# BARRICK GOLD CORP

## FORM 40-F

(Annual Report (foreign private issuer))

Filed 03/28/13 for the Period Ending 12/31/12

| | |
|---|---|
| Telephone | 4163077470 |
| CIK | 0000756894 |
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| SIC Code | 1040 - Gold And Silver Ores |
| Industry | Gold & Silver |
| Sector | Basic Materials |
| Fiscal Year | 12/31 |

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 40-F

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

**or**

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

**For Fiscal year ended: December 31, 2012** **Commission File number: No. 1-9059**

# BARRICK GOLD CORPORATION

**(Exact name of registrant as specified in its charter)**

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

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

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

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

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

**Securities registered or to be registered pursuant to Section 12(g) of the Act:** **None**

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

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

☒ Annual Information Form ☒ 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 1,001,107,981**

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

## INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

The disclosure provided under “Internal Control Over Financial Reporting and Disclosure Controls and Procedures” on pages 136 to 137 of Exhibit 99.1, Barrick’s Annual Information Form, is incorporated by reference herein.

## MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

## ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

The disclosure provided under “Independent Auditors’ Report” on pages 71 through 73 of Exhibit 99.3, Barrick’s Comparative Audited Consolidated Financial Statements, is incorporated by reference herein.

## AUDIT COMMITTEE

The disclosure provided under “Composition of the Audit Committee” on page 135 of Exhibit 99.1, Barrick’s Annual Information Form, is incorporated by reference herein. Barrick has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended.

## CODE OF ETHICS

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

## PRINCIPAL ACCOUNTANT FEES AND SERVICES

The disclosure provided under “External Auditor Service Fees” on page 136 of Exhibit 99.1, Barrick’s Annual Information Form, is incorporated by reference herein.

## AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

The disclosure provided under “Audit Committee Pre-Approval Policies and Procedures” on page 135 of Exhibit 99.1, Barrick’s Annual Information Form, is incorporated by reference herein. No audit-related fees, tax fees or other non-audit fees were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

## OFF-BALANCE SHEET ARRANGEMENTS

Barrick has no off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on Barrick’s financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

## CONTRACTUAL OBLIGATIONS

The disclosure provided under “Contractual Obligations and Commitments” on page 51 of Exhibit 99.4, Management’s Discussion and Analysis of Financial and Operating Results, is incorporated by reference herein.

## MINE SAFETY DISCLOSURE

Barrick is required to report certain mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and that required information is included in Exhibit 99.10.

## 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**

Barrick's annual report on Form 40-F (other than the section entitled "Ratings" in Exhibit 99.1) is incorporated by reference into Barrick's Registration Statements on Form S-8 (File Nos. 333-121500, 333-131715, 333-135769).

**SIGNATURES**

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

**BARRICK GOLD CORPORATION**

By: /s/ Sybil E. Veenman

Name: Sybil E. Veenman
Title: Senior Vice President and General Counsel
Dated: March 28, 2013

## EXHIBIT INDEX

| Exhibits | Description |
|---|---|
| 99.1 | Annual Information Form dated as of March 28, 2013 |
| 99.2 | Management's Report on Internal Control Over Financial Reporting |
| 99.3 | Barrick Gold Corporation's Comparative Audited Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, including the Notes thereto, as at and for the years ended December 31, 2012 and 2011, together with the Independent Auditors' report thereon. |
| 99.4 | Barrick Gold Corporation's Management's Discussion and Analysis for the year ended December 31, 2012 |
| 99.5 | Consent of PricewaterhouseCoopers LLP |
| 99.6 | Certification of Jamie C. Sokalsky required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of Sarbanes-Oxley Act of 2002 |
| 99.7 | Certification of Ammar Al-Joundi required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of Sarbanes-Oxley Act of 2002 |
| 99.8 | Certification of Jamie C. Sokalsky pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of Sarbanes-Oxley Act of 2002 |
| 99.9 | Certification of Ammar Al-Joundi pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of Sarbanes-Oxley Act of 2002 |
| 99.10 | Dodd-Frank Act Disclosure of Mine Safety and Health Administration Safety Data |


# BARRICK GOLD CORPORATION

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

## Annual Information Form

For the year ended December 31, 2012

Dated as of March 28, 2013

**BARRICK GOLD CORPORATION**
**ANNUAL INFORMATION FORM**

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## GLOSSARY OF TECHNICAL TERMS

**Assay**

A chemical analysis to determine the amount or proportion of the element of interest contained within a sample, typically base metals or precious metals.

**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.

**Autogenous mill**

A horizontal lined steel cylinder that rotates resulting in the grinding of ore to a finer size through abrasion and attrition using larger competent pieces of the same ore instead of conventional steel balls or rods.

**Ball mill**

A horizontal lined steel cylinder which rotates resulting in the grinding of ore to a finer size through abrasion and attrition using manufactured steel balls.

**By-product**

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

**Barrels of oil equivalent (boe)**

Barrels of oil equivalent, determined using a ratio of six (6) thousand cubic feet of natural gas to one (1) barrel of condensate or crude oil, unless otherwise indicated.

**Carbonaceous**

Naturally occurring carbon present in the ore from the decay of organic material which can result in an inadvertent loss of precious metals during the cyanidation process.

**Carbon-in-leach (CIL)**

A recovery process in which precious metals are dissolved from finely ground ore during cyanidation and simultaneously adsorbed on relatively coarse activated carbon (burnt coconut shell) granules. The loaded carbon particles are separated from the slurry and recycled in the process following precious metal removal and reactivation through chemical and thermal means.

**Carbon-in-column (CIC)**

A method of recovering gold and silver from solution following cyanidation in the process by adsorption of the precious metals onto prepared carbon (burnt coconut shell).

**Concentrate**

A product from a mineral processing facility such as gravity separation or flotation in which the valuable constituents have been upgraded and unwanted gangue materials rejected as waste.

**Contained ounces**

A measure of in-situ or contained metal based on an estimate of tonnage and grade.

**Counter current decantation (CCD)**

A circuit involving multiple thickeners and a wash solution introduced countercurrent to the flow of slurry to rinse and recover soluble metal values or contaminants from finely ground ore.

**Crushing**

A unit operation that reduces the size of material delivered as Run of Mine Ore for further processing.

**Cut-and-fill**

A method of stoping in which ore is removed in slices, or lifts, and then the excavation is filled with rock or other waste material (backfill), before the subsequent slice is extracted.

**Cut-off grade**

A calculated minimum metal grade at which material can be mined and processed at break even cost.

**Development**

Work carried out for the purpose of preparing a mineral deposit for production. 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 included with mined ore due to limitations in selectivity.

**Doré**

Composite gold and silver bullion usually consisting of approximately 90% precious metals that will be further refined to separate pure metals.

**Drift**

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

**Drift-and-fill**

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

**Drilling**

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

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

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

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

**Exploration**

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

**Flotation**

A process which concentrates minerals by taking advantage of specific surface properties and applying chemicals such as collectors, depressants, modifiers and frothers in the presence of water and finely dispersed air bubbles.

**Grade**

The concentration of an element of interest expressed as relative mass units (percentage, parts per million, ounces per ton, grams per tonne etc).

**Grinding (Milling)**

Involves the size reduction of material fed to a process plant though abrasion or attrition to liberate valuable minerals for further metallurgical processing.

**Heap leaching**

A process whereby precious or base metals are extracted from stacked material placed on top of impermeable plastic liner and after applying leach solutions which dissolve and transport values for recovery in the process plant.

**Hydrocyclone**

A stationary classifying device that utilizes centrifugal force to separate or sort particles in liquid suspension.

**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.

**Merrill-Crowe process**

A process involving the forced precipitation of gold or silver from a cyanide solution onto zinc dust introduced into the system. Recovered zinc precipitate is then subjected to additional treatment to recover precious metals into doré bullion.

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

**Mineral reserve**

The economically mineable portion 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.

*Probable mineral reserve:* the economically mineable portion 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.

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

**Mineral resource**

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

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

*Indicated mineral resource:* 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.

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

**Mining claim**

A footprint of land that a party has staked or marked out in accordance with applicable mining laws to acquire the right to explore for and, in most instances, 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 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 in an excavation from surface.

**Ore**

Material 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 host rock or original mineralization has been oxidized.

**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 re-vegetation of waste rock and other disturbed areas.

**Reclamation and closure costs**

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

**Recovery rate**

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

**Refining**

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

**Refractory material**

Mineralized material from which 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 carbon or other constituents that reduce gold recovery.

**Roasting**

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

**Shaft**

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

**Tailings**

The material that remains after processing and removal of values.

**Tailings storage facility**

An area constructed for long term storage of material that remains after processing.

**Tons**

Short tons (2,000 pounds).

**Tonnes**

Metric tonnes (2,204 pounds).

**Underhand cut and fill**

A cut-and-fill method of underground mining that works downward, with cemented fill placed above the working area; best suited where ground conditions are less competent.

**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. References to "CLP" are to Chilean pesos. For Canadian dollars to U.S. dollars, the average exchange rate for 2012 and the exchange rate at December 31, 2012 were one Canadian dollar per 1.00 and 1.01 U.S. dollars, respectively. For Australian dollars to U.S. dollars, the average exchange rate for 2012 and the exchange rate at December 31, 2012 were one Australian dollar per 1.04 and 1.04 U.S. dollars, respectively. For Chilean pesos to U.S. dollars, the average exchange rate for 2012 and the exchange rate at December 31, 2012 were one U.S. dollar per 486 and 479 Chilean pesos, respectively.

For the year ended December 31, 2012 and for the comparative prior periods identified in this Annual Information Form, Barrick Gold Corporation ("Barrick" or the "Company") prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS"). The audited consolidated financial statements of the Company for the year ended December 31, 2012 (the "Consolidated Financial Statements") are available electronically from the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and from the U.S. Securities and Exchange Commission's (the "SEC") Electronic Document Gathering and Retrieval System ("EDGAR") at www.sec.gov.

Mineral reserves ("reserves") and mineral resources ("resources") have been calculated as at December 31, 2012 in accordance with *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* ("National Instrument 43-101"), as required by Canadian securities regulatory authorities. For United States reporting purposes, Industry Guide 7 (under the *Securities and Exchange Act of 1934* ), as interpreted by the Staff of the SEC, applies different standards in order to classify mineralization as a reserve (See Note 7 of " – Notes to the Mineral Reserves, Resources and Reconciliation Tables" in "Narrative Description of the Business – Mineral Reserves and Mineral Resources"). Accordingly, for U.S. reporting purposes, approximately 1.98 million ounces of reserves at Pueblo Viejo (Barrick's 60% interest) is 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. Readers should understand that "inferred" mineral resources have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. In addition, readers are cautioned not to assume that all or any part of Barrick's mineral resources constitute or will be converted into reserves.

**Changes in Definitions of Non-GAAP Measures**

Barrick uses certain non-GAAP financial measures in its financial reports. For year-end 2012, the Company replaced "total cash costs per pound" with "C1 cash costs per pound" as a non-GAAP financial measure for Barrick's global copper business unit. As part of this change, the Company also introduced "C3 fully allocated costs per pound" as a non-GAAP financial measure in 2012. Also in 2012, the Company changed how it defines "adjusted operating cash flow," introduced "adjusted EBITDA" as a non-GAAP financial measure and adjusted EBITDA to remove the effect of impairment charges. Beginning in 2013, Barrick is adopting "all-in sustaining cash costs per ounce" as a non-GAAP measure that better represents the total costs associated with producing gold. The definition of "all-in sustaining cash costs per ounce" starts

with total cash costs and adds sustaining capital expenditures, general and administrative costs, mine site exploration and evaluation costs, and environmental rehabilitation costs. For a description and reconciliation of each of these measures, please see pages 80 to 85 of Barrick's Management's Discussion and Analysis of Financial and Operating Results for the year ended December 31, 2012 contained in Barrick's 2012 Annual Report (the "MD&A"). See also "Non-GAAP Financial Measures" for a detailed discussion of each of the non-GAAP measures used in this Annual Information Form.

**FORWARD-LOOKING INFORMATION**

Certain information contained in this Annual Information Form, including any information as to Barrick's strategy, plans or future financial or operating performance, constitutes "forward-looking statements." All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to:

- fluctuations in the spot and forward price of gold, copper or certain other commodities (such as silver, diesel fuel and electricity);
- changes in national and local government legislation, taxation, controls, regulations, expropriation or nationalization of property and political or economic developments in Canada, the United States, Dominican Republic, Australia, Papua New Guinea, Chile, Peru, Argentina, Tanzania, Zambia, Saudi Arabia, United Kingdom, Pakistan or Barbados or other countries in which we do or may carry on business in the future;
- diminishing quantities or grades of reserves;
- increased costs, delays and technical challenges associated with the construction of capital projects;
- the impact of global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future cash flows;
- adverse changes in our credit rating;
- the impact of inflation;
- fluctuations in the currency markets (such as Canadian and Australian dollars, Chilean and Argentinean pesos, British pound, Peruvian sol, Zambian kwacha, South African rand, Tanzanian schilling and Papua New Guinean kina versus the U.S. dollar);
- operating or technical difficulties in connection with mining or development activities;

- the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits;
- contests over title to properties, particularly title to undeveloped properties;
- risk of loss due to acts of war, terrorism, sabotage and civil disturbances;
- changes in U.S. dollar interest 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);
- litigation;
- business opportunities that may be presented to, or pursued by, us;
- our ability to successfully integrate acquisitions or complete divestitures;
- employee relations;
- availability and costs associated with mining inputs and labor; and
- the organization of Barrick's previously held African gold operations and properties under a separate listed company.

