions are less competent). Goldstrike Underground mine is a trackless operation. Based on existing reserves and production capacity, the expected remaining mine life is 9 years.

The underground mine, which originally produced at a rate of approximately 2,000 tons of ore per day, averaged 3,889 tons per day in 2006 and 4,036 tons per day in 2005. Goldstrike Underground produced approximately 477,000 ounces of gold in 2006 at average total cash costs of $349 per ounce.

Geology

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.

Drilling and Analysis

Underground drilling at the Meikle deposit (Meikle, South Meikle, Griffin, and West Griffin) commenced in 1995 and a total of 376,645 meters in 5,984 underground holes had been completed in and around the deposit as of December 31, 2006. A total of 338 surface holes, for 157,608 meters, have been drilled in and around the Meikle deposit.

Underground drilling commenced at the Rodeo deposit (Rodeo, West Rodeo, and Barrel) in 1998 and, as of December 31, 2006, a total of 2,663 underground holes totaling 185,008 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 14,995 meters in 55 underground core holes have been drilled as of December 31, 2006.

A majority of drilling is reverse-circulation, with approximately 47% of Meikle and 70% of Rodeo definition drilling being done by underground reverse-circulation methods. 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 followed by Barrick in connection with drilling and sampling on the Goldstrike property conform to industry accepted quality control methods.

Royalties

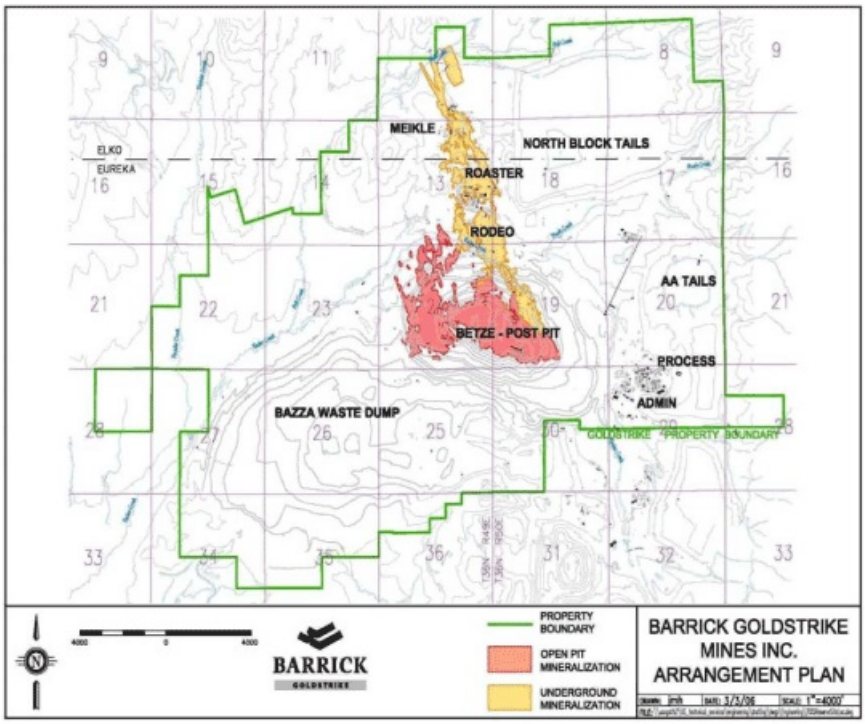
The maximum royalties payable on the Meikle deposit are a 4% net smelter return and a 5% net profits interest.

Production Information

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

	Year ended December 31, 2006	Year ended December 31, 2005
Tons mined (000's)	1,420	1,463
Tons of ore processed (000's)	1,425	1,488
Average grade processed (ounces per ton)	0.373	0.381
Recovery rate (%)	89.8	89.9
Ounces of gold produced (000's)	477	510
Average total cash costs per ounce[1]	$ 351	$ 314

1. For an explanation of total cash costs per ounce, refer to "Narrative Description of the Business – Production and Total Cash Costs".



Australia Pacific

Barrick's Australia Pacific operations consist of 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, its Kanowna mine and its Osborne mine as well as its 75% interest in the Porgera mine, which is in Papua New Guinea. Barrick's Australia Pacific project consists of the Reko Diq project in Pakistan.

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 and Kabanga projects, located in Tanzania, and its Sedibelo project, located in South Africa.

South America

Barrick's material South American operations consist of its Lagunas Norte mine in Peru, its Veladero mine in Argentina, and its Zaldívar copper mine in Chile. Its other operations consist of its Pierina mine in Peru. Barrick's material South American development project consists of the Pascua-Lama project in Chile and Argentina.

Lagunas Norte Mine

General Information

The Lagunas Norte mine is an open pit, heap leaching operation. The mine is 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.

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 440 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 is 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 2007, some development of Phase 2 of the orebody (located at the north-central area of the orebody) is scheduled.

Environment

Lagunas Norte'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 2006, all activities at Lagunas Norte were, and continue to be, in compliance in all material respects with applicable corporate standards and environmental regulations. The mine was awarded ISO 14001 certification in January 2007. At December 31, 2006, 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 20 to the Consolidated Financial Statements), for the property was $36.8 million. See "Environment and Closure".

Exploration, Drilling and Analysis

At December 31, 2006, Lagunas Norte had proven and probable reserves of 8.8 million ounces of gold. As of December 31, 2006, 963 exploration and definition holes had been drilled, totaling 180,518 meters of drilling. Drilling of Lagunas Norte has been completed on average to 62 meter centers. Drill hole collars have been surveyed, and down-hole Sperry Sun surveys conducted on the holes, with data collected approximately every 50 meters. Core is placed in metal trays at the drill site and transported to the 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 135,198 samples have been taken during these drill programs. The average sample length is 1.3 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 2006, additional drilling of twin diamond drill holes and reverse circulation drill holes was undertaken in 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. This program will continue in 2007. Other projects and opportunities in the Alto Chicama district are being evaluated.

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

In September 2004, Minera Barrick Misquichilca S.A. ("MBM"), a wholly-owned subsidiary of Barrick, established a $56 million capital lease program with Citibank del Peru S.A. to partially finance the construction of certain assets at Lagunas Norte. The lease program was later increased and consolidated in September 2005, totaling $103 million. At December 31, 2006, the aggregate amount outstanding under the Citibank del Peru S.A. lease program was $60 million. The lease has a term of five years and is non-recourse to Barrick. In addition, MBM has entered into two capital lease programs with Banco de Crédito del Perú up to $20 million and $10 million, to finance the construction of the Phases 1-1A and 2 of the Lagunas Norte Leach Pad. At December 31, 2006, the aggregate amount outstanding under the Banco de Crédito del Perú lease programs in respect of the Phase 1-1A of the leach pad was $16 million and the aggregate amount outstanding in respect of the Phase 2 of the leach pad was $10 million. The effective interest rate in 2006 for the aggregate capital leases was 6.7%.

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. In March 2005, MBM filed an amended shelf prospectus with CONASEV and issued in April 2005 its first bond issuance for a total of $50 million having an 8 year term. MBM used all the proceeds from the bond issuance to finance construction and development costs of Lagunas Norte. In the second quarter of 2005, the mine was completed and production start-up was achieved. In March 2006, MBM filed an amended shelf prospectus with CONASEV and issued in April 2006 a second bond issuance for a total of $50 million having a six year term. MBM used all the proceeds from the bond issuance for general corporate purposes. The effective interest rate in 2006 was 6.6%.

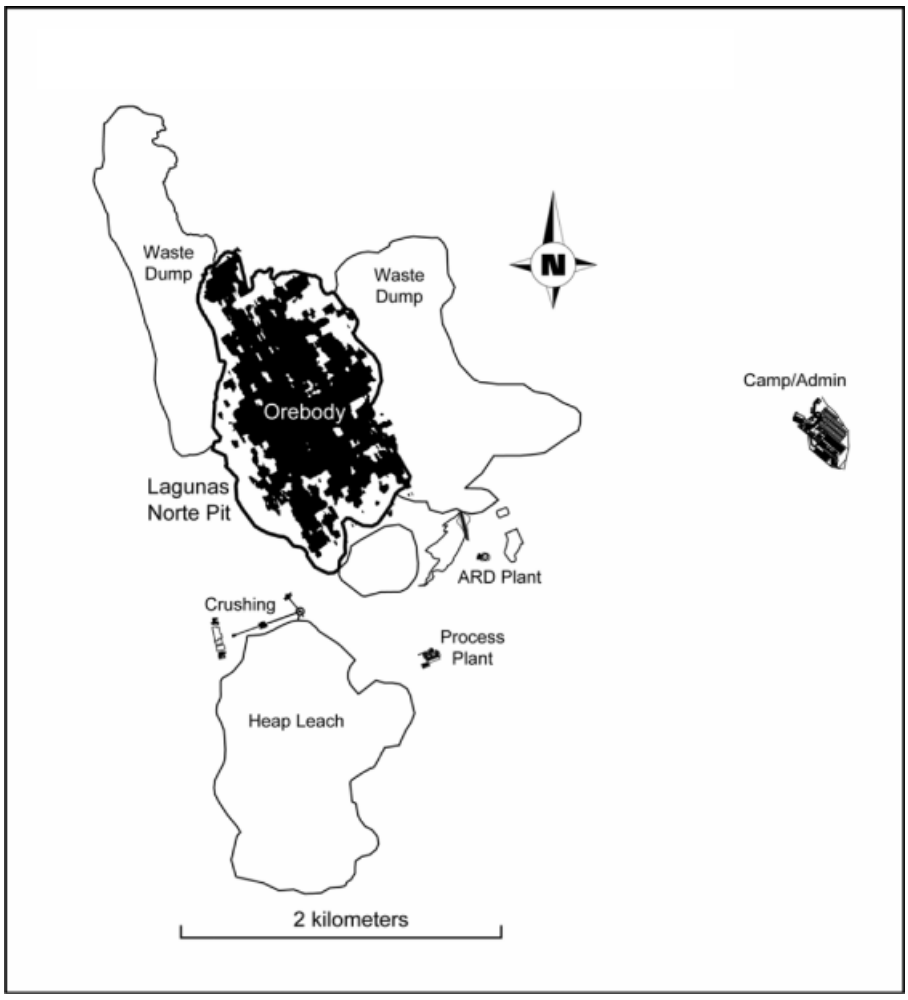
Production Information

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

	Year ended December 31, 2006	Year ended December 31, 2005[1]
Tons mined (000's)	27,353	23,653
Tons of ore processed (000's)	21,437	14,269
Average grade processed (ounces per ton)	0.066	0.060
Ounces of gold produced (000's)	1,084	550
Average total cash costs per ounce[2]	$100	$110

1. Lagunas Norte began production in the second quarter of 2005.
2. For an explanation of total cash costs per ounce, refer to "Narrative Description of the Business – Production and 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 the Pascua-Lama property, 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 project's operating plan. Access to the property is via a combination of public highways and an upgraded private gravel road.

Following its merger with Homestake, Barrick redesigned the Veladero mine, changing the existing Homestake plan, and incorporated the exploitation of the Filo Norte deposit (which was situated within the boundaries of the Pascua-Lama property before the merger) as part of the Veladero mine. 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 Barrick, 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 Barrick. 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.

Barrick has obtained all necessary surface rights for the mine's operation. Barrick has an undivided 90% interest in "Campos 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, 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. All 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 labour market. As at December 31, 2006, the mine had approximately 870 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 ppm 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 sulfide 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 11.4 million ounces.

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 second primary crusher along with a 4 kilometer vertically and horizontally curved, overland conveyor belt are expected to be commissioned in 2008. With the second crusher, ore processing will increase in capacity from 45,000 tpd to 70,000 tpd. In addition, a 120 megawatt (20 megawatt Veladero; 100 megawatt Pascua-Lama) power line is expected to replace the existing 13 megawatt power plant that currently supplies the mine's power. Based on existing reserves and production capacity, the expected mine life is approximately 15 years.

Environment

In November 2005, Barrick submitted its 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 2003-2005 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. Once the evaluation process is completed, Barrick expects to obtain the additional permits required for the execution of the current production plan in a timely fashion and in the ordinary course of business.

Veladero'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 2006, all activities at Veladero were, and continue to be, in compliance in all material respects with applicable corporate standards and environmental regulations.

At December 31, 2006, 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 20 to the Consolidated Financial Statements), for the property was $14 million.

Exploration, Drilling and Analysis

Three diamond holes for a total of 618 meters were drilled during 2006. In addition, 42 reverse circulation holes, and one pre-collar hole, totaling 9,835 meters were completed during the year. The drilling program was designed to convert resources into reserves for Zone 593 and Cuatro Esquinas, and test mineralization in Zones 593 and 203. It also included drilling condemnation holes for the Federico waste dump.

For 2007, the exploration plan includes testing potential areas of mineralization in Cerro Colorado, Cerro Corazón, Dos Lagunas and Cerro Pelado. Further drilling is expected to be performed in Zone 503 to close off the mineralization.

At December 31, 2006, the Veladero resource database contained 853 reverse circulation drill holes totaling 233,272 meters; 145 diamond drill holes for 33,594 meters; and 5,153 meters of channel samples from two declines which total 1,147 meters in length. 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. Drill core holes were sampled on nominal 1 meter intervals, depending on geologic conditions. The maximum length for individual samples from drill core holes was 2 meters. Core samples are cut in half, with one half being submitted for assay, and the remaining half being retained for reference or for metallurgical sampling.

Rock chip and drill 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 drill samples and 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.

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.

Production Information

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

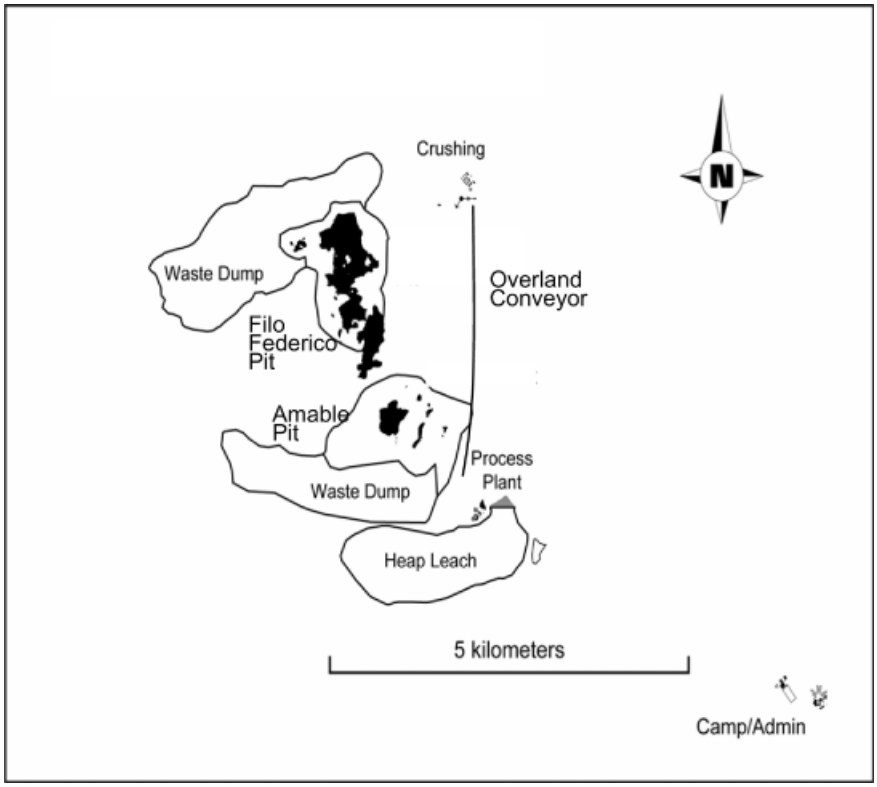
	Year ended December 31, 2006	Year ended December 31, 2005[1]
Tons mined (000's)	81,996	63,514
Tons of ore processed (000's)	15,070	4,513
Average grade processed (ounces per ton)	0.059	0.022
Ounces of gold produced (000's)	511	56
Average total cash costs per ounce[2]	$168	n/a

1. Veladero completed its first gold pour in 2005.
2. For an explanation of total cash costs per ounce, refer to "Narrative Description of the Business – Production and Total Cash Costs".

Pledge of Assets

During 2004, Barrick's wholly-owned subsidiary, Minera Argentina Gold S.A. ("MAGSA"), secured a variable rate, limited recourse $250 million loan facility for Veladero. As at December 31, 2006, MAGSA had drawn down the entire facility. 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 rate for 2006 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 and a dirt airstrip constructed by Zaldívar and maintained by both Zaldívar and Minera Escondida Limitada also service the site. Zaldívar employed approximately 730 employees and approximately 1,000 contractors at January 31, 2007.

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 within Conservador de Minas and Sernageomin (Servicio National de Geologia y Minera). Environmental permit(s) are issued and registered with the Conama (Corporacion National de Medio Ambiente).

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 16 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 seven stages, referred to as Stage 5 through to Stage 11. During 2006, ore production came from Stages 4 and 5 of the Main zone. Conventional methods of open pit mining are used. During 2006, Zaldívar focused on improving operational efficiencies and reliability of key process equipment such as the bucket wheel excavator for rehandling the spent ore and the Rahco stacker.

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 sulphide 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 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. In addition, Gener, a power supplier, constructed a link from its power line that crosses the Andes from Salta to the Zaldívar sub-station. All operation permits have been obtained and are in good standing.

In 2006, there were 17 annual contracts and 32 spot contracts for the sale of copper, the largest 10 of which represented 59.7% of production during the year.

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 DL600 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 with limited adverse impacts to the environment. 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.

In 2006, all activities at Zaldívar were, and continue to be, in compliance in all material respects with applicable corporate standards and environmental regulations. Zaldívar's ISO 14001 certification was renewed in September 2006. Management is not aware of any proposed changes to these standards or regulations that would materially affect the operations or the approved closure plan.

At December 31, 2006, 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 20 to the Consolidated Financial Statements), for the property was $32.9 million.

Exploration, Drilling and Analysis

As at December 31, 2006, Zaldívar had proven and probable reserves of 5.7 billion pounds of copper. 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. A total of 39 reverse circulation holes for 9,440 meters and 3 diamond holes for 1,400 meters were drilled in 2006.

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

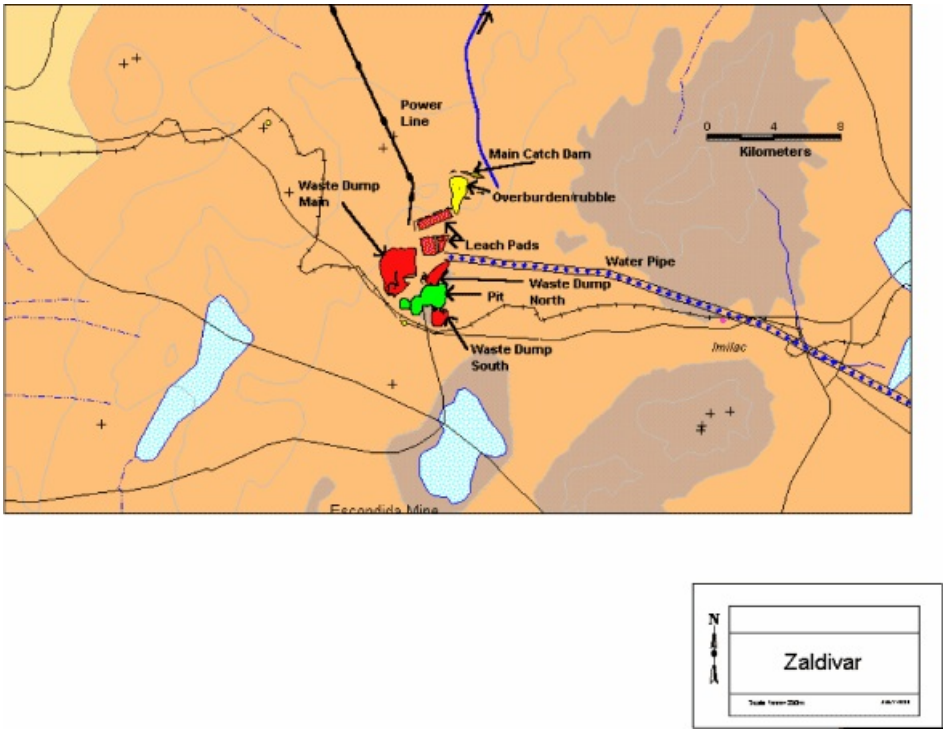
The Zaldívar mine is not subject to any royalties.

Production Information

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

	Year ended December 31, 2006[1]	Year ended December 31, 2005[3]
Tons mined (000's)	82,678	n/a
Tons of ore processed (000's)	26,404	n/a
Average grade processed (% of TCu)	0.92	n/a
Pounds of copper produced (000,000's)	308	n/a
Average total cash costs per pound[2]	$ 0.62	n/a

1. Barrick's share of the acquired Placer Dome mines' production and costs per ounce/pound reflect the results from January 20, 2006.
2. For an explanation of total cash costs per pound, refer to "Narrative Description of the Business – Production and Total Cash Costs".
3. The 2005 comparative period for copper has been omitted as Barrick did not produce any significant amount of copper prior to the production from the copper mines acquired with Placer Dome.



Projects

Pascua-Lama Project

General Information

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. The Chilean part of the deposit, which is at an elevation of approximately 4,300 to 5,250 meters above sea level, was acquired by Barrick through its acquisition of Lac Minerals Ltd. ("Lac Minerals") in 1994. Lac Minerals acquired its interest in the property from Bond Gold International in 1989. Exploration on the property dates back as far as 1977. With respect to the portion of the project located in Argentina, Barrick acquired certain of the mining concessions that form part of the project in 1995. It acquired the remaining project mining concessions through its acquisition of Exploraciones Mineras Argentinas S.A. from Minera S.A. in 1997.

In both Chile and Argentina, Barrick owns the mining property in the project area. The legislatures of both Chile and Argentina completed the ratification of a Mining Treaty between the two countries in

2000. The Specific Additional Protocol for the Pascua-Lama project under the Mining Treaty was signed into law by both countries in the third quarter of 2004. The Pascua-Lama project is within the area subject to the Mining Treaty and the project is entitled to enjoy the benefits to cross-border mining operations that are granted by the Mining Treaty.

The Pascua-Lama property area is characterized by high mountain ranges and deep valleys with natural slopes of 20 to 40 degrees. Surface material consists of rock outcrops, alluvial and colluvial materials, which are primarily gravel, sand, silt and clay. Vegetation is sparse. The area is considered to have a sub-arid, sub-polar, mountain climate. 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, will be incorporated into the project's operating plan. Access to the property is pursuant to a combination of public highways and private roads from both Vallenar, Chile and San Juan, Argentina.

Geology

The Pascua-Lama property is located in the high Andean Mountains, in what has been designated as the Eastern Belt of Hydrothermal Alteration. The gold, silver and copper mineralization at Pascua-Lama is part of a mineralized acid sulfate system that was structurally controlled within intrusive and volcanic rock sequences of Upper Paleozoic and Middle Tertiary age.

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

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

Development

The Pascua-Lama mine is being designed as an open pit, centered at an elevation of 4,800 meters. The project will produce both oxide and sulfide ores. Both ore types will be put through a processing circuit expected to consist of crushing, grinding and a washing circuit to remove soluble salts. The oxide ore will then be processed through a cyanide leaching circuit. The sulfide ore will then undergo a flotation process to produce a smelter saleable concentrate, with the flotation tails being routed to the cyanide leach circuit. Recovered gold and silver from the leach circuit will be smelted into doré on-site and shipped to an outside refinery for processing into bullion.

The Pascua-Lama project environmental permit was submitted to both Chilean and Argentine authorities in 2000. The Pascua-Lama project received Environmental Impact Assessment ("EIA") approval from appropriate authorities in Chile in May 2001 and, in December 2004, Barrick submitted a second EIA in respect of modifications of the project. In 2005, three addenda were submitted in response to questions and concerns raised by the communities and authorities. Barrick received approval of the EIA from Chilean environmental regulatory authorities in February 2006 and the Company is committed to working within the framework of the related resolution. As a consequence of certain conditions imposed under the resolution, approximately 1 million ounces of gold reserves have been reclassified to mineralized material for reporting purposes.

As noted above, the Environmental Impact Statement ("EIS") prepared for the portion of the mine, mill and tailings storage facility for the project located in Argentina was submitted in 2000 and updated in 2004 to incorporate the cumulative impacts of the construction and development of the nearby Veladero project. This updated EIS was submitted in November 2004. In December 2006, Barrick received approval of the EIS 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 Chile, Barrick owns the surface land required for the facilities of the project and has obtained sufficient water rights for the project's needs. In Argentina, Barrick has an undivided 90% interest in "Campos Las Taguas" which is the surface property affected by the mining facilities of the project. With respect to the 10% interest of "Campos Las Taguas" owned by third parties, Barrick has submitted an application for an easement pursuant to the Federal Mining Code of Argentina which grants mining concession holders the right to request easements over surface property. Barrick also has pending applications for water rights required for the project in Argentina. Based on Barrick's experience to date, the Company expects that the easement and other rights required for development will be obtained in a timely fashion and in the ordinary course of business.

In 2006, the project's feasibility study was updated, including capital and operating costs, from those estimates that were previously completed in June 2004. The total estimated cost of construction is $2.3 billion to $2.4 billion, excluding capitalized interest, an increase from the previous cost estimate of $1.4 to $1.5 billion, provided in July 2004. The increase in capital cost is due primarily to inflationary cost pressures (reflecting the cost environment prevailing in late 2006). Although inflationary cost pressures have increased the capital and operating costs estimates at Pascua-Lama, possible improvement opportunities that may enhance project economics are currently being evaluated. Initial annual gold production in the first five years at Pascua-Lama is expected to be between 750,000 to 775,000 ounces at total cash costs of $40 to $50 per ounce.

The Company is in the process of finalizing fiscal and taxation matters concurrent with approval of the sectoral permits, at which time a three-year construction schedule is expected to begin. In 2007, Barrick will continue its efforts with respect to community/government relations, permitting, protocol implementation and tax stability. The resolution of certain external issues such as permitting, protocol implementation, tax stability, export duties, other fiscal and taxation matters, royalties, rising costs of materials and currency fluctuations are largely beyond Barrick's control and may impact on the timing and the cost of development and operation of the project.

Barrick is implementing a comprehensive recruitment and training program for personnel required for both construction and operation of the project. The Company expects to fill the job positions predominantly from the local labour markets.

Environment

The Pascua-Lama project will handle ore or rock which has the potential to be acid generating and will use cyanide in the processing of ore. The project has been designed to manage the handling of ore and rock to reduce the potential volume of acid rock drainage. Such considerations include diversion and containment systems for the collection, storage and treatment of drainage and closure and reclamation plans designed to minimize water infiltration. The process facilities that use cyanide have been designed to prevent process solutions from being released to surface water or groundwater. These facilities will be lined and will include seepage detection and collection systems. The facilities will also include treatment for cyanide removal and destruction. Management procedures for cyanide handling, monitoring and transportation in accordance with the International Cyanide Code will be implemented for the project.

Exploration, Drilling and Analysis

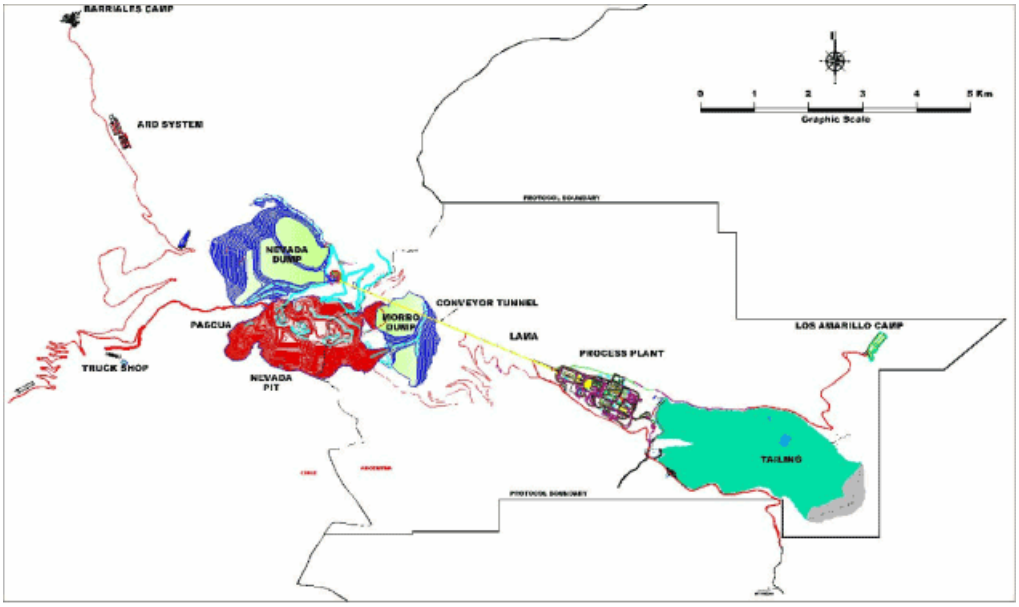
At December 31, 2006, Pascua-Lama had proven and probable reserves of 17.0 million ounces of gold and 689 million ounces of silver and 565 million pounds of copper contained within gold reserves. In connection with the conditions imposed by the Chilean environmental governmental authority related to the approval of the EIA, approximately one million ounces of gold reserves were reclassified to mineralized material for reporting purposes.

The drill hole database for the Pascua-Lama property contains 1,223 reverse circulation holes, 565 diamond drill core holes, 21,142 meters of underground tunnel samples and 16,324 meters of surface trench and road samples. Samples totaling 331,477 meters from reverse circulation holes, 153,612 meters from diamond drill core holes, 21,142 meters from underground tunnels, and 16,324 meters from surface trenches and roads were used to estimate the gold and silver resources. The drill hole spacing is variable, approximately 40 meters in the Esperanza area and 40 to 60 meters in the Quebrada de Pascua area. Pascua-Lama samples were analyzed for gold, silver and copper by independent laboratories in Santiago, Chile. The quality assurance procedures and assay protocols followed by Barrick in connection with drilling and sampling on the Pascua-Lama property conform to industry accepted quality control methods. Quality control and assurance protocols included controls during sampling, transport, laboratory preparation and analysis. All samples remained in the possession of Barrick employees until delivery to third party laboratories. A final check by statistical means indicated that sampling methodologies were accurate and precise without contamination. Only when all data was checked were results introduced into the data base. Additionally, the data base was checked against the original data before use in the reserve model.

Royalties

Pursuant to legislation passed by the government of the Province of San Juan, all gold and silver, among other ores, extracted from the property within the Province of San Juan are subject to a royalty, payable to the government of the Province of San Juan, of 3% of the value of the ore at the “mine mouth”. In addition, Barrick is obligated to pay a gross proceeds sliding scale royalty on gold produced from the Pascua-Lama properties located in Chile ranging from 1.47% to 9.8% and a 1.96% net smelter royalty on copper produced from the properties. In addition, a step-scale 5% or 7.5% gross proceeds royalty on gold produced and a sliding scale net smelter royalty of 0.5% to 6% on all products other than gold and silver is payable in respect of certain portions of the property located in Argentina. The sliding scale and step-scale royalties on gold increase with rising spot gold prices.

The following diagram sets out the proposed design and layout of the Pascua-Lama mine.



EXPLORATION, DEVELOPMENT AND BUSINESS DEVELOPMENT

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

Barrick utilizes state-of-the-art technology to explore deeper and in a more effective manner. At Goldstrike, Barrick uses new deep-penetrating geophysical techniques and geological modeling to locate and define new targets. These new techniques can also be applied in Tanzania and Australia.

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

The Company spent $290 million on its exploration, development and business development activities in 2006 (2005 – $141 million). Of the $171 million spent on exploration in 2006, approximately $64 million was spent in North America, approximately $22 million was spent in South America, approximately $44 million was spent in the Australia Pacific region and, approximately $22 million was spent in Africa. Development expenditures in 2006 totalled approximately $102 million. Business development costs in 2006 totalled approximately $17 million.

Barrick's exploration strategy for 2007 will focus on the replacement of mine production through a combination of exploration, corporate development and project development. Barrick's 2007 exploration budget is $170 million and is weighted towards near-term discovery around its existing operations while still maintaining a balanced portfolio in order to generate projects for the future. A significant portion of Barrick's budget is planned to be spent in Nevada, our key district. Exploration will also be focused in the Frontera District around Pascua-Lama and Veladero. Drill testing of targets in the vicinity of the Veladero mine (Filo Sur) is underway, where the goal is to define reserves and resources close to existing mine infrastructure. In 2007, Barrick will continue to advance its project pipeline. In addition to its 2007 exploration budget, Barrick's expensed development budget is $190 million. Certain of Barrick's current projects, which are at various stages of development, are described below.

Cortez Hills is Barrick's most advanced project and is currently in the permitting stage. The project involves the development of two adjacent deposits — Cortez Hills and Pediment – within the Cortez Joint Venture area of interest. The project will be developed as two open pits with part of the deposit potentially to be mined by underground mining methods. In 2006, activities included the procurement of mining equipment, the construction of the F-Canyon power line, and underground exploration decline development. Geological, geotechnical and hydrological site data continues to be collected for use in the underground pre-feasibility study. In 2007, Barrick expects to advance exploration drilling by approximately 61,000 meters, and complete the detailed engineering and planning. The project construction budget is $480 million to $500 million (100% basis and excluding capitalized interest). Construction activities are expected to last 15 months and will commence once the Environmental Impact Study Record of Decision is obtained, which is anticipated to be received in 2008.

In May 2006, a joint venture agreement with Goldcorp was finalized, which established Barrick as the 60% owner and operator of the Pueblo Viejo project. 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. The access to the property is via paved national highways. Barrick initiated a project review in March 2006 and must give notice to the government by February 2008 whether it plans to proceed with development. 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. Barrick's review has resulted in: a new silver process that is expected to increase silver recovery from 5% to 84%; the inclusion of a copper recovery circuit; and the potential inclusion of a zinc recovery process. The project has substantial power requirements due to high levels of sulphur contained in the ore and Barrick is investigating options for the sourcing of power. Concurrent with the review and update of the feasibility analysis, activities relating to government and community relations and environmental permitting for the mine are ongoing.

An updated capital cost estimate for the Pueblo Viejo project was completed in 2006. The revised cost estimate is $2.1 billion to $2.3 billion (excluding capitalized interest), an increase from the $1.35 billion estimated in the feasibility analysis prepared by Placer Dome in 2005. The increase is due to the effect of design adjustments, capital required to enable recovery of the by-product metals (copper, silver, and zinc) and significant inflationary cost pressures in the industry (reflecting the cost environment prevailing in late 2006). Barrick's 2007 objectives are to complete engineering, confirm zinc assumptions and test program; complete negotiations with the government; finalize a power sourcing strategy;

continue to expand the community development programs; and advance exploration and metallurgical programs.

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 is expected to simplify 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 Barrick's Tanzanian properties. A paved road connects the site to a rail line that passes only 40 kilometers from the property. In 2006, activities included exploration drilling and the completion of a feasibility study. In early 2007, the project's Mine Development Agreement was approved by the Tanzanian government. Barrick is now awaiting approval of the Environmental Impact Assessment, which is expected to be approved in the second quarter of 2007. Following approval, Barrick intends to start the two-year construction phase in late 2007, at an estimated total cost of $400 million (excluding capitalized interest). The team that is currently in place to build Buzwagi is virtually unchanged from the team that built Tulawaka.

The Donlin Creek project is a large refractory gold deposit in Southwestern Alaska, under lease from two Alaska aboriginal corporations until 2015 and for so long thereafter as mining operations are carried out on the property. The Donlin Creek property is being explored and developed under a Mining Venture Agreement ("MVA") between NovaGold and Barrick, entered into in November 2002. Under the terms of that agreement, Barrick currently holds a 30% interest in the project with the right to increase that interest to 70% by satisfying the following conditions on or before November 12, 2007: (1) funding of $32 million of exploration and development expenditures on the project; (2) delivering a feasibility study to NovaGold meeting the requirements set out in the MVA; and (3) obtaining the approval of Barrick's Board of Directors to construct a mine on the property to produce at least 600,000 ounces of gold per year. The funding condition was satisfied in March 2006.

Since acquiring control of Placer Dome, Barrick has moved decisively to ensure that the appropriate financial, technical and human resources are being devoted to the timely completion of the required feasibility study at Donlin Creek. In addition, Barrick has assigned technical personnel from both inside of Barrick and externally to ensure that the challenges and opportunities of the project are properly assessed and exploited. In connection with these efforts, Barrick continues to evaluate and advance plans for the project, including, among other things, in relation to infrastructure, power sources, processing and tailings facilities, water management and throughput rates, and continues to review and revise various estimates, including, among other things, capital costs, operating costs, recovery rates and closure costs. A preliminary economic assessment released by NovaGold in September 2006 estimated that the capital cost to construct a 60,000 tons per day project at Donlin Creek (exclusive of financing costs) would be approximately $2.0 billion (+ or - 40%) and that operating cash costs would be $276 per ounce over the life of the mine. Work conducted by Barrick to March 26, 2007, which continues to be reviewed and refined as Barrick works towards completion of the feasibility study for a 50,000 tons per day project, suggests that the capital costs will be significantly higher (possibly 80-90% or more) than the NovaGold estimate and that operating cash costs also are likely to be materially higher than those estimated by NovaGold. There may be opportunities to reduce the increase in capital costs or otherwise improve project returns, which are also being investigated but cannot be assured.

In 2006, Barrick spent approximately $55 million to advance technical work relating to mine design, geotechnical engineering, metallurgical process design and environmental baseline studies. Approximately 92,800 meters of core drilling in 327 holes was completed by the end of 2006. In 2007, Barrick's project budget is $87 million and includes costs to complete the pre-feasibility and feasibility studies. The 2007 drilling program includes 80,000 meters of infill and in-pit exploration drilling that is not required for the feasibility study. During 2007, Barrick will be updating its December 31, 2006

resource estimate for the project to incorporate those 2006 drilling results for which assay results had not been received at the time of the December 31, 2006 resource estimate and certain of the planned drilling for 2007. In addition, government and local community relations will continue to be a focal point as the project moves forward.

In April 2005, Barrick entered into a joint-venture agreement with Falconbridge Limited ("Falconbridge") with respect to the Kabanga nickel deposit and related concession in Tanzania. In 2006, Xstrata Plc ("Xstrata") acquired Falconbridge. Xstrata is the operator of the joint venture and the project is currently in the pre-feasibility stage. Kabanga, which is one of the largest undeveloped nickel sulphide deposits in the world, is located in northwest Tanzania. The property is approximately 385 kilometers from Bulyanhulu and approximately 200 kilometers west of Tulawaka. In 2006, ongoing diamond drilling, exploration and other project development engineering activities being managed by Xstrata have been performed as part of a work plan to prepare an updated resource model and scoping study. Xstrata has recently completed the $50 million work plan that was contemplated in the joint venture agreement. In 2007, Xstrata plans to prepare a pre-feasibility study. In accordance with the joint venture agreement, Xstrata has committed to spend an additional $95 million, which will be used to fund the pre-feasibility study, with remaining funds being used for other subsequent activities. After the $95 million spent by Xstrata, funding will be shared equally by Barrick and Xstrata.

Sedibelo is a large platinum deposit in South Africa. The Sedibelo platinum project is located in northern South Africa within the Western Limb of the prolific Bushveld Igneous Complex ("Bushveld"). The Bushveld is the source of 80% of the world's platinum reserves and 70% of the world's platinum production. As operator of the project, Barrick has the right to earn a 10% interest in the project on completion of a feasibility study and earn an additional 40% interest in the project once a decision to construct a mine has been made. Barrick will fund the exploration and feasibility study. Funding during the construction of the mine will be shared 50% by Barrick and its partner, the Bakgatla Bakgafela Tribe. In 2006, Barrick commenced work on a pre-feasibility study. In 2007, Barrick expects to spend about $26 million to complete a pre-feasibility study and for other drilling and planning activities.

On December 15, 2006, Barrick completed its transaction with Highland to transfer ownership of certain companies holding Russian and Kyrgyz licenses in return for 34.3 million Highland common shares, increasing Barrick's ownership of Highland from 20% to 34%. In effect, Barrick contributed its 50% interest in the Taseevskoye deposit, as well as other exploration properties in Russia and Central Asia, to Highland, thereby consolidating ownership of these properties under one company. As part of the transaction, Barrick has seconded several of its employees to Highland and has received two additional seats on Highland's board of directors.

Fedorova is a 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 operator. Fedorova is a large near surface PGM (platinum group metals) deposit. The 2006 drilling program has allowed for the completion of a pre-feasibility study and has provided the necessary support to declare Barrick's equity portion of Fedorova as a resource. In 2007, Barrick expects to spend $30 million towards the completion of a feasibility study, including approximately 60,000 meters of drilling.

In third quarter 2006, Barrick completed the acquisition of a 50% interest in Atacama, which 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 2006, 25,030 meters of exploration drilling was completed. A $30 million budget (100% basis) has been approved for 2007, including a scoping study, exploration activities including 69,000 meters of drilling, preparation of an updated resource model and construction of an airstrip.

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 has a policy of conducting environmental audits of its operations to assess the operations' compliance with applicable laws, regulations, permit requirements, policies, guidelines, procedures and adopted codes of practice, and their performance in reducing risk and managing liabilities. The Company's policy is to perform environmental audits on a regular and scheduled basis. In practice, this typically results in environmental audits at each operating mine every second year and at least once every five years for other properties. 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 a Environmental Management System Standard ("EMSS") in 2005. Each mine will be required to become compliant with certain designated elements of the EMSS in each of 2007, 2008 and 2009, 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 and Pierina are ISO 14001 certified. Similarly, Goldstrike has an extensive environmental management system that is based on its many comprehensive permits.

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

During 2006, all of the Company's operations were in compliance in all material respects with applicable corporate standards and environmental regulations and there were no material notices of violations, fines or convictions relating to environmental matters at any of the Company's operations.

As part of Barrick's goal to minimize the impact on the environment, it develops 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 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 20 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 established 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 by September 2008. 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 sites, except Golden Sunlight and Henty, which have limited mine life, have been designated for Code certification. Barrick's Cowal mine was the first facility of any kind to receive Code certification when it received pre-operational certification in March 2006. The Cowal mine's post-operational certification audit took place in late March 2007. The Marigold mine, in which Barrick owns a 30% interest, received Code certification in 2006. While the Company believes that most of its operations that use cyanide are already substantially in compliance with the Code, it will incur expenses achieving full Code compliance at some of its operations over the next three years.

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 a licensed facility 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.

For most of Barrick's history, gold forward sales were a significant element in providing the Company the 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 been managing 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 and will pursue opportunities to reduce its gold forward sales position.

Barrick's gold and silver forward sales contracts represent agreements to sell gold and silver on a delivery date in the future. These contracts are structured as normal sales contracts and Barrick delivers actual production to satisfy the obligations under these contracts. Barrick may, at its discretion, choose to deliver gold production against any gold 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 executed with various counterparties. The selling price under a 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. Generally, though not always, the future price for the sale of gold under the contract is higher than the spot gold price at the time the contract is entered into. In general, the longer the period of time from the start of the contract until delivery, the greater the amount of the forward premium or contango and the greater the contract price compared to the spot price at the start of the contract. In some cases, the "premium" becomes negative (known as "backwardation"). However, this occurrence is relatively uncommon, and, historically, any periods of "backwardation" have been relatively short-lived.

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. To date, all counterparties have fully performed their obligations under such arrangements.

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 (defined below) at prices that are below the prevailing spot price, it could incur an opportunity loss on those contracts.

For a summary of the Company's future gold sale and delivery commitments, derivative financial instruments used in the gold forward sales hedge program and associated risks, see Notes 5 and 19 of the Notes to the Consolidated Financial Statements for the year ended December 31, 2006, pages 20 and 51

to 55 of the Company's Annual Report – Financial Report 2006 to Shareholders for the year ended December 31, 2006 and "Risk Factors".

Project Gold Sales Contracts

In anticipation of building its projects and in support of any related third party financing, as at December 31, 2006, the Company has allocated 9.5 million ounces of its existing 10.8 million ounces of fixed-price gold forward sales contracts specifically to its projects' future gold production ("Project Gold Sales Contracts"). The Company believes that the allocation of these contracts will help reduce gold price risk at its projects and should facilitate the financing for their construction. The Company expects the allocation of these contracts to eliminate requirements by lenders to add incremental gold hedge contracts in the future to support any financing.

Corporate Gold Sales Contracts

During 2006, the Company delivered 1.2 million ounces of its gold production into its fixed-price gold forward sales contracts not specifically allocated to its projects' future gold production ("Corporate Gold Sales Contracts") and delivered a portion of its gold production into the Placer Dome gold hedges (see below), with its remaining gold production being delivered into the spot market. In 2006, the Company realized an average price of $541 per ounce compared with the average London P.M. Fix for the year of $604 per ounce. In comparison, for 2005, the Company realized an average gold price of $439 per ounce compared with the average London P.M. Fix for the year of $444 per ounce.

At December 31, 2006, the Company had outstanding commitments to deliver approximately 1.3 million ounces of its future gold production under its Corporate Gold Sales Contracts. The Company also had floating spot-price gold forward sales contracts under which, at year end, Barrick was committed to deliver 1.2 million ounces of gold, less an average fixed-price adjustment of $221 per ounce.

As of February 21, 2007, Barrick fully eliminated its remaining 1.3 million ounces of Corporate Gold Sales Contracts. By the end of the second quarter of 2007, Barrick expects to eliminate its entire floating spot-price gold forward sales contracts through deliveries of gold production. The elimination of the Corporate Gold Sales Contracts and the floating-spot price gold forward sales contracts is expected to result in a reduction to Barrick's pre-tax income and cash flow of $572 million in first quarter 2007, and a reduction of $76 million in second quarter 2007.

Placer Dome Gold Hedge Position

As a result of the Placer Dome acquisition, Barrick acquired approximately 7.7 million ounces of gold sale commitments. As at December 31, 2006, Placer Dome's gold hedge program has been reduced to zero (on a net economic basis). The elimination of these hedges was done via a combination of deliveries, financial closeouts and offsetting positions, with 4.7 million ounces eliminated in first quarter 2006 and 3 million ounces eliminated in second quarter 2006. The total cash required to settle these Placer Dome gold hedge positions was approximately $1.8 billion, with approximately $160 million to be incurred in future periods for positions which have been economically offset, but not yet settled.

Currency, Interest Rate and Other Commodity Hedge Programs

The Company also monitors and manages exposures related to currencies, interest rates and 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 Zaldivar and Osborne mines, and diesel fuel and natural gas 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.

In 2006, Barrick purchased put options to protect revenue on approximately 300 million pounds of expected 2006 copper production from the Zaldivar mine. These options guaranteed a minimum price of $2.00 per pound, while allowing Barrick to fully participate in higher spot copper prices. 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, 2006, Barrick will receive $3.08 per pound for a total of 285 million pounds of copper sales in the period 2007 to 2009, including 129 million pounds in 2007. In February 2007, Barrick entered into a call option transaction whereby it is able to participate in stronger copper prices of up to $3.50 per pound, while maintaining a floor price of $3.00 per pound, on the remaining 274 million pounds of copper (as at the date of the transaction) in the Notes.