In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion or copper cathode losses (and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this Annual Information Form are qualified by these cautionary statements. Specific reference is made to "Narrative Description of the Business – Mineral Reserves and Mineral Resources" and "Risk Factors" and to the MD&A (which is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov as an exhibit to Barrick's Form 40-F) 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, in each case under the supervision of, or has been reviewed by, Rick Sims, Senior Director, Resources and Reserves of Barrick, David Londono, Director, Open Pit Life-of-Mine Business Planning of Barrick or Steven Haggarty, Senior Director, Metallurgy of Barrick.

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

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

Each of Messrs. Sims, Londono, Haggarty and Krcmarov is an officer or employee of Barrick and/or an officer, director or employee of one or more of its associates or affiliates. No such person received or will receive a direct or indirect interest in any property of Barrick or any of its associates or affiliates. As of the date hereof, each such person owns beneficially, directly or indirectly, less than 1% of any outstanding class of securities of Barrick and less than 1% of the outstanding securities of any class of Barrick's associates or affiliates.

## GENERAL INFORMATION

### Incorporation

Barrick is a corporation governed by the *Business Corporations Act* (Ontario) resulting from the amalgamation, effective July 14, 1984, of Camflo Mines Limited, Bob-Clare Investments Limited and the former Barrick Resources Corporation. By articles of amendment effective December 9, 1985, the Company changed its name to American Barrick Resources Corporation. Effective January 1, 1995, as a result of an amalgamation with a wholly-owned subsidiary, the Company changed its name from American Barrick Resources Corporation to Barrick Gold Corporation. On December 7, 2001, in connection with its acquisition of Homestake Mining Company ("Homestake"), the Company amended its articles to create a special voting share, which has special voting rights designed to permit holders of Barrick Gold Inc. (formerly Homestake Canada Inc.) ("BGI") exchangeable shares to vote as a single class with the holders of Barrick common shares. In March 2009, in connection with Barrick's redemption of all of the outstanding BGI exchangeable shares, the single outstanding special voting share was redeemed and cancelled. In connection with its acquisition of Placer Dome Inc. ("Placer Dome"), Barrick amalgamated with Placer Dome pursuant to articles of amalgamation dated May 9, 2006 (see " – General Development of the Business"). In connection with the acquisition of Arizona Star Resource Corp. ("Arizona Star"), Barrick amalgamated with Arizona Star pursuant to articles of amalgamation dated January 1, 2009. Barrick's head and registered office is located at Brookfield Place, TD Canada Trust Tower, 161 Bay Street, Suite 3700, Toronto, Ontario, M5J 2S1.

**Subsidiaries**

A significant portion of Barrick's business is carried on through its subsidiaries. A chart showing Barrick's mines, projects, related operating subsidiaries, other significant subsidiaries and certain associated subsidiaries as at March 20, 2013 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 20, 2013, including those mines held through Barrick's equity interest in African Barrick Gold plc, is set out at the end of this "General Information" section.

**General Development of the Business**

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

During its first ten years, Barrick focused on acquiring and developing properties in North America, notably the Company's Goldstrike property on the Carlin Trend in Nevada. Since 1994, Barrick has strategically expanded beyond its North American base and now operates on five continents.

In early 2010, Barrick's Board of Directors approved a plan to create African Barrick Gold plc ("ABG"), a new company, to hold Barrick's African gold mines, gold projects and gold exploration properties. On March 24, 2010, ABG issued approximately 25% of its equity to investors on the London Stock Exchange ("LSE") through an initial public offering. In April 2010, the over-allotment option was partially exercised, resulting in a 1.1% dilution of Barrick's interest in ABG to 73.9%. Also in April 2010, Barrick and Goldcorp finalized terms for $1.035 billion (100% basis) in non-recourse project financing for the Pueblo Viejo mine. In March 2010, Barrick completed the acquisition of an additional 25% interest in the Cerro Casale project from Kinross Gold Corporation ("Kinross"). In 2010, Barrick Energy Inc. ("Barrick Energy") completed three acquisitions with a total aggregate consideration of approximately $264 million.

In April 2011, Barrick announced that it had signed an agreement with Equinox Minerals Limited ("Equinox") pursuant to which Barrick agreed to make an offer to acquire all of the issued and outstanding common shares of Equinox for an all-cash offer of C$8.15 per share. On June 1, 2011, Barrick had acquired 83% of the shares, thus obtaining control. The Company began consolidating operating results, including cash flows, from this date onwards as part of the Company's global copper business unit. On July 19, 2011, Barrick acquired 100% of the issued and outstanding common shares for total cash consideration of $7.482 billion. Equinox's primary asset was the Lumwana copper mine, a large long-life property in the highly prospective Zambian

Copperbelt. Equinox's other significant asset was the Jabal Sayid copper project in Saudi Arabia. This acquisition was funded through the Company's existing cash balances and $6.5 billion in new debt issued during 2011. Also in 2011, Barrick Energy completed three acquisitions, acquiring additional producing assets, proven and probable reserves, as well as facilities, with a total aggregate consideration of approximately $278 million.

In 2012, Barrick announced a new corporate strategy that is focused on maximizing risk-adjusted rates of return and free cash flow through a disciplined approach to capital allocation. The Company will only invest capital if it generates acceptable rates of return suitable to the size of the capital investment. As part of this strategy, all capital allocation options, including returns to shareholders, organic investment, acquisitions, and other expenditures, will be ranked and prioritized to meet certain key objectives including generating returns to shareholders, aggressively managing costs, optimizing Barrick's asset portfolio around the world including by divesting those assets that do not meet specific criteria and investing in assets that do meet these criteria, and reducing geopolitical risk. Barrick has no plans to build any new mines at this time. The Company intends to advance its projects in Nevada, however, particularly at Goldrush on its 100%-owned Cortez property in Nevada. See "Exploration and Evaluations – Goldrush and Cortez District." The Company also has a number of orebodies around the world which hold sizeable economic potential, but which currently do not meet Barrick's investment criteria. In the interim, the Company will spend the minimum amount of capital required to maintain the economic potential of these assets.

In accordance with the disciplined capital allocation framework, during the third quarter of 2012 Barrick confirmed that it entered into discussions with China National Gold Group related to the potential sale of its 73.9% equity holding in ABG. In January 2013, Barrick announced that those discussions had been terminated.

In January 2013, Barrick confirmed that it has commenced a process to potentially divest Barrick Energy as part of Barrick's ongoing global portfolio optimization plan.

Through a combination of acquisitions and its exploration program, Barrick has several projects at varying stages of development. The successful development of Barrick's projects is expected to have a significant impact on Barrick's future operations. Barrick's Pueblo Viejo mine achieved commercial production in January 2013, with full production expected in the second half of 2013. In addition, Barrick expects to have two new mines entering production in 2014 – Pascua-Lama and Jabal Sayid. For 2013, subject to permitting and other matters, the timing of which are not in Barrick's control, Barrick expects to spend approximately $2.40 to $2.60 billion (2012: $2.35 billion) of its total capital expenditures on capital projects, primarily related to construction activities at Pascua-Lama, partly offset by lower project capital expenditures at Pueblo Viejo following the commencement of commercial production in early 2013. For additional information regarding Barrick's projects, see "Narrative Description of the Business – Capital Projects Business," "Exploration and Evaluations" and "Material Properties – Pascua-Lama Project." For additional information about the Pueblo Viejo mine, see "Material Properties – Pueblo Viejo Mine."

Barrick's exploration activity is focused on prospective land positions and Barrick prioritizes exploration targets to optimize the investment in exploration programs. Barrick's exploration program continues to focus both on areas around its existing mines and early stage exploration activities. In 2012, the Company announced that it had doubled the year-end 2011 resource reported for Goldrush. For additional information regarding Barrick's exploration programs and new discoveries, see "Exploration and Evaluations."

Total revenues in 2012 were $14.5 billion, an increase of $311 million, or 2%, compared to 2011, primarily due to higher realized gold prices and higher copper sales volumes. In 2012, gold and copper revenues totaled $12.6 billion and $1.7 billion, respectively, both up 3% compared to the prior year, primarily due to higher realized gold prices and higher copper sales volumes, partially offset by lower gold sales volumes and lower realized copper prices. Realized gold prices of $1,669 per ounce in 2012 were 6% higher than in 2011, principally due to higher market gold prices (see "Non-GAAP Financial Measures – Realized Prices"). In 2012, Barrick reported a net loss of $0.67 billion, including a $4.4 billion after-tax impairment charge primarily related to the Company's global copper business unit, compared to net earnings of $4.48 billion in 2011. Adjusted net earnings were $3.83 billion compared to adjusted net earnings of $4.67 billion in 2011 (for an explanation of adjusted net earnings, see "Non-GAAP Financial Measures – Adjusted Net Earnings (Adjusted Net Earnings per Share) and Adjusted Return on Equity"). The significant adjusting items (net of tax effects) in 2012 include: impairment charges of $4.4 billion, which includes $3.8 billion in after-tax impairment charges attributable to Barrick's copper business, primarily due to asset impairment charges at Lumwana (see "Exploration and Evaluation – Expansion of Existing Operations" for more information about these charges); asset impairment charges on various properties in Barrick's oil and gas business unit ($155 million); asset impairment charges on an exploration property in Papua New Guinea ($141 million); write-down of our investment in Reko Diq ($120 million) (see "Legal Matters – Government Controls and Regulations" for more information about this write-down); and a write-down of Barrick's investment in Highland Gold ($84 million), partially offset by $83 million in tax adjustments not related to current period earnings and $37 million in unrealized gains on non-hedge derivative instruments.

In 2012, Barrick's gold production was 7.42 million ounces, 3% lower than 2011 gold production, with all-in sustaining cash costs of $945 per ounce and total cash costs of $584 per ounce and cost of sales of $6.2 billion. Barrick's copper production in 2012 was 468 million pounds of copper, 4% higher than 2011 copper production, with C1 cash costs of $2.17 per pound, C3 fully allocated costs of $2.97 per pound and cost of sales of $1.28 billion. In 2011, Barrick produced 7.68 million ounces of gold, with all-in sustaining cash costs of $752 per ounce and total cash costs $460 per ounce, and 451 million pounds of copper, with C1 cash costs of $1.71 per pound and C3 fully allocated costs of $2.30 per pound. For an explanation of all-in sustaining cash costs per ounce, total cash costs per ounce, C1 cash costs and C3 fully allocated costs per pound, refer to "Non-GAAP Financial Measures – Total Cash Costs Per Ounce, C1 Cash Costs Per Pound, C3 Fully Allocated Costs Per Pound and All-in Sustaining Cash Costs Per Ounce."

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

| Gold Mines | Ownership [1] | 2012 [2] (thousands of ounces) | 2011 (thousands of ounces) |
|---|---|---|---|
| **North America** | | | |
| Goldstrike Property, Nevada | 100% | 1,174 | 1,088 |
| Round Mountain Mine, Nevada [3] | 50% | 185 | 178 |
| Hemlo Property, Ontario | 100% | 206 | 227 |
| Marigold Mine, Nevada [3] | 33% | 48 | 51 |
| Bald Mountain Mine, Nevada | 100% | 161 | 93 |
| Cortez Mine, Nevada | 100% | 1,370 | 1,421 |
| Turquoise Ridge Mine, Nevada [3] | 75% | 144 | 135 |
| Golden Sunlight Mine, Montana | 100% | 98 | 62 |
| Ruby Hill Mine, Nevada | 100% | 41 | 127 |
| Pueblo Viejo Mine, Dominican Republic [3] | 60% | 67 | |
| | | 3,493 | 3,382 |
| **South America** | | | |
| Veladero Mine, Argentina | 100% | 766 | 957 |
| Pierina Mine, Peru | 100% | 110 | 152 |
| Lagunas Norte Mine, Peru | 100% | 754 | 763 |
| | | 1,631 | 1,872 |
| **Australia Pacific** | | | |
| Plutonic Mine, Western Australia | 100% | 112 | 115 |
| Yilgarn South, Western Australia [4] | 100% | 452 | 372 |
| Kalgoorlie Mine, Western Australia [3] | 50% | 327 | 397 |
| Kanowna Mine, Western Australia | 100% | 228 | 226 |
| Cowal Mine, Central New South Wales, Australia | 100% | 268 | 269 |
| Porgera Mine, Papua New Guinea [3] | 95% | 436 | 500 |
| | | 1,822 | 1,879 |
| **Africa** [3] | | | |
| Bulyanhulu Mine, Tanzania | 73.90% | 175 | 194 |
| Tulawaka Mine, Tanzania | 51.73% | 23 | 44 |
| North Mara Mine, Tanzania | 73.90% | 143 | 126 |
| Buzwagi Mine, Tanzania | 73.90% | 123 | 145 |
| | | 463 | 509 |
| Other [5] | | 12 | 34 |
| **Company Total** | | 7,421 | 7,676 |

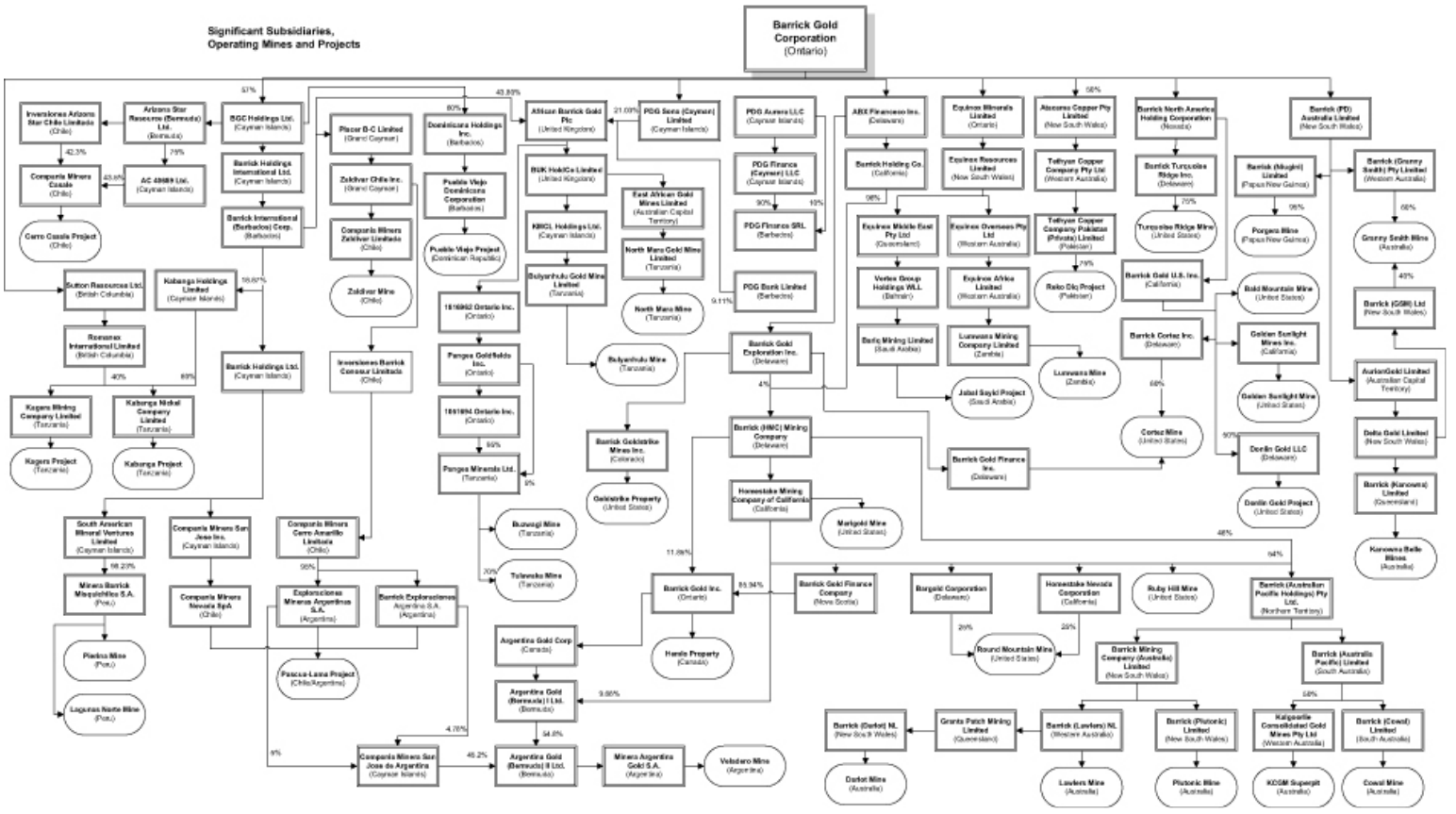
(1) *Barrick's interest is subject to royalty obligations at certain mines.*
(2) *Sum of gold mine production amounts may not equal total production amounts due to rounding.*
(3) *Barrick's proportional share.*
(4) *The Darlot, Lawlers and Granny Smith mines have been consolidated under Yilgarn South for reporting purposes.*
(5) *Includes Barrick's equity share of production at Highland Gold up to April 26, 2012, the effective date of the sale of Highland Gold.*

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 | 2012 (millions of pounds) | 2011 (millions of pounds) |
|---|---|---|---|
| Zaldívar Mine, Chile | 100% | 289 | 292 |
| Lumwana Mine, Zambia [(1)] | 100% | 179 | 159 |
| **Company Total** | | 468 | 451 |

(1) *Barrick acquired the Lumwana Mine through its acquisition of Equinox Minerals Limited in June 2011. The contribution of the Lumwana Mine has been consolidated into Barrick's results from June 1, 2011 onwards.*

See "Narrative Description of the Business" in this Annual Information Form, Note 5 "Segment Information" to the Consolidated Financial Statements and the MD&A for further information on the Company's operating and geographic segments. See "Narrative Description of the Business – Mineral Reserves and Mineral Resources" for information on the Company's mineral reserves and resources.


Significant Subsidiaries,
Operating Mines and Projects
Barrick Gold Corporation
(Ontario)


Barrick Gold Corporation
Mine
Project
Donlin Gold
Plutonic
WESTERN AUSTRALIA
Lawlers
Darlot
Granny Smith
Kanowna
Kalgoorlie
Porgera
Cowal
Turquoise Ridge
Goldstrike
Marigold
Cortez
Bald Mountain
Ruby Hill
NEVADA
Round Mountain
Golden Sunlight
Hemlo
Pueblo Viejo
Lagunas Norte
Pierina
Zaldivar
CHILE
ARGENTINA
Cerro Casale
Pascua-Lama
Veladero
North Mara
TANZANIA
Kabanga
Tulawaka
Bulyanhulu
Buzwagi
Jabal Sayid
Lumwana

## NARRATIVE DESCRIPTION OF THE BUSINESS

Barrick is engaged in the production and sale of gold, as well as related activities such as exploration and mine development. Barrick also produces significant amounts of copper, principally from the Zaldívar and Lumwana mines and holds other interests, including a nickel development project located in Africa. The Company also produces oil and gas through its Barrick Energy business unit in Canada, which was formed as part of Barrick's strategy to economically hedge its exposure to fuel prices by providing natural offsets to changes in energy prices (see "Enterprise Risk-Management – Financial Risk-Management – Currency, Interest Rate and Other Commodity Hedge Programs"). The Company manages its business through seven primary business units: three regional gold business units, Barrick's 73.9% equity interest in ABG, which includes Barrick's previously held African gold mines and exploration properties, a global copper business unit, its Barrick Energy oil and gas business unit and a capital projects business unit. Barrick's chief operating decision maker reviews the operating results, assesses performance and makes capital allocation decisions for each of these business operations at a business unit level. Therefore, these business units are operating segments for financial reporting purposes. Unless otherwise specified, the description of Barrick's business, including products, principal markets, distribution methods, employees and labor relations contained in this Annual Information Form, applies to each of its regional gold and copper business units, ABG, its oil and gas business, its capital projects business, and Barrick as a whole.

### Production

For the year ended December 31, 2012, Barrick produced 7.42 million ounces of gold at all-in sustaining cash costs of $945 per ounce, total cash costs of $584 per ounce and a cost of sales attributed to gold of $6.2 billion. Barrick's 2013 gold production is targeted at approximately 7.0 to 7.4 million ounces. Barrick expects average all-in sustaining cash costs in 2013 of $1,000 to $1,100 per ounce, total cash costs of $610 to $660 per ounce and cost of sales in the range of $6.7 to $7.0 billion, assuming a market gold price of $1,700 per ounce, a market oil price of $90 per barrel and an Australian dollar exchange rate of $1:A$1. Barrick's gold production mix is expected to change in 2013 as a result of higher production in North America that is offset by lower production in South America. The production mix within North America is also expected to change due to the ramp-up to full production at Pueblo Viejo in the Dominican Republic in the second half of 2013, partially offset by reduced production from Goldstrike and Cortez in Nevada. South America production in 2013 is expected to be lower than 2012 levels, primarily due to lower production at Veladero and Lagunas Norte. Production in the Australia Pacific region in 2013 is expected to be consistent with 2012 levels and 2013 production at ABG is expected to be slightly lower than 2012, primarily due to lower than expected ore tons mined at Bulyanhulu combined with the expected closure of Tulawaka in the second quarter. For an explanation of all-in sustaining cash costs and total cash costs per ounce, refer to "Non-GAAP Financial Measures – Total Cash Costs Per Ounce, C1 Cash Costs Per Pound, C3 Fully Allocated Costs Per Pound and All-in Sustaining Cash Costs Per Ounce."

For the year-ended December 31, 2012, Barrick produced 468 million pounds of copper at C1 cash costs of $2.17 per pound, C3 fully allocated costs of $2.97 per pound and cost of sales attributed to copper of $1.28 billion. Barrick's 2013 copper production is targeted at approximately 480 to 540 million pounds at expected C1 cash costs of approximately $2.10 to $2.30 per pound and C3 fully allocated cash costs of approximately $2.60 to $2.85 per pound. Copper production in 2013 is expected to be higher than 2012 due to higher production from Lumwana. Production at Zaldívar is expected to remain at levels similar to 2012. Cost of sales

applicable to copper in 2013 is expected to be in the range of $1.2 to $1.4 billion, assuming a market oil price of $90 per barrel and a Chilean peso exchange rate of 475:1. See "Forward-Looking Information." For an explanation of C1 cash costs and C3 fully allocated costs per pound, refer to "Non-GAAP Financial Measures – Total Cash Costs Per Ounce, C1 Cash Costs Per Pound, C3 Fully Allocated Costs Per Pound and All-in Sustaining Cash Costs Per Ounce."

**Gold and Copper Business Units and ABG**

Barrick manages its gold and copper business using a geographical business unit approach, with producing mines as of December 31, 2012 organized by three gold regional business units ("RBUs") for gold production – North America, Australia Pacific and South America – and a single business unit for global copper production, each of which is led by a business unit president. Barrick also holds a 73.9% equity interest in ABG, which includes Barrick's previously held gold mines and exploration properties in Africa. Barrick's business unit structure reflects how Barrick manages its business and how it classifies its operations for planning and measuring performance. Set out below is a brief description of the mines in each business unit and a description of Barrick's gold interests in Africa, which includes its equity interest in ABG. Each business unit receives direction from Barrick's corporate office, but has responsibility for certain aspects of its business, such as strategy and sustainability of mining operations, including exploration, production and closure. ABG has a greater amount of independence in comparison to Barrick's business units, as further described below.

For details regarding 2012 production for the mines in each RBU, ABG and the global copper business unit, see "General Information – General Development of the Business." For additional details regarding the reserves and resources held in each RBU, ABG and the global copper business unit, see " – Mineral Reserves and Resources." See also Note 5 "Segment Information" to the Consolidated Financial Statements and the MD&A for further financial and other information on the Company's operating segments.

***North America***

Barrick's North American RBU consists of its Goldstrike property (a material property for the purposes of this Annual Information Form, see "Material Properties – Goldstrike Property"), its Cortez property (consisting of the Cortez mine and Cortez Hills mine, and also a material property for purposes of this Annual Information Form, see "Material Properties – Cortez Property"), its 60% interest in the new Pueblo Viejo mine (a material property for the purposes of this Annual Information Form, see "Material Properties – Pueblo Viejo Property"), its 50% interest in the Round Mountain mine, its Ruby Hill mine, its 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. Production at Pueblo Viejo commenced with first gold poured in August 2012. Pueblo Viejo achieved commercial production in the first quarter of 2013. If constructed, Barrick's 50% interest in Donlin Gold project, which is currently within Barrick's capital projects business at the permitting stage of development, will form part of the North American RBU. In 2012, the North American RBU produced approximately 3.5 million ounces of gold at total cash costs of $500 per ounce and cost of sales of $2.3 billion, compared to approximately 3.4 million ounces of gold at total cash costs of $426 per ounce and cost of sales of approximately $1.9 billion in 2011. In 2013, Barrick expects gold production from its North American operations in the range of 3.55 to 3.70 million ounces. The production mix within North America is expected to change due to the ramp-up of Pueblo Viejo to full production by the second half of 2013 and increased production at Ruby Hill as it moves from waste stripping to ore production. These

increases will be partially offset by reduced production from Goldstrike, Cortez and Bald Mountain. At Goldstrike, less material will be processed through the autoclaves until the thiosulphate project is completed (see "Material Properties – Goldstrike Property – Mining and Processing"). At Cortez, lower production is expected due to lower grades and a change in the mix of ore processed to more heap leach tons with lower recoveries. Bald Mountain production will decrease due to the impact of increased waste stripping on the availability of ore. All-in sustaining cash costs are expected to be $820 to $870 per ounce and total cash costs are expected to be $495 to $545 per ounce. Cash costs are expected to be positively impacted by lower cost ounces from Pueblo Viejo, offset by the impact of higher labor, energy and consumable costs due to an expected increase in mining activity.

***South America***

The South American RBU's Lagunas Norte mine in Peru and Veladero mine in Argentina are each material properties for the purposes of this Annual Information Form (see "Material Properties – Lagunas Norte and – Veladero"). Its other operation consists of its Pierina mine in Peru. Upon completion of construction, Barrick's Pascua-Lama mine in Chile and Argentina and its 75% interest in the Cerro Casale project in Chile, both of which are currently within Barrick's Capital Projects business at various stages of development, will form part of the South American RBU. In 2012, the South American RBU produced approximately 1.6 million ounces of gold, at total cash costs of $467 per ounce and cost of sales of $1.1 billion, compared to approximately 1.9 million ounces of gold, at total cash costs of $358 per ounce and cost of sales of $905 million in 2011. In 2013, the South American RBU is expected to produce 1.25 to 1.35 million ounces of gold. Production is expected to be lower than 2012 with an increase in tons placed on the leach pads at all mines offset by the impact of lower average head grades. All-in sustaining cash costs are expected to be $875 to $925 per ounce and total cash costs are expected to be in the range of $550 to $600 per ounce. Total cash costs per ounce are expected to be higher in 2013 due to the impact of lower grades and consequent higher tonnage production, which requires increased usage of equipment and consumables. Additionally, Barrick expects a strengthening currency in Peru and continued inflation in Argentina to impact costs.