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 19 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 four members of the Company's Board of Directors, including the Company's Chief Executive Officer, reports to the Board of Directors on the scope of the Company's risk-management strategy (including the gold 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 each week 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 verify 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 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. 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.

In 2002, under its temporary emergency measures, Argentina enacted a 5% export duty on mineral products, including gold. Veladero's export of gold doré is currently subject to this 5% export duty. To the extent the legislation enacting the duty has not been repealed, Pascua-Lama's export of gold doré that originates from property located in Argentina would be subject to this export duty.

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 August 2006, Barrick, along with other mining companies, entered into negotiations with the Peruvian government regarding making a voluntary contribution to the government. In February 2007, Barrick entered into an agreement with Peruvian government setting out the terms of its contribution in respect of the Pierina and Lagunas Norte mines. The term of the agreement is five years. Contributions will be used for the purpose of promoting well-being, social development and improving the living conditions of people and communities located mainly in the areas of the Company's mines. Barrick's first payment, expected to occur in 2007, is based on the 2006 profits of both mines, and is estimated at $7.9 million.

In 2006, Barrick entered into an agreement with the Tanzanian government to restructure its Mine Development Agreements ("MDAs") in respect of its Bulyanhulu, Tulawaka and North Mara mines. Under the amended MDAs, commencing December 31, 2006, Barrick will make an annual payment of $7 million to the Tanzanian government until such time that any of its three operating mines are in a tax paying position.

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.

Litigation

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. Other parties filed several other complaints, making the same basic allegations against the same defendants. In September 2003, the cases were consolidated into a single action in the Southern District of New York. The plaintiffs filed a Third Amended Complaint on January 6, 2005. On May 23, 2005, Barrick filed a motion to dismiss part of the Third Amended Complaint. On January 31, 2006, the Court issued an order granting in part and denying in part Barrick's motion to dismiss. Both parties moved for reconsideration of a portion of the Court's January 31, 2006 Order. On December 12, 2006, the Court issued its order denying both parties' motions for reconsideration. Discovery is ongoing. Barrick intends to defend the action vigorously.

Wilcox Complaint

On September 8, 2004, two of Barrick's U.S. subsidiaries, Homestake Mining Company of California ("Homestake California") and Homestake Mining Company ("Homestake") were served with a First Amended Complaint by persons alleging to be current or former residents of a rural area near the former Grants Uranium Mill. The Complaint, which was filed in the U.S. District Court for the District of New Mexico, named Homestake and Homestake California, along with an unspecified number of unidentified defendants, as defendants. The plaintiffs allege that they have suffered a variety of physical, emotional and financial injuries as a result of exposure to radioactive and other hazardous substances. The Complaint seeks an unspecified amount of damages. On November 28, 2005, the Court issued an order granting in part and denying in part a motion to dismiss the claim. The Court granted the motion and dismissed plaintiffs' claims based on strict and absolute liability and ruled that plaintiffs' state law claims are pre-empted by the Price-Anderson Act. Plaintiffs filed a Third Amended Complaint on April 10,

2006, which increased the number of plaintiffs from 26 to 28 and omitted the claims previously dismissed by the Court, but otherwise did not materially alter the claims asserted. An Initial Scheduling Order has been issued by the Court. Only three of the plaintiffs have complied with the requirements of the Initial Scheduling Order. Homestake plans to seek a dismissal with respect to those plaintiffs who have not complied with the Initial Scheduling Order. Barrick intends to defend the action vigorously.

Cowal Mine

Opponents of Barrick's Cowal project continue to pursue various claims, legal proceedings and complaints against the mine and the Company's compliance with its permits and licenses. Barrick has and will continue to vigorously defend such actions.

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. Placer Dome was served with a copy of the Complaint in Vancouver, British Columbia. 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. According to the Complaint, 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 person or their property". In addition to the 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 clean-up, and balancing 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 Company has filed oppositions to these new motions from the Province. The District Court has not yet ruled on these motions. On November 13, 2006, the District Court issued an order permitting the Province to conduct "limited" jurisdictional discovery. The Company has interposed objections to the scope of the discovery that the Province has requested. The District Court has not yet ruled on the objections. Barrick will challenge the claims of the Province on various grounds and otherwise vigorously defend the action.

Calancan Bay Complaint

On July 23, 2004, a complaint was filed against Marcopper and Placer Dome 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 Placer Dome. To date, Barrick is not aware of any attempts to serve the summons on Placer Dome, nor does it believe that Placer Dome is properly amenable to service in the Philippines. If service is attempted, the Company intends to defend the action vigorously.

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 BMP (Pakistan) Pvt Limited ("BHP").

The Petition alleges, 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 December 27, 2006, the Court issued an order providing that the respondents may continue to conduct mining exploration in the area, but that no change shall be made in the ownership of TCC without the consent of the provincial government and prior intimation to the Court. The original order of the Court, which was granted on November 28, 2006, provided that status quo in respect of the mining lease (of which there are none) be maintained. The matter was adjourned to April 3, 2007. Barrick intends to defend this action vigorously.

NovaGold Litigation

On August 24, 2006, during the pendency of Barrick's unsolicited bid for NovaGold, NovaGold filed a complaint against Barrick in the United States District Court for the District of Alaska. The complaint has been amended on several occasions with the most recent amendment having been filed in January 2007. The complaint, as amended, seeks a declaration that Barrick will be unable to satisfy the requirements of the Mining Venture Agreement between NovaGold and Barrick which would allow Barrick to increase its interest in the Donlin Creek joint venture from 30% to 70%. NovaGold also asserts that Barrick breached its fiduciary and contractual duties to NovaGold, including its duty of good faith and fair dealing, by misusing confidential information of NovaGold regarding NovaGold's Galore Creek project in British Columbia. NovaGold seeks declaratory relief, an injunction and an unspecified amount of damages. Barrick's Motion to Dismiss NovaGold's amended complaint was heard on February 9, 2007, and is currently pending before the Court.

On August 11, 2006, NovaGold filed a complaint against Barrick in the Supreme Court of British Columbia. The complaint asserts that in the course of discussions with NovaGold of a potential joint venture for the development of the Galore Creek project, Barrick misused confidential information of NovaGold regarding that project to, among other things, wrongfully acquire Pioneer, a company that holds mining claims adjacent to NovaGold's project. NovaGold asserts that Barrick breached fiduciary duties owed to NovaGold, intentionally and wrongfully interfered with NovaGold's interests and has been unjustly enriched. NovaGold seeks a constructive trust over the shares in Pioneer acquired by Barrick and an accounting of Barrick's profits as a result of its alleged conduct, as well as an unspecified amount of damages. To date, NovaGold has taken no substantive action to pursue this complaint.

Barrick intends to vigorously defend both of the NovaGold complaints.

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 2007 production and sales, the approximate sensitivity of its income from continuing operations before income tax and other items to a 10% change in metal prices from 2006 average spot rates is $340 million for gold and $75 million for copper. The factors that may affect the price of gold include industry factors such as: industrial and jewelry demand; the level of demand for gold as an investment; central bank lending, sales and purchases of gold; speculative trading; and costs of and levels of global gold production by producers of gold. Gold prices may also be affected by macroeconomic factors, including: expectations of the future rate of inflation; the strength of, and confidence in, the 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; capital and operating costs of such projects; and the future prices of the relevant minerals. Projects also require the successful completion of feasibility studies, Barrick to obtain the issuance of necessary governmental permits and to acquire satisfactory surface or other land rights. In certain cases, it is also 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 develop it.

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 and economic returns may differ materially from Barrick's estimates or that Barrick could fail to obtain the governmental approvals necessary for the operation of a project, 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.

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. You should not assume 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 necessary permits or government approvals 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.

Price volatility and availability of other commodities

The profitability of Barrick's business is also affected by the market prices and availability of commodities produced as by-products at Barrick's mines, such as silver, as well as commodities which are consumed or otherwise used in connection with Barrick's operations and projects, such as diesel fuel, electricity, steel, concrete and cyanide. Prices of such commodities also 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 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, labour force disruptions, 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 labour shortages or strikes. Costs of production may also be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade metallurgy, labour 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 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.

In relation to Tanzania, a number of economic and social issues exist which increase Barrick's political and economic risk. Infectious diseases (including malaria, HIV/AIDS and tuberculosis) are major health care issues 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. It is not possible to determine with certainty the future costs that Barrick may incur in dealing with these issues, however, if the number of infections increases, costs associated with treatment and employee retraining may also increase, affecting profitability.

In relation to Papua New Guinea, the location of the Porgera gold mine, there is a greater level of political and economic risk compared to some other countries in which Barrick operates. For example, open pit operations at the Porgera mine were suspended from August 27,2002 to October 12,2002 due to interruptions in the electrical power supply as a result of election-related vandalism. There is a risk that social unrest and government intervention could be exacerbated during the mine closure process. The Porgera mine's infrastructure, including power, water and fuel, may be at risk of sabotage. Porgera has

extensive community relations and security groups to anticipate and manage social issues that may arise because of the evolving nature of its community.

The Porgera mine has, on a number of occasions, experienced delays in the granting of operating permits and licences 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.

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 and Papua New Guinean kina. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the costs of production at Barrick's mines, making such mines less profitable. 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. This could result in Barrick failing to benefit to some degree if the U.S. dollar appreciates in value relative to non-U.S. dollar currencies. These hedging activities do not cover all of Barrick's expected operating costs. For the unhedged portion of Barrick's current estimates of Australian, Canadian and Chilean currency-based costs for 2007, a 10% change in market exchange rates for these currencies would result in a change in costs reported in U.S. dollars of approximately $32 million. There can be no assurance that Barrick will continue the hedging activities that it currently undertakes. See " -Use of derivatives".

Use of derivatives

Since 2001, Barrick has focused on reducing its outstanding gold and silver forward sales contracts. Currently, Barrick has eliminated its Corporate Gold Sales Contracts and expects to eliminate its floating spot-price gold forward sales contracts before the end of the second quarter of 2007. 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 default on amounts owing to Barrick by the counterparties with which Barrick has entered into such transaction; (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.

If mineral prices rise above the price at which future production has been committed under Barrick's existing hedges, Barrick may have an opportunity loss. However, if the price falls below that committed price, revenues will be protected to the extent of such committed production.

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.

Investment returns for defined benefit pension plans

Assets in Barrick's defined benefit pension plans arise through employer contributions and returns on investments made by the plans. Returns on investments made by Barrick's employee defined benefit pension plans are subject to fluctuation. Barrick is responsible for funding any shortfall of pension assets compared to pension obligations under its defined benefit pension plans.

Employee relations

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

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 – Litigation".

Internal controls

Barrick has invested resources to document and analyze its system of internal control over financial reporting. 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.

Level of indebtedness

As of December 31, 2006, Barrick had capital leases and long-term debt of approximately $3.2 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 2007 through a combination of its existing capital resources and its future cash flow from operations, as well as 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.

Interest rates and gold lease rates

A significant, prolonged decrease in interest rates could have a material adverse impact on the interest earned on Barrick's cash balances. A significant, prolonged decrease in interest rates and/or increase in gold lease rates could have a material adverse impact on the difference between the forward gold price over the current spot price ("contango"), and, ultimately, the realized price under gold forward sales hedge contracts entered into by Barrick. The Company's interest rate exposure mainly relates to the mark-to-market value of derivative instruments, the fair value and ongoing payments under gold lease rate and U.S. dollar interest-rate swaps and to the interest payments on Barrick's variable-rate debt ($163 million at the end of 2006) and interest receipts on Barrick's cash balances ($3.0 billion at the end of 2006).

Shortages of critical parts, equipment and skilled labor

The mining industry has been impacted by increased worldwide demand for critical resources such as input commodities, drilling equipment, tires and skilled labor. These shortages have caused unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

Ability to support the carrying value of goodwill

As of December 31, 2006, the carrying value of Barrick's goodwill was approximately $5.9 billion or 27% of Barrick's total assets. This goodwill arose in connection with Barrick's acquisition of Placer Dome and it represents the excess of the aggregate purchase price over the fair value of the identifiable net assets of Placer Dome. 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. The fair values of its reporting units are based, in part, on certain factors that may be partially or totally outside Barrick's control. Barrick's fair value estimates are based on numerous assumptions and it is possible that actual fair value could be significantly different than these estimates. In the absence of any mitigating valuation factors, Barrick's failure to achieve its valuation assumptions or declines in the fair values of its reporting units may, over time, result in an impairment charge.

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

Reference is made to the Management's Discussion and Analysis of Financial and Operating Results of the Company (U.S. GAAP) for the year ended December 31, 2006 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, 2006 (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.

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.

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 28, 2007 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 28, 2007 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 Barrick common shares for each BGI exchangeable share.

In addition to the rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class, except 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. At such time as no BGI exchangeable shares (other than BGI exchangeable shares owned by Barrick or any subsidiary or affiliate of Barrick) are outstanding and there are 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), the Special Voting Share will be redeemed by Barrick for C$1.00 plus all declared and unpaid dividends. As of March 28, 2007 there was one Special Voting Share issued and outstanding.

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 28, 2007 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 28, 2007:

	Rating Agency		
	Moody's Investors Service	Standard & Poor's Ratings Services	Dominion Bond Rating Service
Senior Unsecured Debt	Baa1	A-	A
Municipal bonds, due 2029 (1)	Aa1/VMIG1	AAA/A-1+	Not Rated
Municipal bonds, due 2032 (1)	Aa2/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.

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 Aa is the second 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 municipal 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. 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.

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. According to S&P, the AAA rating is the highest of ten major categories. 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.

Dominion Bond Rating Service 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, the New York Stock Exchange and the London Stock Exchange. The majority of trading of Barrick's common shares takes place 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 2006, based on trading information published by each Exchange.

	Toronto Stock Exchange Share Price Trading Range		Share Volume	New York Stock Exchange Share Price Trading Range		Share Volume
	High	Low		High	Low	
2006	(C$ per share)		(millions)	($ per share)		(millions)
January	35.70	33.30	81.4	31.46	28.82	93.4
February	35.35	31.05	64.7	30.98	27.36	66.6
March	32.08	29.86	69.6	28.18	25.65	73.9
April	35.32	32.47	49.9	31.11	27.74	65.3
May	38.65	33.60	71.9	35.23	30.06	102.2
June	33.83	29.95	58.4	30.69	26.89	70.2
July	34.74	32.11	40.4	30.80	28.28	52.7
August	37.34	34.35	52.6	33.48	30.51	57.1
September	37.78	31.78	53.5	34.04	28.35	66.4
October	34.75	31.96	51.4	31.00	28.41	65.8
November	35.76	32.53	68.6	31.44	28.34	67.4
December	35.90	34.36	36.9	31.50	29.90	45.3

MATERIAL CONTRACTS

Set out below is a description of Barrick's material contracts as at December 31, 2006.

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).

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 each of 2004, 2005 and 2006, Barrick paid a total cash dividend of $0.22 per common share –$0.11 in mid-June and $0.11 in mid-December. The amount and timing of any dividends is within the discretion of Barrick's Board of Directors. The Board of Directors reviews the dividend policy semi-annually based on the cash requirements of Barrick's operating assets, exploration and development activities, as well as potential acquisitions, combined with the current and projected financial position of Barrick.

DIRECTORS AND OFFICERS OF THE COMPANY

Reference is made to the sections "Election of Directors" and "Statement of Corporate Governance Practices" on pages 6 to 19 of the Management Information Circular and Proxy Statement of the Company dated March 19, 2007 for information regarding directors of the Company and the Committees of the Board which pages are incorporated herein by reference. The Management Information Circular and Proxy Statement of the Company is available on SEDAR at www.sedar.com and is furnished to the SEC on Form 6-K, which can be found on EDGAR at www.sec.gov. As of March 14, 2007, directors and executive officers of Barrick as a group beneficially own, directly or indirectly, or exercise control or direction over, approximately 0.3% of the outstanding common shares of Barrick.

Mr. J.L. Rotman, a director of the Company, has been a director of other companies, which, during the past ten years, have been the subject of a cease trade or similar order while Mr. Rotman was acting as a director of such companies. Livent Inc. was the subject of a cease trade order issued by the Ontario Securities Commission on August 7, 1998 following the discovery of accounting irregularities. In November 1998 Livent Inc. filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code and filed for protection under the *Companies Creditors Arrangement Act* in Canada. The cease trade order was revoked effective November 20, 1998 and Mr. Rotman resigned as a director of Livent Inc. on September 29, 1999. Paragon Entertainment Corporation made a filing under the *Companies Creditors Arrangement Act* in April 1998; Mr. Rotman resigned as a director of Paragon in June 1998. Mr. M.A. Cohen, a director of the Company, is a director of Collins & Aikman 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. Cohen was acting as a director for such company. On May 17, 2005, Collins & Aikman and substantially all of its U.S. operating subsidiaries filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code.

Executive Officers of the Company

The following are the executive officers of the Company as at March 28, 2007:

Name (age) and municipality of residence	**Office (date became an Officer)**	**Principal occupations during past 5 years**
Peter Munk *(79)* Toronto, Ontario Canada	Chairman and Director *(1984)*	Chairman of the Company; Chairman of Trizec Properties, Inc. (real estate) and Chairman and Chief Executive Officer, Trizec Canada Inc. (real estate); prior to May 2002, Chairman, TrizecHahn Corporation (real estate).
C. William D. Birchall *(64)* Toronto, Ontario Canada	Vice Chairman and Director *(2005)*	Vice Chairman of the Company; prior to July 2005, Chief Executive Officer of ABX Financeco Inc., a Barrick subsidiary; prior to January 2005, Chairman of Barrick International Bank Corp., a Barrick subsidiary.
Gregory C. Wilkins (*51*) Toronto, Ontario Canada	President and Chief Executive Officer *(2003)* and Director *(1991)*	President and Chief Executive Officer of the Company; prior to February 2003, Corporate Director of the Company; prior to May 2002, Vice-Chairman, TrizecHahn Corporation (real estate); prior to March 2001, President and Chief Operating Officer, TrizecHahn Corporation.
Alexander J. Davidson *(55)* 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; prior to May 2003, Senior Vice President, Exploration of the Company.

Name (age) and municipality of residence	Office (date became an Officer)	Principal occupations during past 5 years
Gordon Fife *(48)* 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 *(55)* Toronto, Ontario Canada	Executive Vice President and General Counsel *(1993)*	Executive Vice President and General Counsel of the Company.
Peter J. Kinver *(51)* 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; prior to August 2003, Divisional Director, Western Division, Anglo American Platinum plc (platinum mining).
Jamie C. Sokalsky *(49)* 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.
Gregory A. Lang *(52)* 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; prior to December 2001, Vice President, Australia, Homestake Mining Company (gold mining).
Igor Gonzales *(52)* 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.
Joc O'Rourke *(46)* Perth, Australia	President, Australia-Pacific (*2006)*	President, Australia Pacific of the Company; prior to May 2006, Executive General Manager, Australia for Placer Dome; prior to January 2005, General Manager WA Operations, at Iluka Resources Limited; prior to August 2003, General Manager, Operations at Minara Resources Ltd.

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; (iv) 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;

(1) 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, a majority of whom shall be resident Canadians. 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.

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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.

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.

Composition of the Audit Committee

The Audit Committee is comprised entirely of independent directors (S.J. Shapiro, D.J. Carty, J.W. Crow and P.A. Crossgrove). H.L. Beck was a member of the Audit Committee until May 4, 2006, and D.J. Carty and J.W. Crow became members of the Audit Committee on May 4, 2006. There were eight meetings of the Audit Committee during 2006. All of the members of the Audit Committee attended all of the meetings held in 2006 while they were members.

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, 60 Dallas, Texas, USA	Mr. Carty is Vice Chairman and Chief Financial Officer of Dell, Inc., a computer company. From 1998 to 2003, he was the Chairman and Chief Executive Officer of AMR Corp. and American Airlines. Mr. Carty is the Chairman of Porter Aviation Holdings Inc. and Porter Airlines Inc. Mr. Carty is also a director of CHC Helicopter Corporation, Sears Holding Corp., Solution Inc. Ltd., and Big Brothers Big Sisters. He is a trustee of Southern Methodist University. 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, 70 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 a director of Quadra Logic Technologies Inc., Dundee REIT, Excellon Resources and West Timmins Mining Inc. Mr. Crossgrove is the Chairman of Cancer CARE Ontario and Chairman of the Canadian Association of Provincial Cancer Agencies. 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 an Officer of the Order of Canada.

John W. Crow, 70 Toronto, Ontario, Canada	Mr. Crow is President of J&R Crow Inc., an economic and financial consulting firm. He is also a director of Rockwater Capital Corporation, High Income Principal and Yield Corporation, High Income Preferred Shares Corporation, Coastal Income Corporation and OFI Income Fund. He is a Senior Fellow of the CD. Howe Institute and the Chairman of Arts for Children of Toronto. Mr. Crow served as the Governor of the Bank of Canada from 1987 to 1994. Mr. Crow holds an undergraduate degree from Oxford University.
Steven J. Shapiro, 54 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., and prior to January 2003, he was Senior Vice President and Chief Financial Officer of Burlington Resources, Inc. He is also a director of El Paso Corporation. He serves as chairman of the executive committee of the American Petroleum Institute's general committee on finance. 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. P.A. Crossgrove and J.W. Crow each currently serve on the audit committees of three other public companies. Barrick's Board of Directors has determined that the service of these directors on the audit committees of such other companies does not impair their respective ability to effectively serve on the Audit Committee, particularly given their experience as directors of public companies and the fact that each is retired from full-time employment.

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 compliance, audit services and tax 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. All non-audit services not otherwise pre-approved by the Audit Committee must be pre-approved by the Audit Committee on an individual basis. Non-audit services for which the estimate of fees does not exceed $100,000 may be approved by the Chairman of the Audit Committee, provided that any such pre-approval is reported to the full Audit Committee at its next meeting.

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, 2006 and 2005 for professional services rendered to Barrick:

Fees (amount in millions)	2006	2005
Audit Fees[1]	$7.2	$2.9
Audit-Related Fees[2]	0.2	0.7
Tax Fees[3]	1.7	0.5
All Other Fees[4]	0.1	0.1
Total	**$9.2**	**$4.2**

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 2006 have increased by $4.3 million compared to 2005 primarily due to the acquisition of Placer Dome and 2006 being the first year of attestation under Section 404 of the Sarbanes-Oxley Act.

2 Audit-Related Fees comprise amounts paid for consultations on accounting developments and the accounting for potential corporate transactions. In 2005, Audit-Related Fees included approximately $675,000 for Sarbanes-Oxley preparation services.

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

4 In 2006, Other Fees included approximately $64,000 for non-audit related services. In 2005, Other Fees included approximately $50,000 for non-audit related 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, 2006. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of 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, 2006 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 2006 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.

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 19, 2007. As well, additional financial information is provided in the Company's 2006 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, 2006 (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 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 of December 31, 2006. 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 that evaluation, Barrick's management concluded that the Company's internal control over financial reporting was effective as of December 31,2006.

Based on Barrick management's assessment, there were no material weaknesses in Barrick's internal control over financial reporting as of December 31,2006.

Barrick acquired control of Placer Dome Inc. ("Placer Dome") in January 2006. Barrick's management excluded the mines sites and the development projects of the former Placer Dome (the "Placer Dome Operations") from its assessment of the effectiveness of Barrick's internal control over financial reporting. The Placer Dome Operations represent approximately $6.2 billion of the total assets and approximately $2.4 billion of the total revenue of Barrick's consolidated financial statement amounts as at December 31,2006.

PricewaterhouseCoopers LLP, independent auditors, who have audited and issued a report on the consolidated financial statements of Barrick for the year ended December 31, 2006, have also issued an attestation report on Barrick management's assessment of Barrick's internal control over financial reporting. This attestation report is located on pages 70–72 of Barrick's Financial Report 2006.

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 21, 2007

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 of December 31, 2006. 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 that evaluation, Barrick's management concluded that the Company's internal control over financial reporting was effective as of December 31,2006.

Based on Barrick management's assessment, there were no material weaknesses in Barrick's internal control over financial reporting as of December 31,2006.

Barrick acquired control of Placer Dome Inc. ("Placer Dome") in January 2006. Barrick's management excluded the mines sites and the development projects of the former Placer Dome (the "Placer Dome Operations") from its assessment of the effectiveness of Barrick's internal control over financial reporting. The Placer Dome Operations represent approximately $6.2 billion of the total assets and approximately $2.4 billion of the total revenue of Barrick's consolidated financial statement amounts as at December 31,2006.

PricewaterhouseCoopers LLP, independent auditors, who have audited and issued a report on the consolidated financial statements of Barrick for the year ended December 31, 2006, have also issued an attestation report on Barrick management's assessment of Barrick's internal control over financial reporting. This attestation report is located on pages 70–72 of Barrick's Financial Report 2006.

Independent Auditors' Report

To the Shareholders of
Barrick Gold Corporation

We have completed an integrated audit of the consolidated financial statements and internal control over financial reporting of Barrick Gold Corporation (the "Company") as of December 31, 2006 and audits of its 2005 and 2004 consolidated financial statements. 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 of December 31, 2006 and 2005, and the related consolidated statements of income, cash flow, shareholders'equity and comprehensive income for each of the three years in the period ended December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit of the Company's financial statements as of December 31, 2006 and for the year then ended in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States).We conducted our audits of the Company's financial statements as of December 31, 2005 and December 31, 2004 and for each of the two years in the period ended 31 December, 2005 in accordance with Canadian generally accepted auditing standards. 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2006 and 2005 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2006 in accordance with accounting principles generally accepted in the United States of America.

Internal control over financial reporting

We have also audited management's assessment, included in Management's Report on Internal Control over Financial Reporting appearing on page 69 of Barrick's Financial Report 2006, that the Company maintained effective internal control over financial reporting as of December 31, 2006, 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. Our responsibility is to express opinions on management's assessment and on the effectiveness of 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, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

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.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded the mine sites and development projects of the former Placer Dome Inc. (the "Placer Dome Operations") from its assessment of internal control over financial reporting as of December 31, 2006 because Placer Dome Inc. was acquired by the Company in a purchase business combination during 2006. We have also excluded the Placer Dome Operations from our audit of internal control over financial reporting. These excluded Placer Dome Operations represent total assets and total revenues of $6.2 billion and $2.4 billion, respectively, of the related consolidated financial statement amounts of Barrick Gold Corporation as of and for the year ended December 31, 2006.

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of December 31, 2006 is fairly stated, in all material respects, based on criteria established in Internal Control –Integrated Framework issued by the COSO. Furthermore, in our opinion,the Company maintained,in all material respects, effective internal control over financial reporting as of December 31, 2006 based on criteria established in Internal Control –Integrated Framework issued by the COSO.



Chartered Accountants
Toronto,Canada
February 21, 2007

Comments by Auditors On Canada-US Reporting Differences

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when there is a change in accounting principles that has a material effect on the comparability of the Company's financial statements, such as the changes described in Note 2e to these consolidated financial statements. Our report to the shareholders dated February 21, 2007 is expressed in accordance with Canadian reporting standards which do not require a reference to such a change in accounting principles in the Auditors'report when the change is properly accounted for and adequately disclosed in the financial statements.



Chartered Accountants
Toronto,Canada
February 21, 2007

Consolidated Statements of Income

Barrick Gold Corporation
For the years ended December 31 (in millions of United States dollars)

	2006	2005	2004
Sales (notes 4 and 5)	**$ 5,636**	$ 2,350	$ 1,932
Costs and expenses			
Cost of sales[1] (note 6)	**2,736**	1,214	1,047
Amortization (note 4)	**735**	427	452
Corporate administration	**142**	71	71
Exploration (note 4)	**171**	109	96
Project development expense	**119**	32	45
Other operating expenses (note 7a)	**124**	59	47
Impairment of long-lived assets (note 7b)	**17**	–	139
	4,044	1,912	1,897
Interest income	**101**	38	25
Interest expense (note 19b)	**(126)**	(7)	(19)
Other income (note 7c)	**89**	49	49
Other expense (note 7d)	**(96)**	(56)	(47)
	(32)	24	8
Income from continuing operations before income taxes and other items	**1,560**	462	43
Income tax (expense) recovery (note 8)	**(348)**	(60)	203
Non-controlling interests	**1**	(1)	2
Equity in investees (note 11)	**(4)**	(6)	–
Income from continuing operations	**1,209**	395	248
Discontinued operations (note 3b)			
Income from discontinued operations	**297**	–	–
Income taxes	**–**	–	–
Income before cumulative effect of changes in accounting principles	**1,506**	395	248
Cumulative effect of changes in accounting principles (note 2e)	**–**	6	–
Net income for the year	**$ 1,506**	$ 401	$ 248
Earnings per share data (note 9)			
Income from continuing operations			
Basic	**$ 1.44**	$ 0.74	$ 0.47
Diluted	**$ 1.42**	$ 0.73	$ 0.46
Net income			
Basic	**$ 1.79**	$ 0.75	$ 0.47
Diluted	**$ 1.77**	$ 0.75	$ 0.46

1. Exclusive of amortization (note 6).

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, except per share data)

	2006	2005	2004
Operating Activities			
Net income	**$ 1,506**	$ 401	$ 248
Amortization (note 4)	**735**	427	452
Deferred income taxes (notes 8 and 22)	**(109)**	(30)	(225)
Hedge losses on acquired gold hedge position (note 19c)	**165**	–	–
Income from discontinued operations (note 3b)	**(297)**	–	–
Other items (note 10a)	**122**	(72)	34
Net cash provided by operating activities	**2,122**	726	509
Investing Activities			
Property, plant and equipment			
Capital expenditures (note 4)	**(1,087)**	(1,104)	(824)
Sales proceeds	**8**	8	43
Acquisition of Placer Dome, net of cash acquired of $1,102 (note 3a)	**(160)**	–	–
Other acquisitions, net of cash acquired of $8 million (note 3c)	**(47)**	–	–
Acquisition of equity method investments (note 11)	**(125)**	(58)	(40)
Available-for-sale securities (note 11)			
Purchases	**(245)**	(31)	(7)
Sales	**46**	10	9
Other investing activities	**17**	(5)	(2)
Net cash used in investing activities	**(1,593)**	(1,180)	(821)
Financing Activities			
Capital stock			
Proceeds on exercise of stock options	**74**	92	49
Dividends (note 23a)	**(191)**	(118)	(118)
Repurchased for cash (note 23a)	**–**	–	(95)
Long-term debt (note 19b)			
Proceeds	**2,189**	179	973
Repayments	**(1,581)**	(59)	(41)
Settlement of acquired derivative instrument liabilities (note 19c)	**(1,840)**	–	–
Other financing activities	**2**	(1)	(28)
Net cash (used in) provided by financing activities	**(1,347)**	93	740
Cash Flows of Discontinued Operations (note 3b)			
Operating activities	**29**	–	–
Investing activities – proceeds on sale	**2,850**	–	–
Other investing activities	**(62)**	–	–
Financing activities	**11**	–	–
	2,828	–	–
Effect of exchange rate changes on cash and equivalents	**(4)**	–	–
Net increase (decrease) in cash and equivalents	**2,006**	(361)	428
Cash and equivalents at beginning of year (note 19a)	**1,037**	1,398	970
Cash and equivalents at end of year (note 19a)	**$ 3,043**	$ 1,037	$ 1,398

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)	2006	2005
Assets		
Current assets		
Cash and equivalents (note 19a)	**$ 3,043**	$ 1,037
Accounts receivable (note 13)	**234**	54
Inventories (note 12)	**931**	402
Other current assets (note 13)	**588**	255
	4,796	1,748
Non-current assets		
Available-for-sale securities (note 11)	**646**	62
Equity method investments (note 11)	**327**	138
Property, plant and equipment (note 14)	**8,335**	4,146
Intangible assets (note 15)	**75**	–
Goodwill (note 16)	**5,855**	–
Other assets (note 17)	**1,339**	768
Total assets	**$ 21,373**	$ 6,862
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	**$ 686**	$ 386
Short-term debt (note 19b)	**863**	80
Other current liabilities (note 18)	**303**	94
	1,852	560
Non-current liabilities		
Long-term debt (note 19b)	**3,244**	1,721
Asset retirement obligations (note 20)	**843**	409
Deferred income tax liabilities (note 22)	**798**	114
Other liabilities (note 21)	**436**	208
Total liabilities	**7,173**	3,012
Non-controlling interests	**1**	–
Shareholders' equity		
Capital stock (note 23)	**13,106**	4,222
Retained earnings (deficit)	**974**	(341)
Accumulated other comprehensive income (loss) (note 24)	**119**	(31)
Total shareholders' equity	**14,199**	3,850
Contingencies and commitments (notes 14 and 27)		
Total liabilities and shareholders' equity	**$ 21,373**	$ 6,862

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

Signed on behalf of the Board,



Gregory C. Wilkins, 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)	**2006**	2005	2004
Common shares (number in millions)			
At January 1	**538**	534	535
Issued on exercise of stock options (note 25a)	**3**	4	3
Issued on acquisition of Placer Dome	**323**	–	–
Repurchased (note 23a)	**–**	–	(4)
At December 31	**864**	538	534
Common shares			
At January 1	**$ 4,222**	$ 4,129	$ 4,115
Issued on exercise of stock options (note 25a)	**74**	93	49
Issued on acquisition of Placer Dome (note 3a)	**8,761**	–	–
Repurchased (note 23a)	**–**	–	(35)
Options issued on acquisition of Placer Dome (note 3a)	**22**	–	–
Recognition of stock option expense (note 25a)	**27**	–	–
At December 31	**13,106**	4,222	4,129
Retained earnings (deficit)			
At January 1	**(341)**	(624)	(694)
Net income	**1,506**	401	248
Dividends (note 23a)	**(191)**	(118)	(118)
Adjustment on repurchase of common shares (note 23a)	**–**	–	(60)
At December 31	**974**	(341)	(624)
Accumulated other comprehensive income (loss) (note 24)	**119**	(31)	69
Total shareholders' equity at December 31	**$ 14,199**	$ 3,850	$ 3,574

Consolidated Statements of Comprehensive Income

Barrick Gold Corporation For the years ended December 31 (in millions of United States dollars)	**2006**	2005	2004
Net income	**$ 1,506**	$ 401	$ 248
Other comprehensive income (loss), net of tax (note 24)	**150**	(100)	9
Comprehensive income	**$ 1,656**	$ 301	$ 257

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

Barrick Gold Corporation. Tabular dollar amounts in millions of United States dollars, unless otherwise shown. References to C$, A$, and ZAR are to Canadian dollars, Australian dollars, and South African Rands 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. In 2006, we acquired Placer Dome Inc. (see note 3a), which resulted in a substantial increase in the scale of our mining operations. We also produce some copper and hold interests in a platinum group metals development project and a nickel development project, both located in Africa and a platinum project located in Russia. Our mining operations are concentrated in our four regional business units: North America, South America, Africa and Australia Pacific. We sell our gold and copper production into the world market.

2 § Significant Accounting Policies

a) Basis of Preparation

These financial statements have been prepared under United States generally accepted accounting principles ("US GAAP"). In 2006, we amended the classification of certain expense items on the face of our income statement to provide enhanced disclosure of significant business activities and reflect the increasing significance of amounts spent on those activities. Previously exploration expense and project development expenses were grouped as a single line item. In 2006, we began to present these items separately to enable the amounts spent and trends in each type of expense to be more easily identified. Also in 2006, we began to present overheads incurred at our regional business units as a separate line item under "other operating expenses" to provide increased visibility of the amounts incurred. Previously these expenses were included in "other expense" and not separately identified. To ensure comparability of financial information, prior-year amounts have been reclassified to conform with the current year presentation.

b) Consolidation

These consolidated financial statements include the accounts of Barrick Gold Corporation and those entities we have the ability to control either through voting rights or means other than voting rights. For incorporated joint ventures where we have the ability to control the joint venture, subject in some cases to protective rights held by our joint venture partners, we consolidate the joint venture and record a non-controlling interest for the interest held by our joint venture partner. In 2006 we finalized a joint venture agreement for the Pueblo Viejo project, which is held through an incorporated joint venture. Under the terms of the joint venture agreement, we have the ability to control the operating, investing and financing decisions and therefore we consolidate this joint venture.

FIN 46R 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 entities, including those in the development stage, except for unincorporated joint ventures, which are outside the scope of FIN 46R. The principal entity that is a VIE is the entity that owns the Reko Diq project. Neither ourselves nor the other owners are the primary beneficiary for financial reporting purposes and we use the equity method of accounting for our interest in this entity (note 11).

For unincorporated joint ventures under which we hold an undivided interest in the assets and liabilities of the joint venture, we include our interest in the assets and liabilities in our financial statements. Through the acquisition of Placer Dome in 2006 we acquired interests in the Cortez, Donlin Creek, Turquoise Ridge and Porgera mines which are held through unincorporated joint ventures under which we hold an undivided interest in the revenues, expenses, assets and liabilities. For further information refer to note 28.

The Donlin Creek property is being explored and developed under a Mining Venture Agreement that is between NovaGold and Barrick entered into in November 2002. Under the terms of the agreement, we currently hold a 30% interest in the project with the right to increase that interest to 70% by satisfying the following conditions on or before November 12, 2007: (1) funding of $32 million of exploration and development expenditures on the project; (2) delivering a feasibility study to NovaGold; and (3) obtaining the approval of our Board of Directors to construct a mine on the property. At the end of March 2006, we had satisfied the funding condition. We are currently taking the steps necessary to complete the feasibility study. We record our 70% share of project expenditures each period, together with an account receivable for Nova Gold's share of those of expenditures. Under a shareholders agreement, Calista Corporation has the right to acquire a 5% to 15% interest in the Donlin Creek project by paying a corresponding percentage of capitalized costs within 90 days of receipt of a completed feasibility study.

c) Foreign Currency Translation

The functional currency of all our operations is the US dollar. We translate non-US dollar balances into US dollars as follows:

§ non-monetary assets and liabilities using historical rates;

§ monetary assets and liabilities using closing rates with translation gains and losses recorded in earnings; 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.

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 gold and copper reserves; the value of mineralized material beyond proven and probable reserves; future costs and expenses to produce proven and probable reserves; future commodity prices and foreign currency exchange rates; the future cost of asset retirement obligations; amounts of contingencies; and the fair value of acquired assets and liabilities including pre-acquisition contingencies. Using these estimates and assumptions, we make various decisions in preparing the financial statements including:

§ The treatment of mine development costs as either an asset or an expense;

§ whether long-lived assets are impaired, and if so, estimates of the fair value of those assets and any corresponding impairment charge;

§ our ability to realize deferred income tax assets;

§ the useful lives of long-lived assets and the measurement of amortization;

§ the fair value of asset retirement obligations;

§ the likelihood of loss contingencies occurring and the amount of any potential loss;

§ whether investments are impaired;

§ the amount of income tax expense;

§ allocations of the purchase price in business combinations to assets and liabilities acquired; and

§ the valuation of reporting units used in the initial allocation of goodwill and subsequent goodwill impairment tests.

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.

Significant Changes in Estimates

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. We prospectively revise calculations of amortization of property, plant and equipment beginning in the first quarter of the next fiscal year. The effect of changes in reserve estimates on amortization expense for 2006 was a decrease of $75 million (2005: $28 million decrease; 2004: $15 million decrease).

Asset Retirement Obligations (AROs)

Each quarter we update cost estimates, and other assumptions used in the valuation of AROs, for AROs at each of our mineral properties to reflect new events, changes in circumstances and any new information that is 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. A charge of $53 million was recorded in 2006 for changes in cost estimates for AROs at closed mines (2005: $15 million expense; 2004: $22 million expense). For further details see note 20.

Deferred Tax Valuation Allowances

For a description of changes in valuation allowances, refer to note 8.

Placer Dome Purchase Price Allocation

In fourth quarter 2006, we finalized the valuations of assets and liabilities acquired on the acquisition of Placer Dome. In the final purchase price allocation, the significant changes from the preliminary allocation were an increase in the value of property, plant and equipment by $2,104 million; recognition of intangible assets with a value of $85 million; an increase in asset retirement obligations by $215 million; and an increase in net deferred income tax liabilities by $574 million. Goodwill arising in the final purchase price allocation amounted to $6,506 million. In fourth quarter 2006, we prospectively revised the measurement of amortization to reflect the final values of property, plant and equipment and intangible assets. We recorded an increase in amortization expense in fourth quarter 2006 of $30 million for property, plant and equipment and $10 million for intangible assets. We also revised the measurement of interest capitalized for fourth quarter 2006 to reflect final valuations of acquired qualifying assets that resulted in an increase in interest capitalized by $14 million.

e) Accounting Changes

EITF 04-6 Accounting for Stripping Costs Incurred During Production in the Mining Industry

In 2005, we adopted EITF 04-6 and changed our accounting policy for stripping costs incurred in the production phase. Prior to adopting EITF 04-6, we capitalized stripping costs incurred in the production phase, and we recorded amortization of the capitalized costs as a component of the cost of inventory produced each period. Under EITF 04-6, stripping costs are recorded directly as a component of the cost of inventory produced each period. Using an effective date of adoption of January 1, 2005, we recorded a decrease in capitalized mining costs of $226 million; an increase in the cost of inventory of $232 million; and a $6 million credit to earnings for the cumulative effect of this change. For 2005, the effect of adopting EITF 04-6 compared to the prior policy was an increase in net income of $44 million ($0.08 per share), excluding the cumulative effect on prior periods.

FAS 123R, Accounting for Stock-Based Compensation

On January 1, 2006, we adopted FAS 123R. Prior to this date we applied FAS 123 and accounted for stock options under the intrinsic value method, recording compensation cost for stock options as the excess of the market price of the stock at the grant date of an award over the exercise price. Historically, the exercise price of stock options equaled the market price of the stock at the grant date resulting in no recorded compensation cost. We provided pro forma disclosure of the effect of expensing the fair value of stock options.

In September 2006, the SEC released a letter on accounting for stock options. The letter addresses the determination of the grant date and measurement date for stock option awards. For Barrick, the stock option 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. The application of the principles in the letter issued by the SEC did not change the date that has been historically determined as the measurement date for stock option grants.

We adopted FAS 123R using the modified prospective method, which meant that financial statements for periods prior to adoption were not restated. From January 1, 2006 we record compensation expense for all new stock option grants based on the grant date fair value, amortized on a straight-line basis over the vesting period. We also record compensation expense for the unvested portion of stock option grants occurring prior to January 1, 2006, based on the grant date fair value that was previously estimated and used to provide for pro forma disclosures for financial statement periods prior to 2006, amortized on a straight-line basis over the remaining vesting period for those unvested stock options.

Compensation expense for stock options was $27 million in 2006, 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 2006 by $0.03 per share. The application of FAS 123R to Restricted Share Units (RSUs) and Deferred Share Units (DSUs) did not result in any significant change in the method of accounting for RSUs or DSUs. See note 25 for further information on stock-based compensation.

FAS 151, Inventory Costs

FAS 151 specifies the general principles applicable to the pricing and allocation of certain costs to inventory. FAS 151 is the result of a broader effort by the Financial Accounting Standards Board (FASB) to improve the comparability of cross-border financial reporting by working with the International Accounting Standards Board (IASB) toward development of a single set of high-quality accounting standards. As part of that effort, the FASB and the IASB identified opportunities to improve financial reporting by eliminating certain narrow differences between their existing accounting standards. The accounting for inventory costs, in particular, abnormal amounts of idle facility expense, freight, handling costs, and spoilage, is one such narrow difference that the FASB decided to address by issuing FAS 151. As historically worded in ARB 43, Chapter 4, the term “abnormal” was not defined and its application could lead to unnecessary noncomparability of financial reporting. FAS 151 eliminates that term. Under FAS 151, abnormal amounts of idle facility expense, freight, handling costs and wasted materials are recognized as current period charges rather than capitalized to inventory. FAS 151 also requires that the allocation of fixed production overhead to the cost of inventory be based on the normal capacity of production facilities.

FAS 151 was applicable prospectively from January 1, 2006 and we modified our inventory accounting policy consistent with its requirements. Under our modified accounting policy for inventory, production-type costs that are abnormal are excluded from inventory and charged directly to the cost of sales. Interruptions to normal activity levels at a mine could occur for a variety of reasons including equipment failures and major maintenance activities, strikes, power supply interruptions and adverse weather conditions. When such interruptions occur we evaluate the impact on the cost of inventory produced in the period, and to the extent the actual cost exceeds the cost based on normal capacity we expense any excess directly to cost of sales. The adoption of FAS 151 did not have any significant effect on our financial statements.

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 was developed to respond to concerns that past accounting standards needed to be revisited to improve the transparency and usefulness of the information reported about them. Under past accounting standards, the funded status of an employer’s post-retirement benefit plan (i.e., the difference between the plan assets and obligations) was not always completely reported in the balance sheet. Employers reported an asset or liability that almost always differed from the plan’s funded status because previous accounting standards allowed employers to delay recognition of certain changes in plan assets and obligations that affected the costs of providing such benefits. Past standards only required an employer to disclose the complete funded status of its plans in the notes to the financial statements.

FAS 158 requires recognition of the funded status of a benefit plan on the balance sheet – measured as the difference between plan assets at fair value (with limited exceptions) and the benefit obligation, as at the fiscal year-end. For a pension plan, the benefit obligation is the projected benefit obligation; for any other post-retirement benefit plan, such as a retiree health care plan, the benefit obligation is the accumulated post-retirement benefit obligation. 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. Amounts recorded in accumulated other comprehensive income are adjusted as they are subsequently recorded as components of net periodic 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, as required, except for the requirement to measure the plan assets and benefit obligations at the fiscal year-end, which is effective in fiscal years ending after December 15, 2008. The adoption of FAS 158 did not significantly impact our financial statements, and is disclosed in note 26.

SEC Staff Accounting Bulletin No. 108 – Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements (SAB 108)

In September 2006, the SEC issued SAB 108. SAB 108 addresses the multiple methods used to quantify financial statement misstatements and evaluate the accumulation of misstatements on the balance sheet. SAB 108 requires registrants to evaluate prior period misstatements using both a balance sheet approach ("the iron curtain method") and an income statement approach ("the rollover method"). SAB 108 is effective for interim and annual periods ending after November 15, 2006. SAB 108 allows a one-time transitional cumulative effect adjustment to retained earnings as of January 1, 2006 for errors that were previously deemed not material, but would be material under the requirements of SAB 108. Barrick has historically used the rollover method in quantifying potential financial statement misstatements. As required by SAB 108, we re-evaluated prior period immaterial errors using the iron curtain method. Based upon the result of our evaluation, we did not identify any material errors or misstatements that were previously deemed not material under the rollover approach. Going forward, we will be applying both methods in quantifying potential financial statement errors and misstatements, as required by SAB 108.

f) Accounting Developments
FASB Interpretation No. 48 – Accounting for Uncertainty in Tax Positions (FIN 48)

In June 2006, the FASB issued FIN 48 – Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109. The interpretation has been developed because of diversity in practice for accounting for uncertain tax positions. Some entities record tax benefits for uncertain tax positions as they are filed on the income tax return, while others use either gain contingency accounting or a probability threshold.