***Australia Pacific***

Barrick's Australia Pacific RBU consists of its 95% interest in the Porgera mine in Papua New Guinea, its Cowal mine, its 50% interest in the Kalgoorlie mine, its Plutonic mine, its operating mines referred to as Yilgarn South and located in the Yilgarn District in Western Australia (Darlot, Lawlers and Granny Smith) and its Kanowna mine. In 2012, the region produced approximately 1.8 million ounces of gold at total cash costs of $803 per ounce and cost of sales of $2.0 billion compared to approximately 1.9 million ounces of gold at total cash costs of $621 per ounce and cost of sales of $1.6 billion in 2011. In 2013, the Australia Pacific RBU is expected to produce 1.7 to 1.85 million ounces of gold, which is consistent with 2012 production. Higher production is expected at Porgera following the completion of remediation activities that will allow full access to the underground. This is expected to be offset by lower production at Kanowna due to a change in mine sequencing and seismicity issues. All-in sustaining cash costs are expected to be $1,200 to $1,300 per ounce and total cash costs are expected to be $880 to $950 per ounce. This increase is primarily due to lower production at Kanowna due to a change in mine sequencing, higher costs at Porgera as well as higher labor costs in general and the impact of an increase in Barrick's effective Australian dollar hedge rates from 2012 to 2013 (see "Enterprise Risk-Management – Financial Risk-Management – Currency, Interest Rate and Other Commodity Hedge Programs).

***African Barrick Gold***

In connection with the listing of ABG on the LSE and the issuance of shares to the public in 2010, Barrick no longer has an African RBU; however, for reporting purposes ABG continues to be treated as an operating segment within Barrick. Barrick currently holds a 73.9% equity interest in ABG. The assets, liabilities, operating results and cash flows of ABG are consolidated by Barrick. ABG's operations consist of its Bulyanhulu mine, its 70% interest in the Tulawaka mine, its North Mara mine and its Buzwagi mine, all located in Tanzania.

During the third quarter of 2012 Barrick confirmed that it entered into discussions with China National Gold Group related to the potential sale of its 73.9% equity holding in ABG, in line with Barrick's focus on portfolio optimization. In January 2013, Barrick announced that those discussions had been terminated. See "General Information – General Development of the Business."

In 2012, Barrick's equity interest in ABG's gold production was approximately 463,000 ounces of gold at total cash costs of $949 per ounce and cost of sales of $590 million, compared to 509,000 ounces of gold at total cash costs of $692 per ounce and cost of sales of $517 million. In 2013, Barrick expects equity gold production from ABG, reflecting Barrick's 73.9% equity interest, in the range of 400,000 to 450,000 ounces, which is slightly lower than 2012. The decrease in production is primarily due to lower production at Bulyanhulu as a result of lower ore tons mined due to labor issues and Tulawaka due to its expected closure in the first half of 2013. All-in sustaining cash costs are expected to be $1,550 to $1,600 per ounce and total gold cash costs are expected to be $925 to $975 per ounce.

ABG has identified various opportunities to add production beyond 2012, including the Bulyanhulu CIL expansion, the Bulyanhulu upper east expansion and the Gokona expansion and Nyabigena expansion at North Mara. In 2012, the board of directors of ABG approved the CIL expansion project and the ordering of long lead time equipment for the Bulyanhulu upper east expansion. ABG is continuing to progress the Nyanzaga project, where a scoping study has been completed, a pre-feasibility study is in progress and the evaluation of the Golden Ridge deposit continues.

Barrick and its affiliates provide certain services to ABG and its subsidiaries for the ongoing operation of ABG's business pursuant to a services agreement entered into by the parties. In addition, Barrick and ABG are also parties to a relationship agreement that regulates various aspects of the ongoing relationship between the two companies. The principal purpose of the relationship agreement is to ensure that ABG is capable of carrying on its business independently of Barrick and that any transactions and relationships with Barrick occur at arm's length and under normal commercial terms. Under that agreement, so long as Barrick maintains at 40% equity interest in ABG, Barrick is entitled to appoint the greater of (i) three non-executive directors to ABG's board of directors; and (ii) the maximum number of non-executive directors that may be appointed to ABG's board of directors, while ensuring ABG is compliant with the UK Combined Code of Corporate Governance. If Barrick's shareholding in ABG falls below 40%, there is a sliding scale as to the number of directors it may appoint. As of March 20, 2013, ABG had ten directors, three of which were appointed by Barrick. The relationship agreement will remain in force as long as ABG's shares are listed on the LSE and Barrick maintains at least a 15% equity interest. The relationship agreement contains a number of other commitments and restrictions, including a non-competition clause pursuant to which (i) Barrick agrees it will not pursue any gold or silver mining project in Africa, as such terms are defined in the relationship

agreement, and (ii) ABG agrees it will not pursue any gold or silver mining project outside of Africa, as such terms are defined in the relationship agreement. The non-competition clause is subject to various exceptions and only applies for so long as Barrick holds at least a 30% equity interest in ABG. If either Barrick or ABG wants to pursue a project which is subject to the non-competition restriction (the "Notifying Party"), they are required to notify the other party and, if the other party waives the opportunity or fails to respond in a timely fashion, the Notifying Party will be entitled to pursue the project described in the notice. For additional information regarding ABG's IPO, see "General Information – General Development of the Business."

Barrick's Kabanga nickel project and Lumwana copper mine are not included in the assets held by ABG and form part of the global copper business unit. Barrick continues to directly hold its 50% interest in the Kabanga project, which is located in Tanzania (see "Exploration and Evaluations"). Barrick also directly holds its 100% interest in the Lumwana mine, which is located in Zambia (see "Material Properties – Lumwana Mine").

***Global Copper Business Unit***

Barrick's global copper business unit was established in the fourth quarter of 2011 and is responsible for managing Barrick's copper business in a manner that maximizes the value of the Company's copper and nickel assets. The Company strengthened the global copper business unit during the third quarter of 2012 by appointing a business unit president and an enhanced senior leadership team. The global copper business unit is led by a president, copper and has an experienced staff to manage and operate the copper business. The global copper business unit includes Barrick's Zaldívar copper mine in Chile and its Lumwana mine in Zambia, both of which are material properties for the purposes of this Annual Information Form (see "Material Properties – Zaldívar Mine, and Material Properties – Lumwana Mine"). The projects included in Barrick's copper business unit consist of the Jabal Sayid project in Saudi Arabia (see "Exploration and Evaluations") and the Kabanga nickel project in Tanzania (see "Exploration and Evaluations"). The global copper business unit's long-term strategy is to maximize the value of these important assets by providing strategic oversight of copper production and marketing, the adoption of best practices in mining throughout the portfolio of mines and projects, as well as advancing value creation opportunities with the copper business, such as the Jabal Sayid development project. In 2012 the copper business unit produced 468 million pounds of copper, at C1 cash costs of $2.17 per pound, C3 fully allocated costs of $2.97 per pound and cost of sales of $1.28 billion, compared to 451 million pounds of copper, C1 cash costs of $1.71 per pound, C3 fully allocated costs of $2.30 per pound and cost of sales of $915 million in 2011. Copper production for 2012 increased by 4% compared to the prior year, primarily due to a full year of production from Lumwana compared to a partial year in 2011 when it was acquired as part of the Equinox transaction. In 2012, cost of sales increased by 40% over the prior year, primarily due to the inclusion of Lumwana's cost of sales for the full year in 2012. C1 cash costs per pound increased by 27% over the prior year due to the impact of higher unit production costs at Lumwana.

Barrick expects 2013 copper production in the range of approximately 480 to 540 million pounds at C1 cash costs of $2.10 to $2.30 per pound. Production at Zaldívar in 2013 is expected to be approximately the same as in 2012 at slightly lower C1 cash costs primarily due to a decline in the price of sulfuric acid. Lumwana copper production is expected to increase due to the impact of higher ore grades and higher mill throughput and C1 cash costs are expected to decrease slightly compared to 2012.

**Capital Projects Business Unit**

Barrick's capital projects business unit consists of its Pascua-Lama mine in Chile and Argentina (a material property for the purposes of this Annual Information Form, see "Material Properties – Pascua-Lama Project"), its 50% interest in the Donlin Gold project in Alaska (see "Exploration and Evaluations"), and its 75% interest in the Cerro Casale project in Chile (see "Exploration and Evaluations").

Barrick's capital projects group focuses on managing large projects and overseeing new mines. This specialized group manages, in coordination with the regional business units, the development of Barrick's projects from project design, permitting, construction and commissioning through to the commencement of commercial operations, at which point primary responsibility for the project's operations transfer to the RBUs. Barrick's Pueblo Viejo mine achieved commercial production in the first quarter of 2013 and is now managed by the North American RBU (see " – North America" above). For additional information regarding Barrick's projects, see "Material Properties – Pascua-Lama Project" and "Exploration and Evaluations."

In 2012, the Company revised its execution strategy for developing Pascua-Lama by transferring overall project management from Barrick to Fluor, a leading global Engineering, Procurement and Construction Management contractor that successfully managed Barrick's recently completed Pueblo Viejo mine. Barrick intends to employ this type of strategy to manage large projects in the future.

**Mineral Reserves and Mineral Resources**

At December 31, 2012, Barrick's total proven and probable gold mineral reserves were 140.2 million ounces. The increase primarily reflects reserve additions at Cortez, Granny Smith, Cowal and Turquoise Ridge partially offset by a decrease at Ruby Hill, North Mara and Pierina (see " – Reconciliation of Mineral Reserves"). At December 31, 2012, Barrick's total proven and probable copper reserves increased by 1.2 billion pounds to 13.9 billion pounds.

Except as noted below, 2012 reserves have been calculated using an assumed long-term average gold price of $1,500 per ounce, a silver price of $28.00 per ounce, a copper price of $3.00 per pound and exchange rates of $1.00 C$/$ and $1.00 $/A$. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property.

Unless otherwise noted, Barrick's reserves and resources have been calculated as at December 31, 2012 in accordance with definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum and incorporated into National Instrument 43-101 (see "Glossary of Technical Terms"). Varying cut-off grades have been used depending on the mine, methods of extraction and type of ore contained in the reserves. Mineral resource metal grades and material densities have been estimated using industry-standard methods appropriate for each mineral project with support of various commercially available mining software packages. For the cut-off grades used in the calculation of reserves, see " – Notes to the Mineral Reserves, Resources and Reconciliation Tables." Barrick's normal data verification procedures have been employed in connection with the calculations. Sampling, analytical and test data underlying the stated mineral resources and reserves have been verified by employees of Barrick, its joint partners or its joint venture operating companies, as applicable, under the supervision of Qualified Persons, and/or independent Qualified Persons (see "Scientific and Technical Information"). Verification procedures include industry-standard quality control practices. For details of data verification and quality control practices at each material property, see "Material Properties."

Barrick reports its reserves in accordance with National Instrument 43-101, as required by Canadian securities regulatory authorities and, for United States reporting purposes, Industry Guide 7 under the U.S. *Securities Exchange Act of 1934* . Industry Guide 7 (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, 2012, approximately 1.98 million ounces of reserves at Pueblo Viejo (Barrick's 60% interest) is 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. Readers should understand that "inferred" mineral resources have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. In addition, readers are cautioned not to assume that all or any part of Barrick's mineral resources constitute or will be converted into reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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

See "Glossary of Technical Terms" for definitions of the terms "mineral resource," "inferred mineral resource," "indicated mineral resource," "measured mineral resource," "mineral reserve," "probable mineral reserve" and "proven mineral reserve."

GOLD MINERAL RESERVES [1],[3],[4],[7],[9],[10],[11],[12]