Under FIN 48, an entity should presume that a taxing authority will examine all tax positions with full knowledge of all relevant information. Therefore, when evaluating a tax position for recognition and measurement, consideration of the risk of examination is not appropriate. In applying the provisions of FIN 48, there are distinct recognition and measurement evaluations. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, based solely on the technical merits, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the appropriate amount of the benefit to recognize. The amount of benefit to recognize will be measured as the maximum amount which is more likely than not to be realized. The tax position should be de-recognized in the first period when it is no longer more likely than not of being sustained. On subsequent recognition and measurement, the maximum amount which is more likely than not to be recognized at each reporting date will represent management's best estimate given the information available at the reporting date, even though the outcome of the tax position is not absolute or final. Subsequent recognition, de-recognition, and measurement should be based on new information. A liability for interest or penalties or both will be recognized as deemed to be incurred based on the provisions of the tax law, that is, the period for which the taxing authority will begin assessing the interest or penalties or both. The amount of interest expense recognized will be based on the difference between the amount recognized in accordance with this interpretation and the benefit recognized in the tax return.

Under FIN 48, an entity must disclose its policy on the classification of interest and penalties and also disclose a reconciliation of the total amounts of unrecognized tax benefits at the beginning and the end of each period. On transition, the change in net assets due to applying the provisions of the interpretation will be considered a change in accounting principle with the cumulative effect of the change treated as an offsetting adjustment to the opening balance of retained earnings in the period of transition. The interpretation is effective beginning January 1, 2007. We are presently evaluating the impact of this interpretation on our financial statements.

FAS 157, Fair Value Measurements

In September 2006, the FASB issued FAS 157 that provides enhanced guidance for using fair value to measure assets and liabilities. FAS 157 is meant to ensure that the measurement of fair value is more comparable and consistent, and improve disclosure about fair value measures. As a result of FAS 157 there is now a common definition of fair value to be used throughout US GAAP. FAS 157 applies whenever US GAAP requires (or permits) measurement of assets or liabilities at fair value. FAS 157 does not address when the use of fair value measurements is required.

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." This definition of fair value retains the exchange-price notion contained (either explicitly or implicitly) in many earlier US GAAP definitions of fair value. However, FAS 157 clarifies that the basis for a fair value measure is the price at which a company would sell or otherwise dispose of its assets or pay to settle a liability (i.e., an exit price), not the market price at which a company acquires its assets or assumes a liability (i.e., not an entry price). The exit price concept is based on current expectations about the future inflows associated with the asset and the future outflows associated with the liability from the perspective of market participants. Under FAS 157, a fair value measure should reflect all of the assumptions that market participants would use in pricing the asset or liability including, for example, an adjustment for risk inherent in a particular valuation technique used to measure fair value.

In measuring fair value for a financial statement item, FAS 157 gives the highest priority to quoted prices in active markets. However, FAS 157 also permits the use of unobservable inputs for situations in which there is little, if any, market activity for the asset or liability being measured. Whether there is significant market activity or not, the objective is a market-based measure, rather than an entity-specific measure. FAS 157 also provides guidance on the effect of changes in credit risk on a fair value measure; investment blocks; and restricted securities.

FAS 157 expands disclosure about the use of fair value to measure assets and liabilities. FAS 157 requires disclosures intended to provide information about (1) the extent to which companies measure assets and liabilities at fair value, (2) the methods and assumptions used to measure fair value, and (3) the effect of fair value measures on earnings. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Early adoption is permitted. We are currently assessing the impact of FAS 157 on our financial statements.

FSP AUG AIR-1 – Accounting for Planned Major Maintenance Activities (FSP Air-1)

In September 2006, the FASB issued FSP AIR-1 which amends guidance from the AICPA Industry Audit Guide, Audits of Airlines ("Airline Guide") with respect to planned major maintenance activities and makes this guidance applicable to entities in all industries. Of the three methods of accounting for planned major maintenance allowed by FSP AIR-1, we plan to use the built-in overhaul method. The built-in overhaul method is based on segregation of plant and equipment costs into those that should be depreciated over the useful life of the asset and those that require overhaul at periodic intervals. Thus, the estimated cost of the overhaul component included in the purchase price of an asset is set up separately from the cost of the asset and is amortized to the date of the initial overhaul. The cost of the initial overhaul is then capitalized and amortized to the next overhaul, at which time the process is repeated.

FSP AIR-1 is effective for the first fiscal year beginning after December 15, 2006. The provisions are applied retrospectively for all financial statements presented unless it is impractical to do so. We intend to apply the provisions of FSP AIR-1 beginning January 1, 2007. We are in the process of determining the effect that adoption of this FSP will have on prior periods.

g) Other Significant Accounting Policies

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Other assets	17	105
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Asset retirement obligations	20	115
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3 § Acquisitions and Divestitures

a) Acquisition of Placer Dome Inc. (“Placer Dome”)

Placer Dome Offer and Acceptance

In first quarter 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 are 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 most significant projects are Cortez Hills and Donlin Creek in the United States, and Pueblo Viejo in the Dominican Republic. The business combination between ourselves and Placer Dome was an opportunity to create a Canadian-based leader in the global gold mining industry, which strengthens our competitive position, including in respect of gold reserves, gold production, growth opportunities, and balance sheet strength.

Accounting for the Placer Dome Acquisition

The Placer Dome acquisition has been accounted for as a purchase business combination, with Barrick as the accounting acquirer. We acquired Placer Dome on January 20, 2006, with the results of operations of Placer Dome consolidated from January 20, 2006 onwards. 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.

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.

In accordance with the purchase method of accounting, the purchase cost was allocated to the underlying assets acquired and liabilities assumed based primarily upon their estimated fair values at the date of acquisition. The estimated fair values were based on a combination of independent appraisals and internal estimates. We concluded that the excess of purchase cost over the net identifiable tangible and intangible assets acquired represents goodwill. Goodwill arising on the acquisition of Placer Dome principally represents the ability for the company to continue as a going concern by finding new mineral reserves as well as the value of synergies that we expect to realize as a direct consequence of the acquisition of Placer Dome.

The principal valuation methods for major classes of assets and liabilities were:

Inventory	Finished goods and work in process valued at estimated selling prices less disposal costs, costs to complete and a reasonable profit allowance for the completing and selling effort.
Building and equipment	Reproduction and/or replacement cost or market value for current function and service potential, adjusted for physical, functional and economic obsolescence.
Proven and probable reserves and value beyond proven and probable reserves at producing mines	Multi-period excess earnings approach considering the prospective level of cash nd flows and fair value of other assets at each mine.
Development projects	Discounted future cash flows considering the prospective level of cash flows from future operations and necessary capital cost expenditures.
Exploration properties	Appraised values considering costs incurred, earn-in agreements and comparable market transactions, where applicable.
Intangible assets	Value based on potential cost savings, price differential, discounted future cash flows, or comparable market transactions, as applicable.
Long-term debt and derivative instruments	Estimated fair values consistent with the methods disclosed in note 19d.
Asset retirement obligations	Estimated fair values consistent with the methods disclosed in note 20.

Summary Purchase Price Allocation

Cash	$ 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 (note 15)	85
Assets of discontinued operations [1]	1,744
Other assets	347
Goodwill	6,506
Total assets	15,346
Current liabilities	669
Liabilities of discontinued operations [1]	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. Includes operations that were sold to Goldcorp.

Severance Costs

Amounts recorded at acquisition	$ 48
Settlements in 2006	45
Amounts outstanding at December 31, 2006	$ 3

At acquisition we recorded liabilities totaling $48 million that primarily relate to employee severance at Placer Dome offices that were closed during the year. We expect to pay all the outstanding amounts by second quarter 2007.

Pro Forma Information (Unaudited)

Pro Forma Consolidated Statement of Income

For the year ended December 31, 2005 ($ millions of US dollars, except per share data in dollars)	As reported		Pro forma purchase adjustments[1]	Pro forma consolidated Barrick before sale of certain operations to Goldcorp and Gold Fields	Pro forma adjustments for sale of certain operations to Goldcorp and Gold Fields[2]	Pro forma consolidated Barrick
	Barrick	Placer Dome				
Sales	$ 2,350	$ 1,978		$ 4,328	(352) (f)	$ 3,976
Costs and expenses						
Cost of sales[3]	1,214	1,271		2,485	(265) (f)	2,220
Amortization	427	264	131 (a)	822	(50) (f)	772
Corporate administration	71	68		139		139
Exploration	109	91		200	(28) (f)	172
Project development expense	32	81		113		113
Other operating expenses	59	6		65		65
Impairment of long-lived assets	–	–		–		–
	1,912	1,781	131	3,824	(343)	3,481
Interest income	38	39	5 (b)	82		82
Interest expense	(7)	(92)	1 (c)	(98)		(98)
Other income	49	44		93	(2) (f)	91
Other expense	(56)	(79)	21 (d)	(114)		(114)
	24	(88)	27	(37)	(2)	(39)
Income from continuing operations before income taxes and other items	462	109	(104)	467	(11)	456
Income tax (expense) recovery	(60)	(21)	(8) (e)	(89)	4 (g)	(85)
Non-controlling interests	(1)	2		1		1
Equity in investees	(6)	4		(2)	(4) (f)	(6)
Income before cumulative effect of changes in accounting principles	395	94	(112)	377	(11)	366
Cumulative effect of changes in accounting principles	6	(14)		(8)		(8)
Net income for the year	$ 401	$ 80	$ (112)	$ 369	$ (11)	$ 358
Earnings per share data:						
Net income						
Basic and diluted	$ 0.75	$ 0.18				$ 0.42

1. Adjustments to reflect certain estimated effects of purchase accounting.
2. Adjustments to reflect the estimated effects of the sale of certain Placer Dome operations to Goldcorp and Gold Fields.
3. Exclusive of amortization.

Basis of Presentation

This unaudited pro forma consolidated financial statement information has been prepared by us for illustrative purposes only to show the effect of the acquisition of Placer Dome by Barrick. The unaudited pro forma consolidated statement information assumes that Barrick acquired Placer Dome effective January 1, 2005. In conjunction with the offer to acquire Placer Dome, Barrick entered into an agreement with Goldcorp Inc. ("Goldcorp") for the sale of certain operations and projects of Placer Dome. This unaudited pro forma consolidated financial statement information assumes that sale of these operations to Goldcorp occurred on January 1, 2005. Pro forma adjustments for the assumed effect of the sale of these operations to Goldcorp on the results of operations of Barrick have been reflected in this unaudited pro forma consolidated financial statement information. Pro forma adjustments also reflect the sale of the South Deep mine in South Africa to Gold Fields Limited ("Gold Fields"), had the sale occurred on January 1, 2005 (note 3b).

The unaudited pro forma consolidated financial statement information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Any potential synergies that may be realized and integration costs that may be incurred have been excluded from the unaudited pro forma financial statement information, including Placer Dome transaction costs and amounts payable under change of control agreements to certain members of management that are estimated at a combined total of $93 million. The information prepared is only a summary.

Pro Forma Assumptions and Adjustments

Certain adjustments have been reflected in this unaudited pro forma consolidated statement of income to illustrate the effects of purchase accounting and to reflect the impact of the sale of certain Placer Dome operations to Goldcorp, where the impact could be reasonably estimated. The principal purchase accounting adjustments relate to amortization, income taxes and interest expense, that have been adjusted to the accounting base recognized for each in the business combination.

Pro Forma Adjustments

The unaudited pro forma consolidated statement of income reflects the following adjustments as if the acquisition of 100% of Placer Dome and subsequent sale of certain operations to Goldcorp and Gold Fields had occurred on January 1, 2005:

(a) An increase in amortization expense by $131 million to reflect the value assigned to property, plant and equipment and intangible assets in the purchase price allocation.

(b) An increase in interest income by $5 million for the year ended December 31, 2005 to reflect interest income earned on cash proceeds generated by the assumed exercise of Placer Dome stock options.

(c) An increase in interest expense by $48 million for the year ended December 31, 2005 to reflect the interest costs (net of amounts that would have been capitalized to Barrick development projects) relating to the cash component of the Offer that was financed through temporary credit facilities. A decrease in interest expense by $49 million for the year ended December 31, 2005 to reflect the assumed avoidance of interest on the temporary financing for the cash component of the Offer assuming the repayment of such financing from the receipt of cash proceeds from the sale of certain Placer Dome operations to Goldcorp.

(d) A decrease in other expense by $21 million to de-recognize non-recurring transaction costs recorded by Placer Dome relating to the Barrick offer.

(e) A debit to tax expense of $8 million for the year ended December 31, 2005 to reflect the tax effect of the pro forma purchase adjustments in (a) through (d).

(f) Adjustments to de-recognize the revenues and expenses for the year ended December 31, 2005 relating to the Placer Dome operations that were sold to Goldcorp and Gold Fields.

(g) Adjustments to de-recognize income tax expense for the operations that were sold to Goldcorp and Gold Fields for the year ended December 31, 2005 and to record the tax effect of other pro forma adjustments relating to the sale of certain Placer Dome operations to Goldcorp and Gold Fields.

Pro Forma Earnings Per Share

For the year ended December 31, 2005 (millions of shares or US dollars, except per share data in dollars)	
Actual weighted average number of Barrick common shares outstanding	536
Assumed number of Barrick common shares issued to Placer Dome shareholders	323
Pro forma weighted average number of Barrick common shares outstanding	859
Pro forma net income	$ 358
Pro forma earnings per share — basic	$ 0.42
Pro forma weighted average number of Barrick common shares outstanding	859
Dilutive effect of stock options	2
Pro forma weighted average number of Barrick common shares outstanding — diluted	861
Pro forma earnings per share — diluted	$ 0.42

b) Discontinued Operations

Results of Discontinued Operations

For the years ended December 31	2006	2005
Gold sales		
South Deep operations	$ 158	$ —
Operations sold to Goldcorp	83	—
	$ 241	$ —
Income (loss) before tax		
South Deep[1]	8	—
Gain on sale of South Deep	288	
Operations sold to Goldcorp	1	—
	$ 297	$ —

1. Amounts are disclosed net of non-controlling interests of $24 million.

South Deep

On December 1, 2006, we sold our 50% interest in the South Deep mine in South Africa to Gold Fields. Gold Fields is responsible for all liabilities relating solely to the assets of the mine, including employment commitments and environmental, closure and reclamation liabilities. 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, representing the consideration received less transaction costs and the carrying amount of net assets of South Deep, including goodwill relating to South Deep of $651 million.

The results of the operations of South Deep in 2006 are presented under “discontinued operations” in the income statement and cash flow statement. As required by accounting rules applicable to discontinued operations, amortization of property, plant and equipment at South Deep ceased on September 1, 2006, the date when they were classified as held for sale, and we allocated interest expense of $2 million to these discontinued operations.

In second quarter 2006, a loaded skip and 6.7 kilometers of rope fell 1.6 kilometers down the South Deep mine’s Twin Shaft complex during routine maintenance, causing extensive damage but no injuries. Repair costs for assets that were damaged were expensed as incurred. We were insured for property damage and a portion of business interruption losses. Insurance recoveries of $12 million (based on our 50% interest in South Deep) were recorded within income from discontinued operations for the period to December 1, 2006.

Operations Sold to Goldcorp

In second quarter 2006, we sold all of Placer Dome’s Canadian properties and operations (other than Placer Dome’s office in Vancouver), including all mining, reclamation and exploration properties, Placer Dome’s interest in the La Coipa mine in Chile, 40% of Placer Dome’s interest in the Pueblo Viejo project in the Dominican Republic, certain related assets and, our share in Agua de la Falda S.A., which included our interest in the Jeronimo project, to Goldcorp Inc. (“Goldcorp”) (collectively, the ‘‘Operations sold to Goldcorp’’). Goldcorp is responsible for all liabilities relating solely to these properties and operations, including employment commitments and environmental, closure and reclamation liabilities.

The sales proceeds for the operations sold to Goldcorp were $1,641 million. The aggregate net amount of assets and liabilities of these operations were recorded in the purchase price allocation at $1,641 million based on the terms of a 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.

c) Acquisition of Pioneer Metals Inc. (“Pioneer”)

In 2006, we acquired control of Pioneer through the acquisition of 59.2 million shares, representing approximately 91% of the outstanding shares of Pioneer. Total cash consideration paid was $53 million. Pioneer has a portfolio of exploration properties and interests, including the Grace property which is adjacent to NovaGold Resources Inc.’s Galore Creek project. This transaction represents a purchase of assets, and we allocated the purchase price to the assets acquired.

d) Sale of Paddington Operations

In November 2006, we signed a sale agreement for the Paddington operations in Australia, under which we will receive cash proceeds of $39 million. The Paddington operations, which form part of the Kanowna mine acquired in the acquisition of Placer Dome, consist of the Paddington mill and certain land tenements in the area near the mill. We expect the transaction to close in first quarter 2007.

4 § Segment Information

In 2004, we adopted a regional business unit approach to the management of our mining operations. Our operations were organized geographically in the following regions: North America, South America, Australia/Africa, and Russia/Central Asia. Notwithstanding this management structure we reported information on a mine by mine basis to the Chief Operating Decision Maker, and therefore concluded that our operating segments represented individual mines and development projects. In 2006, upon completion of the Placer Dome acquisition and integration of the acquired Placer Dome mining operations, we created a separate Africa business unit distinct from Australia and added the Porgera mine in Papua New Guinea to the Australia business unit, at the same time renaming it Australia Pacific. We revised the format of information provided to the Chief Operating Decision Maker to be consistent with our regional business unit structure, distinguishing between gold and copper mining operations. In first quarter 2006, we revised our operating segment disclosure to be consistent with the internal management structure and reporting format changes, with restatement of comparative information to conform to the current period presentation. In fourth quarter 2006 on closing of a transaction to vend-in our Russian gold assets to Highland Gold (see note 11), we concluded that we no longer had a Russia/Central Asia operating segment and segment disclosures have been revised to exclude Russia/Central Asia.

Income Statement Information

	Sales			Segment expenses			Segment income (loss)[1]		
For the years ended December 31	**2006**	2005	2004	**2006**	2005	2004	**2006**	2005	2004
Gold									
North America	**$ 1,806**	$ 1,249	$ 1,140	**$ 1,051**	$ 695	$ 651	**$ 513**	$ 341	$ 250
South America	**1,110**	521	251	**307**	147	58	**676**	273	86
Australia Pacific	**1,160**	401	406	**757**	264	238	**228**	126	123
Africa	**409**	179	135	**228**	108	100	**98**	(13)	1
Copper									
South America	**967**	—	—	**283**	—	—	**635**	—	—
Australia Pacific	**184**	—	—	**110**	—	—	**57**	—	—
	$ 5,636	$ 2,350	$ 1,932	**$ 2,736**	$ 1,214	$ 1,047	**$ 2,207**	$ 727	$ 460

1. Segment income (loss) represents segment sales, less segment expense and segment amortization.

	Exploration[1]			Regional business unit costs[1]		
For the years ended December 31	**2006**	2005	2004	**2006**	2005	2004
North America	**$ 64**	$ 34	$ 30	**$ 30**	$ 14	$ 16
South America	**22**	19	20	**19**	6	1
Australia Pacific	**44**	13	17	**38**	16	7
Africa	**22**	34	23	**1**	—	—
Other expense outside reportable segments	**19**		96	**—**	—	—
	$ 171	$ 109	$ 96	**$ 88**	$ 36	$ 24

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.

Geographic Information

For the years ended December 31	Long-lived assets[2] 2006	2005	Sales[1] 2006	2005	2004
North America					
United States	**$ 2,518**	$ 1,431	**$ 1,638**	$ 1,073	$ 934
Canada	**921**	313	**168**	176	206
Dominican Republic	**78**	—	**—**	—	—
South America					
Peru	**492**	540	**852**	521	251
Chile	**1,599**	269	**967**	—	—
Argentina	**1,014**	843	**258**	—	—
Australia Pacific					
Australia	**2,142**	815	**1,147**	401	406
Papua New Guinea	**438**	—	**197**	—	—
Africa					
Tanzania	**993**	669	**409**	179	135
Other	**452**	234	**—**	—	—
	$ 10,647	$ 5,114	**$ 5,636**	$ 2,350	$ 1,932

1. Presented based on the location in which the sale originated.
2. Long-lived assets include property, plant and equipment, and other tangible non-current assets.

Reconciliation of Segment Income

For the years ended December 31	2006	2005	2004
Segment income	**$ 2,207**	$ 727	$ 460
Amortization of corporate assets	**(42)**	(18)	(27)
Exploration	**(171)**	(109)	(96)
Project development expense	**(119)**	(32)	(45)
Corporate administration	**(142)**	(71)	(71)
Other operating expenses	**(124)**	(59)	(47)
Impairment of long-lived assets	**(17)**	—	(139)
Other income (expense)	**(32)**	24	8
Income from continuing operations before income taxes and other items	**$ 1,560**	$ 462	$ 43

Asset Information

For the years ended December 31	Segment long-lived assets 2006	2005	Amortization 2006	2005	2004	Segment capital expenditures 2006	2005	2004
Gold								
North America	**$ 3,517**	$ 1,744	**$ 242**	$ 213	$ 239	**$ 260**	$ 218	$ 104
South America	**1,829**	1,652	**127**	101	107	**343**	525	509
Australia Pacific	**2,142**	815	**175**	46	45	**340**	308	110
Africa	**993**	669	**83**	49	34	**93**	45	94
Copper								
South America	**1,276**	—	**49**	**—**	—	**18**	—	—
Australia Pacific	**438**	—	**17**	**—**	—	**21**	—	—
Segment total	**10,195**	4,880	**693**	409	425	**1,075**	1,096	817
Cash and equivalents	**3,043**	1,037	**—**	—	—	**—**	—	—
Accounts receivable, inventories, other current assets	**1,753**	711	**—**	—	—	**—**	—	—
Intangible assets	**75**	—	**—**	**—**	**—**	—	—	—
Goodwill	**5,855**	—	**—**	**—**	**—**	—	—	—
Other items not allocated to segments	**452**	234	**42**	18	27	**12**	8	7
Enterprise total	**$ 21,373**	$ 6,862	**$ 735**	$ 427	$ 452	**$ 1,087**	$ 1,104	$ 824

5 § Revenue and Gold Sales Contracts

For the years ended December 31	2006	2005	2004
Gold bullion sales[1]			
Spot market sales	**$ 3,949**	$ 1,940	$ 1,111
Gold sales contracts	**369**	300	709
	4,318	2,240	1,820
Concentrate sales	**167**	110	112
	$ 4,485	$ 2,350	$ 1,932
Copper sales[1]			
Copper cathode sales	**$ 951**	$ —	$ —
Concentrate sales	**200**	—	—
	$ 1,151	$ —	$ —

1. Revenues include amounts transferred from OCI to earnings for commodity cash flow hedges (see note 19c and 24).

Products

All of our gold mining operations produce gold in doré form, except Eskay Creek, which produces gold concentrate and gold ore; 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.

Accounting Policy

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 is presented net of direct sales taxes of $16 million (2005: $nil; 2004: $nil).

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, 2006, we had fixed-price gold sales contracts with various customers for a total of 10.8 million ounces of future gold production and floating spot price gold sales contracts for a total of 1.2 million ounces. We had allocated 9.5 million ounces of the fixed-price gold sales contracts to our development projects (“Project Gold Sales Contracts”). In addition to the gold sales contracts allocated to the development projects, we had 1.3 million ounces of Corporate gold sales contracts that we intend to settle through delivery of future gold production from our operating mines.

In 2007, in the period through February 21, 2007, we delivered a total of 0.9 million ounces of our 2007 gold production into fixed-price Corporate Gold Sales Contracts at an average price of $340 per ounce. In 2007, we also converted 0.4 million ounces of fixed-price Corporate Gold Sales Contracts into floating spot price contracts, for a total of 1.6 million ounces of floating spot price contracts, whereby the price realized will represent spot less an average fixed reduction of about $240 per ounce.

The terms of gold sales contracts are governed by master trading agreements (MTAs) that we have in place with customers. 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 contractually agreed price adjustment mechanisms based on the market gold price. The MTAs have both fixed and floating price mechanisms. The fixed-price mechanism represents the market price at the start date (or previous interim date) of the contract plus a premium based on the difference between the forward price of gold and the current market price. If at an interim date we opt for a floating price, the floating price represents the spot market price at the time of delivery of

gold adjusted based on the difference between the previously fixed price and the market gold price at that interim date. The final realized selling price under a contract primarily depends upon the timing of the actual future delivery date, the market price of gold at the start of the contract and the actual amount of the premium of the forward price of gold over the spot price of gold for the periods that fixed selling prices are set.

Mark-to-Market Value

$ millions	Total ounces in millions	At Dec. 31 2006 value[1]
Project Gold Sales Contracts	9.5	$ (3,187)
Corporate Gold Sales Contracts	1.3	(387)
Floating Spot Price Gold Sales Contracts	1.2	(260)
	12.0	$ (3,834)

1. At a spot gold price of $632 per ounce.

The difference between the forward price of gold and the current market price, referred to as contango, can be expressed as a percentage that is closely correlated to the difference between US dollar interest rates and gold lease rates. Historically short-term gold lease rates have generally been lower than longer-term rates. We use gold lease rate swaps to achieve a more economically optimal term structure for gold lease rates implicit in contango. Under the swaps we receive a fixed gold lease rate, and pay a floating gold lease rate, on a notional 0.5 million ounces of gold spread from 2007 to 2013. The swaps are associated with fixed-price gold sales contracts with expected delivery dates beyond 2007. Lease rate swaps are classified as non-hedge derivatives (note 19c) and had a positive fair value of $64 million at December 31, 2006 (2005: $66 million).

Floating spot price sales contracts were previously fixed-price forward sales contracts for which, in accordance with the terms of our MTAs, we have elected to receive floating spot gold and silver prices, adjusted based on the difference between the spot price and the contract price at the time of such election. Floating prices were elected for these contracts so that we could economically regain spot gold price leverage under the terms of delivery into these contracts. Furthermore, floating price mechanisms were elected for these contracts at a time when the then current market price was higher than the fixed price in the contract. The mark-to-market value of these contracts (at December 31, 2006) was negative $260 million, which equates to an average reduction to the future spot sales price of approximately $221 per ounce, when we deliver gold at spot prices against these contracts.

At December 31, 2006, one counterparty made up 12% of the total ounces committed under gold sales contracts.

Concentrate Sales

Under the terms of concentrate sales contracts with independent smelting companies, gold and copper sales prices are 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 a component of revenue. The notional amount typically outstanding in accounts receivable is between ten and fifteen thousand ounces of gold and 4 and 7 million pounds of copper.

Copper Cathode Sales

Under the terms of copper cathode sales contracts, copper prices are 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 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 a component of revenue. The notional amount typically outstanding in accounts receivable is between 20 and 30 million pounds of copper.

6 § Cost of Sales

For the years ended December 31	Gold 2006	Gold 2005	Gold 2004	Copper 2006	Copper 2005	Copper 2004
Cost of goods sold[1]	**$ 2,289**	$ 1,265	$ 1,128	**$ 390**	$ —	$ —
By-product revenues[2]	**(123)**	(132)	(146)	**(1)**	—	—
Royalty expense	**150**	63	53	**4**	—	—
Mining production taxes	**27**	18	12	**—**	—	—
	$ 2,343	$ 1,214	$ 1,047	**$ 393**	$ —	$ —

1. Cost of goods sold includes accretion expense at producing mines of $31 million (2005: $11 million; 2004: $11 million). Cost of goods sold includes charges to reduce the cost of inventory to net realizable value as follows: $28 million in 2006; $12 million in 2005 and $9 million in 2004. 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 $693 million in 2006; $409 million in 2005 and $425 million in 2004. In 2004, cost of goods sold includes the reversal of $15 million of accrued costs on resolution of the Peruvian tax assessment (see note 8).
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. At December 31, 2006, we had fixed-price commitments to deliver 13.1 million ounces of silver at an average price of $6.45 per ounce and floating spot price silver sales contracts for 7.0 million ounces over periods primarily of up to 10 years. The mark-to-market on silver sales contracts at December 31, 2006 was negative $100 million (2005: negative $52 million).

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. Most Goldstrike production is subject to an NSR or net profits interest (NPI) royalty. The highest Goldstrike royalties are a 5% NSR and a 6% NPI royalty. Bulyanhulu is subject to an NSR-type royalty of 3%. Pascua-Lama gold production from the areas located in Chile is subject to a gross proceeds sliding scale royalty, ranging from 1.5% to 9.8%, and a 2% NSR on copper production. For areas located in Argentina, Pascua-Lama is subject to a 3% NSR on extraction of all gold, silver and other minerals. Production at Veladero is subject to a 3.75% NSR on extraction of all gold, silver and other minerals. Production at Lagunas Norte is subject to a 2.51% NSR on extraction of all gold and other minerals. Through the acquisition of Placer Dome we assumed various royalty obligations at the Placer Dome mines. All production at Cortez is subject to a 1.5% gross smelter return ("GSR") royalty, with a further GSR royalty over the Pipeline/South Pipeline deposit (graduating from 0.4% to 5.0% based on the price of gold) and a net value royalty of 5% over a portion of the Pipeline/South Pipeline deposit. Production at the Pueblo Viejo project is subject to a 3.2% NSR from the sale of minerals less costs incurred on mining extraction or removal of minerals from the leased properties. Production at Donlin Creek project is subject to a 1.5% net smelter royalty for the first five years, and a 4.5% net smelter royalty thereafter. Production at the North Mara mine is subject to an NSR-type royalty of 3% on extraction of all minerals, and an additional 1.1% land tenement royalty for production out of the Gokona pit that is payable to the Tanzanian Revenue Authority. Production at the Porgera mine is subject to a 2% net smelter royalty payable to the National Government Department of Mining, which then distributes it to the Enga Provincial government, the Porgera District Authority, and local landowners. Production in Queensland and Western Australia is subject to a royalty ranging from 2.5% to 2.7% of gold revenues.

Royalty expense is recorded at the time of sale of gold production, measured using the applicable royalty percentage for NSR royalties or estimates of NPI amounts.

7 § Other (Income) Expense

a) Other Operating Expenses

For the years ended December 31	2006	2005	2004
Regional business unit costs[1]	**$ 88**	$ 36	$ 24
Community development costs[2]	**15**	—	—
Environmental remediation costs	**8**	13	14
World Gold Council fees	**13**	10	9
	$ 124	$ 59	$ 47

1. Relates to costs incurred at regional business unit offices.
2. In 2006, we paid amounts relating to new community programs in Peru and Tanzania.

Environmental Remediation 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 of Long-lived Assets

For the years ended December 31	**2006**	2005	2004
Eskay Creek[1]	**$ —**	$ —	$ 58
Peruvian exploration properties[2,3]	**17**	—	67
Other	**—**	—	14
	$ 17	$ —	$ 139

1. The asset group that comprises the Eskay Creek mine was tested for impairment effective December 31, 2004. The principal factors that caused us to test this asset group for impairment included: downward revisions to proven and probable reserves; the impact of the continued strengthening of the C$ against the US$ and upward revisions to expected asset retirement costs in the fourth quarter of 2004. An impairment charge of $58 million was recorded, which represents the amount by which the carrying amount of the asset group exceeds its estimated fair value. Fair value was estimated using the method described in note 14c.
2. 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.
3. At the end of 2004, upon completion of the exploration program for the year, we assessed the results and updated our future plans for various exploration properties in Peru that were originally acquired through the Arequipa acquisition in 1996. We concluded that the results and future potential did not merit any further investment for these properties. The assets were tested for impairment, and an impairment charge of $67 million was recorded that reflects the amounts by which their carrying amounts exceed their estimated fair values. The fair value of this group of assets was judged to be minimal due to the unfavorable results of exploration work on the properties.

c) Other Income

For the years ended December 31	**2006**	2005	2004
Non-hedge derivative gains (note 19d)	**$ —**	$ 6	$ 5
Gains on sale of assets[1]	**9**	5	36
Gains on sale of investments (note 11)	**6**	17	6
Gain on Kabanga transaction	**—**	15	—
Gain on vend-in to Highland Gold (note 11)	**51**	—	—
Royalty income	**10**	6	2
Sale of water rights	**5**	—	—
Other	**8**	—	—
	$ 89	$ 49	$ 49

1. In 2006, we sold certain properties in Canada and Chile. In 2005, we sold some land positions in Australia. In 2004 we sold various mining properties, including the Holt-McDermott mine in Canada and certain land positions around our inactive mine sites in the United States.

Kabanga Transaction

In April 2005, we entered into a joint venture agreement with Falconbridge Limited (“Falconbridge”) with respect to the Kabanga nickel deposit and related concession in Tanzania. In 2006, Xstrata Plc (“Xstrata”) acquired Falconbridge. Xstrata is the operator of the joint venture and the project is currently in the pre-feasibility study stage. Kabanga, which is one of the largest undeveloped nickel sulphide deposits in the world, is located in northwest Tanzania. The property is approximately 385 kilometers from Bulyanhulu and approximately 200 kilometers west of Tulawaka and is accessible by a paved/gravel road. In 2006, ongoing diamond drilling, exploration and other project development engineering activities being managed by Xstrata have been performed as part of a work plan to prepare an updated resource model and scoping study. Xstrata has recently completed the $50 million work plan that was contemplated in the joint venture agreement. In 2007, Xstrata plans to prepare a pre-feasibility study. In accordance with the joint venture agreement, Xstrata has committed to spend an additional $95 million, which will be used to fund the pre-feasibility study with funds remaining for other subsequent activities. After the $95 million spent by Xstrata, funding will be shared equally by Barrick and Xstrata.

d) Other Expense

For the years ended December 31	2006	2005	2004
Changes in AROs at closed mines	**$ 53**	$ 15	$ 22
Accretion expense at closed mines (note 20)	**8**	10	7
Impairment charges on investments (note 11)	**6**	16	5
Legal costs for major litigation	**—**	8	5
Placer Dome integration costs	**12**	—	—
Corporate transaction costs	**7**	—	—
Currency translation (gains) losses	**(2)**	(3)	1
Pension and other post-retirement benefit expense (notes 26b and 26e) [1]	**3**	8	2
Other items	**9**	2	5
	$ 96	$ 56	$ 47

1. For the year ended December 31, 2006, $4 million of pension credit that relates to active employees at producing mines is included in cost of sales (2005: $nil), and $2 million is included in corporate administration (2005: $nil).

8 § Income Tax Expense (Recovery)

For the years ended December 31	2006	2005	2004
Current			
Canada	**$ 13**	$ (3)	$ 19
International	**444**	93	24
	$ 457	$ 90	$ 43
Deferred			
Canada	**$ (117)**	$ (15)	$ (26)
International	**80**	22	7
	$ (37)	$ 7	$ (19)
Income tax expense before elements below [1]	**$ 420**	$ 97	$ 24
Outcome of tax uncertainties	**—**	—	(141)
Change in tax status in Australia	**(31)**	(5)	(81)
Tax rate changes	**12**	—	—
Release of beginning of year valuation allowances	**(53)**	(32)	(5)
Total expense (recovery)	**$ 348**	$ 60	$ (203)

1. All amounts are deferred tax items except for a $21 million portion of the $141 million recovery on resolution of the Peruvian tax assessment in 2004, which is a current tax item.

Outcome of Tax Uncertainties

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 of $32 million, excluding interest and penalties. The 2002 income tax assessment related to a tax audit of our Pierina mine for the 1999 and 2000 fiscal years. The assessment mainly related to the validity of a revaluation of the Pierina mining concession, which affects its tax basis. Under the valuation proposed by the Peruvian tax agency, SUNAT, the tax basis of the Pierina mining concession would have changed from what we previously assumed with a resulting increase in current and deferred income taxes. 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 ($15 million post-tax).

In January 2005, we received confirmation in writing that there would be no appeal of the September 30, 2004 Tax Court of Peru decision. The confirmation concluded the administrative and judicial appeals process with resolution in Barrick's favor. In 2004, we recorded a $141 million reduction in current and deferred income tax liabilities and a $21 million reduction in other accrued costs in 2004, $15 million of which was classified in cost of sales and $6 million of which was classified in other (income) expense. Notwithstanding the favorable Tax Court decision we received in 2004 on the 1999 to 2000 revaluation matter, on audit, SUNAT has reassessed us on the same issue for 2001 to 2003. We believe that the audit reassessment has no merit, that we will prevail, and accordingly no provision has been booked for this reassessment.

Changes in Tax Status in Australia

A tax law was enacted in Australia in 2002 that allows wholly-owned groups of companies resident in Australia to elect to be treated as a single entity and to file consolidated tax returns. This regime is elective and the election is irrevocable. Under certain circumstances, the rules governing the election allow for a choice to reset the tax cost basis of certain assets within a consolidated group. Our election, which was effective for our 2004 fiscal year, resulted in an estimated upward revaluation of the tax basis of our assets in Australia, by $110 million, with a corresponding $33 million adjustment to deferred taxes. In 2005, based on additional facts and refinements, the adjustment was increased by $5 million.

Also in 2004, we filed an election to use the US dollar as the functional currency for Australian tax calculations and tax returns, whereas previously the Australian dollar was used. Prior to this election, the favorable impact of changes in the tax basis of non-monetary assets caused by changes in the US$:A$ exchange rate were not recorded, as their realization was not certain. The election in 2004 created certainty about the realization of these favorable tax temporary differences and resulted in our recognition of these as deferred tax assets amounting to $48 million. The impact of the change in tax status was to increase the amount of deductible temporary differences relating to non-monetary assets by $48 million.

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 currency 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 increase to deferred tax assets.

Tax Rate Changes

In second quarter 2006, a new federal rate change was 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 $34 million that was 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 $22 million, to reflect the impact on the measurement of deferred income tax assets and liabilities.

Release of Beginning of Year Valuation Allowances

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.

In 2005, we released valuation allowances totaling $31 million in Argentina relating to the effect of the higher gold price environment and the anticipated commencement of sales in 2006. We released valuation allowances of $2 million in Canada reflecting utilization of capital losses. In 2004, we released valuation allowances totaling $5 million relating to the consolidated tax return election in Australia.

Reconciliation to Canadian Statutory Rate

For the years ended December 31	**2006**	2005	2004
At 36.12% (2005 and 2004: 38%) statutory rate	**$ 563**	$ 176	$ 16
Increase (decrease) due to:			
Allowances and special tax deductions[1]	**(55)**	(92)	(70)
Impact of foreign tax rates[2]	**(131)**	(54)	(4)
Expenses not tax-deductible	**20**	9	10
Release of beginning of year valuation allowances	**(53)**	(32)	(5)
Impact of changes in tax status in Australia	**(31)**	(5)	(81)
Tax rate changes	**12**	—	—
Valuation allowances set up against current year tax losses	**7**	59	65
Outcome of tax uncertainties	**—**	—	(141)
Mining taxes	**9**	1	5
Other items	**7**	(2)	2
Income tax expense (recovery)	**$ 348**	$ 60	$ (203)

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.

Income Tax Returns

Our income tax returns for the major jurisdictions where we operate have been fully examined through the following years: Canada — 2001, United States — 2002, Peru — 2003 and Chile — 2003.

9 § Earnings per share

For the years ended December 31 ($ millions, except shares in millions and per share amounts in dollars)	2006 Basic	2006 Diluted	2005 Basic	2005 Diluted	2004 Basic	2004 Diluted
Income from continuing operations	**$ 1,209**	**$ 1,209**	$ 395	$ 395	$ 248	$ 248
Plus: interest on convertible debentures	**—**	**4**	—	—	—	—
Income available to common shareholders and after assumed conversions	**1,209**	**1,213**	395	395	248	248
Income from discontinued operations	**297**	**297**	—	—	—	—
Income before cumulative effect of changes in accounting principles	**1,506**	**1,510**	395	395	248	248
Cumulative effect of change in accounting principles	**—**	**—**	6	6	—	—
Net income	**$ 1,506**	**$ 1,510**	$ 401	$ 401	$ 248	$ 248
Weighted average shares outstanding	**842**	**842**	536	536	533	533
Effect of dilutive securities						
Stock options	**—**	**4**	—	2	—	1
Convertible debentures	**—**	**9**	—	—	—	—
	842	**855**	536	538	533	534
Earnings per share						
Income from continuing operations	**$ 1.44**	**$ 1.42**	$ 0.74	$ 0.73	$ 0.47	$ 0.46
Income before cumulative effect of changes in accounting principles	**$ 1.79**	**$ 1.77**	$ 0.74	$ 0.73	$ 0.47	$ 0.46
Net income	**$ 1.79**	**$ 1.77**	$ 0.75	$ 0.75	$ 0.47	$ 0.46

Accounting Policy

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 reflects 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 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.

10 § Operating Cash Flow — Other Items

a) Reconciliation of Net Income from Continuing Operations to Cash Flow from Operating Activities

For the years ended December 31	**2006**	2005	2004
Adjustments for non-cash income statement items:			
Currency translation (gains) losses (note 7d)	**(2)**	(3)	1
Accretion expense (note 20)	**39**	21	18
Cumulative accounting changes (note 2e)	**—**	(6)	—
Amortization of discount/premium on debt securities (note 19b)	**(12)**	—	—
Amortization of debt issue costs (note 19b)	**12**	2	3
Stock option expense (note 25)	**27**	—	—
Non-hedge derivative copper options	**14**	—	—
Gains on sale of investments (note 7c)	**(6)**	(17)	(6)
Gain on Highland vend-in (note 7c)	**(51)**	—	—
Impairment charges on investments (note 11)	**4**	16	5
Gain on Kabanga transaction (note 7c)	**—**	(15)	—
Gain on sale of long-lived assets (note 7c)	**(9)**	(5)	(36)
Impairment of long-lived assets (note 7b)	**17**	—	139
Revisions to AROs at closed mines (note 7d)	**53**	15	22
Losses on write-down of inventory	**28**	15	9
Non-controlling interests	**(1)**	1	(2)
Cash flow arising from changes in:			
Accounts receivable	**(78)**	4	(2)
Goods and services taxes recoverable	**(20)**	(16)	(68)
Inventories	**(193)**	(151)	(51)
Accounts payable	**29**	74	2
Accrued interest (note 19b)	**28**	6	2
Income taxes payable	**161**	24	—
Derivative assets and liabilities	**97**	49	(12)
Other assets and liabilities	**17**	(56)	43
Settlement of AROs (note 20)	**(32)**	(30)	(33)
Other net operating activities	**$ 122**	$ (72)	$ 34
Operating cash flow includes payments for:			
Income taxes	**$ 280**	$ 80	$ 45
Pension plan contributions (note 26a)	**$ 36**	$ 20	$ 19
Interest (net of amounts capitalized)	**$ 211**	$ 112	$ 57

b) Non-Cash Investing and Financing Activities

Placer Dome Acquisition

We purchased all of the common shares of Placer Dome in 2006 for $10,054 million (see note 3a). 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 19b).

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 11).

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 3b).

11 § Investments

Available-for-Sale Securities

At December 31	**2006**		2005	
	Fair value	**Gains (losses) in OCI**	Fair value	Gains in OCI
Securities in an unrealized gain position				
Benefit plans:[1]				
Fixed-income securities	**$ 5**	**$ —**	$ 4	$ —
Equity securities	**16**	**2**	17	1
Other investments:				
NovaGold	**231**	**13**	—	—

Gold Fields	**314**	**6**	—	—
Celtic	**12**	**1**	12	—
Other equity securities	**65**	**32**	26	11
Restricted cash	**—**	**—**	3	—
	643	**54**	62	12
Securities in an unrealized loss position				
Other equity securities[2]	**3**	**(1)**	—	—
	$ 646	**$ 53**	$ 62	$ 12

1. 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.

2. Other equity securities in a loss position consist of investments in various junior mining companies.

Purchases of Available-for-Sale Securities for Cash

For the years ended December 31	2006	2005	2004
NovaGold	**$ 218**	**$ —**	**$ —**
Celtic	**—**	30	—
Other	**27**	1	7
	$ 245	$ 31	$ 7

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.

NovaGold Resources Inc. ("NovaGold")

In fourth quarter 2006, we acquired a 14.8% interest in NovaGold for cash consideration of $218 million as part of a tender offer.

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 (note 3b). At acquisition, we recorded a liquidity discount of $48 million to reflect a restriction on our ability to trade the shares for a period of 120 days from closing. As of December 31, 2006, the discount is approximately $39 million for the remaining 90 days of the restriction period.

Celtic Resources Holdings Inc. ("Celtic")

On January 5, 2005, we completed a subscription for 3,688,191 units of Celtic for a price of $7.562 per unit for a total cost of $30 million. Each unit consisted of one ordinary share of Celtic and one-half of one share purchase warrant. On June 1, 2005, the number of warrants held increased under the terms of the subscription agreement by 922,048 warrants to 2,766,143 warrants. Each whole warrant entitles us to acquire one ordinary share of Celtic for $7.562, expiring on December 31, 2007. We allocated $25 million to the ordinary shares and $5 million to the share purchase warrants based on their relative fair values at acquisition. At December 31, 2006, we held a 9% (2005: 9%) combined direct and indirect interest in Celtic's outstanding common shares. The investment in common shares is classified as an available-for-sale security. We concluded that the share purchase warrants are derivative instruments as defined by FAS 133. The warrants, which are classified as non-hedge derivatives, are recorded at their estimated fair value in the balance sheet with changes in fair value recorded in non-hedge derivative gains/losses. The fair value of the share purchase warrants was $0.5 million at December 31, 2006 (2005: $0.5 million). At the time of the initial subscription, Celtic granted us the right to acquire 50% of any interest in any mineral property in Kazakhstan that Celtic acquires in the future for a period of 12 months after any such acquisition for an amount equal to 50% of the cost to Celtic of its interest in the mineral property. No such rights have been exercised since the initial subscription.

Gains (Losses) on Investments Recorded in Earnings

For the years ended December 31	2006	2005	2004
Gains realized on sales	**$ 6**	$ 17	$ 6
Impairment charges	**(4)**	(16)	(5)
	$ 2	$ 1	$ 1
Cash proceeds from sales	**$ 46**	$ 10	$ 9

In the second half of 2005, the fair value of our investment in Celtic declined below cost and at the end of 2005 we concluded that the impairment was "other-than-temporary" and recorded a $12 million impairment charge.

Equity Method Investments

At December 31	2006		2005	
	Fair value[1]	**Carrying amount**	Fair value[1]	Carrying amount
Highland	**$ 207**	**$ 199**	$ 134	$ 131
Diamondex	**5**	**5**	6	7
Atacama[2]	**n/a**	**123**	—	—
		$ 327		$ 138

1. Based on the closing market stock price.
2. As Atacama Copper Pty Limited is not a publicly traded company, there is no readily determinable fair value.

Purchases of Equity Method Investment for Cash

For the years ended December 31	2006	2005	2004
Highland	**$ —**	$ 50	$ 40
Diamondex	**2**	8	—
Atacama	**123**	—	—
	$ 125	$ 58	$ 40

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. 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. The carrying amount of each investment in an equity investee is evaluated for impairment using the same method as an available-for-sale security.