| As at December 31, 2012 | PROVEN | | | PROBABLE | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|
| Based on attributable ounces | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) |
| NORTH AMERICA | | | | | | | | | |
| Goldstrike Open Pit | 61,008 | 0.088 | 5,342 | 33,533 | 0.107 | 3,591 | 94,541 | 0.094 | 8,933 |
| Goldstrike Underground | 4,743 | 0.300 | 1,424 | 9,889 | 0.200 | 1,981 | 14,632 | 0.233 | 3,405 |
| Goldstrike Property Total | 65,751 | 0.103 | 6,766 | 43,422 | 0.128 | 5,572 | 109,173 | 0.113 | 12,338 |
| Pueblo Viejo (60.00%) | 22,954 | 0.102 | 2,333 | 158,834 | 0.080 | 12,675 | 181,788 | 0.083 | 15,008 |
| Cortez | 31,856 | 0.066 | 2,089 | 274,334 | 0.047 | 12,969 | 306,190 | 0.049 | 15,058 |
| Bald Mountain | 82,580 | 0.020 | 1,621 | 212,979 | 0.017 | 3,540 | 295,559 | 0.017 | 5,161 |
| Turquoise Ridge (75.00%) | 6,493 | 0.396 | 2,573 | 8,765 | 0.370 | 3,242 | 15,258 | 0.381 | 5,815 |
| Round Mountain (50.00%) | 22,654 | 0.021 | 472 | 48,029 | 0.016 | 771 | 70,683 | 0.018 | 1,243 |
| South Arturo (60.00%) | — | — | — | 33,770 | 0.042 | 1,421 | 33,770 | 0.042 | 1,421 |
| Ruby Hill | 806 | 0.042 | 34 | 7,017 | 0.042 | 292 | 7,823 | 0.042 | 326 |
| Hemlo | 3,620 | 0.091 | 329 | 12,804 | 0.064 | 821 | 16,424 | 0.070 | 1,150 |
| Marigold Mine (33.33%) | 12,881 | 0.020 | 254 | 95,376 | 0.015 | 1,386 | 108,257 | 0.015 | 1,640 |
| Golden Sunlight | 1,532 | 0.053 | 81 | 4,632 | 0.051 | 237 | 6,164 | 0.052 | 318 |
| SOUTH AMERICA | | | | | | | | | |
| Cerro Casale (75.00%) | 189,900 | 0.019 | 3,586 | 800,188 | 0.017 | 13,848 | 990,088 | 0.018 | 17,434 |
| Pascua-Lama | 43,514 | 0.050 | 2,167 | 380,603 | 0.041 | 15,694 | 424,117 | 0.042 | 17,861 |
| Veladero | 33,045 | 0.021 | 704 | 438,108 | 0.021 | 9,320 | 471,153 | 0.021 | 10,024 |
| Lagunas Norte | 16,766 | 0.035 | 592 | 188,242 | 0.028 | 5,236 | 205,008 | 0.028 | 5,828 |
| Pierina | 5,941 | 0.009 | 52 | 44,072 | 0.011 | 490 | 50,013 | 0.011 | 542 |
| AUSTRALIA PACIFIC | | | | | | | | | |
| Porgera (95.00%) | 14,027 | 0.124 | 1,733 | 51,449 | 0.087 | 4,488 | 65,476 | 0.095 | 6,221 |
| Kalgoorlie (50.00%) | 69,523 | 0.029 | 2,019 | 38,730 | 0.056 | 2,176 | 108,253 | 0.039 | 4,195 |
| Cowal | 17,587 | 0.024 | 427 | 66,045 | 0.035 | 2,337 | 83,632 | 0.033 | 2,764 |
| Plutonic | 380 | 0.203 | 77 | 697 | 0.185 | 129 | 1,077 | 0.191 | 206 |
| Kanowna Belle | 1,958 | 0.176 | 345 | 2,113 | 0.136 | 287 | 4,071 | 0.155 | 632 |
| Darlot | 643 | 0.121 | 78 | 2,042 | 0.127 | 260 | 2,685 | 0.126 | 338 |
| Granny Smith | 827 | 0.173 | 143 | 33,968 | 0.051 | 1,723 | 34,795 | 0.054 | 1,866 |
| Lawlers | 794 | 0.134 | 106 | 2,169 | 0.130 | 281 | 2,963 | 0.131 | 387 |
| AFRICA [13] | | | | | | | | | |
| Bulyanhulu (73.90%) | 674 | 0.292 | 197 | 29,437 | 0.266 | 7,843 | 30,111 | 0.267 | 8,040 |
| North Mara (73.90%) | 9,225 | 0.077 | 706 | 18,640 | 0.082 | 1,520 | 27,865 | 0.080 | 2,226 |
| Buzwagi (73.90%) | 4,786 | 0.032 | 151 | 46,806 | 0.039 | 1,843 | 51,592 | 0.039 | 1,994 |
| Tulawaka (51.73%) | 6 | — | — | 18 | 0.611 | 11 | 24 | 0.458 | 11 |
| OTHER | 527 | 0.028 | 15 | 25,967 | 0.007 | 186 | 26,494 | 0.008 | 201 |
| **TOTAL** | **661,250** | **0.045** | **29,650** | **3,069,256** | **0.036** | **110,598** | **3,730,506** | **0.038** | **140,248** |

COPPER MINERAL RESERVES [1],[3],[4],[7],[9],[10],[12]

| As at December 31, 2012 | PROVEN | | | PROBABLE | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|
| Based on attributable pounds | Tons (000's) | Grade (%) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) |
| Zaldivar | 447,548 | 0.538 | 4,812 | 161,167 | 0.525 | 1,691 | 608,715 | 0.534 | 6,503 |
| Lumwana | 266,378 | 0.510 | 2,715 | 313,826 | 0.529 | 3,323 | 580,204 | 0.520 | 6,038 |
| Jabal Sayid | 484 | 2.273 | 22 | 25,965 | 2.538 | 1,318 | 26,449 | 2.533 | 1,340 |
| **TOTAL** | **714,410** | **0.528** | **7,549** | **500,958** | **0.632** | **6,332** | **1,215,368** | **0.571** | **13,881** |

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

GOLD MINERAL RESOURCES [1],[2],[3],[5],[7],[8],[9],[10]

| As at December 31, 2012 | MEASURED (M) | | | INDICATED (I) | | | (M) + (I) | INFERRED | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable ounces | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | Contained ozs (000's) | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) |
| NORTH AMERICA | | | | | | | | | | |
| Goldstrike Open Pit | 454 | 0.033 | 15 | 3,167 | 0.033 | 103 | 118 | 3,049 | 0.066 | 201 |
| Goldstrike Underground | 1,249 | 0.383 | 478 | 4,895 | 0.283 | 1,386 | 1,864 | 2,387 | 0.265 | 633 |
| Goldstrike Property Total | 1,703 | 0.289 | 493 | 8,062 | 0.185 | 1,489 | 1,982 | 5,436 | 0.153 | 834 |
| Pueblo Viejo (60.00%) | 4,315 | 0.072 | 311 | 129,250 | 0.062 | 8,042 | 8,353 | 10,857 | 0.064 | 690 |
| Cortez | 3,358 | 0.054 | 180 | 47,585 | 0.053 | 2,521 | 2,701 | 25,174 | 0.065 | 1,633 |
| Goldrush | 2,696 | 0.136 | 367 | 63,218 | 0.127 | 8,000 | 8,367 | 43,183 | 0.132 | 5,679 |
| Bald Mountain | 31,189 | 0.012 | 373 | 94,001 | 0.012 | 1,099 | 1,472 | 88,864 | 0.009 | 762 |
| Turquoise Ridge (75.00%) | 10,198 | 0.126 | 1,283 | 69,492 | 0.119 | 8,269 | 9,552 | 38,114 | 0.124 | 4,709 |
| Round Mountain (50.00%) | 11,933 | 0.028 | 331 | 32,360 | 0.018 | 594 | 925 | 21,357 | 0.015 | 310 |
| South Arturo (60.00%) | — | — | — | 16,377 | 0.045 | 731 | 731 | 28,123 | 0.015 | 422 |
| Ruby Hill | 2,341 | 0.025 | 59 | 170,305 | 0.020 | 3,404 | 3,463 | 5,152 | 0.043 | 220 |
| Hemlo | 381 | 0.178 | 68 | 55,519 | 0.032 | 1,760 | 1,828 | 3,126 | 0.119 | 373 |
| Marigold Mine (33.33%) | 581 | 0.014 | 8 | 16,169 | 0.012 | 199 | 207 | 29,853 | 0.012 | 371 |
| Golden Sunlight | 167 | 0.036 | 6 | 1,548 | 0.032 | 49 | 55 | 1,573 | 0.041 | 64 |
| Donlin Gold (50.00%) | 4,261 | 0.073 | 313 | 294,097 | 0.065 | 19,190 | 19,503 | 50,825 | 0.059 | 2,997 |
| SOUTH AMERICA | | | | | | | | | | |
| Cerro Casale (75.00%) | 19,356 | 0.008 | 164 | 226,634 | 0.010 | 2,330 | 2,494 | 413,013 | 0.011 | 4,513 |
| Pascua-Lama | 23,420 | 0.031 | 722 | 246,510 | 0.024 | 6,012 | 6,734 | 35,590 | 0.034 | 1,215 |
| Veladero | 3,167 | 0.009 | 30 | 27,019 | 0.014 | 370 | 400 | 66,309 | 0.008 | 526 |
| Lagunas Norte | 849 | 0.020 | 17 | 38,613 | 0.017 | 652 | 669 | 8,896 | 0.015 | 129 |
| Pierina | 201 | 0.015 | 3 | 2,563 | 0.015 | 38 | 41 | 7,487 | 0.009 | 64 |
| AUSTRALIA PACIFIC | | | | | | | | | | |
| Porgera (95.00%) | 10,345 | 0.079 | 822 | 20,360 | 0.076 | 1,539 | 2,361 | 29,874 | 0.128 | 3,816 |
| Kalgoorlie (50.00%) | 5,298 | 0.038 | 199 | 15,949 | 0.034 | 538 | 737 | 360 | 0.075 | 27 |
| Cowal | — | — | — | 29,322 | 0.035 | 1,034 | 1,034 | 11,143 | 0.033 | 373 |
| Plutonic | 319 | 0.141 | 45 | 2,300 | 0.320 | 736 | 781 | 2,945 | 0.328 | 966 |
| Kanowna Belle | 1,459 | 0.139 | 203 | 3,368 | 0.122 | 411 | 614 | 2,910 | 0.121 | 352 |
| Darlot | 168 | 0.185 | 31 | 405 | 0.212 | 86 | 117 | 338 | 0.228 | 77 |
| Granny Smith | 134 | 0.216 | 29 | 5,377 | 0.063 | 339 | 368 | 4,750 | 0.204 | 969 |
| Lawlers | — | — | — | 670 | 0.206 | 138 | 138 | 1,025 | 0.187 | 192 |
| AFRICA [13] | | | | | | | | | | |
| Bulyanhulu (73.90%) | — | — | — | 8,694 | 0.282 | 2,453 | 2,453 | 6,896 | 0.348 | 2,403 |
| North Mara (73.90%) | 2,468 | 0.120 | 295 | 13,105 | 0.113 | 1,486 | 1,781 | 877 | 0.107 | 94 |
| Buzwagi (73.90%) | 60 | 0.033 | 2 | 12,056 | 0.030 | 358 | 360 | 5,874 | 0.032 | 189 |
| Nyanzaga (73.90%) | — | — | — | 63,672 | 0.042 | 2,681 | 2,681 | 10,592 | 0.056 | 591 |
| Tulawaka (51.73%) | — | — | — | 540 | 0.193 | 104 | 104 | 105 | 0.133 | 14 |
| OTHER | — | — | — | 3,501 | 0.001 | 2 | 2 | 780 | 0.022 | 17 |
| **TOTAL** | **140,367** | **0.045** | **6,354** | **1,718,641** | **0.045** | **76,654** | **83,008** | **961,401** | **0.037** | **35,591** |

COPPER MINERAL RESOURCES [1],[2],[3],[5],[7],[8],[9],[10]

| As at December 31, 2012 | MEASURED (M) | | | INDICATED (I) | | | (M) + (I) | INFERRED | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable pounds | Tons (000's) | Grade (%) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) |
| Zaldivar | 79,153 | 0.435 | 688 | 46,050 | 0.460 | 424 | 1,112 | 26,089 | 0.556 | 290 |
| Lumwana | 105,428 | 0.369 | 778 | 809,871 | 0.512 | 8,287 | 9,065 | 23,938 | 0.363 | 174 |
| Jabal Sayid | — | | — | 3,501 | 1.871 | 131 | 131 | 780 | 2.692 | 42 |
| **TOTAL** | **184,581** | **0.397** | **1,466** | **859,422** | **0.514** | **8,842** | **10,308** | **50,807** | **0.498** | **506** |

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

CONTAINED SILVER WITHIN REPORTED GOLD RESERVES [1],[9],[10],[A]

| For the year ended Dec. 31, 2012 | IN PROVEN GOLD RESERVES | | | IN PROBABLE GOLD RESERVES | | | TOTAL | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable ounces | Tons (000s) | Grade (oz/ton) | Contained ozs (000s) | Tons (000s) | Grade (oz/ton) | Contained ozs (000s) | Tons (000s) | Grade (oz/ton) | Contained ozs (000s) | Process recovery % |
| NORTH AMERICA | | | | | | | | | | |
| Pueblo Viejo (60.00%) | 22,954 | 0.75 | 17,179 | 158,834 | 0.48 | 76,619 | 181,788 | 0.52 | 93,798 | 87.2% |
| SOUTH AMERICA | | | | | | | | | | |
| Cerro Casale (75.00%) | 189,900 | 0.06 | 10,565 | 800,188 | 0.04 | 33,451 | 990,088 | 0.04 | 44,016 | 69.0% |
| Pascua-Lama | 43,514 | 1.73 | 75,454 | 380,603 | 1.58 | 600,795 | 424,117 | 1.59 | 676,249 | 81.6% |
| Lagunas Norte | 16,766 | 0.12 | 1,947 | 188,242 | 0.11 | 21,546 | 205,008 | 0.11 | 23,493 | 19.1% |
| Veladero | 33,045 | 0.28 | 9,172 | 438,108 | 0.41 | 179,720 | 471,153 | 0.40 | 188,892 | 5.9% |
| Pierina | 5,941 | 0.66 | 3,915 | 44,072 | 0.32 | 14,279 | 50,013 | 0.36 | 18,194 | 26.9% |
| AFRICA [13] | | | | | | | | | | |
| Bulyanhulu (73.90%) | 674 | 0.20 | 134 | 29,437 | 0.23 | 6,904 | 30,111 | 0.23 | 7,038 | 67.2% |
| **TOTAL** | **312,794** | **0.38** | **118,366** | **2,039,484** | **0.46** | **933,314** | **2,352,278** | **0.45** | **1,051,680** | **65.5%** |

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

CONTAINED COPPER WITHIN REPORTED GOLD RESERVES [1],[9],[10],[A]

| For the year ended Dec. 31, 2012 | IN PROVEN GOLD RESERVES | | | IN PROBABLE GOLD RESERVES | | | TOTAL | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable pounds | Tons (000s) | Grade (%) | Contained lbs (millions) | Tons (000s) | Grade (%) | Contained lbs (millions) | Tons (000s) | Grade (%) | Contained lbs (millions) | Process recovery % |
| NORTH AMERICA | | | | | | | | | | |
| Pueblo Viejo (60.00%) | 22,954 | 0.081 | 37.0 | 158,834 | 0.098 | 310.5 | 181,788 | 0.096 | 347.5 | 79.0% |
| SOUTH AMERICA | | | | | | | | | | |
| Cerro Casale (75.00%) | 189,900 | 0.190 | 721.3 | 800,188 | 0.226 | 3,613.3 | 990,088 | 0.219 | 4,334.6 | 87.4% |
| Pascua-Lama | 43,514 | 0.096 | 83.7 | 380,603 | 0.075 | 574.4 | 424,117 | 0.078 | 658.1 | 63.0% |
| AFRICA [13] | | | | | | | | | | |
| Bulyanhulu (73.90%) | 674 | 0.326 | 4.4 | 29,437 | 0.526 | 309.7 | 30,111 | 0.522 | 314.1 | 93.6% |
| Buzwagi (73.90%) | 4,786 | 0.074 | 7.1 | 46,806 | 0.107 | 99.9 | 51,592 | 0.104 | 107.0 | 70.0% |
| **TOTAL** | **261,828** | **0.163** | **853.5** | **1,415,868** | **0.173** | **4,907.8** | **1,677,696** | **0.172** | **5,761.3** | **84.2%** |