Highland Gold Mining Ltd. ("Highland")

Our 34% interest in Highland was acquired in four tranches: 11.1 million common shares for cash of $46 million in 2003; 9.3 million common shares for cash of $40 million in 2004; 11 million common shares in 2005 for cash of $50 million; and 34.3 million shares as part of a vend-in transaction in 2006.

On November 17, 2006, we entered into an agreement with Highland to transfer ownership of certain companies holding Russian and Kyrgyz licenses in return for 34.3 million Highland common shares increasing our ownership of Highland from 20% to 34%. In effect, we are contributing our 50% interest in the Taseevskoye deposit, as well as other exploration properties in Russia and Central Asia, to Highland, thereby consolidating ownership of these properties under one company. As part of the transaction, we seconded several of our employees to Highland, and will receive two additional Board seats. Completion of the transaction occurred on December 15, 2006. On closing, 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/ expense to the extent of the ownership in Highland held by independent third parties, and the balance of $25 million as a reduction in the carrying amount of our investment in Highland. The Fedorova PGM deposit was not included in this transaction.

The difference between the cost of our investment in Highland and the underlying historic cost of net assets was $111 million at June 30, 2006. The difference between the cost of our investment and the underlying fair value of assets and liabilities essentially represents an asset similar to goodwill.

On September 7, 2006 a fire occurred in the underground part of the Central Shaft at Highland's Darasun mine ("Darasun"). Highland's management is evaluating the amount of damage and the possibility of asset impairment, if any, at Darasun. Valuations and engineering studies are in progress, but were not complete at the date of issuance of these financial statements. On finalization of these valuations and studies, it is reasonably possible that an impairment charge may be recorded by Highland which would impact the equity investment in our financial statements.

Diamondex Resources Limited ("Diamondex")

We completed a subscription for 11,111,111 units of Diamondex for cash of $8 million in 2005. Each unit consists of one ordinary share of Diamondex and one share purchase warrant. We allocated the cost as follows: $7 million to the ordinary shares and $1 million to the share purchase warrants.

We completed a subscription for a further 3,358,300 units of Diamondex for cash of $2 million in 2006. Each unit consists of one ordinary share of Diamondex and one-half share purchase warrant. As of December 31, 2006, we have 14,469,411 common shares and 12,790,261 share purchase warrants. We hold a 15% interest in the outstanding common shares of Diamondex (28% assuming exercise of the share purchase warrants). We record our equity share of the income or loss of Diamondex each period based on our total 15% interest in outstanding common shares. At December 31, 2006, we determined that our investment in Diamondex was "other than temporarily" impaired by $2 million, due to a sustained decline in fair value of the common shares relative to their carrying amount.

Atacama Copper Pty Limited ("Atacama")

In September 2006, in connection with the previously announced agreement with Antofagasta plc ("Antofagasta") to acquire 50% of Tethyan Copper Company's ("Tethyan") Reko Diq project and associated mineral interests, we acquired a 50% interest in Atacama Copper Pty Limited ("Atacama"), a company incorporated under the laws of Australia. We paid cash of $93 million for 50% of the issued and outstanding share capital. The difference between the amount paid and underlying equity in net assets was $93 million. This difference represents the incremental fair

value of the Reko Diq project and is not being amortized while the project is in the development stage. In November 2006, we paid approximately $30 million for our 50% share of the costs to terminate BHP Billiton's interest in certain Tethyan mineral interests. In return, we received additional shares in proportion to our ownership interest, such that our 50% interest in Atacama is retained.

We determined that Atacama is a variable interest entity and consequently we have used the principles of FIN 46R to determine how to account for our ownership interest. We concluded that neither ourselves nor Antofagasta are a primary beneficiary and consequently we evaluated whether either ourselves or Antofagasta have the right to control Atacama under the joint venture agreement. We determined that we share joint control with Antofagasta, so because Atacama is a corporate joint venture we use the equity method of accounting for our investment in Atacama. Our maximum exposure to loss in this entity is limited to our investment in Atacama, which totaled $123 million as of December 31,2006, and amounts we are committed to fund Atacama's interim exploration program. The cost of our investment in Atacama at acquisition approximated the underlying fair value of tangible net assets.

12 § Inventories

	Gold		Copper	
At December 31	**2006**	2005	**2006**	2005
Raw materials				
Ore in stockpiles	**$ 485**	$ 360	**$ 51**	$ **—**
Ore on leach pads	**104**	34	**76**	**—**
Mine operating supplies	**284**	133	**16**	**—**
Work in process	**89**	47	**25**	**—**
Finished products				
Gold doré/bullion	**98**	32	**—**	**—**
Copper cathode	**—**	**—**	**17**	**—**
Gold concentrate	**54**	47	**—**	**—**
	1,114	653	**185**	**—**
Non-current ore in stockpiles[1]	**(298)**	(251)	**(70)**	**—**
	$ 816	$ 402	**$ 115**	$ **—**

1. Ore that we do not expect to process in the next 12 months.

Accounting Policy for Inventory

Material extracted from our mines is classified as either ore or waste. Ore represents material that we expect can be processed into a saleable form, and sold at a profit. Ore is recorded as an asset that is classified within inventory at the point it is extracted from the 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 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 ore stockpiles are measured by estimating the number of tons added and removed from the stockpile, the number of contained ounces (based on assay data) and the estimated metallurgical recovery rates (based on the expected processing method). Copper ore stockpiles are measured estimating the number of tons added and removed from the stockpile. Stockpile ore tonnages are verified by periodic surveys. Costs are allocated to a stockpile based on relative values of material stockpiled and processed using current mining costs incurred up to the point of stockpiling the ore, including applicable overhead, depreciation, depletion and amortization relating to mining operations, and removed at each stockpile's average cost per recoverable unit.

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 inventory include direct and indirect materials and consumables; direct labor; repairs and maintenance; utilities; amortization of property, plant and equipment; waste stripping costs; 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 purchase cost.

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	**2006**	2005	2004
Inventory impairment charges	**$ 28**	$ 15	$ 9

Heap Leach Inventory

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 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 constantly 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, 2006, the weighted average cost per recoverable ounce of gold and recoverable pound of copper on leach pads was $180 per ounce and $0.45 per pound, respectively (2005: $134 per ounce of gold). 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 2021 and for copper ranging from 2022 to 2027. 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	2006	2005
Gold		
Goldstrike		
Ore that requires roasting	**$ 239**	$ 182
Ore that requires autoclaving	**84**	98
Kalgoorlie	**58**	53
Turquoise Ridge	**14**	—
Porgera	**17**	—
Other	**73**	27
Copper		
Zaldívar	**51**	—
	$ 536	$ 360

At Goldstrike, we expect to fully process the autoclave stockpile by 2008 and the roaster stockpile by 2023. At Kalgoorlie, we expect to fully process the stockpile by 2017. At Zaldívar we expect to fully process the stockpile by 2027.

13 § Accounts Receivable, and Other Current Assets

At December 31	2006	2005
Accounts receivable		
Amounts due from concentrate sales	**$ 24**	$ 18
Amounts due from copper cathode sales	**83**	—
Other receivables	**127**	36
	$ 234	$ 54
Other current assets		
Derivative assets (note 19c)	**$ 201**	$ 128
Goods and services taxes recoverable	**137**	101
Restricted cash	**150**	—
Prepaid expenses	**32**	23
Other	**68**	3
	$ 588	$ 255

14 § Property, Plant and Equipment

At December 31	2006	2005
Assets not subject to amortization		
Acquired mineral properties and capitalized mine development costs [1]	**$ 1,621**	$ 883
Amortized assets		
Capitalized mineral property acquisition and mine development costs	**6,616**	3,976
Buildings, plant and equipment [2]	**7,017**	4,057
	15,254	8,916
Accumulated amortization [3]	**(6,919)**	(4,770)
	$ 8,335	$ 4,146

1. Assets in the exploration or development stage that are not subject to amortization.
2. Includes $131 million (2005: $122 million) of assets under capital leases.
3. Includes $41 million (2005: $18 million) of accumulated amortization for assets under capital leases.

a) Unamortized Assets
Acquired Mineral Properties and Capitalized Mine Development Costs

	Carrying amount at December 31, 2006
Exploration projects and other land positions	**$ 287**
Value beyond proven and probable reserves at producing mines	**401**
Development stage projects	
Ruby Hill	**49**
Pascua-Lama	**459**
Cortez Hills	**78**
Pueblo Viejo	**173**
Donlin Creek	**66**
Buzwagi	**108**
	$ 1,621

Acquisitions

We capitalize the cost of acquisition of land and mineral rights. On acquiring a mineral property, we estimate the fair value of proven and probable reserves as well as the value beyond proven and probable reserves and we record these amounts as assets at the date of acquisition. At the time mineralized material is converted into proven and probable reserves, we classify the capitalized acquisition cost associated with those reserves as a component of acquired mineral properties, which are subject to amortization. When production begins, capitalized acquisition costs that are subject to amortization are amortized to operations using the units-of-production method.

Development Stage Projects

We capitalize development costs incurred at development projects that meet the definition of an asset after mineralization is classified as proven and probable gold reserves (as defined by United States reporting standards). Before classifying mineralization as proven and probable reserves, development costs incurred at development projects are considered project development expenses that are expensed as incurred. Development costs include: drilling, engineering studies, metallurgical test, permitting and sample mining. At new mines, the cost of start-up activities such as recruiting and training is expensed as incurred.

Interest Costs

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 assets under development or construction while activities are in progress. We also capitalize interest costs on the value assigned to projects acquired from third parties if activities that are necessary to get the asset ready for its intended use are underway. This may be before the mineralization is classified as proven and probable reserves (as defined by United States reporting standards).

In 2006, amortization of property plant and equipment began at our Cowal mine after it moved from construction into the production phase. In 2005, amortization of property, plant and equipment at our Tulawaka, Lagunas Norte, and Veladero mines began after the mines moved from construction into the production phase. Amortization also began in 2005 at the Western 102 power plant in Nevada that was built to supply power for the Goldstrike mine as it moved from construction into the production phase.

b) Amortized Assets
Capitalized Mineral Property Acquisition and Mine Development Costs

We start amortizing capitalized mineral property acquisition and mine development costs when production begins. Amortization is calculated using the “units-of-production” method, where the numerator is the number of ounces produced and the denominator is the estimated recoverable ounces of gold contained in proven and probable reserves.

During production at 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, and in some cases could 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 attributed to earnings using the units-of-production method where the denominator is estimated recoverable ounces of gold 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 attributed to earnings using the units-of-production method, where the denominator is the estimated recoverable ounces of gold contained in total accessible proven and probable reserves.

Buildings, Plant and Equipment

We record buildings, plant and equipment at cost. 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.

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.

c) Impairment Evaluations
Producing Mines and Development Projects

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 and development projects, all assets are included in one group. If there are indications that an impairment may have occurred, we prepare estimates of expected future cash flows for each group of assets. Expected future cash flows are based on a probability-weighted approach applied to potential outcomes.

Estimates of expected future cash flow reflect:

§ Estimated sales proceeds from the production and sale of recoverable ounces of gold/copper contained in proven and probable reserves;

§ Expected future commodity prices and currency exchange rates (considering historical and current prices, price trends and related factors);

§ Expected future operating costs and capital expenditures to produce proven and probable gold/copper reserves based on mine plans that assume current plant capacity, and exclude the impact of inflation;

§ Expected cash flows associated with value beyond proven and probable reserves, which includes the expected cash outflows required to develop and extract the value beyond proven and probable reserves; and

§ Environmental remediation costs excluded from the measurement of asset retirement obligations.

We record a reduction of a group of assets to fair value as a charge to earnings if expected undiscounted future cash flows are less than the carrying amount. We estimate fair value by discounting the expected future cash flows using a discount factor that reflects the risk-free rate of interest for a term consistent with the period of expected cash flows.

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 the carrying amount of land and mineral rights is impaired, we reduce this carrying amount to estimated fair value through an impairment charge.

d) Capital Commitments

In addition to entering into various operational commitments in the normal course of business, we had commitments of approximately $117 million at December 31, 2006 for construction activities at our development 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. Proceeds from insurance claims totaled $12 million in 2006 (2005: $nil, 2004: $nil).

15 § Intangible Assets

For the years ended December 31	**2006**		2005	
	Gross carrying amount	**Accumulated amortization**	Gross carrying amount	Accumulated amortization
Water rights	**$ 28**	**$ —**	$ —	$ —
Technology[3]	**17**	**—**	—	—
Supply contracts[1]	**23**	**9**	—	—
Royalties[2]	**17**	**1**	—	—
	$ 85	**$ 10**	$ —	$ —
Aggregate amortization expense	**$ —**	**$ 10**	$ —	$ —

For the years ended December 31	2007	2008	2009	2010	2011
Estimated aggregate amortization expense	$ 7	$ 5	$ 3	$ 1	$ 1

1. Supply contracts are being amortized over the weighted average contract lives of 4-8 years, with no assumed residual value.
2. Royalties are being amortized using the units of production method over the total ounces subject to royalty payments under the agreement.
3. The acquired technology will be used at the Pueblo Viejo project, which has been estimated to start up at a date later than 2010. The amount will be amortized using the units-of-production method over the estimated proven and probable reserves of the mine, with no assumed residual value.

16 § Goodwill

At January 1, 2006	$ —
Additions	6,506
Disposals	651
At December 31, 2006	$5,855

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 and liabilities (including intangibles) in the reporting unit. The difference represents the amount of goodwill allocated to each reporting unit.

We test goodwill for impairment annually in the fourth quarter of our fiscal year. This impairment assessment involves estimating the fair value of each reporting unit that includes goodwill. We compare this fair value to the total carrying amount of each reporting unit (including goodwill). If the carrying amount exceeds this fair value, then we estimate the fair values of all identifiable assets and liabilities in the reporting unit, and compare this net fair value of assets less liabilities to the estimated fair value of the entire reporting unit. The difference represents the fair value of goodwill, and if necessary, we reduce the carrying amount of goodwill to this fair value.

Circumstances that could trigger an impairment of goodwill include: a significant adverse change in the business climate or legal factors; an adverse action or assessment by a regulator; unanticipated competition; the loss of key personnel; change in reportable segments; the likelihood that a reporting unit or significant portion of a reporting unit will be sold or otherwise disposed of; the results of testing for recoverability of a significant asset group within a reporting unit; and the recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit. Measurement of the fair value of a reporting unit is based on one or more fair value measures including present value techniques of estimated future cash flows and estimated amounts at which the unit as a whole could be bought or sold in a current transaction between willing parties. We also consider comparable market capitalization rates for each reporting unit as of the date of the impairment test.

Goodwill arising on the acquisition of Placer Dome was $6,506 million. In 2006 we determined that goodwill should be allocated to reporting units that would either represent individual mineral properties, or aggregations of mineral properties, limited to aggregation at a regional business unit level. Determination of appropriate reporting units is ongoing and consequently the allocation of goodwill to reporting units was not completed at December 31, 2006. In fourth quarter 2006 we completed impairment tests of goodwill assuming both no aggregation of mineral properties into reporting units, and aggregation of mineral properties up to the regional business unit level. On completion of these impairment tests we concluded that no impairment of goodwill had occurred by December 31, 2006. On the disposal of the South Deep mine in December 2006, we concluded that goodwill totaling $651 million should be attributed to the operation and reflected in the calculation of the gain on sale.

17 § Other Assets

At December 31	2006	2005
Non-current ore in stockpiles	**$ 368**	$ 251
Derivative assets (note 19d)	**209**	177
Goods and services taxes recoverable	**48**	46
Deferred income tax assets (note 22)	**528**	141
Debt issue costs	**36**	35
Deferred share-based compensation (note 25b)	**36**	13
Other	**114**	105
	$ 1,339	$ 768

Debt Issue Costs

Additions to debt issue costs in 2006 of $11 million principally relate to new debt financings put in place during the year. 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 19b).

18 § Other Current Liabilities

At December 31	2006	2005
Asset retirement obligations (note 20)	**$ 50**	$ 37
Derivative liabilities (note 19d)	**82**	42
Post-retirement benefits (note 26)	**11**	6
Deferred revenue	**—**	8
Income taxes payable	**159**	—
Other	**1**	1
	$ 303	$ 94

19 § 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 13; investments — note 11; restricted share units — note 25b.

a) Cash and Equivalents

Cash and equivalents include cash, term deposits, commercial paper and treasury bills with original maturities of less than 90 days. Cash and equivalents include $605 million held in Argentinean and Chilean subsidiaries that have been designated for use in funding construction costs at our Pascua-Lama development project.

b) Long-Term Debt[6]

	2006					2005				2004			
	At Dec. 31	**Proceeds**	**Repay-ments**	**Amorti-zation[5]**	**Assumed on acqui-sition of Placer Dome**	At Dec. 31	Proceeds	Repay-ments	Amorti-zation[5]	At Dec. 31	Proceeds	Repay-ments	Amorti-zation[5]
7.50% debentures[1]	**$ 498**	**$ —**	**$ —**	**$ —**	**$ —**	$ 490	$ —	$ —	$ —	$ 495	$ —	$ —	$ —
5.80%/4.875% note	**$ 745**	**—**	**—**	**—**	**—**	745	—	—	—	745	745	—	—
Veladero financing	**220**	**13**	**30**	**—**	**—**	237	39	—	—	198	198	—	—
Bulyanhulu financing	**85**	**—**	**34**	**—**	**—**	119	—	31	—	150	—	24	—
Other debt[2]	**1,024**	**50**	**—**	**6**	**867**	113	50	—	—	63	—	17	—
Copper-linked notes	**908**	**995**	**87**	**—**	**—**	—	—	—	—	—	—	—	—
US dollar notes	**87**	**87**	**—**	**—**	**—**	—	—	—	—	—	—	—	—
Senior convertible debentures	**296**	**—**	**—**	**4**	**300**	—	—	—	—	—	—	—	—
Capital leases	**94**	**7**	**16**	**—**	**6**	97	90	28	—	35	30	—	—
Series B Preferred Securities	—	—	**77**	**2**	**79**	—	—	—	—	—	—	—	—
First credit facility[3]	—	**1,000**	**1,000**	**—**	**—**	—	—	—	—	—	—	—	—
	3,957	**2,152**	**1,244**	**12**	**1,252**	1,801	179	59	—	1,686	973	41	—
Less: current portion	**(713)**	**—**	**—**	**—**	**—**	(80)	—	—	—	(31)	—	—	—
	$ 3,244	**$ 2,152**	**$ 1,244**	**$ 12**	**$ 1,252**	$ 1,721	$ 179	$ 59	$ —	$1,655	$ 973	$ 41	$ —
Short-term debt													
Demand financing facility	**150**	**—**	**—**	**—**	**150**	—	—	—	—	—	—	—	—
Second credit facility[4]	**—**	**37**	**337**	**—**	**300**	—	—	—	—	—	—	—	—
	$ 150	**$ 37**	**$ 337**	**$ —**	**$ 450**	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

1. The 7 1/2% debentures have a principal amount of $500 million and mature on May 1, 2007. The debentures have been designated in a fair value hedge relationship and consequently the carrying amount represents the estimated fair value.
2. The debt has an aggregate principal amount of $1,024 million, of which $163 million is subject to floating interest rates and $861 million is subject to fixed interest rates ranging from 6.37% to 8.05%. The notes mature at various times between 2007 and 2035.
3. 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. The facility currently matures in 2011.
4. 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.
5. Amortization of debt discount/premium.
6. 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.

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 cash at a redemption price of $1,039.43 per $1,000 aggregate principal amount, 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.

Senior Convertible Debentures

The convertible senior debentures (the “Securities”) mature in 2023 and had an aggregate principal amount of $230 million outstanding as at the end of 2006. 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, 2006 the conversion rate per each $1,000 principal amount of Securities was 39.75 common shares and the effective conversion price was $25.16 per common share. The conversion rate is subject to adjustment in certain circumstances. As such, the effective conversion price may also change.

No circumstance permitting conversion was in existence on December 31, 2006. However, if such a circumstance had existed and all the Securities were converted, and settlement occurred on December 31, 2006, we would have issued 9.14 million common shares with an aggregate fair value of $281 million based on our closing share price on December 31, 2006.

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.

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, 2006, $150 million had been drawn on the facility and an equal amount had been placed on deposit that is included in restricted cash (see note 13).

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, 2006, 285 million pounds of copper remained (2007 — 129 million pounds, 2008 — 103 million pounds, 2009 — 53 million pounds). Coincident with the repayment of (the US dollar equivalent of) 324 million pounds of copper, we will reborrow $1,000 million. Over the next three years, the total amount outstanding under these notes will 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 19d).

5.80%/4.875% Notes

On November 12, 2004, we issued $400 million of debentures at a $3 million discount that mature on November 15, 2034 and $350 million of debentures at a $2 million discount that mature on November 15, 2014.

Veladero Financing

One of our wholly owned subsidiaries, Minera Argentina Gold S. A. in Argentina has a limited recourse amortizing loan facility for $250 million, 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, 2006, 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.

Interest	For the years ended December 31					
	2006		2005		2004	
	Interest cost	Effective rate[1]	Interest cost	Effective rate[1]	Interest cost	Effective rate[1]
7.50% debentures	$ 49	9.8%	$ 41	8.2%	$ 31	6.1%
5.80%/4.875% notes	41	5.5%	42	5.6%	5	5.4%
Veladero financing	25	10.2%	20	8.6%	4	7.5%
Bulyanhulu financing	6	5.5%	10	7.5%	14	8.0%
Other debt	53	5.4%	3	4.1%	1	1.2%
Copper-linked notes/US dollar notes	13	5.8%	—	—	—	—
Senior convertible debentures	6	2.0%	—	—	—	—
Capital leases	6	6.7%	6	6.2%	—	—
Series B Preferred Securities	3	4.4%	—	—	—	—
Demand financing facility	12	8.8%	—	—	—	—
First credit facility	29	7.4%	—	—	—	—
Second credit facility	6	5.0%	—	—	—	—
Other interest	2		3		5	
	251		125		60	
Less: interest allocated to discontinued operations	(23)		—		—	
Less: interest capitalized	(102)		(118)		(41)	
	$ 126		$ 7		$ 19	
Cash interest paid	$ 211		$ 112		$ 57	
Amortization of debt issue costs	12		2		3	
Amortization of discount/premium	(12)		—		—	
Losses (gains) on interest rate hedges	12		5		(2)	
Increase in interest accruals	28		6		2	
Interest cost	$ 251		$ 125		$ 60	

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	2007	2008	2009	2010	2011 and thereafter
7.50% debentures	$ 500	$ —	$ —	$ —	$ —
5.80%/4.875% notes	—	—	—	—	750
Veladero financing	58	48	53	30	32
Bulyanhulu financing	34	34	17	—	—
Copper-linked notes/US dollar notes	—	—	—	—	1,000
Other debt	100	—	16	7	836
Senior convertible debentures	—	—	—	—	230
Demand financing facility	45	15	15	15	60
	$ 737	$ 97	$ 101	$ 52	$ 2,908
Minimum annual payments under capital leases	$ 20	$ 16	$ 16	$ 16	$ 21

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:

Item	Impacted by
§ Sales	§ Prices of gold and copper
§ Cost of sales	
§ Consumption of diesel fuel and propane	§ Prices of diesel fuel, propane and natural gas
§ Local currency denominated expenditures	§ Currency exchange rates —US dollar versus A$ and C$
§ Administration, exploration and business development costs in local currencies	§ Currency exchange rates —US dollar versus A$, C$, and ZAR
§ Capital expenditures in local currencies	§ Currency exchange rates —US dollar versus A$ and C$
§ 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 market 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 effective means of managing risk.

The primary objective of the hedging elements of our derivative positions is that changes in the values of hedged items are offset by changes in the values of derivatives. Most of the derivatives we use meet the FAS 133 hedge effectiveness criteria and are designated in a hedge accounting relationship. Some of the derivative positions 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 "non-hedge derivatives".

Our use of derivatives is based on established practices and parameters, which are subject to the oversight of the Finance Committee of the Board of Directors. A compliance function independent of the Corporate Treasury Group monitors derivative transactions and has responsibility for recording and accounting for derivatives.

Accounting Policy for Derivatives

We record derivatives on the balance sheet at fair value except for gold and silver sales contracts, which are excluded from the scope of FAS 133, because the obligations will be met by physical delivery of our gold and silver production 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 a normal sales contract. Accordingly, we have elected to designate our gold and silver sales contracts as "normal sales contracts" with the result that the principles of FAS 133 are not applied to them. Instead we apply revenue recognition accounting principles as described in note 5.

On the date we enter into a derivative that is accounted for under FAS 133, we designate it as either a hedging instrument or a non-hedge derivative. A hedging instrument is designated in either:

§ a fair value hedge relationship with a recognized asset or liability; or

§ a cash flow hedge relationship with either a forecasted transaction or the variable future cash flows arising from a recognized asset or liability.

At the inception of a hedge, we formally document all relationships between hedging instruments and hedged items, including the related risk-management strategy. This documentation includes linking all hedging instruments to either: specific assets and liabilities, specific forecasted transactions or variable future cash flows. It also includes the method of assessing retrospective and prospective hedge effectiveness. In cases where we use regression analysis to assess prospective effectiveness, we consider regression outputs for the coefficient of determination (R-squared), the slope coefficient and the t-statistic to assess whether a hedge is expected to be highly effective. Each

period, using a dollar offset approach, we retrospectively assess whether hedging instruments have been highly effective in offsetting changes in the fair value of hedged items and we measure the amount of any hedge ineffectiveness. We also assess each period whether hedging instruments are expected to be highly effective in the future. If a hedging instrument is not expected to be highly effective, we stop hedge accounting prospectively. In this case accumulated gains or losses remain in OCI until the hedged item affects earnings. We also stop hedge accounting prospectively if:

§ a derivative is settled;

§ it is no longer highly probable that a forecasted transaction will occur; or

§ we de-designate a hedging relationship.

If we conclude that it is probable that a forecasted transaction will not occur in the originally specified time frame, or within a further two-month period, gains and losses accumulated in OCI are immediately transferred to earnings. In all situations when hedge accounting stops, a derivative is classified as a non-hedge derivative prospectively. Cash flows from derivatives accounted for in designated hedging relationships are classified in the same category as the cash flows from the item being hedged. Cash flows resulting from derivatives not designated in hedging relationships are recorded as operating cash flows. If a derivative has a negative fair value at inception, the resulting cash flows are recorded as financing activities.

Changes in the fair value of derivatives each period are recorded as follows:

§ Fair value hedges: recorded in earnings as well as changes in fair value of the hedged item.

§ Cash flow hedges: recorded in OCI until earnings are affected by the hedged item, except for any hedge ineffectiveness which is recorded in earnings immediately.

§ Non-hedge derivatives: recorded in earnings.

d) Derivative Instruments ("Derivatives") Placer Dome Acquisition

Through the acquisition of Placer Dome in first quarter 2006 we assumed the following derivative positions:

	Notional amount	Fair value at January 20, 2006
Gold sold forward contracts (millions of ounces)	7.0	$ (1,544)
Gold bought forward contracts (millions of ounces)	0.3	14
Gold Options (millions of ounces)	1.0	(188)
Silver contracts (millions of ounces)	6.5	(11)
A$ currency contracts (A$ millions)	133	22
		$ (1,707)

Gold sold forward contracts were designated as cash flow hedges at the date of acquisition. The acquired Placer gold cash flow hedge position was eliminated in 2006. Approximately 6.2 million ounces of the acquired Placer Dome positions received hedge accounting treatment for the period from the date of acquisition to the date they were eliminated, and under which they had a designated date and price against specific future gold sales.

Gold sold forward contracts acquired through the Placer Dome acquisition were designated in first quarter 2006 against forecasted gold sales as a hedge of the variability in market prices on future sales. Hedged items are identified as the first stated quantity of ounces of forecasted sales in a future month. Prospective and retrospective hedge effectiveness is assessed with a dollar offset method using intrinsic values. The effective portion of changes in fair value of the gold contracts is recorded in OCI until the forecasted gold sale impacts earnings. Upon settlement of the contracts during 2006, hedge accounting was terminated and the accumulated gain/loss will remain in OCI until the forecasted transactions to which these contracts were designated occurs and impacts earnings.

Summary of Derivatives at December 31, 2006[1]

	Notional amount by term to maturity				Accounting classification by notional amount			Fair value
	Within 1 year	2 to 5 years	Over 5 years	Total	Cash flow hedge	Fair value hedge	Non-hedge	
US dollar interest rate contracts								
Receive-fixed swaps (millions)	$ 500	$ 50	$ —	$ 550	$ —	$ 500	$ 50	$ (5)
Pay-fixed swaps (millions)	—	125	—	125	—	—	125	(10)
Net notional position	$ 500	$ (75)	$ —	$ 425	$ —	$ 500	$ (75)	$ (15)
Currency contracts								
C$:US$ contracts (C$ millions)	C$ 310	C$ 276	C$ —	C$ 586	C$ 586	C$ —	C$ —[2]	$ 34
A$:US$ contracts (A$ millions)	A$ 1,100	A$ 1,767	A$ —	A$ 2,867	A$ 2,863	A$ —	A$ 4	142
ZAR:US$ contracts (ZAR millions)	ZAR 46	ZAR —	ZAR —	ZAR 46	ZAR 46	ZAR —	ZAR —	—
Commodity contracts								
Gold sold forward contracts (thousands of ounces)	178	364	—	542	—	—	542	$ (184)
Gold bought forward contracts (thousands of ounces)	542	—	—	542	—	—	542	23
Copper purchased put option contracts (millions of pounds)	32	—	—	32	15	—	17	—
Copper sold forward contracts (millions of pounds)	129	156	—	285	285	—	—	81
WTI forward and option contracts (thousands of barrels)	991	2,281	920	4,192	3,754	—	438	30
Propane bought forward contracts (millions of gallons)	18	—	—	18	18	—	—	(1)
Natural gas bought forward contracts (millions of Btu)	1	—	—	1	—	—	1	—

1. Excludes gold sales contracts (see note 5), gold lease rate swaps (see note 5), Celtic Resources & Midway Gold share purchase warrants (see note 11).
2. C$23 million of non-hedge currency contracts were economically closed out by entering into offsetting positions, albeit with differing counterparties.

US Dollar Interest Rate Contracts

Fair Value Hedges

Receive-fixed swaps totaling $500 million have been designated against the 7 1/2% debentures as a hedge of the variability in the fair value of the debentures caused by changes in Libor. We have concluded that the hedges are 100% effective under FAS 133, because the critical terms (including: notional amount, maturity date, interest payment and underlying interest rate — i.e. Libor) of the swaps and the debentures are the same. Changes in fair value of the swaps, together with an equal corresponding change in fair value of the debentures, caused by changes in Libor, are recorded in earnings each period. Also, as interest payments on the debentures are recorded in earnings, an amount equal to the difference between the fixed-rate interest received under the swap less the variable-rate interest paid under the swap is recorded in earnings as a component of interest costs.

Non-hedge Contracts

We use gold lease rate swaps as described in note 5. The valuation of gold lease rate swaps is impacted by market US dollar interest rates. Our non-hedge pay-fixed swap position mitigates the impact of changes in US dollar interest rates on the valuation of gold lease rate swaps.

Currency Contracts

Cash Flow Hedges

Currency contracts totaling C$586 million, A$2,863 million, and ZAR46 million have been designated against forecasted local currency 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 a C$533 million and A$2,776 and ZAR46 million portion 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 C$53 million and A$87 million portions, prospective and retrospective hedge effectiveness is assessed using the hypothetical derivative method under FAS 133. 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. 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.

If it is probable that a hedged item will no longer occur in the originally specified time frame or within a further two-month period, the accumulated gains or losses in OCI for the associated currency contract are reclassified to earnings immediately. The identification of which currency contracts are associated with these hedged items uses a last-in, first-out ("LIFO") approach, based on the order in which currency contracts were originally designated in a hedging relationship.

Commodity Contracts

Cash Flow Hedges

Commodity contracts totaling 3,754 thousand barrels of diesel fuel and 18 million gallons of propane 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 seven years. Hedged items are identified as the first stated quantity in millions of barrels/gallons 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.

The terms of a series of copper-linked notes result in an embedded fixed-price forward copper sales contract that meets the definition of a derivative and must be separately accounted for. The resulting copper derivative has been designated against future copper sales as a cash flow hedge of the variability in market prices on those future sales. Hedged items are identified as the first stated quantity of pounds of forecasted sales in a future month. Prospective hedge effectiveness is assessed using a dollar offset method. The prospective 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 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. The effective portion of changes in fair value of the copper contracts is recorded in OCI until the forecasted copper sale impacts earnings.

If it is probable that a hedged item will no longer occur in the originally specified time frame, or within a further two-month period, the accumulated gains or losses in OCI for the associated contract are reclassified to earnings immediately. The identification of which commodity contracts are associated with these hedged items uses a LIFO approach, based on the order in which commodity contracts were originally designated in a hedging relationship.

Non-hedge Contracts

Non-hedge fuel contracts are used to mitigate the risk of oil price changes on consumption at the Pierina, Eskay Creek and Lagunas Norte mines. On completion of regression analysis, we concluded that the contracts do not meet the "highly effective" criterion in FAS 133 due to currency and basis differences between contract prices and the prices charged to the mines by oil suppliers. Despite not qualifying as an accounting hedge, the contracts protect the Company to a significant extent from the effects of oil price changes.

Derivative Assets and Liabilities

	2006	2005
At January 1	**$ 204**	$ 359
Acquired with Placer Dome	**(1,707)**	—
Derivatives settled (inflow) outflow		—
Operating activities	**(184)**	(183)
Financing activities	**1,840**	—
Change in fair value of:		
Non-hedge derivatives	**(3)**	4
Cash flow hedges		
Effective portion	**17**	23
Ineffective portion	**3**	1
Share purchase warrants	**—**	5
Fair value hedges	**8**	(5)
At December 31	**$ 178**	$ 204[1]
Classification:		
Other current assets	**$ 201**	$ 128
Other assets	**209**	177
Other current liabilities	**(82)**	(42)
Other long-term obligations	**(150)**	(59)
	$ 178	$ 204
Derivative liabilities assumed in Placer acquisition	**(160)**	—
Other derivative assets and liabilities	**338**	204
	$ 178	$ 204

1. Derivative assets and liabilities are presented net by offsetting related amounts due to/from counterparties if the conditions of FIN No. 39, Offsetting of Amounts Related to Certain Contracts, are met. Amounts receivable from counterparties netted against derivative liabilities totaled $5 million at December 31, 2006.

Non-hedge Derivative Gains (Losses)[1]

For the years ended December 31	2006	2005	2004
Non-hedge derivatives			
Commodity contracts	**$ (11)**	$ 4	$ 0)
Currency contracts	**—**	3	(4)
Interest rate contracts	**8**	2	16
Share purchase warrants	**—**	(5)	—
	(3)	4	3
Hedge ineffectiveness			
Ongoing hedge inefficiency	**3**	1	—
Due to changes in timing of hedged items	—	1	2
	$ —	$ 6	$ 5

1. Non-hedge derivative gains (losses) are classified as a component of other (income) expense.

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, 2003	$ —	$ —	$ (1)	$ 219	$ 25	$ 36	$ 17	$ (8)	$ 288
Effective portion of change in fair value of hedging instruments	—	—	7	117	19	19	5	(20)	147
Transfers to earnings:									
On recording hedged items in earnings	—	—	(4)	(96)	(11)	(5)	(19)	3	(132)
Hedge ineffectiveness due to changes in timing of hedged items	—	—	—	—	—	(2)[1]	—	—	(2)
At December 31, 2004	—	—	2	240	33	48	3	(25)	301
Effective portion of change in fair value of hedging instruments	—	—	46	(38)	13	(4)	1	5	23
Transfers to earnings:									
On recording hedged items in earnings	—	—	(10)	(100)	(16)	(4)	(6)	2	(134)
Hedge ineffectiveness due to changes in timing of hedged items	—	—	—	—	—	(1)[1]	—	—	(1)
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
Hedge ineffectiveness due to changes in timing of hedged items	—	—	—	—	—	—	—	—	—
At December 31, 2006	$ 17	$ 57	$ 21	$ 155	$ 14	$ 39	$ (3)	$ (17)	$ 283

Hedge gains/losses classified within	Gold sales	Copper sales	Cost of sales	Cost of sales	Administration	Amortization	Interest expense	Interest cost	
Portion of hedge gain (loss) expected to affect 2007 earnings[2]	$ 2	$ 19	$ 12	$ 102	$ 10	$ 2	$ (3)	$ (1)	$ 143

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, 2006.

e) Fair Value of Financial Instruments

Fair value is the value at which a financial instrument could be closed out or sold in a transaction with a willing and knowledgeable counterparty over a period of time consistent with our risk management or investment strategy. Fair value is based on quoted market prices, where available. If market quotes are not available, fair value is based on internally developed models that use market-based or independent information as inputs. These models could produce a fair value that may not be reflective of future fair value.

Fair Value Information

At December 31	2006		2005	
	Carrying amount	**Estimated fair value**	Carrying amount	Estimated fair value
Financial assets				
Cash and equivalents[1]	**$ 3,043**	**$ 3,043**	$ 1,037	$ 1,037
Accounts receivable[1]	**234**	**234**	54	54
Available-for-sale securities[2]	**646**	**646**	62	62
Equity-method investments[3]	**204**	**212**	138	140
Derivative assets[4]	**410**	**410**	305	305
	$ 4,537	**$ 4,545**	$ 1,596	$ 1,598
Financial liabilities				
Accounts payable[1]	**$ 686**	**$ 686**	$ 386	$ 386
Long-term debt[5]	**3,957**	**3,897**	1,801	1,827
Derivative liabilities[4]	**232**	**232**	101	101
Restricted share units[6]	**42**	**42**	17	17
Deferred share units[6]	**2**	**2**	1	1
	$ 4,919	**$ 4,859**	$ 2,306	$ 2,332

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. Recorded at cost, adjusted for our share of income/loss and dividends of equity investees. Excludes the investment in Atacama Pty for which there is no readily determinable fair value.
4. Recorded at fair value based on internal valuation models that reflect forward market commodity prices, currency exchange rates and interest rates, and a discount factor that is based on market US dollar interest rates. If a forward market does not exist, we obtain broker-dealer quotations. Valuations assume all counterparties have an AA credit rating.
5. 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 where a hedge relationship exists. The fair value of long-term debt is calculated by discounting the future cash flows under a debt obligation by a discount factor that is based on US dollar market interest rates adjusted for our credit quality.
6. Recorded at fair value based on our period end closing market share price.

f) 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 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 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

At December 31, 2006	S&P Credit rating			
	AA- or higher	A- or higher	B to BBB	Total
Cash and equivalents	$ 3,069	$ 21	$ 4	$ 3,094
Derivatives[1]	291	88	—	379
Accounts receivable	—	—	234	234
	$ 3,360	$ 109	$ 238	$ 3,707
Number of counterparties[2]	17	9	—	
Largest counterparty (%)	34%	65%	—	

Concentrations of Credit Risk

Other

At December 31, 2006	United States	Canada	Inter-national	Total
Cash and equivalents	$ 2,479	$ 513	$ 102	$ 3,094
Derivatives[1]	159	136	84	379
Accounts receivable	23	27	184	234
	$ 2,661	$ 676	$ 370	$ 3,707

1. The amounts presented reflect the net credit exposure after considering the effect of master netting agreements.
2. For cash and equivalents and derivatives combined.

g) 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.

20 § Asset Retirement Obligations

Asset Retirement Obligations (AROs)

	2006	2005
At January 1	**$ 446**	$ 367
AROs acquired with Placer Dome	**387**	—
AROs arising in the period	**27**	47
Impact of revisions to expected cash flows		
Revisions to carrying amount of assets	**(7)**	29
Recorded in earnings[1]	**53**	15
Settlements		
Cash payments	**(32)**	(30)
Settlement gains	**(4)**	(3)
AROs reclassified under “Liabilities of discontinued operations”	**(16)**	—
Accretion	**39**	21
At December 31	**893**	446
Current portion	**(50)**	(37)
	$ 843	$ 409

1. In 2006, we recognized an increase of $37 million for a change in estimate of the ARO at the Nickel Plate property in British Columbia, Canada. The adjustment was made on receipt of an environmental study that indicated a requirement to treat ground water for an extended period of time. The increase was recorded as a component of other expense (note 7d).

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 can 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 additional 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, accretion is recorded in the cost of goods sold each period. For development projects and closed mines, accretion is recorded as part of environmental remediation costs in other (income) expense. 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 are classified as environmental remediation costs in other (income) expense. Other environmental remediation costs that are not AROs as defined by FAS 143 are expensed as incurred (see note 7).

21 § Other Non-current Liabilities

At December 31	2006	2005
Pension benefits (note 26)	**$ 85**	$ 54
Other post-retirement benefits (note 26)	**33**	28
Derivative liabilities (note 19d)	**150**	59
Restricted share units (note 25b)	**42**	16
Other	**126**	51
	$ 436	$ 208

22 § 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 and other comprehensive income 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	2006	2005
Deferred tax assets		
Tax loss carry forwards	**$ 798**	$ 252
Capital tax loss carry forwards	**30**	42
Alternative minimum tax (“AMT”) credits	**198**	135
Asset retirement obligations	**303**	175
Property, plant and equipment	**333**	297
Inventory	**95**	57
Post-retirement benefit obligations	**40**	5
Other	**3**	11
	1,800	974
Valuation allowances	**(658)**	(656)
Net deferred tax assets	**1,142**	318
Deferred tax liabilities		
Property, plant and equipment	**(1,377)**	(230)
Derivative instruments	**(9)**	(61)
Other	**(26)**	—
	$ (270)	$ 27
Classification:		
Non-current assets (note 17)	**$ 528**	$ 141
Non-current liabilities	**(798)**	(114)
	$ (270)	$ 27

Expiry Dates of Tax Losses and AMT Credits

	2007	2008	2009	2010	2011 +	No expiry date	Total
Tax losses[1]							
Canada	$ 5	$ 3	$ 5	$ 1	$ 1,490	$ —	$ 1,504
Australia	—	—	—	—	—	241	241
Barbados	—	—	—	—	619	—	619
Chile	—	—	—	—	—	706	706
Tanzania	—	—	—	—	—	98	98
U.S.	—	—	—	—	162	—	162
Other	—	—	5	6	24	17	52
	$ 5	$ 3	$ 10	$ 7	$ 2,295	$ 1,062	$ 3,382
AMT credits[2]	—	—	—	—	—	$ 198	$ 198

1. Represents the gross amount of tax loss carry forwards translated at closing exchange rates at December 31, 2006.
2. Represents the amounts deductible against future taxes payable in years when taxes payable exceed “minimum tax” as defined by United States tax legislation.

Valuation Allowances

We consider the need to record a valuation allowance against deferred tax assets on a country-by-country basis, 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 future taxable income;

§ opportunities to implement 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 the 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 $428 million has been recorded in Canada. This deferred tax asset primarily arose due to mark-to-market losses recorded for acquired Placer Dome derivative instruments. Projections of various sources of income indicate that the realizability of this deferred tax asset is more likely than not, and consequently no valuation allowance has been set up relating to this deferred tax asset at December 31, 2006.

A valuation allowance of $211 million has been set up against certain deferred tax assets in the United States at December 31, 2006 (2005: $209 million). The majority of this valuation allowance relates to AMT credits which have an unlimited carry forward period. A valuation allowance of $217 million has been set up against deferred tax assets in Tanzania at December 31, 2006 (2005: $204 million). A valuation allowance was historically recorded against these deferred tax assets due to uncertainty as to the ability to realize the assets. Increasing levels of future taxable income due to higher gold selling prices and other factors and circumstances may result in an adjustment to these valuation allowances in future periods. A valuation allowance of $110 million has been set up at December 31, 2006 (2005: $124 million) against tax loss carry forwards in Chile that exist in entities that have no present sources of income.

Source of Changes in Deferred Tax Balances

For the years ended December 31	**2006**	2005	2004
Temporary differences			
Property, plant and equipment	**$ (1,111)**	$ 30	$ (86)
Asset retirement obligations	**128**	(69)	(21)
Tax loss carry forwards	**546**	38	93
Derivatives	**52**	(34)	(4)
Other	**(12)**	8	(5)
	$ (397)	$ (27)	$ (23)
Adjustment to deferred tax balances due to change in tax status [1]	**31**	(5)	(81)
Tax rate changes	**(12)**	—	—
Release of beginning-of-year valuation allowances	**53**	(32)	(5)
Outcome of tax uncertainties	**—**	—	(120)
	$ (325)	$ (64)	$ (229)
Intraperiod allocation to:			
Income before income taxes	**$ 109**	$ (30)	$ (225)
Acquisition of Placer Dome	**(432)**	—	—
OCI	**(2)**	(34)	(4)
Balance sheet reclassifications	**28**	(5)	13
	$ (297)	$ (69)	$ (216)

1. Relates to changes in tax status in Australia (note 8).

23 § Capital Stock

a) Common Shares

Our authorized capital stock includes an unlimited number of common shares (issued 864,194,770 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).

We repurchased 4.47 million common shares in 2004 for $95 million, at an average cost of $21.20 per share. This resulted in a reduction of common share capital by $35 million and a $60 million charge (being the difference between the repurchase cost and the average historic book value of shares repurchased) to retained earnings.

In 2006, we declared and paid dividends in US dollars totaling $0.22 per share ($191 million) (2005: $0.22 per share, $118 million; 2004: $0.22 per share, $118 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, 2006, 1.4 million (2005 — 1.4 million) BGI exchangeable shares were outstanding, which are equivalent to 0.7 million Barrick common shares (2005 — 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. While there are exchangeable shares outstanding, we are required to present summary consolidated financial information relating to BGI.

Summarized Financial Information for BGI

For the years ended December 31	**2006**	2005	2004
Total revenues and other income	**$ 233**	$ 181	$ 216
Less: costs and expenses[1]	**215**	186	287
Income (loss) before taxes	**$ 18**	$ (5)	$ (71)
Net income (loss)	**$ 33**	$ 21	$ (41)

At December 31	**2006**	2005
Assets		
Current assets	**$ 112**	$ 119
Non-current assets	**50**	88
	$ 162	$ 207
Liabilities and shareholders' equity		
Other current liabilities	**25**	25
Intercompany notes payable	**387**	390
Other long-term liabilities	**80**	55
Deferred income tax liabilities	**(15)**	—
Deficit	**(315)**	(263)
	$ 162	$ 207

1. 2006 includes a $37 million increase in the ARO at the Nickel Plate property (see note 20).