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

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

CONTAINED SILVER WITHIN REPORTED GOLD RESOURCES [1],[9],[10]

| For the year ended Dec. 31, 2012 | IN MEASURED (M) GOLD RESOURCES | | | IN INDICATED (I) GOLD RESOURCES | | | (M) + (I) | IN INFERRED GOLD RESOURCES | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable ounces | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | Ounces (000's) | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) |
| NORTH AMERICA | | | | | | | | | | |
| Pueblo Viejo (60.00%) | 4,315 | 0.44 | 1,913 | 129,250 | 0.34 | 44,566 | 46,479 | 10,857 | 0.42 | 4,535 |
| SOUTH AMERICA | | | | | | | | | | |
| Cerro Casale (75.00%) | 19,356 | 0.04 | 720 | 226,634 | 0.03 | 7,257 | 7,977 | 413,013 | 0.03 | 12,594 |
| Pascua-Lama | 23,420 | 0.71 | 16,708 | 246,510 | 0.68 | 168,459 | 185,167 | 35,590 | 0.45 | 16,055 |
| Lagunas Norte | 849 | 0.09 | 76 | 38,613 | 0.06 | 2,370 | 2,446 | 8,896 | 0.04 | 371 |
| Veladero | 3,167 | 0.14 | 429 | 27,019 | 0.39 | 10,454 | 10,883 | 66,309 | 0.34 | 22,478 |
| Pierina | 201 | 0.24 | 49 | 2,563 | 0.22 | 566 | 615 | 7,487 | 0.29 | 2,150 |
| AFRICA [13] | | | | | | | | | | |
| Bulyanhulu (73.90%) | — | — | — | 8,694 | 0.24 | 2,066 | 2,066 | 6,648 | 0.30 | 1,979 |
| **TOTAL** | **51,308** | **0.39** | **19,895** | **679,283** | **0.35** | **235,738** | **255,633** | **548,800** | **0.11** | **60,162** |

CONTAINED COPPER WITHIN REPORTED GOLD RESOURCES [1],[9],[10]

| For the year ended Dec. 31, 2012 | IN MEASURED (M) GOLD RESOURCES | | | IN INDICATED (I) GOLD RESOURCES | | | (M) + (I) | IN INFERRED GOLD RESOURCES | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable pounds | Tons (000's) | Grade (%) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) |
| NORTH AMERICA | | | | | | | | | | |
| Pueblo Viejo (60.00%) | 4,315 | 0.12 | 10.3 | 129,250 | 0.091 | 235.7 | 246.0 | 10,857 | 0.075 | 16.2 |
| SOUTH AMERICA | | | | | | | | | | |
| Cerro Casale (75.00%) | 19,356 | 0.126 | 48.7 | 226,634 | 0.161 | 730.5 | 779.2 | 413,013 | 0.191 | 1,580.1 |
| Pascua-Lama | 23,420 | 0.061 | 28.7 | 246,510 | 0.053 | 261.0 | 289.7 | 35,590 | 0.047 | 33.7 |
| AFRICA [13] | | | | | | | | | | |
| Buzwagi (73.90%) | 60 | 0.08 | 0.1 | 12,056 | 0.083 | 20.0 | 20.1 | 5,874 | 0.076 | 8.9 |
| **TOTAL** | **47,151** | **0.093** | **87.8** | **614,450** | **0.101** | **1,247.2** | **1,335.0** | **465,334** | **0.176** | **1,638.9** |

NICKEL MINERAL RESOURCES [1],[2],[3],[9],[10]

| For the year ended Dec. 31, 2012 | MEASURED (M) | | | INDICATED (I) | | | (M) + (I) | INFERRED | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable pounds | Tons (000's) | Grade (%) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) |
| AFRICA | | | | | | | | | | |
| Kabanga (50.00%) | 7,606 | 2.490 | 378.8 | 12,897 | 2.720 | 701.6 | 1,080.4 | 11,464 | 2.600 | 596.1 |

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

*Reconciliation of Mineral Reserves* [1],[3],[4],[6],[7],[10],[11],[12]

Based on attributable ounces

| Gold Property (000's of ounces) | Mineral Reserves 12/31/2011 | Processed in 2012 | Increase (decrease) | Mineral Reserves 12/31/2012 |
|---|---|---|---|---|
| **NORTH AMERICA** | | | | |
| Goldstrike Open Pit | 9,342 | 1,005 | 596 | 8,933 |
| Goldstrike Underground | 3,035 | 372 | 742 | 3,405 |
| Goldstrike Property Total | 12,377 | 1,377 | 1,338 | 12,338 |
| Pueblo Viejo (60.00%) | 15,173 | 72 | -93 | 15,008 |
| Cortez | 14,488 | 1,485 | 2,055 | 15,058 |
| Bald Mountain | 5,102 | 195 | 254 | 5,161 |
| Turquoise Ridge (75.00%) | 5,294 | 156 | 677 | 5,815 |
| Round Mountain (50.00%) | 1,411 | 179 | 11 | 1,243 |
| South Arturo (60.00%) | 1,398 | 0 | 23 | 1,421 |
| Ruby Hill | 978 | 57 | -595 | 326 |
| Hemlo | 1,139 | 221 | 232 | 1,150 |
| Marigold Mine (33.33%) | 1,194 | 71 | 517 | 1,640 |
| Golden Sunlight | 487 | 146 | -23 | 318 |
| **SOUTH AMERICA** | | | | |
| Cerro Casale (75.00%) | 17,434 | 0 | 0 | 17,434 |
| Pascua-Lama | 17,861 | 0 | 0 | 17,861 |
| Veladero | 10,558 | 980 | 446 | 10,024 |
| Lagunas Norte | 6,151 | 833 | 510 | 5,828 |
| Pierina | 771 | 64 | -165 | 542 |
| **AUSTRALIA PACIFIC** | | | | |
| Porgera (95.00%) | 6,366 | 506 | 361 | 6,221 |
| Kalgoorlie (50.00%) | 4,394 | 387 | 188 | 4,195 |
| Cowal | 2,209 | 326 | 881 | 2,764 |
| Plutonic | 402 | 128 | -68 | 206 |
| Kanowna Belle | 832 | 253 | 53 | 632 |
| Darlot | 357 | 77 | 58 | 338 |
| Granny Smith | 635 | 260 | 1,491 | 1,866 |
| Lawlers | 234 | 152 | 305 | 387 |
| **AFRICA** [13] | | | | |
| Bulyanhulu (73.90%) | 7,857 | 186 | 369 | 8,040 |
| North Mara (73.90%) | 2,575 | 161 | -188 | 2,226 |
| Buzwagi (73.90%) | 2,154 | 136 | -24 | 1,994 |
| Tulawaka (51.73%) | 47 | 23 | -13 | 11 |
| **OTHER** [8] | 53 | 40 | 188 | 201 |
| **TOTAL** | 139,931 | 8,471 | 8,788 | 140,248 |

| Copper Property (million pounds) | Mineral Reserves 12/31/2011 | Processed in 2012 | Increase (decrease) | Mineral Reserves 12/31/2012 |
|---|---|---|---|---|
| Zaldivar | 6,602 | 533 | 434 | 6,503 |
| Lumwana | 4,909 | 200 | 1,329 | 6,038 |
| Jabal Sayid | 1,182 | 0 | 158 | 1,340 |
| **TOTAL** | 12,693 | 733 | 1,921 | 13,881 |

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

***Notes to the Mineral Reserves, Resources and Reconciliation Tables***

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

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

(3) Mineral reserves and resources have been calculated as at December 31, 2012, unless otherwise indicated.

(4) Mineral reserves as at December 31, 2012 have been calculated using an assumed long-term average gold price of $1,500 per ounce, a silver price of $28.00 per ounce, a copper price of $3.00 per pound and exchange rates of $1.00/A$ and $1.00/C$. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property. Reserves at Round Mountain have been calculated using an assumed long-term average gold price of $1,200 per ounce.

(5) Mineral resources as at December 31, 2012 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 $1,650 per ounce, an assumed silver price of $30.00 per ounce, an assumed copper price of $3.50 per pound and exchange rates of $1.05/A$ and $1.00/C$ have been used in estimating resources.

(6) Mineral reserves as at December 31, 2011 were calculated using an assumed long-term average gold price of $1,200 (A$1,330) per ounce, a silver price of $22.00 per ounce, a copper price of $2.75 per pound and an exchange rate of $0.90/A$. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property. Varying cut-off grades have been used depending on the mine and type of ore contained in the reserves. Reserves at Plutonic were calculated using an assumed long-term average gold price of $1,250 per ounce.

(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, 2012, approximately 1.98 million ounces of reserves at Pueblo Viejo (Barrick's 60% interest) is 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. Readers should understand that "inferred" mineral resources have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. In addition, readers are cautioned not to assume that all or any part of Barrick's mineral resources constitute or will be converted into reserves.

(8) In connection with the write-down of the Company's investment in Tethyan Copper Company (TCC), which holds the Company's interest in the Reko Diq project, the Company has removed the estimate of mineral resources associated with the Reko Diq project from its statement of resources for 2012. For additional information regarding this matter, see "Legal Matters – Government Controls and Regulations."

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

(10) 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.

(11) Gold mineral reserves as at December 31, 2012 include stockpile material totalling approximately 195 million tons, containing approximately 10.7 million ounces. Properties at which stockpile material exceeds 30 thousand ounces and represents more than 5% of the reported gold reserves are as follows:

| Property | Tons (000's) | Grade (oz/ton) | Contained Ounces (000's) |
|---|---|---|---|
| Goldstrike Open Pit | 56,172 | 0.083 | 4,639 |
| Pueblo Viejo | 14,504 | 0.108 | 1,568 |
| Kalgoorlie | 57,856 | 0.023 | 1,331 |
| Porgera | 18,296 | 0.065 | 1,192 |
| Cortez | 6,698 | 0.123 | 826 |
| Cowal | 17,455 | 0.023 | 410 |
| Buzwagi | 4,614 | 0.031 | 143 |

(12) The metallurgical recovery applicable at each property and the cut-off grades used to determine mineral reserves as at December 31, 2012 are as follows:

| Gold Mine | Metallurgical Recovery (%) | Cut-off Grade (oz/ton) |
|---|---|---|
| Bulyanhulu | 89.8% | 0.146 - 0.174 |
| Buzwagi | 89.0% | 0.018 - 0.032 |
| Tulawaka | 93.0% | 0.102 - 0.122 |
| North Mara | 85.8% | 0.031 - 0.050 |
| Cowal | 82.2% | 0.012 - 0.016 |
| Darlot | 94.6% | 0.083 - 0.095 |
| Kalgoorlie | 82.7% | 0.015 - 0.051 |

| | | |
|---|---|---|
| Lawlers | 96.2% | 0.088 - 0.111 |
| Plutonic | 84.8% | 0.108 - 0.145 |
| Granny Smith | 88.7% | 0.079 - 0.109 |
| Kanowna Belle | 90.9% | 0.029 - 0.169 |
| Porgera | 85.9% | 0.049 - 0.105 |
| David Bell Mine | 95.3% | 0.069 - 0.174 |
| Williams Mine | 90.2% | 0.015 - 0.074 |
| Goldstrike Open Pit | 78.7% | 0.035 - 0.045 |
| Goldstrike Underground | 88.6% | 0.109 - 0.200 |
| Marigold Mine | 73.0% | 0.005 - 0.007 |
| South Arturo | 70.0% | 0.003 - 0.032 |
| Rossi | 84.2% | 0.135 - 0.200 |
| Round Mountain | 73.1% | 0.005 - 0.014 |
| Ruby Hill | 75.5% | 0.004 - 0.012 |
| Bald Mountain | 72.2% | 0.003 - 0.005 |
| Cortez | 82.5% | 0.004 - 0.184 |
| Golden Sunlight | 72.7% | 0.017 - 0.018 |
| Turquoise Ridge | 92.0% | 0.204 - 0.238 |
| Pueblo Viejo | 91.2% | 0.029 - 0.054 |
| Lagunas Norte | 57.8% | 0.004 - 0.024 |
| Pascua-Lama | 86.2% | 0.025 - 0.032 |
| Cerro Casale | 74.4% | 0.006 - 0.009 |
| Pierina | 83.3% | 0.0036 - 0.0037 |
| Veladero | 75.5% | 0.004 - 0.014 |

| Copper Mine | Metallurgical Recovery (%) | Cut-off Grade (%) |
|---|---|---|
| Zaldívar | 61.3% | 0.190 - 0.260 |
| Lumwana | 89.4% | 0.180 - 0.400 |
| Jabal Sayid | 92.4% | 1.380 |

(13) In March 2010, Barrick created ABG to hold its African gold mines, gold projects and gold exploration properties. Barrick's current equity interest in ABG is 73.9%.

**Marketing and Distribution**

*Gold*

Gold can be readily sold on numerous markets throughout the world and it is not difficult to ascertain its market price at any particular time. Benchmark prices are generally based on the London gold market quotations. Gold bullion is held as an asset class for a variety of reasons, including as a store of value and a 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", as a hedge against future inflation and for portfolio diversification. Governments, central banks and other official institutions hold significant quantities of gold as a component of exchange reserves. Since there are a large number of available gold purchasers, Barrick is not dependent upon the sale of gold to any one customer.