24 § Other Comprehensive Income (Loss) ("OCI")

	2006	2005	2004
Accumulated OCI at January 1			
Cash flow hedge gains, net of tax of $61, $95, $99	**$ 128**	$ 206	$ 189
Investments, net of tax of $nil, $nil, $nil	**12**	21	25
Currency translation adjustments, net of tax of $nil, $nil, $nil	**(143)**	(146)	(147)
Additional pension liability, net of tax of $nil, $nil, $nil	**(28)**	(12)	(7)
	$ (31)	$ 69	$ 60
Other comprehensive income (loss) for the period:			
Changes in fair value of cash flow hedges	**17**	23	147
Changes in fair value of investments	**43**	(8)	(3)
Currency translation adjustments	**—**	3	1
Pension plans and other post-retirement benefits:			
Adjustments to minimum pension liability prior to adoption of FAS 158	**15**	(16)	(5)
FAS 158 adjustments (note 26):			
Elimination of minimum pension liability	**13**	—	—
Net actuarial loss	**(9)**	—	—
Transition obligation	**(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	**77**	(134)	(132)
Hedge ineffectiveness due to changes in timing of hedged items	**—**	(1)	(2)
Investments:			
Other than temporary impairment charges	**4**	16	5
Gains realized on sale	**(6)**	(17)	(6)
Other comprehensive income (loss), before tax	**152**	(134)	5
Income tax recovery (expense) related to OCI	**(2)**	34	4
Other comprehensive income (loss), net of tax	**$ 150**	$ (100)	$ 9
Accumulated OCI at December 31			
Cash flow hedge gains, net of tax of $60, $61, $95	**223**	128	206
Investments, net of tax of $7, $nil, $nil	**46**	12	21
Currency translation adjustments, net of tax of $nil, $nil, $nil	**(143)**	(143)	(146)
Pension plans and other post-retirement benefits, net of tax of $4, $nil, $nil	**(7)**	(28)	(12)
	$ 119	$ (31)	$ 69

25 § 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. 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 7 years. At December 31 2006, 13 million (2005: 12 million; 2004: 13 million) common shares, in addition to those currently outstanding, were available for granting options.

Total recorded compensation cost relating to stock options was $27 million in 2006. Total intrinsic value relating to options exercised in 2006 was $27 million (2005: $22 million; 2004: $12 million).

Employee Stock Option Activity (Number of Shares in Millions)

	2006		2005		2004	
	Shares	**Average price**	Shares	Average price	Shares	Average price
C$ options						
At January 1	**14.7**	**$ 28**	19.4	$ 28	21.5	$ 27
Granted	**—**	**$ —**	—	$ —	0.8	$ 28
Issued on acquisition of Placer Dome	**1.7**	**$ 34**	—	$ —	—	$ —
Exercised	**(2.4)**	**$ 26**	(3.8)	$ 25	(1.7)	$ 25
Forfeited	**(0.2)**	**$ 27**	(0.8)	$ 27	(0.7)	$ 26
Cancelled/expired	**(1.9)**	**$ 40**	(0.1)	$ 40	(0.5)	$ 31
At December 31	**11.9**	**$ 28**	14.7	$ 28	19.4	$ 28
US$ options						
At January 1	**6.9**	**$ 24**	5.9	$ 22	2.2	$ 19
Granted	**1.1**	**$ 30**	2.1	$ 25	4.9	$ 24
Issued on acquisition of Placer Dome	**1.0**	**$ 19**	—	$ —	—	$ —
Exercised	**(0.9)**	**$ 21**	(0.3)	$ 15	(1.0)	$ 15
Forfeited	**(0.4)**	**$ 24**	(0.4)	$ 28	—	—
Cancelled/expired	**—**	**$ 25**	(0.4)	$ 26	(0.2)	$ 32
At December 31	**7.7**	**$ 25**	6.9	$ 24	5.9	$ 22

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	4.9	$ 24	6	$ 57	4.8	24	$ 55
$28 - $31	5.6	$ 29	6	37	4.5	29	30
$32 - $43	1.4	$ 36	1	—	1.3	36	—
	11.9	$ 28	5	$ 94	10.6	28	$ 85
US$ options							
$9 - $19	0.3	$ 12	6	$ 5	0.2	12	$ 5
$20 - $27	6.2	$ 24	6	42	2.7	23	20
$28 - $37	1.2	$ 30	10	1	0.1	28	—
	7.7	$ 25	7	$ 48	3.0	23	$ 25

1. Based on the closing market share price on December 31, 2006 of C$35.85 and US$30.70.

Option Information

For the years ended December 31 (per share and per option amounts in dollars)	**2006**	2005		2004
Valuation assumptions	**Lattice[1,2]**	Black-Scholes[1]	Lattice[2]	Black-Scholes
Expected term (years)	**4.5-5**	5	5	5
Expected volatility[2]	**30%–38%**	23%–30%	31%–38%	30%
Weighted average expected volatility[2]	**31.6%**	n/a	33.3%	n/a
Expected dividend yield	**0.7%–0.9%**	0.8%–1 .0%	0.9%	1 .0%
Risk-free interest rate[2]	**4.3%–5.1%**	3.8%–4.0%	4.3%–4.5%	3.8%
Options granted (in millions)[3]	**1.1**	1.1	1.0	5.7
Weighted average fair value per option	**$ 9.42**	$ 7.30	$ 8.13	$ 6.87

1. Different assumptions were used for the multiple stock option grants during the year.
2. Stock option grants issued after September 30, 2005 were valued using the Lattice valuation model. The volatility and risk-free interest rate assumption varied over the expected term of these stock option grants.
3. Excludes 2.7 million fully vested options issued on the acquisition of Placer Dome.

We changed the model used to value stock option grants from the Black-Scholes model to the Lattice valuation model for stock options granted after September 30, 2005. We believe the Lattice valuation model provides a more representative fair value because it incorporates more attributes of stock options such as employee turnover and voluntary exercise patterns of option holders. For options granted before September 30, 2005, fair value was determined using the Black-Scholes method. 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.

Under the Black-Scholes model the expected term assumption takes into consideration assumed rates of employee turnover and represents the estimated average length of time stock options remain outstanding before they are either exercised or forfeited. Under the Lattice valuation model, 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, 2006, there was $39 million (2005: $56 million; 2004: $69 million) of total unrecognized compensation cost relating to unvested stock options. We expect to recognize this cost over a weighted average period of 2 years (2005: 2 years; 2004: 2 years).

For years prior to 2006, we utilized the intrinsic value method of accounting for stock options, which resulted in no compensation expense. If compensation expense had been determined in accordance with the fair value provisions of SFAS No. 123 pro-forma net income and net income per share would have been as follows:

Stock Option Expense

For the years ended December 31 ($ millions, except per share amounts in dollars)	**2006**	2005
Pro forma effects		
Net income, as reported	**401**	248
Stock option expense	**(26)**	(29)
Pro forma net income	**375**	219
Net income per share:		
As reported — basic	**$ 0.75**	$ 0.47
As reported — diluted	**$ 0.75**	$ 0.46
Pro forma[1]	**$ 0.70**	$ 0.41

1. Basic and diluted.

b) Restricted Share Units (RSUs) and Deferred Share Units (DSUs)

In 2005, following a review of various types of stock-based compensation arrangements, we introduced a new stock-based compensation plan for employees. Under the new plan, selected employees are granted restricted share units (RSUs). Each RSU has a value equal to one Barrick common share. RSUs vest and will be settled in cash on the third anniversary of the grant date. Additional RSUs are credited to reflect dividends paid on Barrick common shares. We expect that the volume of options granted each year will decline compared to historical volumes, with a greater number of RSUs issued instead.

RSUs are recorded at fair value on the grant date, with a corresponding amount recorded as deferred compensation that is amortized on a straight-line basis over the vesting period. Changes in the fair value of the RSUs are recorded, with a corresponding adjustment to deferred compensation. Compensation expense for 2006 was $6 million (2005: $2 million; 2004: $4 million). At December 31, 2006, the weighted average remaining contractual life of RSUs was 2.5 years.

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 (thousands)	Fair value (millions)	RSUs (thousands)	Fair value (millions)
At December 31, 2003	8	$ 0.2	452	$ 10.4
Settled	—	—	(293)	(7.3)
Granted	23	0.5	131	3.1
Forfeited	—	—	(58)	(1.3)
Credits for dividends	—	—	3	0.1
Change in value	—	—	—	0.6
At December 31, 2004	31	$ 0.7	235	$ 5.6
Settled	(3)	(0.1)	—	—
Forfeited	—	—	(38)	(0.9)
Granted	19	0.5	415	11.1
Converted to stock options	—	—	(3)	(0.1)
Credits for dividends	—	—	2	0.1
Change in value	—	0.3	—	0.6
At December 31, 2005	47	$ 1.4	611	$ 16.4
Settled	—	—	(82)	(2.5)
Forfeited	—	—	(58)	(1.6)
Granted[1]	22	0.7	893	27
Converted to stock options	—	—	(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

1. In January 2006, under our RSU plan, 18,112 restricted share units were converted to 72,448 stock options, and 9,395 units were forfeited.

26 § 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 $36 million in 2006, $20 million in 2005 and $19 million in 2004.

b) Defined Benefit Pension Plans

We have qualified defined benefit pension plans that cover certain of our United States, Canadian and Australian 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. On December 31, 2004, one of our qualified defined benefit plans was amended to freeze benefit accruals for all employees, resulting in a curtailment gain of $2 million. On January 31, 2006, actuarial assumptions were amended for one of our qualified defined benefit

plans in Canada; no curtailment gain or loss resulted. On June 30, 2006, one of our plans in Canada was partially wound-up; no curtailment gain or loss resulted. On December 31, 2006, one of our qualified defined benefit plans was amended to freeze benefits in the United States 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 $21 million in 2006 (2005: $22 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	2006	2005	2004
Expected return on plan assets	**$ (20)**	$ (11)	$ (11)
Service cost	**4**	—	—
Interest cost	**22**	12	12
Actuarial losses	**1**	—	1
Curtailment gains	**(8)**	—	(2)
	$ (1)	$ 1	$ —

c) Pension Plan Information

Fair Value of Plan Assets

For the years ended December 31	2006	2005	2004
Balance at January 1	**$ 166**	$ 170	$ 166
Increase for plans assumed on acquisition of Placer Dome	**127**	—	—
Actual return on plan assets	**35**	10	14
Company contributions	**10**	10	6
Benefits paid	**(37)**	(24)	(16)
Balance at December 31	**$ 301**	$ 166	$ 170

At December 31	Target	2006 Actual	Actual	2005 Actual
Composition of plan assets:				
Equity securities	**60%**	**59%–63%**	**$ 180**	$ 81
Debt securities	**40%**	**23%–41%**	**106**	85
Real estate	—	**3%–9%**	**9**	—
Other	—	**2%–9%**	**6**	—
	100%	**100%**	**$ 301**	$ 166

Projected Benefit Obligation (PBO)

For the years ended December 31	2006	2005
Balance at January 1	**$ 224**	$ 218
Increase for plans assumed on acquisition of Placer Dome	**191**	
Service cost	**4**	—
Interest cost	**22**	13
Actuarial (gains) losses	**(7)**	17
Benefits paid	**(37)**	(24)
Curtailments	**(8)**	—
Balance at December 31	**$ 389**	$ 224
Funded status[1]	**$ (88)**	$ (58)
Actuarial losses	**n/a**	29
Net benefit liability recorded	**n/a**	$ (29)
ABO[2,3]	**$ 386**	$ 222

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 $21 million at December 31, 2006). In the year ending December 31, 2007, we do not expect to make any further contributions.
2. For 2006, we used a measurement date of December 31, 2006 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 $110 million (2005: $222 million).

Pension Plan Assets/Liabilities

At December 31	2006
Non-current assets	**$ 5**
Current liabilities	**(8)**
Non-current liabilities	**(85)**

Other comprehensive income[1]	**6**
	$ (82)

1. Amounts represent actuarial 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, 2006 and 2005 were as follows:

For the years ended December 31	**2006**	2005
Projected benefit obligation, end of year	**$ 111**	$ 224
Fair value of plan assets, end of year	**$ 62**	$ 166

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, 2006 and 2005 were as follows:

For the years ended December 31	**2006**	2005
Projected benefit obligation, end of year	**$ 111**	$ 224
Accumulated benefit obligation, end of year	**$ 110**	$ 222
Fair value of plan assets, end of year	**$ 62**	$ 166

Effect of Adopting FAS 158

We adopted provisions of FAS 158 in 2006 (see note 2e). FAS 158 requires employers to fully recognize the obligations for defined benefit pension and other post-retirement plans in their financial statements; past standards only required note disclosure. FAS 158 requires recognition of the funded status of a benefit plan on the balance sheet, which is measured as the difference between the fair value of plan assets and the benefit obligation, as at the fiscal year-end. For pension plans, the benefit obligation is the projected benefit obligation; for other post-retirement benefits, the benefit obligation is the accumulated post-retirement benefit obligation.

For the years ended December 31 , 2006[1]	Pre-FAS 158	Adjust-ments	Post-FAS 158
Liability for plans			
Pension plans	$ 82	$ 6	$ 88
Other post-retirement benefits	31	5	36
Additional minimum liability[2]	13	(13)	—
Total recognized benefit liability	$ 126	$ (2)	$ 124
Liability for plans			
Net actuarial loss	$ —	$ 9	$ 9
Transition obligation	—	2	2
	$ —	$ 11	$ 11

1. Includes incremental effect for other post-retirement benefits.
2. Elimination of historically recorded amounts in OCI.

Expected Future Benefit Payments

For the years ending December 31	
2007	$ 33
2008	28
2009	27
2010	36
2011	27
2012-2016	$ 134

d) Actuarial Assumptions

For the years ended December 31	**2006**	2005	2004
Discount rate[1]			
Benefit obligation	**4.40%-5.90%**	5.50%	5.50%
Pension cost	**4.40%-5.90%**	5.50%	6.25%
Return on plan assets[1]	**7.00%-7.25%**	7.00%	7.00%
Wage increases	**3.5%-5.00%**	5.00%	5.00%

1. Effect of a one-percent change: Discount rate: $33 million decrease in ABO and $2 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 25 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	2006	2005	2004
Interest cost	**$ 2**	$ 2	$ 2
Other	**—**	5	—
	$ 2	$ 7	$ 2

Fair Value of Plan Assets

For the years ended December 31	2006	2005	2004
Balance at January 1	**$ —**	$ —	$ —
Contributions	**3**	4	2
Benefits paid	**(3)**	(4)	(2)
Balance at December 31	**$ —**	$ —	$ —

Accumulated Post-retirement Benefit Obligation (APBO)

For the years ended December 31	2006	2005	2004
Balance at January 1	**$ 39**	$ 29	$ 24
Interest cost	**2**	2	2
Actuarial losses	**(1)**	11	5
Benefits paid	**(3)**	(3)	(2)
Balance at December 31	**$ 37**	$ 39	$ 29
Funded status	**(37)**	(38)	(29)
Unrecognized net transition obligation	**n/a**	1	—
Unrecognized actuarial losses	**n/a**	6	1
Net benefit liability recorded	**n/a**	$ (31)	$ (28)

Other Post-retirement Assets/Liabilities

For the year ended December 31	2006
Current liability	**$ (3)**
Non-current liability	**(33)**
Accumulated other comprehensive income	**5**
	$ (31)

Amounts recognized in accumulated other comprehensive income consist of: [1]

For the year ended December 31	2006
Net actuarial loss (gain)	**$ 3**
Transition obligation (asset)	**2**
	$ 5

1. The estimated amounts that will be amortized into net periodic benefit cost in 2007.

We have assumed a health care cost trend of 10% in 2007, decreasing ratability to 5% in 2012 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, 2006 would have increased the post-retirement obligation by $4 million or decreased the post-retirement benefit obligation by $3 million and would have had no significant effect on the benefit expense for 2006.

Expected Future Benefit Payments

For the years ending December 31	
2007	**$ 3**
2008	**3**
2009	**3**
2010	**3**
2012	**3**
2012-2016	**14**

27 § 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. Other parties filed several other complaints, making the same basic allegations against the same defendants. In September 2003, the cases were consolidated into a single action in the Southern District of New York. The plaintiffs filed a Third Amended Complaint on January 6, 2005. On May 23, 2005, Barrick filed a motion to dismiss part of the Third Amended Complaint. On January 31, 2006, the Court issued an order granting in part and denying in part Barrick's motion to dismiss. Both parties moved for reconsideration of a portion of the Court's January 31, 2006 Order. On December 12, 2006, the Court issued its order denying the parties' motions for reconsideration. The Court denied both parties' motions. Discovery is ongoing. We intend to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

Wilcox Complaint

On September 8, 2004, two of our U.S. subsidiaries, Homestake Mining Company of California ("Homestake California") and Homestake Mining Company ("Home-stake") were served with a First Amended Complaint by persons alleging to be current or former residents of a rural area near the former Grants Uranium Mill. The Complaint, which was filed in the U.S. District Court for the District of New Mexico, named Homestake and Homestake California, along with an unspecified number of unidentified defendants, as defendants. The plaintiffs allege that they have suffered a variety of physical, emotional and financial injuries as a result of exposure to radioactive and other hazardous substances. The Complaint seeks an unspecified amount of damages. On November 25, 2005, the Court issued an order granting in part and denying in part a motion to dismiss the claim. The Court granted the motion and dismissed plaintiffs' claims based on strict and absolute liability and ruled that plaintiffs' state law claims are pre-empted by the Price-Anderson Act. Plaintiffs filed a Third Amended Complaint on April 10, 2006, which increased the number of plaintiffs from 26 to 28 and omitted the claims previously dismissed by the Court, but otherwise did not materially alter the claims asserted. An Initial Scheduling Order has been issued by the Court. We intend to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

Cowal Mine

Opponents of Barrick's Cowal mine continue to pursue various claims, legal proceedings and complaints against the mine and the Company's compliance with its permits and licenses. Barrick has and will continue to vigorously defend such actions. No amounts have been accrued for any potential loss under these complaints.

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). However, 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. The Company has filed oppositions to these new motions from the Province. The District Court has not yet ruled on these motions. On November 13, 2006, the District Court issued an order permitting the Province to conduct 'limited' juris-dictional discovery. The Company has interposed objections to the scope of the discovery that the Province has requested. The District Court has not yet ruled on the objections. 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. To date, we are unaware of any attempts to serve the summons on PDI, nor do we believe that PDI is properly amenable to service in the Philippines. If service is attempted, the Company intends to defend the action vigorously.

Pakistani Constitutional Litigation

On November 28, 2006, a Constitutional Petition was filed in the High Court of Balochistan by three Pakistan 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 alleges, 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 December 27, 2006, the Court issued an order providing that the respondents may continue to conduct mining exploration in the area, but that no change shall be made in the ownership of TCC without the consent of the provincial government and prior intimation to the Court. The original order of the Court, which was granted on November 28, 2006, provided that status quo in respect of the mining lease (of which there are none) be maintained. The matter was adjourned to March 20, 2007 at which time it is expected to be heard by the Court. Barrick intends to defend this action vigorously.

NovaGold Litigation

On August 24, 2006, during the pendency of Barrick's unsolicited bid for NovaGold Resources Inc., NovaGold filed a complaint against Barrick in the United States District Court for the District of Alaska. The complaint has been amended on several occasions with the most recent amendment having been filed in January 2007. The complaint, as amended, seeks a declaration that Barrick will be unable to satisfy the requirements of the Mining Venture Agreement between NovaGold and Barrick which would allow Barrick to increase its interest in the Donlin Creek joint venture from 30% to 70%. NovaGold also asserts that Barrick breached its fiduciary and contractual duties to NovaGold, including its duty of good faith and fair dealing, by misusing confidential information of NovaGold regarding NovaGold's Galore Creek project in British Columbia. NovaGold seeks declaratory relief, an injunction and an unspecified amount of damages. Barrick's Motion to Dismiss NovaGold's amended complaint was heard on February 9, 2007, and is currently pending before the Court.

On August 11, 2006, NovaGold filed a complaint against Barrick in the Supreme Court of British Columbia. The complaint asserts that in the course of discussions with NovaGold of a potential joint venture for the development of the Galore Creek project, Barrick misused confidential information of NovaGold regarding that project to, among other things, wrongfully acquire Pioneer Metals, a company that holds mining claims adjacent to NovaGold's project. NovaGold asserts that Barrick breached fiduciary duties owed to NovaGold, intentionally and wrongfully interfered with NovaGold's interests and has been unjustly enriched. NovaGold seeks a constructive trust over the shares in Pioneer acquired by Barrick and an accounting for any profits of Barrick's conduct, as well as an unspecified amount of damages. To date, NovaGold has taken no substantive action to pursue this complaint.

Barrick intends to vigorously defend both of the NovaGold complaints. No amounts have been accrued for any potential loss under these complaints.

28 § Unincorporated Joint Ventures

Our major interests in unincorporated joint ventures where we share joint control with our partners and use the proportionate consolidation method are a 50% interest in the Kalgoorlie mine in Australia; a 50% interest in the Round Mountain mine in the United States; a 50% interest in the Hemlo mine in Canada; and a 33% interest in the Marigold mine in the United States. In first quarter 2006 we also acquired interests in similar unincorporated joint ventures through the acquisition of Placer Dome, including: a 60% interest in the Cortez Mine; a 75% interest in the Turquoise Ridge mine, both in the United States; and a 75% interest in the Porgera mine in Papua New Guinea.

Summary Financial Information (100%)

Income Statement and Cash Flow Information

For the years ended December 31	**2006**	2005	2004
Revenues	**$ 1,776**	$ 1,009	$ 946
Costs and expenses	**(1,447)**	(796)	(702)
Net income	**$ 329**	$ 213	$ 244
Operating activities[1]	**$ 473**	$ 318	$ 316
Investing activities[1]	**$ (284)**	$ (75)	$ (81)
Financing activities[1,2]	**$ (185)**	$ (237)	$ (236)

1. Net cash inflow (outflow).
2. Includes cash flows between the joint ventures and joint venture partners.

Balance Sheet Information

At December 31	**2006**	2005
Assets		
Inventories	**$ 365**	$ 176
Property, plant and equipment	**2,478**	504
Other assets	**126**	87
	$ 2,969	$ 767
Liabilities		
Current liabilities	**$ 205**	$ 123
Long-term obligations	**202**	105
Deferred tax	**42**	—
	$ 449	$ 228

EXHIBIT 4

Management's Discussion and Analysis ("MD&A")

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This 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. It includes the following sections:

§ Our Business – a general description of our core business; our vision and strategy; our capability to execute our strategy; and key economic trends in our present business environment.

§ Operations Review – an analysis of our consolidated results of operations for the last three years focusing on our material operating segments and the outlook for 2007.

§ Liquidity, Capital Resources and Financial Position –an analysis of cash flows; sources and uses of cash; contractual obligations and commitments; our financial position; financial instruments; and off-balance sheet arrangements.

§ Critical Accounting Policies and Estimates – a discussion of accounting policies that require critical judgments and estimates.

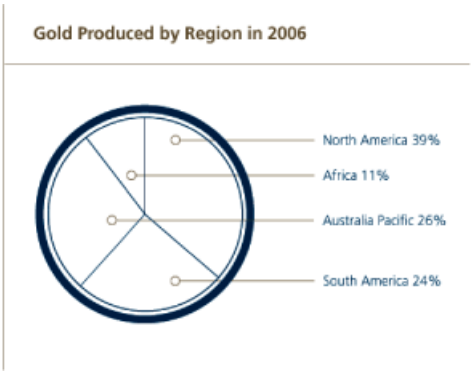
This MD&A, which has been prepared as of February 21, 2007, is intended to supplement and complement our audited consolidated financial statements and notes thereto for the year ended December 31, 2006 prepared in accordance with United States generally accepted accounting principles, or US GAAP (collectively, our "Financial Statements"). You are encouraged to review our Financial Statements in conjunction with your review of this MD&A. Additional information relating to our Company, including our most recent Annual Information Form, is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. For an explanation of terminology used in our MD&A that is unique to the mining industry, readers should refer to the glossary on page 66. All dollar amounts in our MD&A are in US dollars, unless otherwise specified.

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.

Our Business

Core Business

We are the world's preeminent gold mining company in terms of market capitalization, annual gold production and gold reserves. In early 2006, we completed the acquisition of Placer Dome Inc. ("Placer Dome"), which resulted in a significant increase in the scale of our mining operations. The acquisition of Placer Dome also added significant copper reserves at two mines, Zaldívar in Chile and Osborne in Australia. Further details of the Placer Dome acquisition can be found on page 17.



We generate revenue and cash flow from the production and sale of gold and copper. 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 gold bullion and copper cathode is sold under gold and copper cathode sales contracts between ourselves and various third parties.

Vision and Strategy

Our vision is 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 goal is to create value for our shareholders. We reinvest cash flow from our mines in exploration, development projects and other investments to work towards the long-term sustainability of our business, to generate cash flow, and to provide leverage to gold prices through gold production and replacement of our reserve/resource base. 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 a strong project pipeline, while effectively managing current operations.

In 2005, we set our 2006 strategy, which focused on growth in reserves and production, operational excellence, strengthening the organization and responsible mining. Our successes in each of these areas, including the successful integration of Placer Dome into Barrick, have laid the foundation for our 2007 key areas of focus: share price performance, responsible mining and building and maintaining a high performance organization.

2006 Strategic Objectives	2006 Results	2007 Strategic Objectives
Growth in reserves and production § Growth at existing mine sites by finding new reserves and converting mineralized material to reserves § Growth through successful exploration focusing principally in key exploration districts § Growth through targeted acquisitions § Advance the development of Cowal, Pascua-Lama, Ruby Hill and Buzwagi as well as newly acquired Placer Dome projects, including Pueblo Viejo, Cortez Hills, Donlin Creek and Sedibelo	§ Met market guidance for production § Benefited from an excellent first full year of production at 3 new mines and brought the Cowal mine into production § Advanced all of our major projects § Achieved reserve growth through exploration discoveries § Completed Placer Dome acquisition, sale of assets to Goldcorp Inc. ("Goldcorp"), South Deep sale, and Reko Diq acquisition § Research and development successes that are expected to enhance project economics § Realigned Russian business strategy	**Share price performance** § Grow the business through a combination of opportunistic acquisitions, new deposit discoveries and replacement of reserves and resources § Advance project pipeline through achievement of milestones, prioritization and effective sequencing § Strong financial management, including hedge book management, balance sheet optimization and realizing additional Placer Dome acquisition synergies § Operational excellence focused on meeting production and cost targets, realizing savings from ongoing continuous improvement initiatives, and increased focus on R&D § Advance opportunities for vertical integration and effective consumables management
Operational excellence § Control costs § Global supply chain management (such as extending tire life and evaluating alternatives for supply) § Continuous improvement initiatives § Currency, interest rate and commodity hedge programs § Effective assessment and management of risk § Effective capital allocation § Secure efficient sources of funding for capital	§ Met market guidance for total cash costs § Effective program of hedging and managing production cost risks, such as currency exchange rates, fuel and power § Successfully reduced fixed-price Corporate Gold Sales Contracts and eliminated acquired Placer Dome hedge position § Continuous improvement initiatives ongoing to mitigate cost pressures, increase throughput and quality improvements § Launched capital allocation process improvements including new approvals process and tracking system § Issued $1 billion of copper-linked notes and increased credit facility from $1.0 to $1.5 billion	
Strengthen the organization § Workforce — identify and develop talent § Leadership development and succession planning § Adopt best practices in corporate governance, including strengthening internal control over financial reporting	§ Successful integration of Placer Dome across all regions and functions, including cultural integration § Leadership development and succession plans completed for key leaders § Achieved targets in developing compliance and governance capabilities	**High performance organization** § Leadership development § Optimization of business processes such as planning project management and risk management § Technology improvements to increase automation and control costs § Effective capital management through prioritization, capital allocation and value measurement § Compliance with business code of conduct and applicable corporate governance legislation
Responsible mining § Reinforce health and safety culture § Enhance environmental performance, including use of innovative technology to protect the environment § Maintain positive community and government relations	§ Courageous Safety Leadership program rolled out across Barrick § Focus on contractor safety resulted in 40% reduction of incidents over 2005 § Developed and adopted Corporate Social Responsibility ("CSR") guidelines across Barrick § Expanded Non-Governmental Organizations ("NGO") partnerships § Improved ratings on Dow Jones Sustainability Index § Recipient of 2006 CME/CIDA Award for Excellence in CSR	**Responsible mining** § Achieve safety and health performance targets § Effective government relations and community engagement § Environmental leadership through energy and conservation strategy

Capability to Execute our Strategy

Our capability to execute our strategy comes from the strength of our regional business unit structure, our experienced management team and a strong project pipeline that ensures long-term sustainability of the business.

Regional Business Unit Structure

We manage our business using a regional business unit ("RBU") structure. We have four RBUs: North America, South America, Australia Pacific, and Africa. Each region receives direction from the Corporate Office, but has responsibility for all aspects of its business such as strategy and sustainability of mining operations, including exploration, development, construction, production and closure. Each team is led by its own Regional President, with oversight by the Corporate Office. Each region has two overriding responsibilities: to optimize current assets and to grow its business.

Each RBU essentially operates as a business unit and contains the following functional groups: Technical Services; Legal; Organizational Effectiveness, including Human Resources and Continuous Improvement; Finance; Operations Support; Communications; Exploration; Business Development; and Governmental Relations. Since their inception, the RBUs have added significant 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. In a period of inflationary cost pressures experienced by the mining industry, we believe that our RBU structure has allowed us to better deal with the challenges and issues impacting our industry. Furthermore, this structure served us well for the integration of Placer Dome, which was successful and substantially complete by the end of second quarter 2006.

In fourth quarter 2006, on closing of a transaction to vend-in our Russian gold assets to Highland Gold Mining Ltd. ("Highland"), we concluded that we no longer had a Russia/Central Asia operating segment and our segment disclosure in our Financial Statements has been revised to exclude Russia/Central Asia.

Experienced Management Team and Skilled Workforce

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 strategies. We continue to focus on leadership development for key members of our executive, senior mine management and front-line management. A skilled workforce has a significant impact on the efficiency and effectiveness of our operations. The remote nature of many of our mine sites, as well as strong competition for human resources, presents challenges in maintaining a well-trained and skilled workforce. We continue to focus our efforts on employee retention, recruiting skilled employees and positive labor relations, including training programs, leadership development and succession planning. In 2006, we completed the implementation of a Human Resource information system to help us effectively manage the impact our workforce has on our mining operations.

Advanced Exploration and Project Pipeline

Our pipeline of advanced exploration and development projects represents a critical component to our long-term strategy of growing the business. We and others in the mining industry face the challenges associated with finding, acquiring and developing projects. 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. The size, breadth and scale of a company such as ours, coupled with our regional structure, enhances our prospects for success; however, the timeline for developing projects has increased significantly.

During 2004, we were focused on building our new mines and laying the groundwork for growth in our production. In 2005, we began to realize that growth, as our new mines, Tulawaka, Lagunas Norte and Veladero entered production. In 2006, our newest mine, Cowal, began production and our Pascua-Lama project received necessary environmental approvals in Chile

and Argentina. We also completed a feasibility study for Buzwagi in Tanzania and are awaiting approval of the Environmental Impact Assessment ("EIA").

In 2006, we acquired Placer Dome, and with that acquisition, added four significant exploration and advanced stage projects to our project pipeline: Cortez Hills, Donlin Creek in North America; Pueblo Viejo in the Dominican Republic; and Sedibelo, a platinum deposit in South Africa. With this significant pipeline of projects, we are expanding our staff capacity. During the year, efforts were undertaken to quantify the expected requirements. Initiatives to meet these needs have now commenced through programs such as our Engineers-in-Training Program.

In addition to the focus on personnel, enhancements to systems and business processes are ongoing and will help to improve operating and cost visibility. We expect that these improvements will allow us to more easily identify value-creating opportunities in existing operating sites, development projects and related merger and acquisition activity. The improvements should allow better information sharing and the ability to benchmark operating activities so that best practices can be applied from our most efficient operations. For example, a detailed cost benchmarking exercise was completed for open pit mining in 2006 that led to the identification of improvement opportunities at a number of our mine sites.

Technical innovation is also being pursued, utilizing our in-house research and development ("R&D") lab. Certain of our projects have realized benefits as a result of this R&D work, which has produced modified process flow designs that yield enhanced gold and metal by-product recoveries. An example of this is the change in metallurgical process design at Pueblo Viejo to improve recoveries of silver and zinc that we expect will have a positive impact on project economics. We increased our budget for R&D to $20 million in 2007 from about $8 million spent in 2006 to support the various ongoing initiatives.

Cost Control and Supply Sourcing

In 2006, our supply chain focus was on implementing long-term cost control and sourcing strategies for major consumables and supplies used in our mining activities through global commodity purchasing teams. We also focused on mitigating the impact that global shortages of commodities such as tires and cyanide have on our operations through implementation of long-term supply arrangements for these items. We have developed processes and systems to monitor usage and supply of tires at our mine sites that enable reallocation of tires between sites where necessary. In 2007, we plan to continue to implement cost control and sourcing strategies for consumables and supplies.

Energy costs, which include costs for electrical energy, diesel fuel, natural gas, propane, explosives and some energy costs embedded into maintenance and contractor services, account for approximately 30% of our total cash operating costs. In 2006, we launched a strategic effort to design and implement a company-wide, sustainable energy management program that will pursue demand management, operating efficiencies and investment in generating capability. In 2007, our goal is to manage our demand and seek to realize annual energy efficiency savings. We plan to review new technologies and analyze current practices to look for energy efficiency opportunities, as well as look to alternative, cleaner sources of energy, possibly including solar or geothermal energy. We also continue to review opportunities to increase our generating capability, including renewable energy projects such as the commissioning of our first 2-megawatt wind turbine at Veladero later in 2007.

Many of our development projects reside in areas where the energy infrastructure is either nonexistent or severely stretched due to a lack of investment. The implementation of energy solutions to support our development activities is a significant opportunity for us to manage a large portion of future operating expenses and provide long-lasting infrastructure for our mining activities. For example, in 2005, we built a gas-fired power plant in Nevada, which provides significant cost benefits to the Goldstrike property (see page 12 under Electricity).

Maintenance Program

Maintenance costs (including maintenance labor) represents about 30% of total cash operating costs at our mines. The cost of maintenance is not only a function of the price paid for parts and labor, but can also vary considerably depending on whether the maintenance is planned or unplanned, with unplanned maintenance being the more costly. We are designing a global maintenance program to support our operating mines and projects in the adoption of best practices to achieve optimal mine equipment performance and to enable cost-effective on-site maintenance.

In 2006, our maintenance group supported various programs, including: maintenance trades training and certification (e.g. mechanics, welders) for our employees in Africa; implementation of a reporting system for key maintenance performance indicators for mines in Australia Pacific; establishment of a regional-based reliability engineering team and test laboratory in North America to investigate the potential benefits of establishing regional-based laboratories and training facilities; and implementation of an upgraded electronic asset management system in South America.

In 2007, areas of focus for our maintenance group include standardized policies, procedures and processes for asset management; the introduction of new technology and programs to improve maintenance productivity; and setting standards for the implementation of a global enterprise asset management system.

Continuous Improvement

Our Continuous Improvement ("CI") group's vision is to achieve operational excellence and a company culture that engages every employee in improvement every day. We have a global network of Barrick employees across all sites that focus on CI in all key aspects of our business. Structured problem-solving and planning methodologies are used extensively to help identify and execute improvement initiatives while fostering company-wide learning through knowledge-sharing. Implementation of CI initiatives has led to significant value creation to Barrick in terms of cost mitigation, throughput increases and quality improvements.

Environmental, Health and Safety

Responsible mining is one of our key strategic objectives. As part of our commitment to responsible mining, we focus on continuously improving health and safety programs, systems and resources to help control workplace hazards. Continuous monitoring and integration of health and safety into decision-making enables us to operate effectively, while also focusing on health and safety. In 2006, we completed a review of the Safety and Health System and Standards, with implementation commencing in 2007; we completed training of former Placer Dome supervisory and management-level employees in our "Courageous Leadership for Safety and Health" program; we instituted risk and change management processes including risk assessments; and we established contractor safety controls across all regions. Key areas of focus for 2007 will include: courageous safety leadership development for the remainder of the hourly personnel; implementation of the Gold Standards, which are security standards by which we handle and protect the gold from the point the gold is mined to the point when it is processed and shipped; identification of significant health issues; continued focus on risk and change management; and continuing communication of a safety culture as part of our core values.

We are subject to extensive laws and regulations governing the protection of the environment, use of water, endangered and protected species, waste disposal, mine closure and reclamation and worker health and safety. We seek to continuously implement operational improvements to enhance environmental performance. Our Environmental, Health, Safety and Sustainability Executive Committee is responsible for monitoring and reviewing environmental, safety and health policies and programs, assessing performance and monitoring current and future regulatory issues. We are a charter signatory to the International Cyanide Management Code. In March 2006, our Cowal mine became the first facility in the world to obtain the International Cyanide Institute Certification. We are a signatory to the UN Global Compact, which 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. Following the acquisition of Placer Dome, we began the implementation of our Environmental Management System ("EMS") Standard at all of the acquired operations. The EMS Standard contains 15 elements of good environmental management and is consistent with ISO 14001. Three of our mines, Lagunas Norte, Pierina and Zaldívar, are ISO 14001 Certified and our goal is that others will receive certification in the future. Each year, we issue a Responsibility Report that outlines our environmental, health and safety and social responsibility performance for the year.

Information Management and Technology

Our Information Management and Technology ("IMT") group provides focused and responsive support to enable us to meet our current business objectives and long-term strategy goals. The IMT group also manages significant risks, such as information security; risks relating to the implementation of new applications; and the risk of failure of critical systems. We are implementing strategies to mitigate these risks, including monitoring operating procedures and the effectiveness of system controls to safeguard data, evaluating the effective use of technology and maintaining disaster recovery plans. Other areas of focus include working with other functional groups to reduce technology diversity and cost by standardizing system solutions, and ongoing analysis of business needs and the potential benefits that can be gained from system enhancements.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. 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. Due to 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.

Barrick's annual management report on internal control over financial reporting for the year ended December 31, 2006 and the related attestation report of Barrick's auditors is included in Barrick's 2006 Annual Report and its 2006 Form 40-F/Annual Information Form on file with the SEC and Canadian provincial securities regulatory authorities.

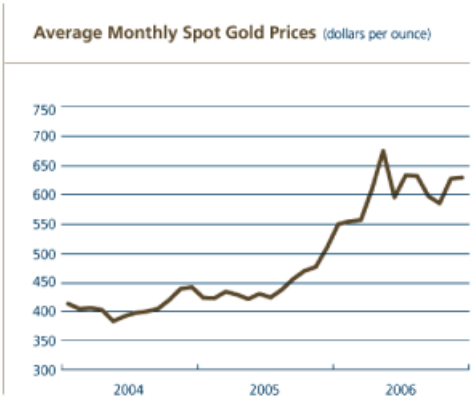
Key Economic Trends

In 2006, higher gold, copper and silver prices continued. While benefiting gold and copper revenues and silver by-product credits, this also led to higher royalty expenses. Although the trend of inflationary pressure on other commodities and consumables, such as oil and natural gas, eased late in 2006 and into 2007, prices for many other commodities and consumables, including electricity, tires and cyanide, remain at relatively high levels and continue to cause upward pressure on production costs. The gold mining industry has also been facing upward pressure on labor costs. We believe that other companies in the industry are experiencing similar trends for labor, commodities and consumables. Since the acquisition of Placer Dome, the increase in scale of our business means that these factors also impact the business on a larger scale.

Gold, Copper and Silver Prices

Market gold and copper prices have a significant impact on our revenue. Silver prices impact total cash costs of gold as silver sales are recorded as a byproduct credit. These prices are subject to volatile price movements over short periods of time, and are affected by numerous industry and macroeconomic factors that are beyond our control.

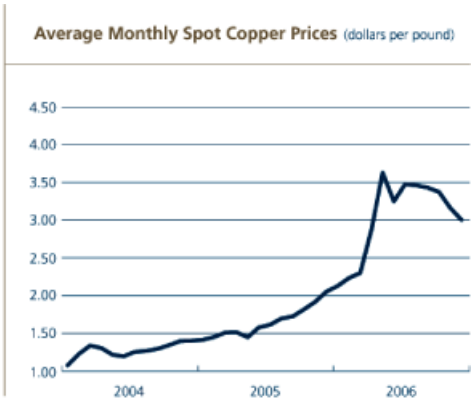
In 2006, gold prices ranged from $516 to $730 per ounce with an average market price of $604 per ounce and closed the year at $632 per ounce. The price of gold followed an upward trend in 2006, reaching a 25-year high of $730 per ounce in May, primarily due to strong physical and investment demand. Since May, market gold prices retreated to trade generally in the $600 to $650 per ounce range. Other economic influences such as supply and demand, oil prices, trade deficits, the US dollar and US interest rates are factors in explaining gold price movements, as well as Central Bank activity. Demand for gold remains strong, both for jewelry and as an investment in response to global economic and political uncertainty. In the past few years there has been a resurgence in gold as an investment vehicle, with more readily accessible gold investment opportunities (such as gold exchange traded funds – "ETFs"). There has been speculation that central banks in Asia and Russia have considered diversifying their reserves away from the US dollar and into other currencies and gold, which would provide further fundamental strength to gold prices. We believe that economic conditions for a higher gold price remain favorable and we expect that gold mine supply will continue to fall short of jewelry and investment demand.



Over the last three years, our realized gold sales prices have generally tracked the rising market gold price. In certain periods our average realized price was below market prices as we voluntarily chose to deliver some of our production into gold sales contracts at prices lower than prevailing market prices, consistent with our goal to eliminate our fixed-price Corporate Gold Sales Contracts position (see page 54 for more details). In 2006, our realized gold price was reduced during the year by the opportunity cost of deliveries into fixed-price Corporate Gold Sales Contracts of $367 million ($327 million in fourth quarter 2006) combined with Placer Dome gold hedge accounting adjustments of $165 million as we completely eliminated the position in 2006. Had it not been for these items, our realized price would have been approximately $63 per ounce higher in 2006 (and would have largely tracked the spot gold price). In 2006, we reduced our fixed-price Corporate Gold Sales Contracts through the delivery of 1.2 million ounces of production into contracts and converting the pricing of 0.5 million ounces into future spot pricing. We also reallocated 3.0 million ounces of hedges to the Project Gold Sales Contracts (see pages 52 to 55 for a description of our Gold Sales Contracts).

As of February 21, 2007, we fully eliminated the remaining fixed-price Corporate Gold Sales Contracts. We expect to eliminate the entire Floating Spot-Price Gold Sales Contracts position through deliveries of gold production before the end of the second quarter of 2007. This is expected to result in a pre-tax reduction to our net income and cash flow of $572 million ($564 million post-tax) in first quarter 2007 and $76 million ($65 million post-tax) in second quarter 2007.

The acquisition of Placer Dome has led to copper prices having a significant effect on our results due to copper production from the Zaldívar copper mine and the Osborne gold and copper mine. In 2006, these mines produced 367 million pounds of copper in the aggregate.



Copper prices rose significantly in the first half of 2006, reaching a high of $3.99 per pound in May. Realized copper prices tracked the rising spot market prices. This rally was mainly due to strong physical and investment demand, as well as relatively low global copper inventory levels, exacerbated by labor strikes at some of Chile's large copper mines. We took advantage of these high copper prices to issue $1 billion of copper-linked notes that are repayable in the dollar equivalent of 324 million pounds of copper (starting in October 2006) over the following three years at $3.08 per pound (see page 47 for more details). In the latter part of the year, copper prices trended lower from the high in May 2006, closing at $2.85 per pound on December 31, 2006. Copper prices have declined further since December 31, 2006 on concerns of a slowdown in global economic activity. In February 2007, we entered into a transaction where we can participate in stronger copper prices up to $3.50 per pound, while maintaining a floor price of $3.00 per pound, on the remaining 274 million pounds of copper in copper-linked notes.

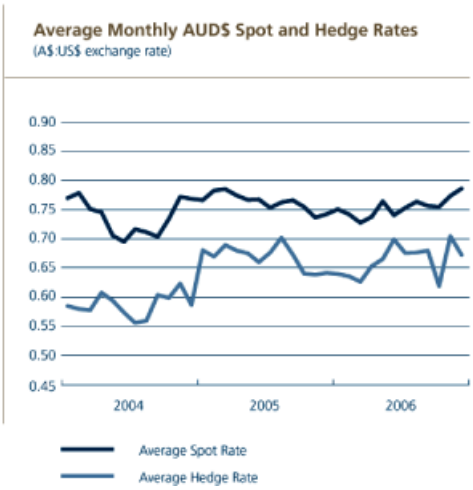


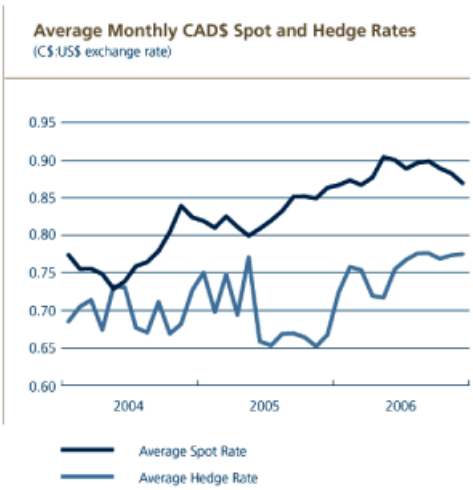
Silver prices have risen more than 40% since the beginning of the year, and reached a high of $15.17 per ounce in May 2006, largely due to investment demand led by the silver exchange-traded fund launched in second quarter 2006. Silver rallied in the first few months of 2006 along with gold, despite continued news that attrition in the US photographic market would depress demand. Silver prices have had support from industrial consumers as technological advances continue to create new uses for silver. Industrial demand now accounts for approximately half of total demand. Over the last three years we have produced between 10 to 18 million ounces of silver by-products annually, mainly at our Eskay Creek mine. For 2007, we expect to produce about 7 million ounces of silver, as Eskay Creek approaches the end of its reserve life in early 2008. After Pascua-Lama begins production, we expect that the quantities of silver we produce annually will increase significantly due to the substantial amount of silver that is contained in the gold mineral reserves.

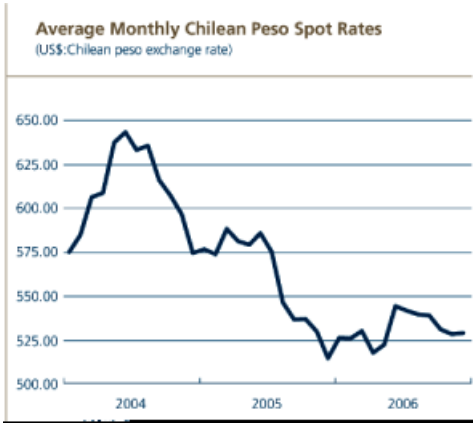
Based on estimates of 2007 production and sales, the approximate sensitivities of our income from continuing operations before income taxes and other items to a 10% change in metal prices from 2006 average spot rates are as follows: gold – $340 million; copper –$75 million; and silver – $10 million.

Currency Exchange Rates

Results of our mining operations in Australia, Canada and Chile, reported in US dollars, are affected by exchange rates between the Australian, Canadian and Chilean currencies and the US dollar because a portion of our annual expenditures are based in local currencies. Following the Placer Dome acquisition, our exposure to the Australian dollar and the Chilean peso increased.







A weaker US dollar would cause our costs reported in US dollars to increase. In 2006, the Canadian dollar stabilized at the higher levels reached in 2005, mainly due to sustained higher energy prices and global investor interest in resource assets. The Australian dollar has appreciated, mainly due to higher commodity prices and a strong economic performance in Australia resulting in an interest rate environment that is attractive to investors. The Chilean peso strengthened in tandem with copper prices in 2006. It has since weakened following copper.

We have a currency hedge position as part of our strategy to control costs by mitigating the impact of volatility in the US dollar on Canadian and Australian dollar-based costs. About 70% 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 has mitigated to a significant extent the effect of the weakening of the US dollar over the last few years on operating costs at our Australian and Canadian mines. 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: 2006 – $84 million; 2005 – $100 million; and 2004 – $96 million. These gains are reflected as an offset to our operating costs. We have also recorded hedge gains which offset administration expenses as follows: 2006 – $14 million; 2005 – $16 million; 2004 – $11 million.

Our currency hedge position at the end of 2006 provides protection for a significant portion of our Canadian and Australian dollar-based costs for the next three years. The average hedge rates vary depending on when the contracts were put in place. For hedges in place for future years, average hedge rates are higher than 2006 because some of the contracts were added over time as the US dollar weakened. The average rates of currency contracts over the next three years are approximately $0.72 for Australian dollar contracts and approximately $0.81 for Canadian dollar contracts. Beyond the next three years, our Canadian dollar-based costs principally represent corporate administration costs at our head office. The portion of the Australian dollar-based costs that remain unhedged are subject to market currency exchange rates, and consequently costs reported in US dollars for our Australian mining operations could increase if currency exchange rates against the US dollar remain at present levels.

As of December 31, 2006, we had not hedged any of the Chilean peso exposure at Zaldívar or the Pascua-Lama project. In early 2007, we opportunistically added 6.5 billion of Chilean peso hedges for exposures in 2007.

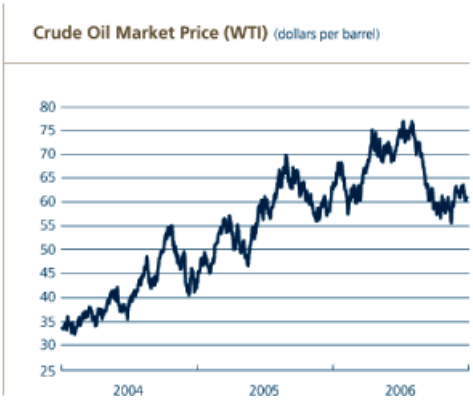
For the unhedged portion of estimates of our Australian, Canadian and Chilean currency-based costs for 2007, a 10% change in market exchange rates for these currencies would result in a change in costs reported in US dollars for these currencies of about $32 million. Further information on our currency hedge position is included in note 19 to the Financial Statements.

Inflationary Cost Pressures

The mining industry continues to experience price inflation for many commodities and consumables used in the production of gold and copper, as well as, in some cases, constraints on supply. These pressures have led to a trend of higher production costs reported by many gold producers, and we have been actively seeking ways to mitigate these cost pressures. In the case of diesel fuel, we put in place hedge positions that have been successful in mitigating the impact of recent price increases to a significant extent. For other cost pressures, we have been focusing on supply chain management and continuous improvement initiatives to mitigate the impact on our business.

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 remaining high in 2006, oil prices rose from $63 per barrel at the start of the year to a record high $78 per barrel in July 2006, and closed at $61 per barrel at the end of the year. Since the end of 2006, the price of crude oil has continued to decline due to warmer weather in the US northeast, producer hedging and technical trading based on these

lower levels. To help mitigate rising oil prices and control the cost of fuel consumption, at year end we had a fuel hedge position totaling 4.2 million barrels, which represents about 30% of our total estimated consumption in 2007 and 15–20% of our total estimated consumption in each of the following six years. The fuel hedge contracts are primarily designated for our Nevada-based mines and have an average price of $59 per barrel. In 2006, we realized benefits in the form of fuel hedge gains totaling $16 million (2005: $10 million; 2004: $4 million), when fuel hedge prices were compared to market prices. These gains are reflected in our operating costs. Based on estimates of our 2007 diesel fuel consumption, a $5 per barrel increase in the price of oil would result in an increase in our annual cost of fuel consumed of about $16 million for the unhedged portion of our fuel consumption.

Electricity

We purchase about 3 billion kilowatt hours ("kwh") of electricity annually across all our mines. Electricity costs represent approximately 12% of our operating costs to produce gold and copper. We typically buy electricity from regional power utilities, but at some mines, we generate our own power. Fluctuations in electricity prices are generally caused by local economic factors. Electricity prices have generally been rising in recent years due to increases in the price of diesel fuel, coal and natural gas, which are used by many power generators, as well as excess demand for electricity. Natural gas prices declined in North America in 2006, mainly due to mild winter weather, a relatively calm hurricane season, and high natural gas inventory levels.

In 2005, we completed construction of our Western 102 power plant in Nevada for our Goldstrike mine, designed to enable us to lower the cost of power consumed at the mine. The plant has enabled us to lower the cost per kwh from approximately 10 cents to approximately 8 cents in 2006, with a corresponding decrease of approximately $17 million in the total cash costs of gold produced at Goldstrike or about $9 per ounce in 2006.

Consumables

With increasing demand for tires and limitations in supply from tire manufacturers, costs have been rising and some companies have experienced difficulty securing tires. We have been successful in mitigating this cost pressure by finding ways to extend tire life and looking at various alternatives for supply. In 2006, we completed a tire tender process and concluded long-term sourcing arrangements with preferred tire suppliers to ensure that we continue to receive an adequate supply of tires for our mines and development projects. The limited availability of tires did not have a significant impact on productivity at our mines in 2006. In 2007, we will continue to monitor tire usage and implement improved tire management processes to further extend tire life.

Generally, prices for certain other consumables, such as explosives, grinding media and cyanide, have also been increasing. We experienced price increases for explosives in 2006, by 25% in some cases, due to increases in raw material prices (natural gas and ammonia), but we were able to work with our suppliers to mitigate the impact of price increases on these raw material and explosives costs. Prices for grinding media have also increased, by 15% in some cases.

Labor Costs

Labor costs represent approximately 30% of our total cash operating costs. With high demand for experienced miners and relatively inflexible supply, the industry has been facing upward pressure on labor costs, as well as higher turnover rates in some cases. In North America, the combination of a strong market and low unemployment in certain areas in which we operate has increased the recruiting cycle times for experienced miners and operators and for technical occupations. In South America, the region is experiencing pressure from organized labor groups to increase wages due to the recent high metal prices. In our Africa region, there is a shortage of qualified and experienced Tanzanians for senior and technical roles. This shortage has been addressed by contracting expatriates primarily from South Africa and Australia, but at significantly higher costs. In our Australia Pacific region, despite a trend of an increasingly mobile workforce between Australia and Papua New Guinea, there remain skill shortages in both countries, due in part to increased competition for high-caliber graduates entering the mining sector and high demand for and shortage of skilled trades (e.g. electrical and mechanical). Labor cost pressures have been most significant in our Australia Pacific region.

US Dollar Interest Rates



Short-term US dollar interest rates rose in the beginning of 2006 as the US Federal Reserve continued its tightening cycle. By mid-2006 the US Federal Reserve put this tightening cycle on hold, and we expect the yield curve to remain relatively flat as the US Federal Reserve sees inflation pressures moderating over time. Volatility in interest rates mainly affects interest receipts on our cash balances ($3.0 billion at the end of 2006), and interest payments on variable-rate debt (approximately $163 million at the end of 2006). 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.

Operations Review

Selected Annual Information

($ millions, except per share, per ounce/pound data in dollars) For the years ended December 31	Gold 2006	Gold 2005	Gold 2004	Copper[1] 2006
Production (000s oz/millions lbs)[2]	**8,643**	5,460	4,958	**367**
Sales				
000s oz/millions lbs[3]	**8,390**	5,320	4,936	**376**
$ millions[3]	**$ 4,485**	$ 2,350	$ 1,932	**$ 1,151**
Market price[4]	**604**	444	409	**3.05**
Realized price[4,5]	**541**	439	391	**3.06**
Total cash costs[2,4,6]	**282**	227	214	**0.79**
Amortization[2,4,7]	**77**	76	86	**0.43**
Total production costs[2,4]	**$ 359**	$ 303	$ 300	**$ 1.22**

	2006	2005	2004
Net income from continuing operations	**$ 1,209**	$ 395	$ 248
Net income from continuing operations – per share			
Basic	**1.44**	0.74	0.47
Diluted	**1.42**	0.73	0.46
Net income	**1,506**	401	248
Net income per share			
Basic	**1.79**	0.75	0.47
Diluted	**1.77**	0.75	0.46
Cash inflow (outflow) from continuing operations			
Operating activities	**2,122**	726	509
Investing activities	**(1,593)**	(1,180)	(821)
Financing activities	**(1,347)**	93	740
Cash inflow from discontinued operations[8]	**2,828**	—	—
Cash position – end of year	**3,043**	1,037	1,398
Total assets[9]	**21,373**	6,862	6,287
Total long-term financial liabilities[10]	**$ 3,394**	$ 1,780	$ 1,707
Gold reserves (millions of contained ounces)	**123.1A**	88.6	89.1
Copper reserves (billions of contained pounds)	**6.0A**	—	—

1. The 2005 and 2004 comparative periods for copper have been omitted as we did not produce any significant amounts of copper prior to the production from the copper mines acquired with Placer Dome.
2. Gold production and total cash cost per ounce/pound/ton statistics reflect our equity share of production, including our equity share of production from the South Deep mine through November 30, 2006.
3. Gold sales ($ millions) exclude the results of discontinued operations. Gold sales (000s oz/millions lbs) exclude the results of discontinued operations and reflect our equity share of sales.
4. Per ounce/pound weighted average.
5. The realized gold price in 2006 is inclusive of the opportunity cost of deliveries into gold sales contracts of $367 million, combined with Placer Dome gold hedge accounting adjustments of $165 million.
6. Total cash costs per ounce/pound/ton statistics exclude amortization and inventory purchase accounting adjustments. Total cash costs per ounce/ pound/ton is a performance measure that is used throughout this MD&A. For more information see pages 34 to 36.
7. Amortization includes inventory purchase accounting adjustments.
8. In 2006, we received cash of approximately $1.6 billion from the sale of operations to Goldcorp and approximately $1.2 billion from the sale of the South Deep mine to Gold Fields Limited (“Gold Fields”).
9. Total assets increased in 2006 largely due to the acquisition of Placer Dome that resulted in the recognition of assets totaling $15.3 billion.
10. Total long-term financial liabilities increased in 2006 largely due to liabilities totaling $3.0 billion that were assumed in the acquisition of Placer Dome.

At the end of 2006, we had proven and probable gold reserves of 123.1 million ounces. **1** We also reported gold mineral resources (measured and indicated) of 35.0 million ounces and inferred resources of 24.9 million ounces.**2** We have proven and probable copper reserves of 6 billion pounds,**2** with an additional 6.6 billion pounds of measured and indicated resources.**2** Copper contained in Barrick’s gold reserves at year end 2006 was 1.2 billion pounds.**2** Silver contained in our gold reserves at year end is 963.9 million ounces and is primarily derived from the Pascua-Lama deposit, one of the largest silver deposits in the world, which contains 689.3 million ounces of silver.**2** By replacing gold and copper reserves depleted by production year over year,we can 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 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. Given that exploration is speculative in nature, exploration projects may prove unsuccessful.

1. 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, 1.88 million ounces of the Cortez reserve, Buzwagi and Pueblo Viejo are classified as mineralized material. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 128–136 of this Financial Report 2006.
2. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 128–136 of this Financial Report 2006.

A. 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, 1.88 million ounces of the Cortez reserve, Buzwagi and Pueblo Viejo are classified as mineralized material. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 128–136 of this Financial Report 2006.

Executive Overview and 2007 Outlook

Gold production in 2006 has increased substantially over the prior year due to contributions from our new mines, Tulawaka, Lagunas Norte,Veladero and Cowal, as well as production from the Placer Dome mines acquired in January 2006. Gold production in 2006 includes 2.56 million ounces from the acquired Placer Dome mines. In 2006, we also produced 367 million pounds of copper from two copper mines acquired with Placer Dome. Earnings and operating cash flow have increased substantially due to the higher gold production levels and higher realized gold prices, as well as the contribution from copper production at recent high copper prices. Earnings in 2006 also reflect a pre-tax $367 million opportunity cost relating to the voluntary delivery of 1.2 million ounces of gold production into fixed-price Corporate Gold Sales Contracts, and a pretax gain of $288 million on the sale of South Deep. Earnings on a per share basis reflect 322.8 million common shares issued in first quarter 2006 to acquire Placer Dome. In 2006, we completed the sale of certain Placer Dome operations to Goldcorp, and the sale of South Deep to Gold Fields. We also completed the acquisition of a 37.5% indirect interest in the Reko Diq copper project in Pakistan and acquired a 15% interest in NovaGold Resources Inc. ("NovaGold"). For more details please see pages 17 to 19.

Key Factors Affecting Earnings

For the years ended December 31 ($ millions)	Refer to page		
Net income – 2005			**$ 401**
Increase (decrease)			
Higher market gold prices[1]	7	**$ 1,342**	
Less: impact of gold sales contracts[1]	7	**(476)**	
Higher sales volumes gold[2]	20	**429**	
Higher earnings from copper sales	20	**767**	
Higher total cash costs	20	**(461)**	
Higher interest expense		**(119)**	
Higher exploration and project development expense	37	**(149)**	
Higher income tax expense[3]	42	**(387)**	
Special items[1,4]	16	**265**	
Other		**(106)**	
Total increase			**$ 1,105**
Net income – 2006			**$ 1,506**

1. Our realized gold price was reduced during the year for the opportunity cost of deliveries into fixed-price Corporate Gold Sales Contracts of $367 million, combined with Placer Dome gold hedge accounting adjustments of $165 million. Had it not been for these items, our realized price would have been approximately $63 per ounce higher in 2006. The opportunity cost of deliveries into fixed-price Corporate Gold Sales Contracts and the Placer Dome gold hedge accounting adjustments have been excluded from the special items line on this table.
2. Impact of changing sales volumes on margin between selling prices, total cash costs and amortization, but excluding inventory purchase accounting adjustments.
3. Excluding the impact of the tax effects of special items.
4. Special items are presented on a post-tax basis. See page 16 for a description of the special items.

In 2006, we continued work on advancing our project pipeline, including our new Ruby Hill mine in Nevada, that began production in February 2007; Cortez Hills and Donlin Creek in North America; Pueblo Viejo in the Dominican Republic; Pascua-Lama in Chile/Argentina; Sedibelo in South Africa; Buzwagi and Kabanga in Tanzania; Fedorova in Russia; and Reko Diq in Pakistan. We generated substantial amounts of operating cash flow, over $2.1 billion. We generated $1.6 billion from the sale of operations to Goldcorp; $1.2 billion from the sale of South Deep; and $1 billion on issuance of copper-linked notes. We used $1.1 billion to fund 2006 capital expenditures and $1.8 billion to settle the acquired Placer Dome hedge position. Our closing cash position at the end of 2006 was $3.0 billion, which, when combined with future operating cash flow and other sources of liquidity, is expected to provide the funding for capital requirements associated with our project pipeline in the short term. We continue to have the gold mining industry's only A credit rating (A–), as rated by Standard & Poor's.

Special Items – Effect on Earnings Increase (Decrease) ($ millions)

For the years ended December 31

	Refer to page	2006		2005		2004	
		Pre-tax	**Post-tax**	Pre-tax	Post-tax	Pre-tax	Post-tax
Gain on sale of South Deep	19	**$ 288**	**$ 288**	$ —	$ —	$ —	$ —
Opportunity cost of deliveries into Corporate Gold Sales Contracts	7	**(367)**	**(352)**	(56)	(55)	(89)	(88)
Hedge accounting adjustments related to the acquired Placer Dome gold hedge position	7	**(165)**	**(112)**	—	—	—	—
Impairment charges on investments and other long-lived assets	40	**(23)**	**(18)**	(16)	(16)	(144)	(99)
Inventory purchase accounting adjustments		**(108)**	**(87)**	—	—	—	—
Changes in asset retirement obligation cost estimates at closed mines	41	**(53)**	**(35)**	(15)	(11)	(22)	(17)
Non-hedge derivative gains	41	**—**	**29**	6	4	5	9
Highland vend-in	19	**51**	**51**	—	—	—	—
Peruvian voluntary contribution	27	**(8)**	**(6)**	—	—	—	—
Deferred stripping accounting changes Cumulative effect		**—**	**—**	6	6	—	—
Resolution of Peruvian tax assessment							
Outcome of tax uncertainties		**—**	**—**	—	—	—	141
Reversal of other accrued costs		**—**	**—**	—	—	21	15
Deferred tax credits due to change in tax status	64	**—**	**31**	—	5	—	81
Total		**$ (385)**	**$ (211)**	$ (75)	$ (67)	$ (229)	$ 42

2007 Outlook

For the year ended December 31 ($ millions except as otherwise indicated)	2007E
Gold	
Production (millions of ounces)	8.1–8.4
Total cash costs[1] ($ per ounce)	$ 335–$350
Amortization[2] ($ per ounce)	$ 95
Copper	
Production (millions of pounds)	400
Total cash costs[1] ($ per pound)	$ 0.90
Amortization[2] ($ per pound)	$ 0.30
Corporate administration expense	$ 140
Exploration expense	$ 170
Project development expense[3]	$ 190
Other operating expenses	$ 115
Interest income[4]	$ 130
Interest expense[5]	$ 95
Capital expenditures[6]	$1,100–$1,800
Tax rate[7]	30%

1. Guidance reflects our equity share of production. Gold production is expected to be slightly lower in the first half of 2007 than in the second half of 2007. Total cash costs per ounce/pound/ton exclude amortization expense and inventory purchase accounting adjustments charged to cost of sales. Total cash costs per ounce/pound/ton is a performance measure that is used throughout this MD&A. For more information see pages 34 to 36.
2. Increase in rates per ounce in 2007 principally reflects the final purchase price allocation for Placer Dome mines.
3. Increase in 2007 mainly reflects higher development activity levels at projects.
4. Higher interest income in 2007 mainly reflects expected higher average cash balances.
5. Net of amounts capitalized of $140 million. Interest costs incurred are expected to increase in 2007 due to higher levels of debt outstanding after debt issuances in 2006. Interest expense is expected to decrease in 2007 as more interest is capitalized at acquired late-stage exploration and other projects including Cortez Hills, Donlin Creek, Pueblo Viejo, Buzwagi, Sedibelo, and Reko Diq.
6. Higher capital expenditures in 2007 include construction costs expected at Buzwagi, Pascua-Lama and Pueblo Viejo totaling $900 million. Range is subject to the Company receiving the timely receipt of permits and construction approvals.
7. Represents the underlying effective tax rate excluding the impact of deliveries into corporate gold sales contracts, as well as the impact of tax rate changes and changes in deferred tax valuation allowances. The effective tax rate for the full year is expected to be approximately 45% when the $629 million opportunity cost of delivering into gold sales contracts in a low tax-rate jurisdiction is included. As a result of these deliveries the tax expense in first and second quarters is expected to be based on the 30% underlying effective tax rate on income excluding this opportunity cost.

Our financial performance is affected by our ability to achieve targets for production volumes and total cash costs. We prepare estimates of future production and total cash costs of production for our operations. These estimates are based on mine plans that reflect the expected method by which we will mine reserves at each mine, and the expected costs associated with the plans. Actual gold and copper production and total cash costs may vary from these estimates for a number of reasons, including if the volume of ore mined and ore grade 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. Mining rates are impacted by various risks and hazards inherent at each operation, including natural phenomena, such as inclement weather conditions, floods, and earthquakes, and unexpected labor shortages or strikes. Total cash costs per ounce/pound/ton 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.

Acquisitions and Divestitures

Barrick has grown historically through a combination of organic growth through new mineral reserve discoveries and acquisitions. Most recently, the acquisition of Placer Dome has led Barrick to become the world's preeminent gold mining company.

Acquisition of Placer Dome

In first quarter 2006, we acquired all the outstanding common shares of Placer Dome at a total cost of approximately $10.0 billion, including $1.3 billion in cash and 322.8 million Barrick common shares. We consolidated Placer Dome's results of operations from January 20, 2006 onwards.

Placer Dome was one of the world's largest gold mining companies. It had 12 producing mines based in North America, South America, Africa and Australia/Papua New Guinea, and four significant projects that are in various stages of exploration/development. Placer Dome's 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 most significant projects were Cortez Hills and Donlin Creek in the United States, Pueblo Viejo in the Dominican Republic, and Sedi-belo in South Africa. The acquisition of Placer Dome was attractive principally due to proximity of both companies' mining operations and the attractive pipeline of projects held by the combined company.

We believe that the business combination between Barrick and Placer Dome was an opportunity to create a Canadian-based leader in the global gold mining industry. This business combination further strength-ened our position in the industry, with respect to our reserves, development pipeline, production profile, and balance sheet. In the second quarter 2006, we completed the majority of integration activities for the Placer Dome mines and offices. The integration plan, which we began immediately following the acquisition of Placer Dome in first quarter 2006, focused on integrating people and mining operations of Placer Dome, consolidation of certain business functions and exploration offices, and elimination of redundancies between the two organizations. We have identified over $200 million in annual synergies from the combined companies and we expect to reach the $200 million annual synergies by the end of 2007. The synergies identified are in the following areas:

- § Administration and offices globally – We expect this area to contribute about 25% of the total synergies. In 2006, we closed redundant offices around the world, including Placer Dome's Brisbane office in Australia; Santiago office in Chile; and Reno and Denver offices in the US. Most head office functions have been transferred from Vancouver to Toronto. We have also begun to realize synergies from other consolidating activities around IT services, consolidated annual reporting, and establishment of regional shared service centers.
- § Exploration – This area contributes about 25% of the total synergies. In 2006, synergies were realized mainly from a reduced total exploration expenditure on "new mine exploration" due to overlapping budgets and reduced exploration on existing Barrick and Placer projects as a result of more rigorous approval criteria for the combined company.
- § Operations and technical services – This area comprises about 20% of the total synergies. Value is being driven from sharing of operational and maintenance best practices; project optimization; continuous improvement; strategic sourcing and supply chain management.
- § Finance and tax – We captured significant value by capitalizing on opportunities for debt consolidation, reduced fees and costs, tax-related savings and insurance savings, which comprise about 30% of the total synergies.

We accounted for the acquisition of Placer Dome as a purchase business combination, with Barrick as the acquirer. The cost of acquisition has been allocated to the assets and liabilities acquired. The excess of the purchase cost over the net assets acquired represents goodwill arising upon the acquisition. Goodwill principally represents the advantage of sustaining and growing a portfolio of mining operations and will be enhanced in the combined business through finding new mineral reserves and synergies that are realizable from combining the operations of both companies.

We believe that goodwill arises due to the benefits that can be realized from managing a portfolio of mines and mineral properties, rather than from individual mines. In managing a group of mines, we have the flexibility, through our regional business units, to allocate scarce resources such as capital and manpower to the best opportunities. We seek to sustain and grow the portfolio of mines in each region through locating new investment opportunities over time, thereby sustaining the region as a going concern and, as a consequence, goodwill value. The realization of synergies is managed at a regional level. Each region has identified potential synergies and is focused on the realization of those synergies. We believe that, based on the way we organize and manage our business, that goodwill is most naturally associated with our regional business units. Notwithstanding this belief, the allocation of goodwill to reporting units is determined by specific accounting rules that may preclude defining reporting

units to represent aggregations of mines. We are presently completing a process to determine the appropriate definition of reporting units for the allocation of goodwill, which could range from either individual mines up to aggregation of all mines in each regional business unit. On conclusion of this process the final allocation of goodwill to reporting units will be completed. For further information on goodwill allocation and goodwill impairment testing see page 61.

Sale of Certain Placer Dome Operations to Goldcorp

In second quarter 2006, we completed the sale of shares of Placer Dome (CLA) Limited to Goldcorp Inc. under a sale agreement that was entered into with Goldcorp at the time of our original offer to acquire Placer Dome. On completion of the transaction, Goldcorp assumed interests and liabilities in all of Placer Dome's Canadian operations (other than its office in Vancouver), including all 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 in the Dominican Republic, for cash consideration of $1.6 billion. We recognized that we would be able to create more value with the remaining Placer Dome assets, after selling Placer Dome's Canadian operations to Goldcorp. The results of these operations were consolidated until closing of the sale (May 12, 2006), and are presented under discontinued operations in the Financial Statements. No gain or loss arose on closing of the transaction.

Acquisition of Interest in Reko Diq

In third quarter 2006, we completed the acquisition of a 50% interest in Atacama Copper Pty Ltd. ("Atacama"), which has a 75% interest in the Reko Diq project in Pakistan and associated mineral interests. The Reko Diq project is located in a mining district which has significant gold and copper porphyry deposits as part of an extended gold and copper belt. We paid cash consideration of $123 million, including the cost of acquiring a claw-back right held by BHP Billiton and we are committed to fund our share of an exploration program at Reko Diq.

Sale of South Deep Mine to Gold Fields Limited

In fourth quarter 2006, we sold our 50% interest in the South Deep mine to Gold Fields for consideration of $1.5 billion, of which approximately $1.2 billion was paid in cash and the balance in Gold Fields shares with a value of $308 million on closing. As with the sale of Placer Dome's Canadian operations to Goldcorp, the sale of South Deep to Gold Fields made sense strategically as we optimize our portfolio of operating mines by selling non-strategic assets. The results of the South Deep mine for 2006 have been presented under discontinued operations in the Financial Statements. A gain on sale of $288 million was recorded on closing within discontinued operations. Our consolidated gold production and total cash costs per ounce statistics include South Deep up until November 30, 2006.

Vend-in of assets to Highland

On November 17, 2006, we entered into an agreement with Highland to transfer ownership of certain companies holding Russian and Kyrgyz licenses in return for 34.3 million Highland common shares, increasing our ownership of Highland from 20% to 34%. In effect, we have contributed our 50% interest in the Taseevskoye deposit, as well as other exploration properties in Russia and Central Asia, to Highland, thereby consolidating ownership of these properties under one company. As part of the transaction, we have seconded several of our employees to Highland, and have received two additional Board seats. Completion of the transaction occurred on December 15, 2006. On closing, 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/expense to the extent of the ownership in Highland held by independent third parties, and the balance of $25 million as a reduction in the carrying amount of our investment in Highland. The Fedorova PGM deposit is not included in this transaction.

Consolidated Gold and Copper Production, Sales and Costs

In 2006, gold production increased by about 3.2 million ounces over the prior period, primarily due to the acquired Placer Dome mines and also due to production from our new mines, Tulawaka, Lagunas Norte, Veladero and Cowal, partially offset by lower production at Goldstrike and Kalgoorlie.

Realized gold prices of $541 per ounce in 2006 were $102 higher than in 2005, principally due to higher market gold prices. Realized gold prices in 2006 reflect a reduction of $532 million or $63 per ounce due to i) $165 million hedge accounting adjustments relating to the acquired Placer Dome gold hedge position, from the date of acquisition through the date the position was eliminated, and ii) $367 million from the voluntary delivery of 1.2 million ounces into our fixed-price Corporate Gold Sales Contracts at average prices below the prevailing spot price. Cash margins on gold, representing the difference between realized gold selling prices and total cash costs, increased by $47 per ounce, or 22% in 2006 compared to 2005, as gold price increases have more than offset increases in total cash costs over the same period. Excluding the impact of hedge accounting adjustments and deliveries into fixed-price Corporate Gold Sales Contracts, margins would have increased by $110 per ounce or 52%. As of February 21, 2007, we fully eliminated the remaining fixed-price Corporate Gold Sales Contracts. We further expect to eliminate the entire Floating Spot-Price Gold Sales Contracts position through deliveries of gold production before the end of the second quarter of 2007. This is expected to result in a reduction to our pre-tax income and cash flow of $572 million in first quarter 2007, and $76 million in second quarter 2007 (assuming an average prevailing spot gold price of $650 per ounce).

Realized copper prices also increased significantly over the course of 2006, reflecting the trend of higher market copper prices. The realized copper price for 2006 was reduced by $28 million or $0.07 per pound for hedge accounting adjustments primarily relating to premiums paid for copper put options purchased in early 2006. Future realized copper prices will be impacted by the copper-linked notes issued in 2006. Under this issuance, we will receive $3.08 per pound for a total of 285 million pounds of copper sales in the period 2007 to 2009, including 129 million pounds in 2007. In February 2007, we entered into a transaction where we can participate in stronger copper prices up to $3.50 per pound, while maintaining a floor price of $3.00 per pound, on the remaining 274 million pounds of copper in copper-linked notes.

Consolidated Cost of Sales/Total Cash Costs of Gold [1,2]

	in millions			per ounce		
For the years ended December 31	**2006**	2005	2004	**2006**	2005	2004
Cost of goods sold [1,2,3]	**$ 2,388**	$ 1,357	$ 1,217	**$ 285**	$ 255	$ 248
Currency/commodity hedge gains	**(100)**	(110)	(100)	**(12)**	(21)	(19)
By-product credits	**(123)**	(132)	(146)	**(15)**	(25)	(30)
Royalties/production taxes	**177**	81	65	**21**	16	13
Accretion/other costs	**28**	11	11	**3**	2	2
Cost of sales/Total cash costs [1]	**$ 2,370**	$ 1,207	$ 1,047	**$ 282**	$ 227	$ 214

1. Total cash costs and cost of sales both exclude amortization and inventory purchase accounting adjustments – see page 36.
2. Excludes costs of sales related to discontinued operations and non-controlling interests.
3. At market currency exchange and commodity rates.

Cost of goods sold on a per ounce basis for 2006 was higher than 2005 and 2004, primarily because, on average, costs at the acquired Placer Dome mines are higher than at our legacy mines. Costs also reflect the effects of rising commodity and consumable prices and processing of lower-grade ore at some mines, partly offset by lower-cost production in 2006 from Lagunas Norte that began operations in the second half of 2005. Royalty expenses increased in 2006 largely due to the impact of higher market gold prices.

Results of Operating Segments

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. Our segments mainly include producing mines and development projects. We monitor segment expenses using "total cash costs per ounce/pound/ton" statistics that represent segment cost of sales divided by ounces of gold, pounds of copper sold or tons processed in each period. The discussion of results for producing mines focuses on this statistic in explaining changes in segment expenses.

Conducting mining activities in certain countries outside North America subjects us to various risks and uncertainties that arise from carrying on business in foreign countries including: uncertain political and economic environments; war and civil disturbances; changes in laws or fiscal policies; interpretation of foreign taxation legislation; and limitations on repatriation of foreign earnings. We monitor these risks on an ongoing basis and mitigate their effects where possible, but events or changes in circumstances could materially impact our results and financial condition.

For projects, we prepare estimates of capital expenditures, reserves and costs to produce reserves. We also assess the likelihood of obtaining key governmental permits, land rights and other government approvals. Estimates of capital expenditures are based on studies completed for each project, which also include estimates of annual production and production costs. Adverse changes in any of the key assumptions in these studies or other factors could affect estimated capital expenditures, production levels and production costs, and may affect the economic feasibility of a project. We take steps to mitigate potentially adverse effects of changes in assumptions or other factors. Prior to the commencement of production, the segment results for projects reflect expensed mine start-up costs. For a discussion of our significant projects, see pages 24 to 34. See also Note 4 to the Financial Statements for information on our reportable segments.

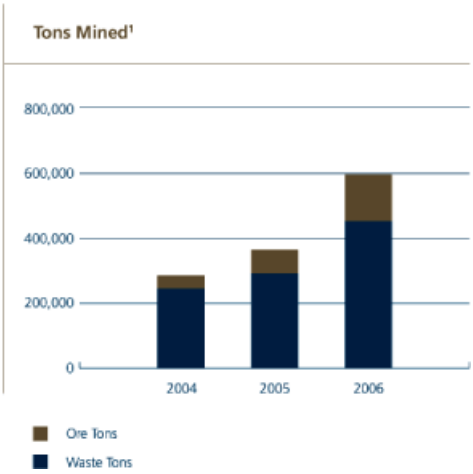
Regional Production and Total Cash Costs

	Production (000s ozs/millions lbs)			Total cash costs ($ per oz/lb)		
Year ended December 31	**2006**	2005	2004	**2006**	2005	2004
Gold						
North America	**3,372**	2,863	2,963	**$ 314**	$ 244	$ 223
South America	**2,104**	1,234	646	**147**	126	111
Australia Pacific	**2,220**	934	999	**353**	257	229
Africa	**914**	398	350	**315**	336	284
Other	**33**	31	—	**481**	303	—
Total	**8,643**	5,460	4,958	**282**	227	214
Copper[1]						
South America	**308**	—	—	**0.62**	—	—
Australia Pacific	**59**	—	—	**1.53**	—	—
Total	**367**	—	—	**$ 0.79**	$ —	$ —

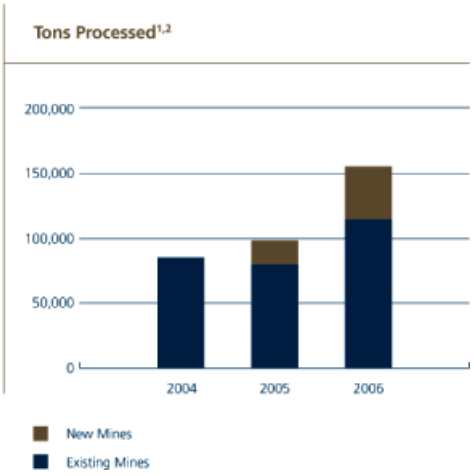
1. The 2005 and 2004 comparative periods for copper have been omitted as we did not produce any significant amounts of copper prior to the production from the copper mines acquired with Placer Dome.

Consolidated Operational Trends – Gold

Over the past three years, we have seen an increasing trend of ore tons mined along with a higher proportion of waste tons, as a result of waste stripping at some of our mines. The higher tons mined and processed are due to a combination of opening new mines, the acquired Placer Dome mines and productivity improvements at our existing mines. The increase in tons processed has allowed us to increase gold production over the three-year period. We have been successful in containing mining costs per ton over the last three years, but the mining of more waste tons and higher processing costs per ton have been significant factors that have caused total cash costs per ounce to increase over this period.

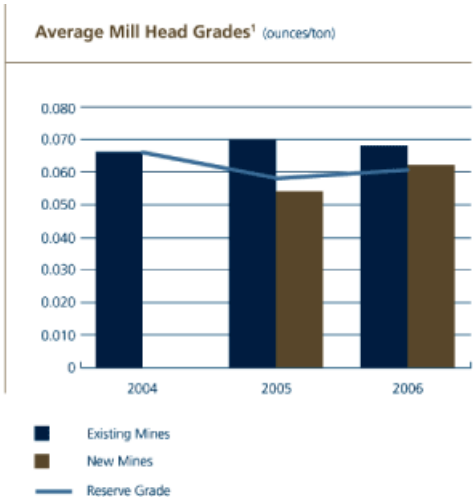


1. All amounts presented are based on equity production.



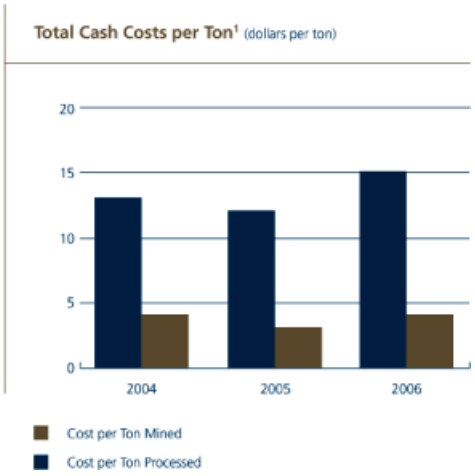
1. All amounts presented are based on equity production.
2. New mines include: Tulawaka, Lagunas Norte, Veladero and Cowal.

In 2006, total ore tons mined increased to a greater degree than ore tons processed. This is as a result of fewer tons placed on the leach pad at Round Mountain in 2006, due to layback work done earlier in the year, combined with reduced throughput at Kalgoorlie caused by harder ore. In 2007, we expect waste tons mined will increase due to higher waste stripping at some of our mines, particularly Goldstrike. High gold prices allow us to mine and process material in areas that were previously uneconomic in a lower gold price environment, which, while leading to higher average total cash costs, enables us to generate an operating contribution from low-grade material and extend mine lives. Process-related improvements have also resulted in improved throughput and expanded capacity at some processing facilities. For example, ore chemistry effects that had temporarily limited throughput at the Goldstrike processing facilities during 2006 were partially mitigated by blending concentrate material with long-term stockpile ore.



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. Average mill head grades for new mines include those mines that have commenced production beginning in 2005 and into 2006 (Tulawaka, Lagunas Norte, Veladero and Cowal). 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. 2004 and 2005 data exclude reserve grades for former Placer Dome mines. 2006 data includes reserve grade data for Placer Dome mines based on reserve data from Placer Dome's fourth quarter 2005 report.

Average mill head grades in 2006 decreased slightly from 2005. This is primarily due to lower ore grades at Goldstrike, as a result of processing from low-grade long-term stockpiles in 2006, and at Kalgoorlie, due to lower than expected ore grades, partly offset by higher ore grades at our new Lagunas Norte mine. We have been mining close to average reserve ore grade in the past three years. In 2007, we expect average mill head grades to decrease as a result of processing from lower-grade stockpiles at Goldstrike for eight months of the year due to waste stripping in the open pit, and as a result of mining at or near reserve grade at Veladero and Lagunas Norte. With the processing of lower average ore grades and higher waste stripping, production is expected to decrease slightly in 2007 and total cash costs are expected to increase.



1. Total cash costs per ounce/pound/ton statistics exclude amortization and inventory purchase accounting adjustments. Total cash costs per ounce/ pound/ton is a performance measure that is used throughout this MD&A. For more information see pages 34 to 36.

Industry wide cost pressures for consumables and labor in particular have caused upward pressure on processing total cash costs per ton. A continuation of this trend, together with processing low-grade stockpiles at Goldstrike and higher waste tons mined due to waste stripping at some of our mines, are contributing to expected higher total cash costs per ounce in 2007.

Operating Segments – Gold
North America



Producing Mines

Through the Placer Dome acquisition (after taking into account the sale of assets to Goldcorp) we acquired four producing mines in North America. The mines acquired from Placer Dome are Cortez (60% owned), Turquoise Ridge (75% owned) and Bald Mountain in Nevada, and Golden Sunlight in Montana. We also acquired three significant projects in North America: Cortez Hills, within the Cortez Joint Venture area of interest in Nevada (60% owned); Pueblo Viejo in the Dominican Republic (60% owned); and Donlin Creek in Alaska (30% owned with earn-in rights to 70%).

In 2006, the region produced 3.4 million ounces of gold (2005: 2.9 million ounces) at total cash costs of $314 per ounce (2005: $244 per ounce) in line with the guidance for 2006. The 18% increase in gold production over the prior year period was primarily due to the acquired Placer Dome operations, partially offset by lower production at Goldstrike, Eskay Creek and Round Mountain. Although gold production at Cortez lagged expectations earlier in 2006, due to layback work resulting in lower processed ore grades, full-year production was higher than expected due to better than planned ore grades encountered in the second half of 2006. At Golden Sunlight, production was lower than expected due to high-wall instability issues experienced during the first half of the year, which limited access to high-grade ore for the remainder of the year. Excavation and development of the new North Ramp pit access at the Golden Sunlight mine was completed in August and ground monitoring equipment was put in place to help mitigate the impact of future slides, but the site is nonetheless vulnerable to continued high-wall instability challenges. We are advancing feasibility studies that could result in mine expansion and higher levels of production at Bald Mountain beginning in 2009, subject to the timing of permitting. Lower production from Goldstrike in 2006 was primarily attributed to lower-grade ore processed from the open-pit stockpiles and ore chemistry effects that temporarily limited throughput at the Goldstrike processing facilities. In fourth quarter 2006, we were able to partially mitigate the above ore chemistry effects by blending concentrate material with long-term stockpile ore. At Eskay Creek, fewer tons at lower grades are being mined as the mine reaches the end of its reserve life. At Round Mountain, layback efforts during the year as part of the planned pit expansion project, resulted in fewer ore tons mined and more waste. This was partly mitigated by higher than planned ore grades during the year.

Total cash costs per ounce increased by 29% over the prior year period. Higher costs resulted primarily from higher prices paid for input commodities and consumables used in the production process, and higher royalties and production taxes due to higher market gold prices. The region's major consumables such as tires, labor, cyanide, propane and diesel experienced an increase in price of 15% to 25%, which accounts for the majority of the increase in total cash costs per ounce. These cost increases were partially mitigated by higher than expected silver by-product credits at Eskay Creek due to high market silver prices ($4 per ounce) and better than expected silver grades, and lower power costs at Goldstrike due to the commissioning of the Western 102 power plant. Year-to-date power savings from the Western 102 power plant, compared to local public utility rates, are estimated at $9 per ounce for the Goldstrike property and $5 per ounce for the region.

In 2007, we expect gold production of 3.150 to 3.250 million ounces at total cash costs of $370 to $385 per ounce from the North America region. Production is expected to be lower than 2006 as increases in production due to the start-up of the Ruby Hill and Storm mines is expected to be more than offset by lower production at Goldstrike and Round Mountain. Gold-strike will be processing lower-grade ore stockpiles for about eight months of the year due to waste stripping in the open pit. Production is expected to be lower at Bald Mountain due to lower ore grades, partly offset by higher ore tons processed. Total cash costs per ounce for the region is expected to be higher than 2006 due to general inflationary cost pressures, the start up of the Ruby Hill and Storm mines, and higher waste tons mined at some of our mines.

Significant Projects

Ruby Hill is an open pit mine with primarily oxide material. Actual construction costs are expected to be below the estimate of $75 million, including almost $30 million in new mining equipment and processing upgrades. Ore processing includes on-site gold recovery by zero-discharge heap leach and carbon column facilities. At the end of 2006, Ruby Hill had proven and probable reserves of 1.1 million ounces of gold.**1** First gold production occurred in February 2007 and the mine is expected to produce about 120,000 ounces at total cash costs of $240 to $250 per ounce for 2007.

Cortez Hills is our most advanced project and is currently in the permitting stage. The project involves the development of two adjacent deposits – Cortez Hills and Pediment – within the Cortez Joint Venture area of interest. The project will be developed as two open pits with part of the deposit potentially to be mined by underground mining methods. In 2006, activities included the procurement of mining equipment, the construction of the F-Canyon power line, and underground exploration decline development. Geological, geotechnical and hydrological site data continues to be collected for use in the underground pre-feasibility study. In 2007 we expect to advance exploration drilling by approximately 200,000 feet, and complete the detailed engineering and planning. The project construction budget is $480 million to $500 million**2** (100% basis). Construction activities are expected to last 15 months and will commence once the Environmental Impact Study Record of Decision is obtained, which is anticipated to be received in 2008. Our share of production from Cortez is expected to average 425–440 thousand ounces at total cash costs of $290 to $300 per ounce in the first 10 years after production commences from Cortez Hills.

1. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 128–136 of this Financial Report 2006.
2. Excluding capitalized interest.

In May 2006, a joint venture agreement with Goldcorp was finalized, which establishes Barrick as the 60% owner and operator of the Pueblo Viejo project. The Pueblo Viejo project is located in the Domini-can Republic, 15 kilometers southwest of the provincial capital of Cotui and approximately 100 kilometers northwest of the national capital, Santo Domingo. The access to the property is via paved national highways which will require minor repairs to allow for transportation of heavy equipment to the site. We initiated a project review in March 2006 and must give notice to the government by February 2008 whether we plan to proceed with development. Since last March, we have updated capital costs estimates, re-evaluated the process flowsheet, optimized the project and carried out an exploration program. Our review has resulted in a new silver process that is expected to increase silver recovery from 5% to 84%; inclusion of a copper recovery circuit; and potential inclusion of a zinc recovery process (currently being tested). The project has high power requirements due to high levels of sulphur contained in the ore and we are investigating options for the sourcing of power. At year end, our share of proven and probable gold reserves at Pueblo Viejo was 10.9 million ounces.[1] We also reported measured and indicated resources of 1.3 million ounces and 2.7 million ounces in the inferred category. [2] Annual gold production in the first full five years of production is expected to be between 775 to 800 thousand ounces of gold at total cash costs of $180 to $190 per ounce. Concurrent with the review and update of the feasibility analysis, activities relating to government and community relations and environmental permitting for the mine are ongoing.

An updated capital cost estimate for the Pueblo Viejo project was completed in 2006. The revised cost estimate is $2.1 billion to $2.3 billion [3], an increase from the $1.35 billion estimated in the feasibility analysis prepared by Placer Dome in 2005. The increase is due to the effect of design adjustments, capital required to enable recovery of the by-product metals (copper, silver, and zinc) and significant inflationary cost pressures in the industry (reflecting the cost environment prevailing in late 2006). Our 2007 objectives are to complete engineering, confirm zinc assumptions and test program; complete negotiations with the government; finalize a power sourcing strategy; continue to expand the community development programs; and advance exploration and metallurgical programs.

The Donlin Creek project is a large refractory gold deposit in Southwestern Alaska, under lease from two Alaska aboriginal corporations until 2015 and for so long thereafter as mining operations are carried out on the property. The Donlin Creek property is being explored and developed under a Mining Venture Agreement (“MVA”) between NovaGold and Barrick, entered into in November 2002. Under the terms of that agreement, we currently hold a 30% interest in the project with the right to increase that interest to 70% by satisfying the following conditions on or before November 12, 2007: (1) funding of $32 million of exploration and development expenditures on the project; (2) delivering a feasibility study to NovaGold meeting the requirements set out in the MVA; and (3) obtaining the approval of Barrick’s Board of Directors to construct a mine on the property. The funding condition was satisfied in March 2006. Since acquiring control of Placer Dome, we have moved decisively to ensure that the appropriate financial, technical and human resources are being devoted to the timely completion of the required feasibility study at Donlin Creek and fulfill the back-in requirements to increase our stake in Donlin Creek to 70%. In addition, we have assigned technical personnel from both inside of

1. 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, Pueblo Viejo is classified as mineralized material. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 128–136 of this Financial Report 2006.
2. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 128–136 of this Financial Report 2006.
3. Excluding capitalized interest.

Barrick and externally to ensure that the challenges and opportunities of the project are properly assessed and exploited. In 2006, we spent approximately $55 million to advance technical work relating to mine design, geotechnical engineering, metallurgical process design and environmental baseline studies. Approximately 92,800 meters of core drilling in 327 holes was completed by the end of 2006. Our share (at 30%) of measured and indicated resources has increased to 5.9 million ounces[1] from 4.4 million ounces noted at the beginning of the year due in part to the conversion of inferred resource ounces during the year. Our share of the inferred resource, as previously estimated by Placer Dome, has been reduced from 4.1 million ounces to 0.5 million ounces[1] due to the conversion of 1.5 million ounces to indicated status and the removal of 2.1 million ounces from the inferred category. In 2007, our project budget is $87 million and includes costs to complete the pre-feasibility and feasibility studies. The 2007 drilling program includes 70,000 meters of infill drilling and in-pit exploration that is not required for the feasibility study. Government and local community relations will continue to be a focal point as the project moves forward.