Gold price volatility remained high in 2012, with the price ranging from $1,527 per ounce to $1,796 per ounce. The average market price for the year of $1,669 per ounce was an all-time record high and represented an increase of 6% over 2011. Gold has continued to attract investor interest through its role as a safe haven investment, store of value and alternative to fiat currency due to concerns over global economic growth, geopolitical issues, sovereign debt and deficit levels, bank stability, future inflation prospects, and continuing accommodative monetary policies put in place by many of the world's central banks. In particular, the current monetary policies of the U.S. Federal Reserve have a significant impact on the price of gold. In 2012, it announced that it would purchase $40 billion per month of agency mortgage-backed securities and $45 billion per month of longer-term Treasury securities in order to support a stronger economic recovery until the outlook for the labor market improves substantially. The continuing uncertain macroeconomic environment and loose monetary policies, together with the limited choice of alternative safe haven investments, is supportive of continued strong investment demand. Throughout 2012, Barrick has continued to see increased interest in holding gold as an investment. This was evidenced by the growth in Exchange Traded Funds ("ETFs"), as well as the worldwide demand for physical gold in forms such as bars and coins. Physical demand for gold for jewelry and other uses also remains a significant driver of the overall gold market. A continuation of these trends is supportive of higher gold prices.

Barrick's gold is refined to market delivery standards by several refiners throughout the world. The gold is sold to various gold bullion dealers at market 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 sources of gold demand. The introduction of more readily accessible and liquid gold investment vehicles has further facilitated investment in gold. As of December 31, 2012, gold exchange traded funds held approximately 89 million ounces compared to holdings of 79 million ounces at 2011 year end – an increase of 13%. 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, power infrastructure, automobiles, construction, and consumer durables. Copper is traded on the London Metal Exchange

("LME"), the New York Commodity Exchange and the Shanghai Futures Exchange. The price of copper as reported on these exchanges is influenced by numerous factors, including (i) the worldwide balance of copper demand and supply, (ii) rates of global economic growth, including China, which has become the largest consumer of refined copper in the world, (iii) speculative investment positions in copper and copper futures, (iv) the availability and cost of substitute materials, and (v) currency exchange fluctuations, including the relative strength of the U.S. dollar.

The copper market is volatile and cyclical. Over the last 15 years to the end of 2012, LME prices per pound have ranged from a low of 61 cents to a high, reached in February 2011, of $4.62. Copper prices experienced a volatile year in 2012, as LME copper prices traded in a range of $3.27 per pound to $3.98 per pound, averaged $3.61 per pound, and closed the year at $3.59 per pound. Copper's strength lies mainly in strong physical demand from emerging markets, especially China, which has resulted in a physical deficit in recent years. In addition, there has been significant investor interest in base metals with strong forward-looking supply/demand fundamentals. Copper prices should continue to be influenced by demand from Asia, global economic growth, the limited availability of scrap metal and production levels of mines and smelters in the future.

At the Zaldívar mine, copper cathode is sold to copper product manufacturers and copper traders in Europe, North America, South America and Asia, while concentrate is sold to a local smelter in Chile. At the Lumwana mine, copper concentrate is sold to Zambian smelters. Since there are a large number of available copper cathode and copper concentrate purchasers, Barrick is not dependent upon the sale of copper to any one customer.

**Employees and Labor Relations**

As at December 31, 2012, excluding contractors, Barrick employed approximately 26,140 employees worldwide, as well as approximately 2,015 employees at operations jointly owned by Barrick, substantially all of whom are employed in the United States, Canada, Australia, Chile, Peru, Argentina, the Dominican Republic, Papua New Guinea, Tanzania, Zambia and Saudi Arabia. The number of employees represented by a labor union or covered by collective bargaining agreements at the Company's operations is approximately 8,280. In 2012, the Company began collecting information on the number of contractors covered by collective bargaining agreements at its major projects.

Generally, management believes that labor relations at all locations are good.

Specialized knowledge and experience are required of employees in the mining industry. Barrick has the necessary skilled employees to conduct its operations. Despite generally good labor relations, ongoing demand for skilled workers in the resource industry and increased demand for higher wages have led to employee turnover and increasing costs at certain of Barrick's operations. Certain Barrick mines may be adversely impacted if either the increased demand for higher wages leads to work stoppages or the Company is unable to retain a sufficient number of qualified employees for such operations.

**Competition**

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

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

**Corporate Social Responsibility**

At Barrick, corporate social responsibility (CSR) refers to the range of management systems and practices in place to help manage and improve the Company's impacts on and interactions with its employees, the environment, and society generally. CSR continues to be a fundamental part of corporate strategy and is critical to ensure broad stakeholder support for Barrick's operations.

In 2012, Barrick successfully launched and convened two meetings of its independent CSR Advisory Board. These meetings are hosted by Barrick's CEO and are a forum for the five Advisory Board members to interact with senior executives at Barrick, provide insight on emerging CSR trends and issues that could affect the Company's business, and provide critical feedback on the Company's corporate responsibility performance. Summaries of the first two meetings are posted on Barrick's website, and plans are underway to host two meetings of this Advisory Board in 2013.

In 2012, Barrick continued to implement a global human rights compliance program, aligned with the UN Guiding Principles on Business and Human Rights. The Company conducted several site visits for human rights assessments over the course of the year, and assessments will continue to be carried out at all sites and projects over a three-year period. Barrick also advanced its global human rights training program for employees and strengthened due diligence in relevant hiring practices. Barrick serves on the Board of Directors of the Voluntary Principles on Security and Human Rights and has relationships with organizations such as Fund for Peace and the Danish Institute for Human Rights. These programs and relationships reinforce Barrick's commitment to respect human rights wherever the Company operates.

Barrick's operational success is closely tied to the quality of relationships with communities around its mines. To this end, in 2012, Barrick began implementing its Community Relations Management System (CRMS) globally, with grievance mechanisms and social obligations registers now in place at all sites. The CRMS sets minimum performance requirements which are aligned with international best practice to ensure community relations activities are carried out in a systematic and professional manner. In 2012, audits were conducted at three sites to evaluate progress in implementing the CRMS and in managing priority social risks. In 2013, CRMS audits are planned at a further eight sites.

Barrick's efforts in CSR continue to receive international recognition. In 2012, the Company was listed for the fifth consecutive year in the Dow Jones Sustainability World Index, and was ranked among the top 100 companies in the world by the NASDAQ Global Sustainability Index. In Canada, Barrick was named a Carbon Disclosure Leader for its climate change disclosure practices, and Corporate Knights magazine ranked Barrick first in a sustainability ranking of the Canadian mining industry and included the Company in its Global 100 listing of the world's most sustainable companies. (see "Environment and Closure" for additional information on Barrick's environmental standards and practices).

**MATERIAL PROPERTIES**

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

**Goldstrike Property**

General Information

The Goldstrike property is located in Elko and Eureka Counties in north central Nevada, approximately 40 kilometers north of the town of Carlin, at an elevation of 1,700 meters in the hilly

terrain of the Tuscarora Mountains. Access to the property is provided by certain access agreements with Newmont Mining Corporation ("Newmont") 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. Vegetation is dominated by grass and shrubs. Goldstrike employs approximately 1,800 employees and 500 contractors.

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 CIL 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 autoclaves have a capacity of 16,000 to 20,000 tons per day. Goldstrike's underground mine (Meikle deposit), which was discovered in 1989, commenced production in 1996. During 2000, the Company completed construction of a roaster facility for the treatment of carbonaceous ore on the property. The roaster increased the property's processing capacity by approximately 16,000 tons per day. In 2001, an intensive development program to bring the Rodeo deposit, part of the underground mine, into production was completed and a new ball mill was added to increase autoclave recovery.

As of December 31, 2012, the Goldstrike property comprised 4,198 hectares of surface rights ownership/control (3,420 hectares private and 778 hectares public), and 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. Unpatented mining claims are renewed on an annual basis. All mining leases and subleases are reviewed on a monthly basis and all payments and commitments are paid as required by the specific agreements. The Goldstrike open pit and underground mines and the majority of the beneficiation and processing facilities at the Goldstrike property are situated on land owned by Barrick. Sufficient surface rights have been obtained for current operations at the property.

Geology

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

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

The gold mineralization at the open pit is controlled by favorable stratigraphy, structural complexities in the form of faults and folds, and the contact of the Goldstrike intrusive. The deposit represents many styles of mineralization occurring within numerous rock types and alteration assemblages. The favored host for gold mineralization is the Popovich Limestone followed by the Rodeo Creek unit, Goldstrike sill complex and Roberts Mountains Formation. Some ore occurs below sills, which act as dams to the ascending hydrothermal fluids. Alteration is characterized by decalcification of limestone, silicification of all rock types and clay development in structurally disturbed areas. Overall, the Betze-Post ore zones extend for 1,829 meters in a northwest direction and average 183 to 244 meters in width and 122 to 183 meters in thickness.

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

Mining and Processing

Goldstrike's open pit mine is an open pit truck-and-shovel operation, using standard, proven equipment. Two different underground mining methods are used at the underground mine, long-hole open stoping and drift-and-fill (used for flat-lying mineralization or where ground conditions are less competent). The underground mine is a trackless operation. Goldstrike's production in total was 1,174 thousand ounces of gold in 2012 at total cash costs of $541 per ounce. Based on existing reserves and production capacity, the expected remaining mine life is 13 years for underground mining, 14 years for open pit mining and 16 years for processing operations (reflecting additional underground ores as well as additional toll ores purchased from third-party vendors). In August 2011, the autoclaves were converted from an acid circuit to an alkaline circuit, and Barrick is also moving forward with the introduction of thiosulfate processing technology, as further described below. As a result of these changes, Barrick has extended the operating life of the autoclaves, allowing Goldstrike to process certain ore at an earlier stage using the autoclaves instead of processing that same ore at a later stage using the roaster.

The underground mine includes two major orebodies: Meikle and Rodeo. The Meikle orebody, located 1.6 kilometers north of the open pit mine, is a high grade orebody which was discovered in 1989 and started production in 1996. The Meikle orebody incorporates 5 mineralized zones: the Main Meikle, Meikle Extension, South Meikle, Griffin, Banshee and West Griffin. The Rodeo orebody, located 0.5 kilometers northwest of the open pit mine, is a moderate grade orebody discovered in 1988 and brought into production in 2002. The Rodeo orebody includes four mineralized zones: Upper Rodeo, Lower Rodeo, West Rodeo, and Barrel. The Meikle and Rodeo orebodies are interconnected by two haulage drifts and can be accessed from two shafts and by a decline at the bottom of the open pit mine. A small underground target will be mined beginning in 2013 from the bottom of the Betze Pit known as the Bazza Underground.

The property has two processing facilities: an autoclave installation, which is used to treat the property's non-carbonaceous sulphide (refractory) ore; and the roaster, which is used to treat the property's carbonaceous ore (whose active carbon content responds poorly to autoclaving). The combined capacity of these two facilities is approximately 33,000 to 35,000 tons per day. These process facilities treat the ore from Goldstrike's open pit and underground mines. Gold contained in recovered ore is processed into doré on-site and shipped to outside refineries for processing into gold bullion. All material permits and rights to conduct operations at the mine have been obtained and are in good standing. In December 2005, Barrick began operating a 115 megawatt natural gas-fired power plant that provides a portion of Goldstrike's power requirements. The remaining power requirements are satisfied by open market purchases of electricity. Starting in late 2012, a natural gas pipeline was constructed to provide natural gas to the major production equipment at the autoclave and roaster facilities. Construction and conversion from propane to natural gas will be completed in the second quarter of 2013.

Due to increasing levels of carbonate in the ore being mined at the Goldstrike property, certain necessary changes to the autoclaves have been made to convert the pressure oxidation process from an acid circuit to an alkaline circuit. This technology, which was tested at Goldstrike in 2009, has a lower recovery than the acid autoclave configuration, but has better economics with increased levels of carbonate. The autoclaves commenced operation in the alkaline mode in August 2011. Currently all six autoclaves may still be run in an acid mode, but up to three of the six autoclaves may be operated in an alkaline mode. Barrick has also successfully operated a demonstration plant using a technology that will allow treatment of carbonaceous material (which was previously processed exclusively at the roaster) through the autoclaves. This technology uses thiosulphate to leach the gold after pressure oxidation rather than cyanide and resin to collect the dissolved gold rather than carbon. Conversion to this new process is underway and will allow the autoclaves to continue to operate through the remaining life of the mine. As a result, Goldstrike expects to be able to process stockpiled carbonaceous material earlier than anticipated and increase its capacity to process ore transported to Goldstrike from other properties. Construction is underway on the new Total Carbonaceous Material ("TCM") leach facility conversion, which is expected to be completed in mid-2014.

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

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

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

Environment

The Goldstrike property operating facilities have been designed to mitigate environmental impacts. The operations have processes, procedures or facilities in place to manage substances that have the potential to be harmful to the environment. In order to prevent and control spills and protect water quality, the mine utilizes multiple levels of spill containment procedures and routine inspection and monitoring of its facilities. The mine has installed air pollution control devices on its facilities consistent with and, in some cases, exceeding legal requirements. The mine also has various programs to reuse and conserve water at its operations. In order to mitigate the impact of dust produced by its operations, the mine uses several different dust suppression techniques, including a stockpile cover at the roaster, reducing both the consumption of water and the carbon footprint. In 2012, 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 and are ISO 14001 certified.

At December 31, 2012, the recorded amount of estimated future reclamation and closure costs that were recorded under IFRS as defined by IAS 37, and that have been updated each reporting period was $166.3 million (as described in Note 25 to the Consolidated Financial Statements). In connection with the reclamation of the mine area, Barrick has provided the financial security as required by governmental authorities. See "Environment and Closure."