South America



Producing Mines

In 2006, gold production in the region was 2.1 million ounces (2005: 1.2 million ounces) at total cash costs of $147 per ounce (2005: $126 per ounce). Gold production increased by 71% over the prior year period mainly due to the benefit of a full year of production from both Lagunas Norte and Veladero, both of which commenced production in the second half of 2005. Production was higher than the initial guidance, mainly because of better than expected production from Lagunas Norte, which produced 1.1 million ounces as a result of increased capacity at the primary crusher and higher gold recovery rates. Veladero and Pierina both performed as planned, including strong fourth quarter 2006 gold production at Veladero after transitioning of mining from the Filo Mario pit to the higher-grade Amable Pit.

Despite industry-wide inflationary cost pressures during 2006, including rising commodity prices, the South America region was able to limit the impact on its mining operations with the increasing contribution from low-cost mines such as Lagunas Norte, as well as cost saving initiatives, with a particular emphasis on tire maintenance and diesel consumption. In 2006, total cash costs per ounce were lower than the initial guidance due to lower waste tons mined, resulting in lower mining costs combined with higher ore grades at Lagunas Norte. In October 2006, industrial users of diesel fuel renewed their price control subsidy contracts with the Argentinean government. The contracts were renewed at market rates with the effect that our cost for diesel fuel has increased by about 30% from previously contracted rates. The effect of the price increase in 2006 was only about $1 per ounce, while in 2007, the estimated effect is an increase in total cash costs for the region of $6 per ounce. In 2006, we also incurred approximately $8 million relating to a voluntary contribution in Peru that will be paid to benefit Peruvian communities. This amount has been recorded as part of other operating expense.

1. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 128–136 of this Financial Report 2006.

In 2007, we expect gold production of 1.850 to 1.925 million ounces at total cash costs of $230 to $245 per ounce. Production is expected to be lower than 2006 primarily due to lower ore grades at Lagunas Norte. Total cash costs per ounce are expected to be higher than 2006 due to the impact of lower production at Lagunas Norte, higher waste stripping costs at Veladero as mining transitions to the Filo Federico pit, combined with inflationary cost pressures.

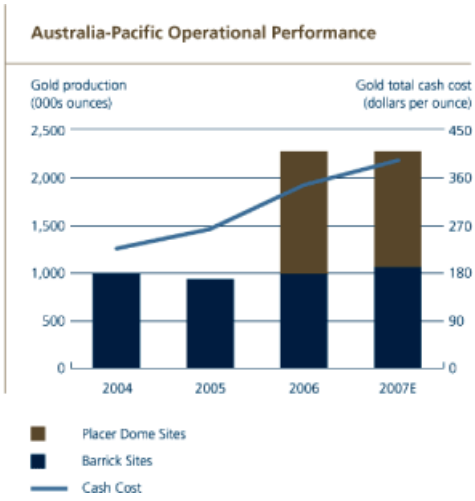
Significant Projects

In 2004, we made a decision to proceed with the development of the Pascua-Lama project, contingent on obtaining the necessary permits, approvals and resolving certain fiscal matters. The Pascua-Lama project is unique in that it is a bi-national project with a mineral deposit that spans the border between Argentina and Chile. It is located in the Frontera District within approximately 10 kilometers of our Veladero mine. The project is at an elevation of 3,800 to 5,200 meters. Pascua-Lama's proximity to Veladero is expected to provide benefits during both the construction phase and once operations have commenced, derived from shared infrastructure, local supplier development, training and employee development. As well, we expect that the construction of Pascua-Lama will benefit from our experience in constructing Veladero, a mine that was very similar in terms of the challenges for construction. In February 2006, the Pascua-Lama project was granted approval by the Chilean environmental regulatory authorities in Resolution RCA 024. The Resolution imposes other conditions on the development of the project, the implications of which have resulted in the reclassification of about 1 million ounces of reserves to mineralized material for reporting purposes. In December 2006, the Province of San Juan, Argentina issued its Declaration of Environmental Impact Assessment which approves the environmental permit submission in Argentina. We are developing detailed engineering plans and have begun submission of documentation to obtain the administrative and sectoral approvals and permits that are required prior to initiating construction in either country. In addition, the governments of Chile and Argentina must resolve certain remaining fiscal matters, including taxation, relating to the bi-national project. The timing of receipt of approvals for permitting and licensing, cross-border approvals and operating issues and fiscal tax and royalty items are largely beyond the control of the Company. The project team is using this period to advance activities possible within the current permitting outline, including site topography and control surveys, as well as detailed geotechnical and geotectonic information required for sectoral permitting.

At the end of 2006, Pascua-Lama had gold reserves of 17.0 million ounces **1**, 1.4 million ounces less than previously estimated due principally to the reclassification of approximately 1 million ounces of reserves to mineralized material as a result of the conditions of the Resolution. Pascua-Lama also has 689 million ounces of silver and 565 million pounds of copper contained in the gold reserves.**1** In 2006, we updated our feasibility study, including capital and operating cost estimates for the Pascua-Lama project from those estimates that were previously completed in June 2004. The total estimated cost of construction is $2.3 billion to $2.4 billion, an increase from the previous cost estimate of $1.4 to $1.5 billion**2** provided in July 2004. The increase in capital cost is due primarily to inflationary cost pressures (reflecting the cost environment prevailing in late 2006). Although inflationary cost pressures have increased the capital and operating cost estimates at Pascua-Lama, we are currently evaluating possible improvement opportunities that may enhance project economics. Initial annual gold production in the first five years at Pascua-Lama is expected to be between 750 to 775 thousand ounces at total cash costs of $40 to $50 per ounce.

1. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 128–136 of this Financial Report 2006.
2. Excluding capitalized interest.

Australia Pacific



Producing Mines

Through the Placer Dome acquisition, we acquired four producing gold mines and a copper-gold mine. The acquired Placer Dome gold mines are Porgera (75% owned) in Papua New Guinea, and Kanowna, Granny Smith and Henty, in Australia. Gold production for the region in 2006 was 2.2 million ounces (2005: 0.9 million ounces), at total cash costs of $353 per ounce (2005: $257 per ounce). The increase in gold production in 2006 was mainly due to the contribution from the acquired Placer Dome mines, combined with production start-up at our newly constructed Cowal mine, partially offset by lower production from Kalgoorlie. Total gold production for 2006 was slightly below the initial guidance, mainly due to lower production at Kalgoorlie and a small delay in the start-up at Cowal.

Total cash costs per ounce were higher in 2006 compared to the prior year, and also higher than the most recent guidance issued in second quarter 2006 of $330 to $345 per ounce, due to higher currency exchange rates and higher costs for labor and input commodities, including diesel fuel. Higher maintenance costs, as equipment fleets age, and the lower production levels at some mines also contributed to the higher total cash costs per ounce. To help mitigate rising oil prices and control the cost of fuel consumption, we put in place a fuel hedge position.

At Kalgoorlie, production in 2006 was lower than the prior year due to reduced throughput caused by harder ore, together with lower than expected ore grades. Throughput improvements were expected through the replacement of a damaged girth gear earlier in the year, but these improvements were offset by the effect of more abrasive, harder ore than originally anticipated. A number of improvement programs have been commenced, designed to address key issues such as shovel and truck productivity and mill throughput.

At Porgera, remediation of the West Wall cutback has precluded mining of Stage 5 of the pit, with consequent lower production levels until mining of higher grade ore recommences. Installation of a buttress was completed in December 2006, and the mine is in the process of removing the buttress ramps, which is the critical path to recommence mining on Stage 5. We expect the first blast to take place in February 2007. Mill feed at Porgera in 2006 principally came from low-grade long-term stockpiles. On December 13, 2006, an explosion caused by a lightning strike resulted in substantial damage to the Hides Power Station, Porgera's main source of power. There were no serious injuries, but extensive damage to the power station resulted in a reduction of production capacity to approximately half of normal levels. We expect that production will return to normal levels near the end of the first quarter 2007, after repairs to the power station are completed. A claim under our business interruption insurance policy has been initiated to compensate for the lost production.

Our newly constructed Cowal mine went into production in May of 2006. The total cost of construction of the mine was $417 million. The projected cost of construction exceeded the $335 million previously estimated in 2005 due to construction delays that resulted in an increase in the construction workforce as attempts were made to meet the planned timing of the project, and due to greater than expected input costs, including labor, contractors, steel and fuel. Gold production was below expectation during the start-up phase as the grade of the soft oxide ore underperformed against plan, but has since improved with the installation of the ball mill. Production during first quarter 2007 could be impacted by a shortage of process water as a result of the drought affecting the area. To mitigate the effects of the drought, we have secured supplies of water from alternate sources and are in the process of constructing additional water storage facilities.

In November 2006, we signed a sale agreement for disposition of our Paddington operations in Australia for $39 million. The Paddington operations, which form part of our Kanowna mine acquired in the acquisition of Placer Dome, consist of the Paddington mill and certain tenements in the region near the mill. The transaction is expected to close in the first quarter of 2007.

In 2007, we expect gold production of 2.2 to 2.3 million ounces at total cash costs of approximately $385 to $400 per ounce. Gold production is expected to be similar to 2006, with higher production from Porgera and Cowal offset by lower production at Kanowna and Granny Smith. The expected increase in production is primarily due to higher ore grades at Porgera and the first full year of production from Cowal. The expected decrease at Kanowna is due to lower production as a result of the sale of the Paddington assets. At Granny Smith, lower ore grades are expected due to the depletion of the Wallaby open pit deposit and the processing of low-grade stockpiles.

Total cash costs per ounce are expected to be higher in 2007 due to a higher average currency hedge rate combined with higher waste tons mined at some mines and inflationary cost pressures relating to labor and other consumables.

Africa



Producing Mines

Through the Placer Dome acquisition, we acquired two producing gold mines in Africa, South Deep (50%) in South Africa, and North Mara in Tanzania. As described on page 19, we completed the sale of South Deep to Gold Fields in 2006. Gold production for 2006 was 0.9 million ounces (2005: 0.4 million ounces), at total cash costs of $315 per ounce (2005: $336 per ounce). Gold production and total cash costs per ounce were both within the ranges of guidance issued for 2006. Production for 2006 was higher than the prior year due to the contribution from the acquired Placer Dome mines, together with higher

production at Bulyanhulu and Tulawaka. North Mara's production was positively impacted by the results of mining the Gokona ore body rather than processing of predominantly lower-grade stockpiles. At Tulawaka, higher production in 2006 was a result of more hours available to process material, as well as higher ore grades and increased throughput due to the processing of softer oxide ore. Production at Bulyanhulu improved as a result of the completion of projects to remove technical constraints to hoisting and plant throughput rates.

Production at South Deep was lower than expected as a result of the skip accident that occurred in second quarter 2006. A fully loaded skip fell down the main shaft in May during routine maintenance, resulting in the restricted production for the remainder of the year being hoisted from the lower capacity south shaft. An underground fire broke out in August 2006, resulting in some of the higher grade mining areas becoming inaccessible during the remainder of 2006, which also impacted gold production levels.

During fourth quarter 2006, we reached an agreement in principle with the Tanzanian government to make additional annual payments under the Mining and Development Agreements ("MDA"). Under the agreement, Barrick will pay $7 million per year to the Government, and has committed to make more use of Tanzanian supplies and services. We expect the agreement to be concluded early in 2007 and we have accrued $7 million at December 31, 2006. This amount has been recorded in other operating expense in the Financial Statements. The payment of this amount will be reviewed by both parties should economic conditions deteriorate.

Higher production at North Mara, Bulyanhulu and Tulawaka, partly offset by higher labor and contractor costs, had a favorable impact on total cash costs per ounce compared to the prior year. Increases in labor cost for the region caused an increase in total cash costs of approximately $6 per ounce. As with our mines in other regions, higher input commodity prices are leading to higher cash costs. In the Africa region, input commodity prices are controlled by means of using preferred suppliers. Freight and shipping costs are significant, but through proper planning and logistics, freight and shipping costs on input commodities can be effectively controlled. The regional supply chain team is in the process of implementing forward purchase agreements on critical supply items.

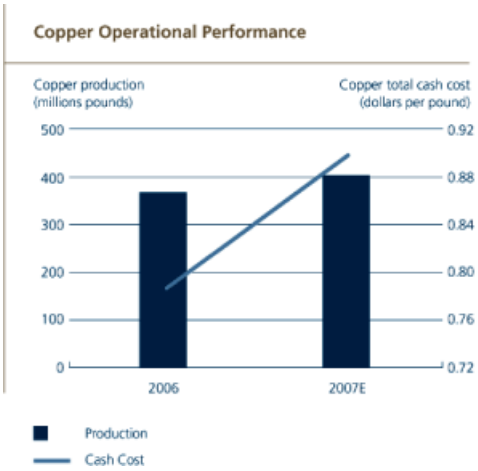
At South Deep, business interruption insurance has mitigated the impact on total cash costs of the skip accident in the main shaft. In 2006, insurance proceeds related to the skip accident, included in total cash costs, including the share attributed to Gold Fields, totaled $22 million. Substantially all insurance proceeds related to the underground fire will be to the account of Gold Fields.

In 2007, we expect gold production of 0.825 to 0.875 million ounces at total cash costs of $310 to $325 per ounce from the Africa region. We expect lower production in 2007 as increases in production at Bulyanhulu and Tulawaka are more than offset by the impact of the sale of our 50% interest in South Deep in late 2006, in which our share of production in 2006 was approximately 124,000 ounces. Total cash costs per ounce for the region are expected to be slightly lower than 2006 primarily as a result of the sale of the higher cost South Deep mine and higher production at Tulawaka, partially offset by higher labor and consumables costs.

Significant Projects

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 is expected to simplify project execution. Buzwagi's proximity to our 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 our Tanzanian properties. A paved road connects the site to a rail line that passes only 40 kilometers from the property. Buzwagi has a proven and probable reserve of 2.6 million ounces and measured and indicated resources of 0.4 million ounces of gold**1**. In 2006, activities included exploration drilling and the completion of a feasibility study. In early 2007, the MDA was approved by the Tanzanian government. We are now awaiting approval of the Environmental Impact Assessment, which is expected to be received by the end of first quarter 2007. Following approval, we intend to start the two-year construction phase in late 2007, at an estimated total cost of $400 million.**2** The team that is currently in place to build Buzwagi is virtually unchanged from the team that built Tulawaka.

Operating Segments – Copper



With the acquisition of Placer Dome, we acquired Zaldívar, a copper mine in Chile, and Osborne, a copper-gold mine in Australia. At Zaldívar, we produced 308 million pounds of copper in 2006 at total cash costs of $0.62 per pound. Zaldívar exceeded targeted production, despite damage to the stockpile building and conveyor in June 2006. Temporary repairs were made over a matter of weeks to mitigate the effects on production schedules and the new building will be erected as part of scheduled maintenance in early 2007. Total cash costs per pound were better than expected due to the higher production levels achieved.

At Osborne, copper production in 2006 was 59 million pounds of copper at total cash costs of $1.53 per pound. Production in 2006 was slightly below guidance due to lower ore grades and throughput as a result of delays in the construction of a paste fill plant. The delays restricted access to the higher-grade ore areas of the underground mine. The total cash costs per pound for the year were above guidance mainly because of the lower production.

1. 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, Buzwagi is classified as mineralized material. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 128–136 of this Financial Report 2006.
2. Excluding capitalized interest.

In 2006, we met our guidance for consolidated copper production and total cash costs per pound. In 2007, we expect to produce about 400 million pounds of copper at total cash costs of about $0.90 per pound. We expect higher copper production from Zaldívar in 2007, primarily because of the higher-grade ore mined and placed on the leach pad in 2006 that will be produced in 2007. At Osborne, the paste fill plant is expected to be operational late in first quarter 2007 and will provide access to higher-grade ore blocks. The Trekelano open-pit project at Osborne commenced production during fourth quarter 2006 and is now supplementing the ore supply from underground. The ore grade from Trekelano is lower, but is expected to complement the higher-grade underground ore sources and allow higher throughput rates to be achieved in 2007.

Total cash costs per pound at Zaldívar are expected to be higher than 2006 due to higher prices for commodities and consumables as well as inflationary cost pressures. Total cash costs per pound at Osborne are expected to be lower in 2007 due to higher production.

Other Significant Projects

In April 2005, we entered into a joint venture agreement with Falconbridge Limited ("Falconbridge") with respect to the Kabanga nickel deposit and related concession in Tanzania. In 2006, Xstrata Plc ("Xstrata") acquired Falconbridge. Xstrata is the operator of the joint venture and the project is currently in the pre-feasibility stage. Kabanga, which is one of the largest undeveloped nickel sulphide deposits in the world, is located in northwest Tanzania. The property is approximately 385 kilometers from Bulyanhulu and approximately 200 kilometers west of Tulawaka and is accessible by paved/gravel road. In 2006, ongoing diamond drilling, exploration and other project development engineering activities being managed by Xstrata have been performed as part of a work plan to prepare an updated resource model and scoping study. Xstrata has recently completed the $50 million work plan that was contemplated in the joint venture agreement. At December 31, 2006 our share of indicated nickel resources at Kabanga was 254 million pounds of nickel.[1] We also had inferred resources of 1.1 billion pounds of nickel. [1] This is an increase from prior estimates and is the result of the recently discovered Tembo and Tusker zones. The new discoveries at Tembo and Tusker are near surface and at good ore grade and have the potential to significantly enhance the economics of the Kabanga project. In 2007, Xstrata plans to prepare a pre-feasibility study. In accordance with the joint venture agreement, Xstrata has committed to spend an additional $95 million, which will be used to fund the pre-feasibility study with funds remaining for other subsequent activities. After the $95 million spent by Xstrata, funding will be shared equally by Barrick and Xstrata.

Sedibelo is a large platinum deposit in South Africa. The Sedibelo platinum project is located in northern South Africa within the Western Limb of the prolific Bushveld Igneous Complex ("Bushveld"). The Bushveld is the source of 80% of the world's platinum reserves and 70% of the world's platinum production. As operator of the project, we have a 50% earn-in right to this project. We will earn a 10% interest on completion of a feasibility study and an additional 40% interest once a decision to construct a mine has been made. We will fund the exploration and feasibility study. Funding during the construction of the mine will be shared 50% by each of the partners. In 2006, we commenced work on a pre-feasibility study. At December 31, 2006, the deposit had 3.8 million ounces of measured and indicated platinum resources.[2] The project also had 5.3 million ounces of inferred platinum resources.[2] Mineralization is close to surface which is expected to facilitate a possible open pit mine. In 2007, we expect to spend about $26 million to complete a pre-feasibility study as well as for other drilling and planning activities.

Fedorova is a palladium and platinum development project with nickel, copper and gold by-products located in the Kola Peninsula of the Russian Federation. We own 50% (with an earn-in right to 79%) of Fedorova. We are also the operator. Fedorova is a large near surface PGM (platinum group metals) deposit.

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1. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 128–136 of this Financial Report 2006.
2. Calculated as at December 31, 2006 in accordance with National Instrument 43-101 as required by Canadian securities regulatory authorities. Calculations have been prepared by or under the supervision of Hannes Henckel, Manager Exploration and Geology of Barrick. Sedibelo measured and indicated resources have been estimated using varying cut-off rates, as applicable, depending on the ore type, and other relevant factors.

At December 31, 2006 we had 1.1 million ounces of palladium and 0.3 million ounces of platinum resources categorized to measured and indicated status.[1] We also had 1.3 million ounces of palladium and 0.3 million ounces of platinum resources categorized to inferred resources.[1] With regard to smelting, work to date indicates recoveries are good. The 2006 drilling program has allowed for the completion of a pre-feasibility study and has provided the necessary support to declare our equity portion of Fedorova as a resource. In 2007, we expect to spend $30 million towards the completion of a feasibility study, including approximately 60,000 meters of drilling.

Exploration Strategy

Our exploration strategy for 2007 will focus on the replacement of mine production through a combination of exploration, corporate development and project development. Our 2007 budget is $170 million and is weighted towards near-term discovery around our existing operations while still maintaining a balanced portfolio in order to generate projects for the future. A significant portion of our budget will be spent in Nevada, our key district. Exploration will also be focused in the Frontera District around Pascua-Lama and Veladero. Drill testing of targets in the vicinity of the Veladero mine (Filo Sur) is underway, where the goal is to define reserves and resources close to existing mine infrastructure.

We indirectly own a 37.5% interest in Reko Diq through our investment in Atacama. Reko Diq is a large copper-gold porphyry mineral resource on the Tethyan belt, located in southwest Pakistan in the province of Baluchistan. The Tethyan belt is a prospective ground for large copper-gold porphyries. At December 31, 2006, our share of measured and indicated copper resources at Reko Diq was 5.7 billion pounds of copper.[1] We also had inferred copper resources of 4.3 billion pounds of copper.[1] In 2006, 25,030 meters of exploration drilling was completed. A $30 million budget (100% basis) has been approved for 2007, including a scoping study, exploration activities including 69,000 meters of drilling, preparation of an updated resource model and construction of an airstrip.

Total Cash Costs Performance Measures

Total cash costs include all costs absorbed into inventory, including royalties, by-product credits, production taxes and accretion expense, and exclude inventory purchase accounting adjustments and amortization. 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/ton are calculated by dividing the aggregate of these costs by gold ounces, copper pounds sold or ore tons processed. Total cash costs and total cash costs per ounce/pound/ton 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. We have provided reconciliations below to illustrate the impact of excluding amortization and inventory purchase accounting adjustments from total cash costs per ounce/pound/ton statistics. Under purchase accounting rules, we 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 impact 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.

1. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 128–136 of this Financial Report 2006.

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 South Deep and Tulawaka mines, although we fully consolidated these mines in our Financial Statements, our production and total cash cost statistics only reflect our equity share of the production.

In managing our mining operations, we disaggregate cost of sales between amortization and the other components of cost of sales. We use total cash costs per ounce/pound/ton statistics as a key performance measure internally to monitor the performance of our regional business units. We use these statistics to assess how well our regional business units are performing against internal plans, and also to assess the overall effectiveness and efficiency of our mining operations. We also use amortization costs per ounce/pound/ton statistics to monitor business performance. By disaggregating cost of sales into these two components and separately monitoring them, we are able to better identify and address key performance trends. We believe that the presentation of these statistics in this manner in our MD&A, together with commentary explaining trends and changes in these statistics, enhances the ability of investors to assess our performance. These statistics also enable investors to better understand year-over-year changes in cash production costs, which in turn affect our profitability and ability to generate cash flow.

The principal limitation associated with total cash costs per ounce/pound/ton statistics is that they do not reflect the total costs to produce gold/copper, which in turn impacts the earnings of Barrick. We believe that we have compensated for this limitation by highlighting the fact that total cash costs exclude amortization and inventory purchase accounting adjustments as well as providing details of the financial effect. We believe that the benefits of providing disaggregated information outweigh the limitation in the method of presentation of total cash costs per ounce/pound/ton statistics.

Total cash costs per ounce/pound/ton 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.

Illustration of Impact of Excluding Certain Costs from Total Cash Costs per Ounce/Pound/Ton

($ millions, except per ounce/pound/ton information in dollars)	For the three months ended December 31			For the years ended December 31			
	Gold		Copper	Gold			Copper[1]
	2006	2005	**2006**	**2006**	2005	2004	**2006**
Cost of sales[2]	**$ 652**	$ 367	**$ 108**	**$ 2,343**	$ 1,214	$ 1,047	**$ 393**
Cost of sales at South Deep included in discontinued operations	**12**	—	**—**	**101**	—	—	**—**
Cost of sales attributable to non-controlling interests[3]	**(11)**	(2)	**—**	**(63)**	(7)	—	**—**
Inventory purchase accounting adjustments included in cost of sales[4]	**1**	—	**(26)**	**(11)**	—	—	**(97)**
Cost of sales as adjusted	**654**	365	**82**	**2,370**	1,207	1,047	**296**
Amortization at producing mines — consolidated	**180**	124	**31**	**627**	409	425	**66**
Amortization at South Deep included in discontinued operations	**—**	—	**—**	**18**	—	—	**—**
Amortization at producing mines attributable to non-controlling interests[3]	**(2)**	(2)	**—**	**(16)**	(5)	—	**—**
Amortization at producing mines — equity basis	**178**	122	**31**	**629**	404	425	**66**
Inventory purchase accounting adjustments[4]	**(1)**	—	**26**	**11**	—	—	**97**
Cost of sales including amortization and inventory purchase accounting adjustments — equity basis	**$ 831**	$ 487	**$ 139**	**$ 3,010**	$ 1,611	$ 1,472	**$ 459**

Total cash costs per ounce/pound

(Per ounce/pound information in dollars)	For the three months ended December 31			For the years ended December 31			
	Gold		Copper	Gold			Copper[1]
	2006	2005	**2006**	**2006**	2005	2004	**2006**
Ounces/pounds sold — consolidated (thousands/millions)	**2,314**	1,663	**100**	**8,566**	5,353	4,936	**376**
Sales attributable to non-controlling interests[3]	**(31)**	(13)	**—**	**(176)**	(33)	—	**—**
Ounces/pounds sold — equity basis	**2,283**	1,650	**100**	**8,390**	5,320	4,936	**376**
Total cash costs per ounce/pound — equity basis	**$ 287**	$ 221	**$ 0.82**	**$ 282**	$ 227	$ 214	**$ 0.79**
Amortization per ounce/pound — equity basis	**77**	74	**0.31**	**76**	76	86	**0.17**
Inventory purchase accounting adjustments per ounce/pound	—	**—**	**0.26**	**1**	—	—	**0.26**
Cost of sales and amortization per ounce/pound attributable to non-controlling interests[3]	**1**	—	**—**	**2**	—	—	**—**
Total costs per ounce/pound[5] — consolidated basis	**$ 365**	$ 295	**$ 1.39**	**$ 361**	$ 303	$ 300	**$ 1.22**

Total cash costs per ton

(Per ton information in dollars)	For the years ended December 31			
	Gold			Copper[1]
	2006	2005	2004	**2006**
Tons processed consolidated (millions of tons)	**158**	98	84	**28**
Tons attributed to non-controlling interests (millions of tons)[3]	**(1)**	—	—	**—**
Tons processed — equity (millions of tons)	**157**	98	84	**28**
Cost per ton — equity basis	**$ 15**	$ 12	$ 12	**$ 11**
Amortization per ton	**4**	4	5	**2**
Inventory purchase accounting adjustments	**—**	—	—	**3**
Cost of sales and amortization per ton attributable to non-controlling interests[3]	**1**	—	—	**—**
Cost per ton[5] — consolidated basis	**$ 20**	$ 16	$ 17	**$ 16**

1. The 2005 and 2004 comparative periods for copper have been omitted as we did not produce any significant amounts of copper prior to the production from the copper mines acquired with Placer Dome.
2. The aggregate amount of cost of sales for gold and copper is as per Barrick's income statement.
3. Relates to a 30% interest in Tulawaka and a 50% interest in South Deep.
4. Based on our equity interest.
5. Includes amortization, amounts attributable to non-controlling interests and inventory purchase accounting adjustments.

Other Costs and Expenses

Exploration Expense

($ millions)	2006	2005	2004	Comments on significant variances
Exploration				
North America	**$ 64**	$ 34	$ 30	2006 vs. 2005 — Expenditures are higher in 2006 due to activities at Goldstrike, Cortez, Bald Mountain, Round Mountain and Pueblo Viejo.
South America	**22**	19	20	2006 vs. 2005 — Expenditures are higher in 2006 due to activities at Lagunas Norte and Veladero.
Australia Pacific	**44**	13	17	2006 vs. 2005 — Expenditures are higher in 2006 due to activities at Porgera and other Papua New Guinea exploration properties, Cowal, Plutonic and Kalgoorlie.
Africa	**22**	34	23	2006 vs. 2005 — Lower activity at Buzwagi, partly offset by higher expenditures at Nyanzaga. 2005 vs. 2004 — Higher activity at Bulyanhulu.
Other	**19**	9	6	2006 vs. 2005 — Higher activity in Indonesia and Eurasia.
Total	**$ 171**	$ 109	$ 96	

Project Development Expense

($ millions)	2006	2005	2004	Comments on significant variances
Mine development	**$ 78**	$ 2	$ 15	2006 vs. 2005 — In 2006, expenditures were higher principally due to activities at acquired Placer Dome projects including Donlin Creek, Pueblo Viejo and Sedibelo. 2005 vs. 2004 — In 2004, Lagunas Norte development costs were expensed for part of the year.
Non-capitalizable project costs	**24**	20	12	Non-capitalizable costs mainly represent items incurred in the development/construction phase that cannot be capitalized. 2006 vs. 2005 — Costs are higher in 2006 due to higher start-up costs at Buzwagi, Taseevskoye and Pascua-Lama. 2005 vs. 2004 — Higher amounts for Cowal, Pascua-Lama and Veladero.
Business development/other	**17**	10	18	In 2006, expenditures were higher due to increase in research and development activity.
Total	**$ 119**	$ 32	$ 45	

Amortization Expense

($ millions) For the years ended December 31	2006 Amount	Increase (decrease) due to: Sales volumes[1]	Increase (decrease) due to: Other[2]	2005 Amount	Comments on other variances
Gold mines					
North America	**$ 242**	$ 15	$ 14	$ 213	Mainly due to amortization of purchase price adjustment related to property, plant and equipment acquired with Placer Dome.
South America	**127**	47	(21)	101	Higher amortization included in closing inventory at Pierina, combined with an increase in reserves.
Australia Pacific	**175**	109	20	46	Mainly due to amortization of purchase price adjustment related to property, plant and equipment acquired with Placer Dome.
Africa	**83**	35	(1)	49	Impact of capital additions in 2006, more than offset by increase in reserves and amortization of purchase price adjustment related to property, plant and equipment acquired with Placer Dome.
Copper mines					
South America	**49**	34	15	—	Due to amortization of purchase price adjustment related to property, plant and equipment acquired with Placer Dome.
Australia Pacific	**17**	10	7	—	Due to amortization of purchase price adjustment related to property, plant and equipment acquired with Placer Dome.
Sub total	**693**	$ 250	$ 34	409	
Corporate assets	**42**			18	Due to amortization of purchase price adjustment related to supply con- tract intangible assets and property, plant and equipment acquired with Placer Dome.
Total	**$ 735**			$ 427	

Amortization Expense

($ millions) For the years ended December 31	2005 Amount	Increase (decrease) due to: Sales volumes[1]	Increase (decrease) due to: Other[2]	2004 Amount	Comments on other variances
Gold mines					
North America	$ 213	$ (27)	$ 1	$ 239	Impact of capital additions in 2005, partly offset by increase in reserves.
South America	101	(2)	(4)	107	Mainly due to increase in reserves.
Australia Pacific	46	(4)	5	45	Impact of capital additions in 2005.
Africa	49	13	2	34	Impact of capital additions in 2005.
Copper mines					
South America	—	—	—	—	
Australia Pacific	—	—	—	—	
Sub total	409	(20)	4	425	
Corporate assets	18			27	
Total	$ 427			$ 452	

1. For explanation of changes in sales volumes refer to page 20.
2. Other includes increases/decreases in amortization expense due to additions/dispositions of property, plant and equipment, purchase accounting adjustments and the impact of historic changes in reserve estimates on amortization (refer to page 60).

Amortization expense recorded in the first nine months of 2006 reflects preliminary purchase price allocations for the acquired Placer Dome mines. In fourth quarter 2006, valuations for the acquired mines were finalized, at which time amortization calculations were prospectively recorded to reflect adjustments to the preliminary allocation. On finalization of the purchase price allocation, we recorded amortization of purchase price adjustments related to property plant and equipment totaling $29 million in fourth quarter 2006. The amount recorded for all of 2006 was $47 million. We expect amortization expense to increase in 2007, primarily due to the final purchase price allocation for Placer Dome mines.

Corporate Administration, Interest Income and Interest Expense

($ millions) For the years ended December 31	**2006**	2005	2004	Comments on significant trends and variances
Corporate administration	**$ 142**	$ 71	$ 71	2006 vs. 2005 — Increase in 2006 relates to the increase in scale of the Company after the Placer Dome acquisition, and stock option expense in 2006 of $18 million.
Interest income	**101**	38	25	2006 vs. 2005 — Higher interest income in 2006 was mainly due to higher cash balances in 2006. Also, in the first five months of 2006, a $19 million financing fee was paid by Goldcorp representing, in part, compensation for interest costs incurred by us to carry the cost of financing related to certain operations sold to Goldcorp. 2005 vs. 2004 — Increase in the average cash balance, combined with an increase in market interest rates.
Interest costs				
Total incurred	**251**	125	60	2006 vs. 2005 — Higher interest costs in 2006 were mainly due to $1.3 billion of debt assumed on the acquisition of Placer Dome, combined with interest relating to funds drawn under a credit facility that were used for the cash component of the cost of acquisition of Placer Dome and interest paid under our copper-linked notes issued in October 2006. 2005 vs. 2004 — Increase mainly due to new financing put in place in 2004 and 2005.
Capitalized	**102**	118	41	2006 vs. 2005 — In 2006, interest was capitalized at our development projects, Pascua-Lama, Cowal and Ruby Hill. Also in 2006, we began to capitalize interest costs at projects acquired from third parties including Cortez Hills, Donlin Creek, Pueblo Viejo, Sedibelo, Reko Diq and Buzwagi. 2005 vs. 2004 — Increased amounts were capitalized in 2005 at Pascua-Lama, Cowal, Veladero, and Lagunas Norte development projects as construction costs were incurred and capitalized. Capitalization of interest at Lagunas Norte ceased in third quarter 2005, while capitalization of interest at Veladero ceased in fourth quarter 2005.
Interest expense allocated to discontinued operations	**23**	—	—	Primarily relates to interest allocated to South Deep.
Expensed	**$ 126**	$ 7	$ 19	2006 vs. 2005 — Higher interest costs in 2006 were mainly due to higher levels of debt outstanding after debt assumed with the acquisition of Placer Dome combined with lower amounts of interest capitalized to development projects in 2006 compared to 2005.

Other Operating Expenses

($ millions) For the years ended December 31	2006	2005	2004	Comments on significant trends and variances
Regional business unit overheads	**$ 88**	$ 36	$ 24	2006 vs. 2005 — Higher overhead costs incurred in 2006 due to impact of the acquisition of Placer Dome, including: increase in headcount at regional head offices; IT costs associated with coordinating and standardizing communications and network systems; and recruitment and relocation costs.
Community development costs	**15**	—	—	Relates to amounts accrued for a voluntary contribution to be paid to benefit Peruvian communities and amounts to be paid under a Mining Development Agreement to the Tanzanian Government.
Environmental remediation cost	**8**	13	14	
World Gold Council fees	**13**	10	9	Higher production levels in 2005 and 2006
Total	**$ 124**	$ 59	$ 47	

Impairment of Long-lived Assets

($ millions) For the years ended December 31	2006	2005	2004	Comments on significant trends and variances
Eskay Creek	**$ —**	$ —	$ 58	In 2004, we completed an impairment test for the Eskay Creek mine, due to a downward revision to reserves, the continued weakening of the US dollar that impacts Canadian dollar operating costs, and upward revisions in asset retirement obligation costs.
Peruvian exploration properties	**17**	—	67	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 $17 million was recorded to reduce the carrying amount to the estimated fair value. In 2004, we completed an impairment test on a group of Peruvian exploration-stage properties based on finalization of the exploration program for the year and an updated assessment of future plans for the property.
Other	**—**	—	14	2004 includes write-down on various exploration-stage properties.
Total	**$ 17**	$ —	$ 139	

Other Income

($ millions)

For the years ended December 31	2006	2005	2004	Comments on significant trends and variances
Non-hedge derivative gains	**$ —**	$ 6	$ 5	
Gains on asset sales	**9**	5	36	In 2006, we sold various properties in Canada and Chile. In 2005, we sold certain land positions in Australia. In 2004, we sold various mining properties, including the Holt-McDermott mine in Canada and certain land positions around our inactive mine sites in the United States.
Gains on investment sales	**6**	17	6	$10 million of the gains recorded in 2005 related to the sale of investments held in a rabbi trust for a deferred compensation plan. Other gains in all years mainly relate to the sale of various other investments.
Gain on Kabanga transaction	**—**	15	—	Gain recorded in 2005 relates to the closing of a transaction with Falconbridge relating to Kabanga.
Gain on vend-in of assets to Highland Gold	**51**	—	—	In 2006 we exchanged various interests in mineral properties for 34.3 million Highland shares with a fair value that exceeded the carrying amount of assets exchanged by $76 million, resulting in a gain of $51 million.
Royalty income	**10**	6	2	
Sale of water rights	**5**	—	—	
Other	**8**	—	—	
Total	**$ 89**	$ 49	$ 49	

Other Expense

($ millions)

For the years ended December 31	2006	2005	2004	Comments on significant trends and variances
Impairment charges on investments	**$ 6**	$ 16	$ 5	2006 impairment charge relates to the write-down of two investments, both of which were considered to be impaired. 2005 impairment charge relates to the write-down of two investments which were determined to be impaired.
Changes in AROs at closed mines	**53**	15	22	In 2006, we recorded charges for changes in estimates of Asset Retirement Obligations ("AROs") at closed mines of $37 million for the Nickel Plate property in British Columbia, Canada and $16 million for other properties.
Accretion expense at closed mines	**8**	10	7	
Currency translation (gains) losses	**(2)**	(3)	1	
Placer Dome integration costs	**12**	—	—	
Corporate transaction costs	**7**	—	—	
Other items	**12**	18	12	2005 and 2004 include litigation costs for major litigations.
Total	**$ 96**	$ 56	$ 47	

On September 7, 2006 a fire occurred in the underground part of the Central Shaft at Highland's Darasun mine. Highland's management is currently uncertain of the amount of damage and potential impairment, if any, at Darasun as necessary valuations and engineering studies have not been completed at the date of this MD&A.

Income Taxes

For the years ended December 31
($ millions, except percentages)

	2006			2005			2004		
Effective income tax rates on elements of income	**Pre-tax income**	**Effective tax rate**	**Income tax expense (recovery)**	Pre-tax income	Effective tax rate	Income tax expense (recovery)	Pre-tax income	Effective tax rate	Income tax expense (recovery)
Income tax expense before elements below	**$1,560**	**27%**	**$ 420**	$ 462	21%	$ 97	$ 43	56%	$ 24
Change in Australian tax status			**(31)**			(5)			(81)
Tax rate changes			**12**			—			—
Outcome of tax uncertainties			**—**			—			(141)
Release of deferred tax valuation allowances recorded in prior years			**(53)**			(32)			(5)
Total			**$ 348**			$ 60			$ (203)

Income tax expense increased in 2006 in comparison to 2005 primarily due to the increase in pre-tax income. Our underlying tax rate increased to 27% in 2006 primarily due to the impact of a higher amount of deliveries into gold sales contracts in a low tax-rate jurisdiction at prices below the prevailing spot market gold price than in 2005.

The underlying tax rate is expected to be approximately 30% for 2007. This expected underlying rate excludes the effect of gains and losses on non-hedge derivatives, the effect of delivering into gold sales contracts in a low tax-rate jurisdiction at prices below prevailing market prices, any tax rate changes, and any release of deferred tax valuation allowances. In first and second quarter 2006, the expected deliveries into Floating Spot-Price Gold Sales Contracts are expected to cause an increase in our reported effective tax rate because most of the deliveries will occur in a low tax-rate jurisdiction (see page 54).

We record deferred tax charges or credits if changes in facts or circumstances affect the estimated tax basis of assets and therefore the amount of deferred tax assets or liabilities or because of changes in valuation allowances reflecting changing expectations in our ability to realize deferred tax assets. 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. We released $9 million of valuation allowances in a Chilean entity due to the availability of income. We released valuation allowances of $19 million in Canada reflecting utilization of capital losses. In 2005, we released valuation allowances totaling $32 million, of which $31 million related to Argentina, in anticipation of higher levels of future taxable income after production began at Vela-dero, and also due to the impact of higher market gold prices. In 2004, we recorded a tax credit of $141 million on final resolution of a Peruvian tax assessment in our favor, as well as the reversal of other accrued costs totaling $21 million ($15 million post-tax). We also recorded credits of $81 million due to a change in tax status in Australia following an election that resulted in a revaluation of assets for tax purposes; as well as an election to file tax returns in US dollars, rather than Australian dollars. In 2005, we revised our estimate of the revaluation of assets for tax purposes due to the change in status, and recorded a further deferred tax credit of $5 million.

In 2006, an interpretative decision ("ID") was issued by the Australia Tax Office that clarified the tax treatment of currency gains and losses on foreign currency 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 increase to deferred tax assets.

In second quarter 2006, a new federal rate change was enacted in Canada that lowered the applicable tax rate. The impact of this rate change was to reduce net deferred tax assets in Canada by $34 million that was recorded as a component of deferred income tax expense. Also in second quarter 2006, on the change of the tax status of a Canadian subsidiary, we recorded a deferred income tax credit of $22 million, to reflect the impact on the measurement of deferred income tax assets and liabilities.

The interpretation of tax regulations and legislation and their application to our business is complex and subject to change. We have significant amounts of deferred tax assets, including tax loss carry forwards, and also deferred tax liabilities. Potential changes to any of these amounts, as well as our ability to realize deferred tax assets, could significantly affect net income or cash flow in future periods. For more information on tax valuation allowances, see page 64.

Quarterly Information
($ millions, except where indicated)

	2006				2005			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Sales	**$ 1,348**	**$ 1,573**	**$ 1,511[1]**	**$ 1,204[1]**	$ 776	$ 627	$ 463	$ 484
Net income from continuing operations	**132**	**393**	**458**	**226**	175	113	47	60
Net income from continuing operations per share – basic (dollars)	**0.15**	**0.46**	**0.53**	**0.29**	0.33	0.21	0.09	0.11
Net income from continuing operations per share – diluted (dollars)	**0.15**	**0.45**	**0.52**	**0.29**	0.32	0.21	0.09	0.11
Net income	**418**	**405**	**459**	**224**	175	113	47	66
Net income per share – basic (dollars)	**0.48**	**0.47**	**0.53**	**0.29**	0.33	0.21	0.09	0.12
Net income per share – diluted (dollars)	**0.48**	**0.46**	**0.53**	**0.29**	0.32	0.21	0.09	0.12

1. Adjusted for the impact of reclassifying sales from our South Deep mine to discontinued operations.

Our financial results for the last eight quarters reflect the following general trends: rising spot gold prices with a corresponding rise in prices realized from gold sales, rising gold production and sales volumes as our new mines began production in 2005 and 2006 and, in first quarter 2006, our acquisition of Placer Dome. Results in 2006 benefited from the contribution of gold and copper mines acquired in the Placer Dome acquisition. Although these trends continued in the second half of 2006, earnings in third quarter 2006 were reduced by post-tax adjustments of $25 million related to revisions to the AROs at a closed mine and $12 million for non-hedge derivative losses. In fourth quarter 2006, sales and earnings were reduced as a result of the delivery of gold ounces into gold sales contracts at a post-tax opportunity cost of $312 million. The effect on income of this charge was partially mitigated by a post-tax gain of $288 million from the sale of the South Deep mine. The historic trends are discussed elsewhere in this MD&A. The quarterly trends are consistent with explanations for annual trends over the last two years. Net income in each quarter also reflects the timing of various special items that are presented in the table on page 16.

Fourth Quarter Results

In fourth quarter 2006, we produced 2.4 million ounces of gold at total cash costs of $287 per ounce compared to 1.6 million ounces at total cash costs of $221 per ounce in the prior-year quarter. We also produced 100 million pounds of copper at total cash costs per pound of $0.82 during the quarter from two copper mines acquired with Placer Dome. Revenue for fourth quarter 2006 was $1,348 million on gold sales of 2.3 million ounces and copper sales of 100 million pounds, compared to $776 million in revenue on just gold sales of 1.7 million ounces for the prior-year quarter. Sales volumes increased due to the contribution from new mines that began production in 2005 and 2006, combined with sales from mines acquired with Placer Dome. During the quarter, spot gold prices averaged $614 per ounce. We realized an average price of $461 per ounce during the quarter compared to the average spot price of $486 per ounce and an average realized price of $467 per ounce in the prior-year quarter. The realized price of gold was substantially lower than the average spot-price due to delivery of 1.0 million ounces into gold sales contracts at an opportunity cost of approximately $143 per ounce. We also recorded hedge accounting adjustments of $8 per ounce associated with legacy Placer Dome gold hedges. Earnings for fourth quarter 2006 were $418 million ($0.48 per share on a diluted basis), $243 million ($0.16 per share on a diluted basis) higher than the prior-year quarter. The increase in earnings over the prior-year quarter reflects higher gold sales volumes and realized gold prices, combined with earnings from copper sales, partly offset by the impact of special items.

In fourth quarter 2006, we closed the sale of the South Deep mine to Gold Fields. The consideration was $1.5 billion, of which $1.2 billion was paid in cash and $308 million in Gold Fields shares. On closing, we recorded a gain of $288 million, representing the consideration received less the carrying amount of net assets of South Deep, including goodwill relating to South Deep of $651 million. Also in the fourth quarter, we recorded a $51 million gain on closing of the vend-in to Highland.

Effect on Earnings Increase (Decrease)

($ millions)	Three months ended December 31			
	2006		2005	
	Pre-tax	**Post-tax**	Pre-tax	Post-tax
Non-hedge derivative gains (losses)	**$ 5**	**$ 11**	$ (1)	$ (1)
Gain on sale of South Deep	**288**	**288**	—	—
Impairment charges on long-lived assets and investments	**(23)**	**(18)**	(13)	(13)
Inventory purchase accounting adjustments	**(25)**	**(21)**	—	—
Change in asset retirement obligation estimates	**(15)**	**(10)**	(2)	(3)
Deferred tax credits Change in Australian tax status	**—**	**—**	—	5
Highland vend-in	**51**	**51**	—	—
Peru voluntary contribution	**(8)**	**(6)**	—	—
Opportunity cost of deliveries into fixed-price Corporate Gold Sales Contracts	**(327)**	**(312)**	(33)	(33)
Hedge accounting adjustments related to the acquired Placer Dome gold hedge position	**(18)**	**(11)**	—	—
Total	**$ (72)**	**$ (28)**	$ (49)	$ (45)

In fourth quarter 2006, we generated operating cash flow of $337 million compared to operating cash flow of $269 million in the prior-year quarter. The positive effects of higher gold sales volumes and higher realized gold prices were offset by the $327 million opportunity cost of deliveries into fixed-price Corporate Gold Sales Contracts during fourth quarter 2006.

Liquidity, Capital Resources and Financial Position

Cash Flow

Operating Activities

Operating cash flow increased by $1,396 million in 2006 to $2,122 million. The key factors that contributed to the year over year increase are summarized in the table below.

Key Factors Affecting Operating Cash Flow

($ millions) For the years ended December 31	**2006**	2005	2004	Impact on comparative operating cash flows 2006 vs. 2005	2005 vs. 2004	Comments on significant trends and variances
Gold sales volumes (000s oz)	**8,390**	5,320	4,936	$ 666	$ 75	See page 20
Market gold prices ($/oz)	**604**	444	409	1,342	186	See page 7
Impact of gold sales contracts	**532**	56	89	(476)	33	See page 7
Higher copper earnings (millions lbs)	**376**	—	—	833	—	See page 20
Total cash costs gold ($/oz)	**282**	227	214	(461)	(69)	See page 20
Sub-total				1,904	225	
Other inflows (outflows)						
Higher expenses[1]	**556**	271	259	(285)	(12)	
Purchase of copper put options	**26**	—	—	(26)	—	
Non-cash working capital	**42**	(66)	(86)	108	20	2006 vs. 2005 — Increase in taxes payable. 2005 vs. 2004 — Increase in accounts payable in 2005 mainly due to timing of payments and for mines that began production in 2005.
Interest expense	**126**	7	19	(119)	12	See page 39
Income tax payments	**280**	80	45	(200)	(35)	2006 vs. 2005 — Increased payments in 2006 related to acquisition of Placer Dome. 2005 vs. 2004 — Increased payments in 2005 related to higher gold prices and the start of Lagunas Norte production.
Effect of other factors				14	7	
Total				$ 1,396	$ 217	

1. Includes corporate administration, exploration, project development, and other operating expenses.

Investing Activities

($ millions) For the years ended December 31	2006	2005	2004	Comments
Project capital expenditures[1]				
Pascua-Lama development costs	**$ 113**	$ 98	$ 35	Higher levels of activity since decision in mid-2004 to proceed with the project, as well as capitalized interest since mid-2004.
Cowal construction	**104**	258	73	Production start-up in second quarter 2006 after a two-year construction phase, which began in second quarter 2004.
Ruby Hill development costs	**29**	35	—	Construction activity started in first quarter 2005.
Cortez Hills	**26**	—	—	Construction activity at mine acquired with Placer Dome.
Tulawaka construction	**—**	5	48	Production start-up in first quarter 2005.
Veladero construction	**—**	213	284	Production start-up in fourth quarter 2005.
Lagunas Norte construction	**—**	100	182	Construction activity started in second quarter 2004. Production start-up in second quarter 2005.
Western 102 Power Plant	**—**	80	18	Construction activity started in first quarter 2004. Production start-up in fourth quarter 2005.
Other	**13**	—	—	Relates primarily to capitalized interest at Donlin Creek, Pueblo Viejo, Reko Diq, Sedibelo and Buzwagi.
Sub total	**285**	789	640	
Regional capital expenditures				
North America	**202**	103	86	2006 vs. 2005 — Higher expenditures due to the impact of Bald Mountain, Turquoise Ridge and Golden Sunlight, partly offset by lower expenditures at Marigold. 2005 vs. 2004 — Higher regional capital expenditures at Goldstrike in 2005, in particular, a 100- ton shovel purchase and higher budgeted expenditures in general.
South America	**248**	114	8	2006 vs. 2005 — Higher expenditures in 2006 due to expenditures at Veladero related to capitalized pre-production stripping of the Filo Federico pit, combined with expen- ditures at Lagunas Norte and Zaldívar. 2005 vs. 2004 — Purchases of equipment at new mines.
Australia Pacific	**255**	50	37	2006 vs. 2005 — Higher expenditures due to the impact of Placer Dome mines, includ- ing $79 million spent at Porgera primarily related to the remediation of the West Wall cutback.
Africa	**85**	40	46	2006 vs. 2005 — Higher expenditures in 2006 due to the impact of North Mara and higher expenditures at Bulyanhulu to install a carbon-in-leach plant.
Other	**12**	8	7	
Sub total	**802**	315	184	
Total	**$1,087**	$1,104	$824	

1. Includes both construction costs and capitalized interest.

Investing activities in 2006 also included $1.3 billion in first quarter 2006 paid for the cash component of the cost of the Placer Dome acquisition, which, net of cash acquired of $1.1 billion, led to a net cash outflow of $160 million. We recorded in cash flows of discontinued operations proceeds of $1.6 billion received on closing of the sale of certain Placer Dome operations and an interest in the Pueblo Viejo project to Goldcorp in second quarter 2006 and $1.2 billion received on closing of the sale of the South Deep mine to Gold Fields in fourth quarter 2006.

Financing Activities

The most significant financing cash flows in 2006 were $2.2 billion on issue of long-term debt obligations, $1.8 billion to settle Placer Dome derivative positions and cash receipts of $74 million received on the exercise of employee stock options partly offset by dividend payments made totaling $191 million. We also made scheduled payments under our long-term debt obligations totaling $1.6 billion in 2006.

Liquidity

Liquidity Management

Liquidity is managed dynamically, and factors that could impact liquidity are regularly monitored. The primary factors that affect liquidity include production levels, realized sales prices, cash production costs, future capital expenditure requirements, scheduled repayments of long-term debt obligations, our credit capacity and expected future debt market conditions. Working capital requirements have not historically had a material effect on liquidity. Counterparties to the financial instruments and gold sales contracts that we hold do not have unilateral and discretionary rights to accelerate settlement of financial instruments or gold sales contracts, and we are not subject to any margin calls.

Through the combination of a strong balance sheet and positive operating cash flows, we have been able to secure financing, as required, to fund our capital projects. We had three new mines start in 2005, with our fourth and newest mine, Cowal, starting production in second quarter 2006. The costs of construction for these projects were financed through a combination of operating cash flows and the issuance of long-term debt financing. Alternatives for sourcing our future capital needs include our significant cash position, unutilized credit facilities, future operating cash flow, project financings and public debt financings. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity and/or a significant decline in gold and copper prices, present levels of liquidity will be adequate to meet our expected capital needs. If we are unable to access project financing due to unforeseen political or other problems, we expect that we will be able to access public debt markets as an alternative source of financing. Any additional indebtedness would increase our debt payment obligations, and may negatively impact our results of operations.

Capital Resources

Adequate funding is in place or available for all our significant projects. We plan to put in place project financing for a portion of the expected construction cost of a number of our projects; however, if we are unable to do so because of unforeseen political or other challenges, we expect to be able to fund the capital required through a combination of existing capital resources and future operating cash flows. For 2007, we expect that any capital required will be funded from a combination of our existing cash position and operating cash flow.

In second quarter 2006, we received $1.6 billion from the sale of operations to Goldcorp. In third quarter 2006, we increased our $1 billion credit facility to $1.5 billion. In early October 2006, we 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, and is to be replaced over those three years by $1 billion of funding in the form of conventional interest-bearing notes maturing in 2016 and 2036. The replacement of the copper-linked portion of the notes with conventional interest-bearing notes during this period occurs simultaneously such that the total amount outstanding at any time from issue date to maturity is $1 billion. In October 2006, we used a portion of the proceeds from the Notes to repay debt, and plan to use the remaining proceeds to repay other outstanding debt and to fund our development projects.

Capital Resources[1]

($ millions) For the years ended December 31	2006	2005	2004
Opening capital resources	**$ 2,084**	$ 2,476	$ 1,970
New sources			
Operating cash flow	**2,122**	726	509
New and increases to financing facilities[2]	**1,550**	134	1,056
Proceeds from asset sales	**2,850**	—	—
	8,606	3,336	3,535
Uses			
Acquisition of Placer Dome	**(160)**	—	—
Other acquisitions[3]	**(364)**	—	—
Settlement of acquired Placer Dome hedge position and repayment of debt[4]	**(2,254)**	—	—
Project capital[5]	**(285)**	(789)	(640)
Regional capital[5]	**(802)**	(315)	(184)
Dividends	**(191)**	(118)	(118)
Share buyback	**—**	—	(95)
Other	**48**	(30)	(22)
Closing capital resources	**$ 4,598**	$ 2,084	$ 2,476
Components of closing capital resources			
Cash and equivalents	**$ 3,043**	$ 1,037	$ 1,398
Unutilized credit facilities[6]	**1,555**	1,047	1,078
Total	**$ 4,598**	$ 2,084	$ 2,476

1. Capital resources include cash balances and sources of financing that have been arranged but not utilized.
2. In 2006, includes a second $50 million Peruvian bond offering, $500 million increase in our first credit facility and the issuance of $1 billion of copper-linked notes. In 2005, includes the first $50 million Peruvian bond offering and $84 million lease facility for Lagunas Norte. In 2004, includes the $250 million Veladero project financing, $750 million bond offering, and $56 million lease facility for Lagunas Norte.
3. Includes acquisition of equity method investments, changes in available-for-sale securities and other acquisitions, net of cash acquired.
4. Represents $1,840 million paid to settle acquired Placer Dome hedge positions, $337 million repayment of acquired Placer Dome credit facility after which it was terminated, and $77 million related to the redemption of Placer Dome preferred shares.
5. Project capital represents capital invested in new projects to bring new mines into production. Regional capital represents ongoing capital required at existing mining operations. Sum of project and regional capital equals capital expenditures for the year.
6. Represents available amounts under our first credit facility of $1.5 billion and $55 million available on Peruvian lease facilities.

Credit Rating

At February 21, 2007 from major rating agencies:	
Standard and Poor's ("S&P")	**A—**
Moody's	**Baa1**
DBRS	**A**

In 2006, following the acquisition of Placer Dome, our ratings were reviewed and confirmed by Moody's and DBRS. S&P lowered our rating from "A"to "A –", reflecting Placer Dome's lower rating. Our ability to access unsecured debt markets and the related cost of debt financing is, in part, dependent upon maintaining an acceptable credit rating. A deterioration in our credit rating would not adversely affect existing debt securities or the terms of gold sales contracts, but could impact funding costs for any new debt financing. The key factors that are important to our credit rating include the following: our market capitalization; the strength of our balance sheet, including the amount of net debt and our debt-to-equity ratio; our net cash flow, including cash generated by operating activities and expected capital expenditure requirements; the quantity of our gold reserves; and our geopolitical risk profile.

Financial Position

Key Balance Sheet Ratios

As at December 31	2006	2005
Non-cash working capital ($ millions)[1]	**$ 764**	$ 231
Net debt ($ millions)[2]	**$ 1,064**	$ 764
Net debt-to-equity ratio[3]	**0.07:1**	0.20:1
Current ratio[4]	**4.85:1**	3.64:1

1. Represents current assets, excluding cash and equivalents, less current liabilities, excluding short-term debt obligations.
2. Represents long-term and short-term debt less cash and equivalents.
3. Represents net debt divided by total shareholders' equity.
4. Represents current assets divided by current liabilities, excluding short-term debt obligations.

Non-cash working capital increased in 2006 mainly due to increases in inventory levels as a result of the acquisition of Placer Dome. Although operating cash flow exceeded capital expenditures in 2006, net debt increased primarily as a result of settlement of acquired Placer Dome hedge positions. Higher cash balances partly offset by higher short-term debt, caused our current ratio to increase at the end of 2006.

Shareholders' Equity

Outstanding Share Data

As at February 7, 2007	Shares outstanding No. of shares	Conversion for Barrick common shares
Common shares	863,957,797	
Special voting shares	1	
Exchangeable shares[1]	1,366,015	723,989
Stock options	18,406,815	

1. Represents Barrick Gold Inc. ("BGI") exchangeable shares. Each BGI share is exchangeable for 0.53 Barrick common shares.

For further information regarding the outstanding shares and stock options, please refer to the Financial Statements and our 2006 Management Information Circular and Proxy Statement.

Dividend Policy

In each of the last five years, we paid a total cash dividend of $0.22 per common share – $0.11 in mid-June and $0.11 in mid-December. 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 the cash requirements of our operating assets, exploration and development activities, as well as potential acquisitions,combined with our current and projected financial position.

Contractual Obligations and Commitments

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 2006,other comprehensive income of $150 million mainly included gains of $17 million on hedge contracts designated for future periods, caused primarily by changes in currency exchange rates,copper prices, gold prices and fuel prices; reclassification adjustments totaling $77 million for losses on hedge contracts designated for 2006 that were transferred to earnings in 2006; and a $43 million unrealized increase in the fair value of investments.

Included in other comprehensive income at December 31, 2006 were unrealized pre-tax gains on currency hedge contracts totaling $283 million, based on December 31,2006 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 strengthening of the Australian and Canadian dollar against the US dollar. The hedge gains 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.

($ millions) At December 31, 2006	Payments due **2007**	2008	2009	2010	2011	2012 and thereafter	Total
Long-term debt (1)							
Repayment of principal	**$ 737**	$ 97	$ 101	$ 52	$ 25	$ 2,883	$ 3,895
Interest	**225**	193	185	178	175	2,664	3,620
Asset retirement obligations (2)	**42**	64	114	79	58	536	893
Capital leases	**20**	16	16	16	16	5	89
Operating leases	**6**	2	1	1	–	–	10
Restricted share units	**6**	10	27	–	–	–	43
Other post-retirement obligations	**11**	6	3	3	3	18	44
Derivative liabilities (3)	**82**	35	2	111	2	–	232
Royalty arrangements (4)	**167**	175	171	158	137	935	1,743
Purchase obligations for supplies and consumables (5)	**261**	150	33	130	7	–	581
Capital commitments (6)	**116**	1	–	–	–	–	117
Total	**$ 1,673**	$ 749	$ 653	$ 728	$ 423	$ 7,041	$ 11,267

(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 Bulyanhulu and Veladero financings are collateralized by assets at the Bulyanhulu and Veladero mines, respectively. 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, 2006. 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 hedge contracts disclosed under notes 18 and 19 to the Financial Statements. Payments related to derivative contracts cannot be reasonably estimated given variable market conditions.

(4) Royalties

Virtually all of the royalty arrangements give rise to obligations as we produce gold. In the event that we do not produce gold at our mining properties, we have no payment obligation to the royalty holders. The amounts disclosed are based on expected future gold production, using a spot gold price assumption of $625 per ounce. The most significant royalty agreements are disclosed in note 6 to our Financial Statements. Based on 2006 production levels, an increase in market gold prices by $50 per ounce would result in an annual increase in royalty payments of approximately $18 million.

(5) Purchase Obligations for Supplies and Consumables

Purchase obligations for supplies and consumables primarily include commitments of approximately $180 million related to community development costs to be incurred at the Pascua-Lama project in Chile and Argentina.

(6) Capital Commitments

Purchase obligations for capital expenditures include only those items where binding commitments have been entered into. Commitments at the end of 2006 mainly related to construction capital at our projects.

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 development stages, from primarily exploration or scoping studies through to construction execution. The ultimate decision to incur capital at each potential site is subject to positive results which allow the project to advance past decision hurdles. Primary and significant projects in Barrick's portfolio at December 31, 2006 include Ruby Hill, Cortez Hills, Buzwagi, Pascua-Lama, Pueblo Viejo, and Donlin Creek (refer to pages 24 to 34 for further details).

Payments to Maintain Land Tenure and Mineral Property Rights

In the normal course of business, we are required to make annual payments to maintain title or rights to mine gold at certain of our properties. If we choose to abandon a property or discontinue mining operations, the payments relating to that property can be suspended, resulting in our rights to the property lapsing. The validity of mining claims can be uncertain and may be contested. Although we have attempted to acquire satisfactory title to our properties, some risk exists that some titles, particularly title to undeveloped properties, may be defective.

Contingencies – Litigation

We are currently subject to various litigation as disclosed in note 27 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.

Financial Instruments

We use a mixture of cash and long-term debt to maintain an efficient capital structure and ensure adequate liquidity exists to meet the cash needs of our business. A discussion of our liquidity and capital structure can be found on page 47. 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 19 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 19 to our Financial Statements. For a discussion of the methods used to value financial instruments, as well as any significant assumptions, refer to note 19 to our Financial Statements.

Summary of Financial Instruments[1]
As at and for the year ended December 31, 2006

Financial Instrument	Principal/ Notional Amount	Associated Risks	Amounts Recorded in Earnings	Amounts Not Recorded in Earnings
Cash and equivalents	$3,043 million	§ Interest rate § Credit	Interest income less hedge gains on cash hedging instruments – 2006 – $102 million; 2005 – $32 million; 2004 – $6 million	$Nil
Investments in available-for-sale securities	$646 million	§ Market	Other income/expense – 2006 – $2 million gain; 2005 – $1 million gain; 2004 – $1 million gain	$53 million gain in OCI
Long-term debt	$3,244 million	§ Interest rate	Interest costs – 2006 – $126 million expensed ($102 million capitalized); 2005 – $7 million expensed ($118 million capitalized); 2004 – $19 million expensed ($41 million capitalized)	Carrying value greater than fair value by $60 million
Hedging instruments – currency contracts	C$586 million A$2,867 million ZAR 46 million	§ Market/Liquidity § Credit	Hedge gains in cost of sales, corporate administration and amortization – 2006 – $102 million; 2005 – $120 million; 2004 – $112 million	$208 million in OCI
Copper hedges	300 million pounds	§ Market/Liquidity § Credit	$28 loss in revenue	$57 million gain in OCI
Acquired Placer Dome gold hedges	Nil ounces	§ Market/Liquidity § Credit	$165 loss in revenue	$17 million gain in OCI
Hedging instruments – fuel and propane contracts	Fuel – 4 million barrels Propane – 18 million gallons	§ Market/Liquidity § Credit	Hedge gains in cost of sales – 2006 – $16 million; 2005 – $10 million; 2004 – $4 million	$21 million gain in OCI
Debt hedging instruments – interest rate contracts	$500 million	§ Market/Liquidity § Credit	Change in fair value recorded in earnings – 2006 – $1 million loss; 2005 – $13 million loss; 2004 – $2 million gain	$17 million loss in OCI
Cash hedging instruments – interest rate contracts	$Nil	§ Market/Liquidity § Credit	Hedge gains/losses in interest income – 2006 – $1 million loss; 2005 – $6 million gain; 2004 – $19 million gain	$3 million loss in OCI
Non-hedge derivatives	Various	§ Market/Liquidity § Credit	Gains in other income/expense – 2006 – $nil; 2005 – $6 million; 2004 – $5 million	$Nil

1. Refer to pages 52 to 55 for information on gold and silver sales contracts.

Placer Dome Gold Hedge Position

At acquisition, Placer Dome had a net obligation to deliver approximately 7.7 million ounces of gold as well as various other derivative positions. The aggregate fair value of these derivative positions was recorded as a liability of $1,707 million on January 20, 2006. This Placer Dome gold hedge position has been reduced to zero (on a net economic basis) at December 31, 2006. The elimination of these hedges was done via a combination of financial closeouts and offsetting positions with 4.7 million ounces eliminated in first quarter 2006 and 3 million ounces eliminated in second quarter 2006. The total cash required to settle these Placer Dome gold hedge positions was approximately $1.8 billion, with approximately $160 million to be incurred in future periods for positions which have been economically offset but not yet settled.

The acquired Placer Dome positions received hedge accounting treatment from the date of the acquisition until they were eliminated and, therefore, had a designated date and price against specific future gold sales. Due to the impact of hedge accounting for these contracts, revenue recorded in 2006 was based on selling prices that approximated spot gold prices less a fixed reduction of $165 million. At December 31, 2006, Barrick's remaining fixed-price gold sales contracts stood at 1.3 million ounces of Corporate Gold Sales Contracts, and a further 9.5 million ounces of Project Gold Sales Contracts. Subsequent to December 31, 2006, we reduced the fixed-price Corporate Gold Sales Contract book to zero (see pages 52 to 55).

Off Balance Sheet Arrangements

We have historically used gold and silver sales contracts as a means of selling a portion of our annual gold and silver production. The contracting parties are bullion banks whose business includes entering into contracts to purchase gold or silver from mining companies. Since 2001, we have been focusing on reducing the level of outstanding gold and silver sales contracts. The terms of our fixed-price gold and silver sales contracts enable us to deliver gold and silver whenever we choose over the primarily ten-year term of the contracts.

On acquisition of Placer Dome, we acquired its pre-existing gold hedge position totaling 7.7 million ounces of committed gold obligations, which was recorded on our balance sheet at an estimated fair value based on a market gold price of $567 per ounce on the date of acquisition. Acquired gold forward sales contracts were designated as cash flow hedges of future gold production. Changes in the fair value of these cash flow hedges were recorded each period on the balance sheet and in OCI to the extent they met ongoing accounting hedge effectiveness assessments until the hedges were economically closed out. In future periods, the hedge gain or loss that occurs between the date of acquisition and the hedge designation date will be recorded as a component of revenue on the hedge designation date. Revenue reported in each period will represent the cash proceeds for either spot sales or under pre-existing Barrick normal sales contracts plus or minus a hedge gain or loss resulting from the cash flow hedges. The other acquired Placer Dome derivative instruments were all classified as non-hedge derivatives from the date of acquisition. The cash settlements of liabilities under the acquired Placer Dome derivatives positions are classified as financing activities in the cash flow statement in the Financial Statements.

Project Gold Sales Contracts

In anticipation of building our projects, and in support of any related financing, we have 9.5 million ounces of existing fixed-price gold sales contracts specifically allocated to these projects. The allocation of these contracts will help reduce gold price risk at the projects, and are expected to help secure financing for construction. We expect that the allocation of these contracts will eliminate any requirement by lenders to add any incremental gold sales contracts in the future to support any financing requirements. The forward sales prices on our Project Gold Sales Contracts have not been fully fixed, and thus remain sensitive to long-term interest rates. For these contracts, increasing long-term interest rates in the fourth quarter resulted in a higher expected realizable sales price for these contracts. If long-term interest rates continue to rise, we anticipate the expected realizable sales price to increase.

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 in the project.

Key Aspects of Project Gold Sales Contracts

As of December 31, 2006

Expected delivery dates[1]	2010–2019, the approximate terms of the expected financing
Future estimated average realizable selling price	$391/oz[2]
Mark-to-market value at December 31, 2006	($3,187) million[3]

1. The contract termination dates are in 2016 in most cases, but we currently expect to deliver production against these contracts starting in 2010, subject to the timing of receipt of approvals of the environmental impact assessments, as well as the resolution of other external issues, both of which are largely beyond our control.
2. Upon delivery of production from 2010–2019, the term of expected financing. Approximate estimated value based on current market US dollar interest rates and on an average lease rate assumption of 0.75%.
3. At a spot gold price of $632 per ounce and market interest rates.

The allocation of gold sales contracts to projects involves: i) the identification of contracts in quantities and for terms that mitigate gold price risk for the project during the term of the expected financing (contracts were chosen where the existing termination dates are spread between the targeted first year of production and the expected retirement of financing for the project); and ii) the eventual settlement of proceeds from these contracts for the benefit of production.

Through allocation of these gold sales contracts to these projects, we reduce capital risk. It protects the gold price during the term of the forecasted financing, while leaving the remaining reserves fully levered to spot gold prices.

Under the Project Gold Sales Contracts, we have an obligation to deliver gold by the termination date (currently 2016 in most cases). However, because we typically fix the price of gold under our gold sales contracts to a date that is earlier than the termination date of the contract (referred to as the "interim price-setting date"), the actual realized price on the contract termination date depends upon the actual gold market forward premium ("contango") between the interim price-setting date and the termination date. Therefore, the $391/oz price estimate could change over time due to a number of factors, including, but not limited to: US dollar interest rates, gold lease rates, spot gold prices, and extensions of the termination date. This price, which is an average for the total Project Gold Sales Contract position, is not necessarily representative of the prices that may be realized for actual deliveries into gold sales contracts, in particular, if we choose to settle any gold sales contract in advance of the termination date (which we have the right to do at our discretion). If we choose to accelerate gold deliveries, this would likely lead to reduced contango that would otherwise have built up over time (and therefore a lower realized price).

The gold market forward premium, or contango, is typically closely correlated with the difference between US dollar interest rates and gold lease rates. An increase or decrease in US dollar interest rates would generally lead to a corresponding increase or decrease in contango, and therefore an increase or decrease in the estimated future price of the contract at the termination date. Furthermore, the greater the time period between the interim price-setting date and the termination date, the greater the sensitivity of the final realized price to US dollar interest rates.

A short-term spike in gold lease rates would not have a material negative impact on us because we are not significantly exposed under our fixed-price gold sales contracts to short-term gold lease rate variations. A prolonged rise in gold lease rates could result in lower contango (or negative contango, i.e. “backwardation”). Gold lease rates have historically tended to be low, and any spikes short-lived, because of the large amount of gold available for lending relative to demand.

Corporate Gold Sales Contracts and Floating Spot-Price Gold Sales Contracts

In 2006, we reduced our fixed-price Corporate Gold Sales Contracts through the delivery of 1.2 million ounces of production into contracts and converting the pricing of 0.5 million ounces into future spot pricing. We also reallocated 3.0 million ounces of hedges to the Project Gold Sales Contracts.

As of February 21, 2007, we fully eliminated the remaining fixed-price Corporate Gold Sales Contracts. We expect to eliminate the entire Floating Spot-Price Gold Sales Contracts position through deliveries of gold production before the end of the second quarter of 2007. This is expected to result in a reduction to our pre-tax income and cash flow of $572 million in first quarter 2007, and a reduction of $76 million in second quarter 2007.

Fixed-Price Silver Sales Contracts

As of December 31, 2006	
Millions of silver ounces	13
Current termination date of silver sales contracts	2016 in most cases
Average estimated realizable selling price at 2016 termination date	$8.42/oz[1]
Mark-to-market value at December 31, 2006	($82) million[2]

1. Approximate estimated value based on current market contango of 2.50%. Accelerating silver deliveries could potentially lead to reduced contango that would otherwise have built up over time. Barrick may choose to settle any silver sales contract in advance of this 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 $12.90 per ounce.

We also have floating spot-price silver sales contracts under which we are committed to deliver 7 million ounces of silver over the next ten years at spot prices, less an average fixed-price adjustment of $2.53 per ounce. These floating spot-price contracts were previously fixed-price 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.

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 18 counterparties, the following applies:

§ The counterparties do not have unilateral and 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 15 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 contracts (currently 2016 in most cases).

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 or 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; it was $8.3 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 2:1; it was 0.5:1 at year end.

In most 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.

As spot gold prices increase or decrease, the value of our gold mineral reserves and amount of potential operating cash inflows generally increases or decreases. The unrealized mark-to-market loss on our fixed-price 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 gold forward sales contracts are to deliver an agreed upon quantity of gold at a contracted price by the termination date of the contracts (currently 2016 in most cases). 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, 2006 ($ millions)	Unrealized Gain/(Loss)
Corporate Gold Sales Contracts	$ (387)
Project Gold Sales Contracts	(3,187)
Floating Spot-Price Gold Sales Contracts	(260)
Silver Sales Contracts	(82)
Floating Spot-Price Silver Sales Contracts	(18)
Foreign currency contracts	176
Interest rate and gold lease contracts	49
Fuel contracts	29
Gold positions offset but not financially settled[1]	(160)
Copper contracts	81
Total	$ (3,759)

1. These are acquired Placer Dome contracts which have been economically offset, but not yet settled. Upon settlement, there will be a cash impact of approximately negative $160 million, but no material impact on earnings as the contract values were captured as part of the fair value of assets and liabilities recorded upon acquisition of Placer Dome.

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 2006

This section includes a discussion of accounting changes that were adopted in our 2006 Financial Statements. On January 1, 2006, we adopted FASB Interpretation No. 47, Accounting for Conditional Asset Retirement Obligations ("FIN 47"). The adoption of FIN 47 did not have a material effect on our Financial Statements, and therefore a detailed discussion of this accounting change has not been included.

FAS 123R, Share-Based Payment ("FAS 123R")

On January 1, 2006, we adopted FAS 123R, which includes in its scope our stock options, Restricted Share Units ("RSUs") and Deferred Share Units ("DSUs"). Prior to January 1, 2006, we accounted for stock options granted to employees using an intrinsic value method. We recorded compensation cost for stock options based on the excess of the market price of the stock option at the grant date of an award over the exercise price. Historically, the exercise price for stock options equaled the market price of stock at the grant date, resulting in no compensation cost. FAS 123R requires us to expense the fair value of share-based payment awards over the vesting term. We adopted FAS 123R using the modified prospective method and our Financial Statements for periods prior to adoption, including the 2005 comparative Financial Statements, have not been restated. Total stock option expense recorded in 2006 was $27 million. Historically, we have recorded compensation expense for RSUs and DSUs based on their fair values, and the adoption of FAS 123R had no significant impact on accounting for RSUs and DSUs.

In September 2006, the SEC released a letter on accounting for stock options. The letter addresses the determination of the grant date and measurement date for stock option awards. For Barrick, the stock option 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. The application of the principles in the letter issued by the SEC did not change the date that has been historically determined as the measurement date for stock option grants.

For stock option grants issued after September 30, 2005 we used the Lattice valuation model to determine fair value. The most significant assumptions involving judgment that affect a stock option's value under the Lattice model include, but are not limited to: expected volatility, expected term and expected exercise behavior of option holders.

In first quarter 2006, we assumed the outstanding fully-vested Placer Dome stock options. These stock options are exercisable into an equivalent number Barrick shares based on the exchange ratio under the acquisition of Placer Dome. The estimated fair value of these stock options of $22 million was recorded as part of the cost of acquisition.

FAS 151, Inventory Costs ("FAS 151")

On January 1, 2006, we adopted FAS 151. Under FAS 151, abnormal amounts of idle facility expense, freight, handling costs and wasted materials are recognized as current period charges rather than capitalized to inventory. FAS 151 also requires that the allocation of fixed production overhead to the cost of inventory be based on the normal capacity of production facilities. FAS 151 is applicable prospectively from January 1, 2006 and we have modified our inventory accounting policy consistent with its requirements. Under our modified accounting policy for inventory, production-type costs that are abnormal are excluded from inventory and charged directly to cost of sales. Interruptions to normal activity levels at a mine could occur for a variety of reasons, including equipment failures and major maintenance activities, strikes, power supply interruptions and adverse weather conditions. When such interruptions occur we evaluate the impact on the cost of inventory produced in the period and, to the extent the actual cost exceeds the cost based on normal capacity, we expense any excess directly to cost of sales. The adoption of FAS 151 did not have a significant impact on our Financial Statements in 2006.

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

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

FAS 158 requires an employer to:

a) Recognize in its balance sheet an asset for a plan's overfunded status or a liability for the plan's underfunded status.

b) Recognize as a component of other comprehensive income, the existing unrecognized net gains or losses, unrecognized prior service costs or credits and unrecognized net transition assets or obligations.

c) Measure defined benefit plan assets and obligations as of the date of the employer's fiscal year-end balance sheet (with limited exceptions).

The requirement to recognize the funded status of a benefit plan and the related disclosure requirements noted in a) and b) above are effective as of the end of the fiscal year ending after December 15, 2006. We have adopted these provisions effective December 31, 2006. The requirement to measure the plan assets and benefit obligations as of the date of the employer's fiscal yearend mentioned in c) above is effective for fiscal years ending after December 15, 2008. The incremental effect of adopting FAS 158 is disclosed in note 26 to the Financial Statements.

Staff Accounting Bulletin No. 108 — Considering the effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements ("SAB 108")

In September 2006, the SEC issued SAB 108. SAB 108 addresses the multiple methods used to quantify financial statement misstatements and evaluate the accumulation of misstatements. SAB 108 requires registrants to evaluate prior period misstatements using both a balance sheet approach ("iron curtain method") and an income statement approach ("rollover method"). SAB 108 is effective for interim and annual periods ending after November 15, 2006. SAB 108 allows a one-time transitional cumulative effect adjustment to retained earnings as of January 1, 2006 for errors that were previously deemed not material, but would be material under the requirements of SAB 108. We have historically used the rollover method in quantifying potential financial statement misstatements. As required by SAB 108, we re-evaluated prior period immaterial misstatements using the iron curtain method. Based upon the result of our evaluation, we did not identify any material errors or misstatements that were previously deemed not material under the rollover approach. Going forward, we will apply both methods in quantifying potential financial statement errors and misstatements, as required by SAB 108.

Future Accounting Policy Changes

This section includes a discussion of future accounting changes that may have a significant impact on our Financial Statements.

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

In June 2006, the FASB issued FIN 48. The interpretation has been developed because of diversity in practice for accounting for uncertain tax positions. Some entities record tax benefits for uncertain tax positions as they are filed on the income tax return, while others use either gain contingency accounting or a probability threshold.

Under the interpretation, an entity should presume that a taxing authority will examine all tax positions with full knowledge of all relevant information. Therefore, when evaluating a tax position for recognition and measurement, consideration of the risk of examination is not appropriate. In applying the provisions of the interpretation, there will be distinct recognition and measurement evaluations. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, based solely on the technical merits, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the appropriate amount of the benefit to recognize. The amount of benefit to

recognize will be measured as the maximum amount which is more likely than not to be realized. The tax position should be de-recognized in the first period when it is no longer more likely than not of being sustained. On subsequent recognition and measurement, the maximum amount which is more likely than not to be recognized at each reporting date will represent management's best estimate given the information available at the reporting date, even though the outcome of the tax position is not absolute or final. Subsequent recognition, de-recognition, and measurement should be based on new information. A liability for interest or penalties or both will be recognized as deemed to be incurred based on the provisions of the tax law, that is, the period for which the taxing authority will begin assessing the interest or penalties or both. The amount of interest expense recognized will be based on the difference between the amount recognized in accordance with this interpretation and the benefit recognized in the tax return. Under this interpretation, an entity will disclose its policy on the classification of interest and penalties and also disclose the reconciliation of the total amounts of unrecognized tax benefits at the beginning to the end of each period. On transition, the change in net assets due to applying the provisions of the final interpretation will be considered a change in accounting principle with the cumulative effect of the change treated as an offsetting adjustment to the opening balance of retained earnings in the period of transition. The interpretation is effective by the beginning of the first annual period beginning after December 15, 2006. We are presently evaluating the impact of this interpretation on our Financial Statements.

FAS 157 Fair Value Measurements ("FAS 157")

In September 2006, the FASB issued FAS 157 which provides enhanced guidance for using fair value to measure assets and liabilities. FAS 157 is meant to remedy the diversity and inconsistency within generally accepted accounting principles in measuring fair value. FAS 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value. FAS 157 does not expand the use of fair value in any new circumstances.

FAS 157 expands disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. The disclosures focus on the inputs used to measure fair value and for recurring fair value measurements using significant unobservable inputs, the effect of measurement on earnings (or changes in net assets) for the period must be disclosed. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Early adoption is permitted. We are currently assessing the impact on our Financial Statements.

FSP No. AUG AIR-1 — Accounting for Planned Major Maintenance Activities ("FSP AIR-1")

In September 2006, the FASB issued FSP AIR-1 which amends guidance from the AICPA Industry Audit Guide, Audits of Airlines with respect to planned major maintenance activities and makes this guidance applicable to entities in all industries. Of the three methods of accounting for planned major maintenance allowed by FSP AIR-1,we have chosen the built-in overhaul method. The built-in overhaul method is based on segregation of plant and equipment costs into those that should be depreciated over the useful life of the asset and those that require overhaul at periodic intervals. Thus, the estimated cost of the overhaul component included in the purchase price is set up separately from the cost of the asset and is amortized to the date of the initial overhaul. The cost of the initial overhaul is then capitalized and amortized to the next overhaul, at which time the process is repeated.

FSP AIR-1 is effective for the first fiscal year beginning after December 15, 2006. The provisions shall also be applied retrospectively for all financial statements presented unless it is impractical to do so. The provisions of FSP AIR-1 will be applied beginning January 1, 2007. We are in the process of determining the effect, if any, that adoption of this FSP will have on prior periods.

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 is closely related to the trailing three-year average market price. As this assumption rises, this 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 $475 per ounce in 2006 (2005: $400 per ounce; 2004: $375 per ounce). The copper price assumption was $1.50 ($1.75 at Osborne) per pound in 2006.

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:

§ Underground development costs incurred to access ore at underground mines are significant and amortized using the units-of-production method; and

§ 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)	2006 Reserves increase (decrease)[1]	2006 Amortization increase (decrease)	2005 Reserves increase (decrease)[1]	2005 Amortization increase (decrease)
North America	**1.7**	**$ (6)**	2.4	$ (3)
South America	**0.1**	**(35)**	0.3	(22)
Australia Pacific	**0.6**	**(16)**	0.2	(3)
Africa	**3.0**	**(18)**	0.1	—
Total	**5.4**	**$ (75)**	3.0	$ (28)

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 Investments

Each reporting period we review all available-for-sale securities whose fair value at the end of period is below cost to determine whether an other-than-temporary impairment has occurred. We consider all relevant facts or 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. Changes in the values of these investments are caused by market factors beyond our control and could be significant, and the amount of any impairment charges could materially impact earnings. In 2006, we reviewed two investments that were impaired, and after concluding that the impairments were other-than-temporary, we recorded a pre-tax impairment charge of $6 million (2005: $16 million; 2004: $5 million).

Impairment Assessments of Operating Mines, Development Projects and Exploration Stage 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. We review each mine and development project for recoverability by comparing the total carrying value of the assets of that mine or project to the expected future cash flows associated with that mine or project. If there are indications that an impairment may have occurred, we prepare estimates of expected future cash flows for each group of assets. Expected future cash flows are based on a probability-weighted approach applied to potential outcomes.

Estimates of expected future cash flow reflect:

§ Estimated sales proceeds from the production and sale of recoverable ounces of gold or pounds of copper contained in proven and probable reserves;

§ Expected future commodity prices and currency exchange rates (considering historical and current prices, price trends and related factors);

§ Expected future operating costs and capital expenditures to produce proven and probable gold or copper reserves based on mine plans that assume current plant capacity, but exclude the impact of inflation;

§ Expected cash flows associated with value beyond proven and probable reserves, which includes the expected cash outflows required to develop and extract the value beyond proven and probable reserves; and

§ Environmental remediation costs excluded from the measurement of asset retirement obligations.

We record a reduction of a group of assets to fair value as a charge to earnings if the undiscounted expected future cash flows are less than the carrying amount. We generally estimate fair value by discounting the expected future cash flows using a discount factor that reflects the risk-free rate of interest for a term consistent with the period of expected cash flows.

Expected future cash flows are inherently uncertain and could materially change over time. They are significantly affected by reserve estimates, together with economic factors such as gold, copper and silver prices, other commodity and consumable costs and currency exchange rates, estimates of costs to produce reserves and future regional capital. If a significant adverse change in the market gold price, or the market copper price, occurred that caused us to revise the price assumptions downwards, the conclusions on the impairment tests could change, subject to the effect of changes in other factors and assumptions. The assessment and measurement of impairment excludes the impact of derivatives designated in a cash flow hedge relationship for future cash flows arising from operating mines and development projects.

Because of the significant capital investment that is required at many mines, if an impairment occurs, it could materially impact earnings. Due to the long-life nature of many mines, the difference between total estimated discounted net cash flows and fair value can be substantial. Therefore, although the value of a mine may decline gradually over multiple reporting periods, the application of impairment accounting rules could lead to recognition of the full amount of the decline in value in one period. Due to the highly uncertain nature of future cash flows, the determination of when to record an impairment charge can be very subjective. We make this determination using available evidence taking into account current expectations for each mining property.

For acquired exploration-stage properties, the purchase price is capitalized, but post-acquisition exploration expenditures are expensed. The future economic viability of exploration-stage properties largely depends upon the outcome of exploration activity, which can take a number of years to complete for large properties. We monitor the results of exploration activity over time to assess whether an impairment may have occurred. The measurement of any impairment is made more difficult because there is not an active market for exploration properties, and because it is not possible to use discounted cash flow techniques due to the very limited information that is available to accurately model future cash flows. In general, if an impairment occurs at an exploration-stage property, it would probably have minimal value and most of the acquisition cost may have to be written down. Impairment charges are recorded in other income /expense and impact earnings in the year they are recorded. Prospectively, the impairment could also impact the calculation of amortization of an asset.

In 2004, we completed impairment tests for the Cowal project, the Eskay Creek mine and various Peruvian exploration-stage properties. For Cowal, an impairment test was completed, incorporating upward revisions to estimated capital and operating costs for the project and the impact of the US dollar exchange rate on Australian dollar expenditures, measured at market prices. On completion of this test, we concluded that the project was not impaired. On completion of the impairment test for Eskay Creek, we concluded that the mine was impaired, and we recorded a pre-tax impairment charge of $58 million. On completion of the exploration program for 2005 and updating assessments of future plans, we concluded that a group of Peruvian exploration-stage properties were impaired at the end of 2004 and we recorded a pre-tax impairment charge of $67 million. Throughout 2006,we updated our impairment assessments for the Eskay Creek mine and Cowal project and we concluded that they were not impaired at the end of 2006. 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.

Impairment Assessments of Goodwill

Goodwill represents the excess of the purchase price of an acquired business over the fair value of the identifiable assets acquired and liabilities assumed. We test for impairment of goodwill on an annual basis and at any other time if events occur or circumstances change that would indicate that it is more likely than not that the fair value of the reporting unit has been reduced below its carrying amount. Circumstances that could trigger an impairment test include: a significant adverse change in the business climate or legal factors; an adverse action or assessment by a regulator; unanticipated competition; the loss of key personnel; change in reportable segments; the likelihood that a reporting

unit or 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 the recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a 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 with its carrying amount, including the goodwill allocated to the reporting unit. Measurement of the fair value of a reporting unit is based on one or more fair value measures including present value techniques of estimated future cash flows and estimated amounts at which the unit as a whole could be bought or sold in a current transaction between willing parties. We also consider comparable market capitalization rates for each reporting unit as of the date of the impairment test. 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, an impairment loss equal to the excess is recorded in net earnings (loss).

At December 31, 2006, the carrying value of goodwill was approximately $5.9 billion. Goodwill arose in connection with our January 2006 acquisition of Placer Dome. The determination of reporting units and allocation of goodwill to those reporting units is not yet complete. For the initial impairment test in fourth quarter 2006, we considered the impact of allocating goodwill to individual mines and to aggregations of mines within regional business units. On completion of this goodwill impairment test,we concluded that there was no impairment of goodwill in 2006.

Production Start Date

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:

§ The level of capital expenditures compared to construction cost estimates

§ Completion of a reasonable period of testing of mine plant and equipment

§ Ability to produce minerals in saleable form (within specifications)

§ Ability to sustain ongoing production of minerals

In 2005, we determined the start date for three new mines: Tulawaka, Lagunas Norte and Veladero. In 2006,we determined the start date for Cowal. 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.

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 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 continued 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.

In 2006, we recorded increases in ARO estimates of $73 million (2005 $91 million: 2004: $68 million) of which $27 million of this increase (2005: $47 million; 2004: $14 million) related to new AROs at development projects and mines that commenced production during 2006. A $7 million reduction (2005: $29 million increase; 2004: $32 million increase) relates to updates of the assessment of the extent of water treatment and other assumptions at our operating mines. We recorded increases in AROs of $53 million at our closed mines, which were charged to earnings (2005: $15 million; 2004: $22 million).

AROs at December 31, 2006

($ millions)	
Operating mines	$683
Closed mines	200
Development projects	10
Total	$893

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. The most significant such estimate is the tax basis of certain Australian assets following elections in 2004 under new tax regimes in Australia. These elections resulted in the revaluation of certain assets in Australia for income tax purposes. Part of the revalued tax basis of these assets was estimated based on a valuation completed for tax purposes. This valuation is under review by the Australian Tax Office ("ATO") and the amount finally accepted by the ATO may differ from the assumption used to measure deferred tax balances at the end of 2004.

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 initiatives. Levels of future taxable income are affected by, among other things, market gold prices, 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, then 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 and valuation allowances has been rising gold and copper prices. A continuation of this trend could lead to the release of some of the valuation allowances recorded, with a corresponding effect on earnings in the period of release.

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. We released $9 million of valuation allowances in a Chilean entity due to the availability of income. We released valuation allowances of $19 million in Canada reflecting utilization of capital losses.

In 2005, we released valuation allowances totaling $32 million, which mainly included amounts totaling $31 million in Argentina, relating to the effect of the higher gold price environment and start-up of production at Veladero in 2005. We released valuation allowances totaling $5 million in 2004 as a consequence of an election to consolidate our Australian operations into one tax group.

Valuation allowances at December 31

($ millions)	**2006**	2005
United States	**$211**	$ 209
Chile	**110**	124
Argentina	**46**	46
Canada	**59**	63
Tanzania	**217**	204
Australia	**2**	2
Other	**13**	8
Total	**$658**	$ 656

United States: most of the valuation allowances relate to Alternative Minimum Tax 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 Alternative Minimum Tax credits.

Chile and Argentina: 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 allowances.

Canada: substantially all of the valuation allowances relate to capital losses that will only be utilized if any capital gains are realized.

Tanzania: considering the local fiscal regime applicable to mining companies and expected levels of future taxable income from the Bulyanhulu and Tulawaka mines, a valuation allowance exists against a portion of the deferred tax assets. If we conclude that expected levels of future taxable income from Bulyanhulu and Tulawaka will be higher, we may release some or all of the valuation allowance.

Cautionary Statement on Forward-Looking Information

Certain information contained or incorporated by reference in this 2006 MD&A, including any information as to our 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: fluctuations in the currency markets (such as Canadian and Australian dollars, South African rand, Chilean peso 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; 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 2006 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 laws.

GLOSSARY OF TECHNICAL TERMS

AUTOCLAVE: Oxidation process in which high temperatures and pressures are applied to convert refractory sulphide 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 page 128 — "Gold Mineral Reserves and Mineral Resources."

MINERAL RESOURCE: See page 128 — "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.

EXHIBIT 7



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Chartered Accountants
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Toronto Dominion Centre
Toronto, Ontario
Canada M5K 1G8
Telephone +1 416 863 1133
Facsimile +1 416 365 8215

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the inclusion in the Annual Report on Form 40-F of Barrick Gold Corporation (the "Corporation") of our report dated February 21, 2007 relating to the Corporation's consolidated financial statements, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting.

PricewaterhouseCoopers LLP

Toronto, Ontario
March 30, 2007

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

EXHIBIT 8

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
PO Box 82
Royal Trust Tower, Suite 3000
Toronto Dominion Centre
Toronto, Ontario
Canada M5K 1G8
Telephone +1 416 863 1133
Facsimile +1 416 365 8215

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form F-3 (File No. 333-14148), on Form F-9 (File Nos. 333-120133 and 333-106592) and on Form S-8 (File Nos. 333-121500, 333-131715 and 333-135769) of Barrick Gold Corporation (the "Corporation") and the Registration Statements on Form F-9 of Barrick Gold Finance Company (File No. 333-120133-01) and on Form F-9 of Barrick Gold Inc. (File Nos. 333-120133-02 and 333-106592-01) of our report dated February 21, 2007 relating to the Corporation's consolidated financial statements, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting which appears in its Annual Report on Form 40-F.

PricewaterhouseCoopers LLP

Toronto, Ontario
March 30, 2007

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

EXHIBIT 9

CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gregory C. Wilkins, 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: April 2, 2007

/s/ GREGORY C. WILKINS

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

EXHIBIT 10

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: April 2, 2007

/s/ JAMIE C. SOKALSKY

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

EXHIBIT 11

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, 2006 (the "Report").

I, Gregory C. Wilkins, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

a) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 2, 2007

/s/ GREGORY C. WILKINS
Name: Gregory C. Wilkins
Title: President and Chief Executive Officer

EXHIBIT 12

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, 2006 (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: April 2, 2007

/s/ JAMIE C. SOKALSKY
Name: Jamie C. Sokalsky
Title: Executive Vice President and Chief Financial Officer