Exploration, Drilling and Analysis

In 2012, 5,423 meters were drilled in five exploration holes. Three surface holes tested two target concepts on the Ren property (a deep underground target north of the Banshee zone in the Meikle mine). Two of these holes focused on the down dip eastward extension of the Ren fault itself. Results encountered sub-economic gold grades and anomalous geochemistry and a follow-up drill test has been proposed for 2013. The third Ren hole tested a target extending the known JB resource (an underground resource approximately 1.5 kilometers north of current underground workings) on structural controls to the west. No significant mineralization was encountered in this hole.

Two deep surface holes on the Goldstrike Property were drilled, one east of the Post fault in the North Leeville target area and the other west of the Post fault targeting the Deep Betze concept from the bottom of the Goldstrike open pit. No significant mineralization was encountered.

For 2013, Goldstrike has proposed a $375,000 budget to conduct target delineation, following up on target delineation conducted in 2011 and 2012 that identified the West Dee and West Goldstrike areas, which areas will be the focus of the 2013 work. Several data acquisition programs are planned in support of these efforts.

At Goldstrike, several historic exploration target areas have been transferred to a specialized technical services group known as "Minex Projects." Exploration geologists continue to share all geological understanding, data and target concepts with Minex geologists. Exploration drill supervisors and geo-technicians provide supervision and assistance for drilling logistics, sample submittals and core shed activities in support of Minex Projects.

Drill samples collected for use in 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 the staff geologists prior to entry into the mine-wide database. The quality assurance procedures, data verification and assay protocols used in connection with drilling and sampling on the Goldstrike property conform to industry accepted quality control methods.

Royalties and Taxes

Most of the property comprising the open pit mine is subject to net smelter return and net profits interest royalties payable on the valuable minerals produced from the property.

The maximum third party royalties payable on the Betze deposit are a 5% net smelter return and a 6% net profits interest. The maximum royalties payable on the Meikle deposit are a 4% net smelter return and a 5% net profits interest.

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.

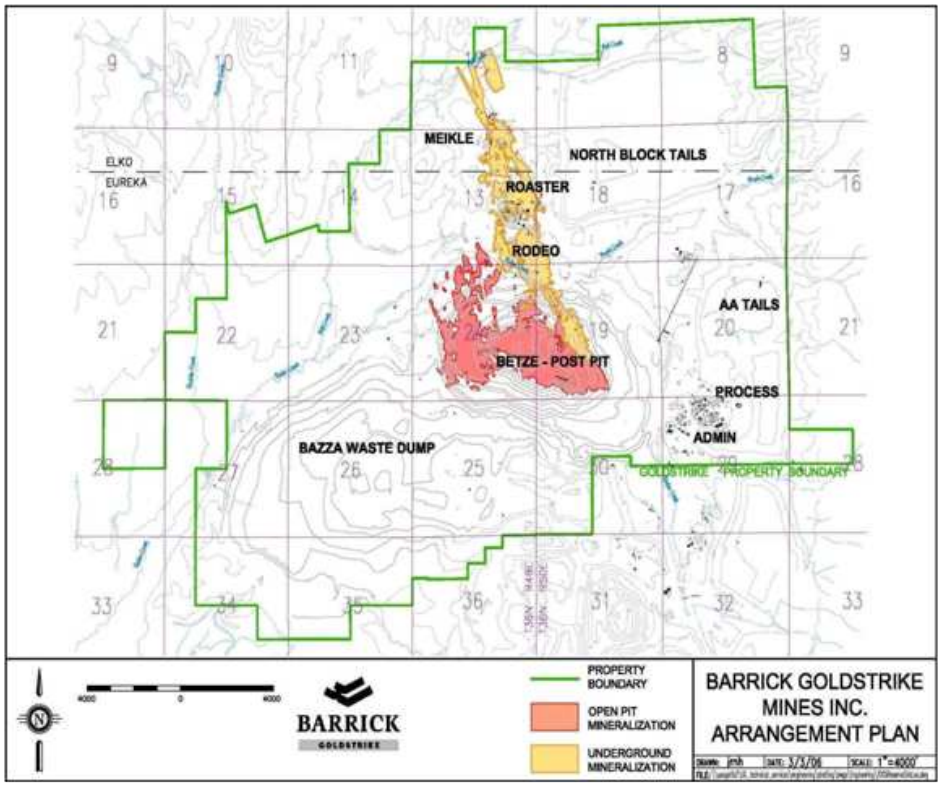
Production Information

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

| | Year ended December 31, 2012 | Year ended December 31, 2011 |
|---|---|---|
| Tons mined (000's) | 110,361 | 118,523 |
| Tons of ore processed (000's) | 8,253 | 7,798 |
| Average grade processed (ounces per ton) | 0.172 | 0.166 |
| Recovery rate (%) | 82.8% | 84.1% |
| Ounces of gold produced (000's) | 1,174 | 1,088 |
| Average total cash costs per ounce [1] | $ 541 | $ 511 |

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

The map on the following page shows the design and layout of the Goldstrike property.


MEIKLE
NORTH BLOCK TAILS
ROASTER
RODEO
AA TAILS
BETZE - POST PIT
PROCESS
ADMIN
BAZZA WASTE DUMP
ELKO
EUREKA
GOLDSTRIKE PROPERTY BOUNDARY
BARRICK
GOLDSTRIKE
PROPERTY BOUNDARY
OPEN PIT MINERALIZATION
UNDERGROUND MINERALIZATION
BARRICK GOLDSTRIKE MINES INC.
ARRANGEMENT PLAN

**Cortez Property**

General Information

The Cortez property is located 100 kilometers southwest of Elko, Nevada in Lander County. Current mining operations include the Pipeline Complex and the Cortez Hills complex, located 18 kilometers southwest and 26 kilometers south of the town of Crescent Valley Nevada, respectively. Cortez is accessed via Nevada State Highway 306, which extends southward from U.S. Interstate 80, both of which are paved roads. The climate is fairly arid and has little impact on the mine's operations. The elevation at the Pipeline site is 1,600 meters and about 1,850 meters at the Cortez Hills site. Vegetation is dominated by grass and shrubs. Cortez employs approximately 1,200 employees and 350 contractors.

In 1964, a joint venture was formed to explore the Cortez area. In 1969, the original Cortez mine went into production. From 1969 to 1997, gold ore was sourced from open pits at Cortez, Gold Acres, Horse Canyon and Crescent. In 1991, the Pipeline and South Pipeline deposits were discovered, with development approval received in 1996. In 1998, the Cortez Pediment was discovered with the Cortez Hills discovery announced in April 2003. The Cortez Hills development was approved by Placer Dome and Kennecott, then joint venturers, in September 2005 and confirmed by Barrick in 2006. The Cortez property encompasses an area of interest of about 100,561 hectares. The property rights controlled by Cortez, either from outright ownership or by lease, consist of 78,890 hectares of unpatented mining claims held subject to the paramount title of the United States of America and 21,671 hectares of patented mining claims and fee mineral and surface land, owned or controlled through various patents issued by the United States of America. All mining claims are renewed on an annual basis and all necessary fees are paid prior to August 31 of each year. All mining leases and subleases are reviewed on a monthly basis and all payments and commitments are paid as required by the specific agreements. Sufficient surface rights have been obtained for current operations at the property.

Geology

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

The Pipeline Complex, Gold Acres, Cortez Hills Complex and Horse Canyon areas are the key projects that are part of the Cortez property. Principal lithologic units identified within the Pipeline Complex and the Cortez Hills Complex deposit areas include early-Silurian to late-Devonian-aged carbonate rocks. The Silurian Roberts Mountains Formation is characterized by thin-bedded, planar-laminated, dark gray to black carbonate-dominated sediments and turbidites. The Devonian package is comprised of Wenban Limestone, characterized by thin- to thick-bedded planar to wispy laminated gray to black carbonate sediments, turbidites and debris flow, and the Horse Canyon Formation is characterized by thin, rhythmically bedded, planar-laminated gray calcareous siltstone, mudstone, and chert.

Stage 9 of the Pipeline deposit is hosted by the middle to lower portions of the Devonian Wenban Limestone and the upper portion of the Silurian Roberts Mountains Formation. The Cortez Hills deposit has a strike length of more than 500 meters, and is approximately 200 meters wide. The mineralized zone starts approximately 120 meters below surface and continues up to 600 meters below surface. Exploration to fully delineate the extent of the deposit is ongoing. Exploration was also done in 2012 to delineates the Goldrush resource discovered in 2011 (see "Exploration and Evaluations – Goldrush and Cortez District").

Mining and Processing

Deposits within the Pipeline Complex are being mined by conventional open pit methods. The first nine stages of mining occurred in the Pipeline complex over a period of 14 years (1996 – 2009). Mining at the Cortez Hills Complex is scheduled through 2017 at the open pit and 2025 at the underground. Open pit mining at the Pipeline Complex, which will resume in 2013, will continue through 2021. Conventional open pit methods will be employed for all phases of the Cortez Hills and Pipeline deposits with underhand cut and fill being the method for the underground operation. Mining production rates (open pit and underground combined) for all mining activity at Cortez will average about 125 million tonnes per year.

Three different metallurgical processes are employed for the recovery of gold; run-of-mine heap leach, conventional mill (CIL) and refractory roaster and/or autoclave. The process used for a particular ore is determined based on the grade and metallurgical character of that ore. Lower grade run-of-mine oxide ore is heap leached on existing facilities, while higher-grade non-refractory ore is treated in a conventional mill (nominal 11,340 tonnes per day) using cyanidation and a CIL process. Refractory ore is stockpiled on site in designated areas and trucked to Goldstrike for processing.

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

All material permits and rights to conduct operations at the Pipeline Complex and Cortez Hills Complex have been obtained and are in good standing.

In 2012, Cortez produced 1,370 thousand ounces of gold at total cash costs of $282 per ounce sold compared to 1,421 thousand ounces of gold in 2011 at total cash costs of $245 per ounce. Based on existing reserves and production capacity, the expected remaining mine life is approximately 13 years for underground mining, 9 years for open pit mining and 13 years for processing operations. The reduction in the expected remaining life of processing operations to 13 years (2012: 14 years) is largely a result of the extension of the operating life of the Goldstrike autoclaves, resulting in increased trucking of ore to Barrick's Goldstrike property for processing and earlier production of those ounces. Higher trucking assumptions and higher mill throughput assumptions for future periods also contributed to the decrease in the remaining life of processing operations at Cortez.

Environment

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

Cortez's operating facilities have been designed to mitigate environmental impacts. The operations have processes, procedures or facilities in place to manage substances that have the potential to be harmful to the environment. Cortez's heap leaching process, for example, operates entirely as a closed circuit with no discharge 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 2012, all activities at Cortez were, and have continued 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 and are ISO 14001 certified.

At December 31, 2012, the recorded amount of estimated future reclamation and closure costs that were recorded under IFRS as defined by IAS 37, and that have been updated each reporting period was approximately $102.2 million (as described in Note 25 to the Consolidated Financial Statements). In connection with the reclamation of the mine area, Barrick has provided the financial security as required by governmental authorities. See "Environment and Closure."

Exploration, Drilling and Analysis

In 2012, approximately 195,000 meters in 400 exploration holes were drilled at Cortez, including Cortez Hills and Goldrush. Spacing ranged from nominal 100 meters for earlier stage projects to 30 meter spacing for reserve delineation programs. Drilling in the Cortez Hills area is conducted as underground platforms are developed. Mineralization remains open at depth to the south and west.

A total of 12,200 meters of drilling is planned for the Cortez Hills area in 2013 to define the ultimate limits of the mineral system as well as to move areas of the known resource to measured and indicated resources.

Approximately 14,000 drill holes have been drilled at the Cortez property; however, the existing database does not include all historic drilling or competitor drill holes. Mud-rotary drills have been used to drill relatively thick sections of alluvium over the Crossroads deposit or in areas being condemned for waste dump and processing facilities. Core tools were used to complete the bedrock sections of these holes. Reverse circulation drilling is currently used during the initial phases of exploration and reverse circulation holes encountering mineralization are redrilled with core holes to produce sampling in mineralization that is the highest quality. Core drilling is typically undertaken as development drilling.

Collar surveys have been determined by optical surveys (1960s through late 1980s), field estimates, Brunton compass and pacing, compass-and-string distance, and most recently the use of laser survey or global positioning system (GPS) measurements. Down-hole surveying began with the first reverse circulation hole drilled on the Pipeline deposit in 1991. Significant deviations were shown; therefore, down-hole surveying was routinely undertaken from that time on. Significant work was carried out to determine the accuracy of the instruments of each drill or survey contractor.

Drill holes typically have a vertical orientation. Angle core holes were drilled at Cortez Hills to confirm the orientation of relatively high-grade gold-mineralized zones and to obtain geotechnical information for the planned Cortez Hills pit. Several angle core holes were drilled at NW Deep, Pipeline and South Pipeline to provide geotechnical data and further delineate areas of mineralization. Assay data used for modeling and mineral resource estimation are predominantly from core drill samples and the remainder from reverse circulation drill samples. The Pipeline Complex is drilled on 43 meter centres and the Cortez Hills Complex on 30 meter centres.

Underground ore is delineated by nominal 15 meter spaced core holes with additional in-fill reverse circulation drilling as required to define ore boundaries. Industry standard best practice is applicable for logging and sampling. Both reverse circulation and core drilling is used to delineate mineralization. The main mineralized bodies of the deposit are drilled almost exclusively with core holes. Geologic models are developed based on the drill hole database.

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

The quality assurance procedures, data verification and assay protocols used in connection with drilling and sampling on the Cortez property conform to industry accepted quality control methods.

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

Royalties and Taxes

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

All other production by Cortez, including Cortez Hills, is subject to a 1.5% gross smelter return royalty payable to the former shareholders of Idaho Mining Corporation.

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

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.

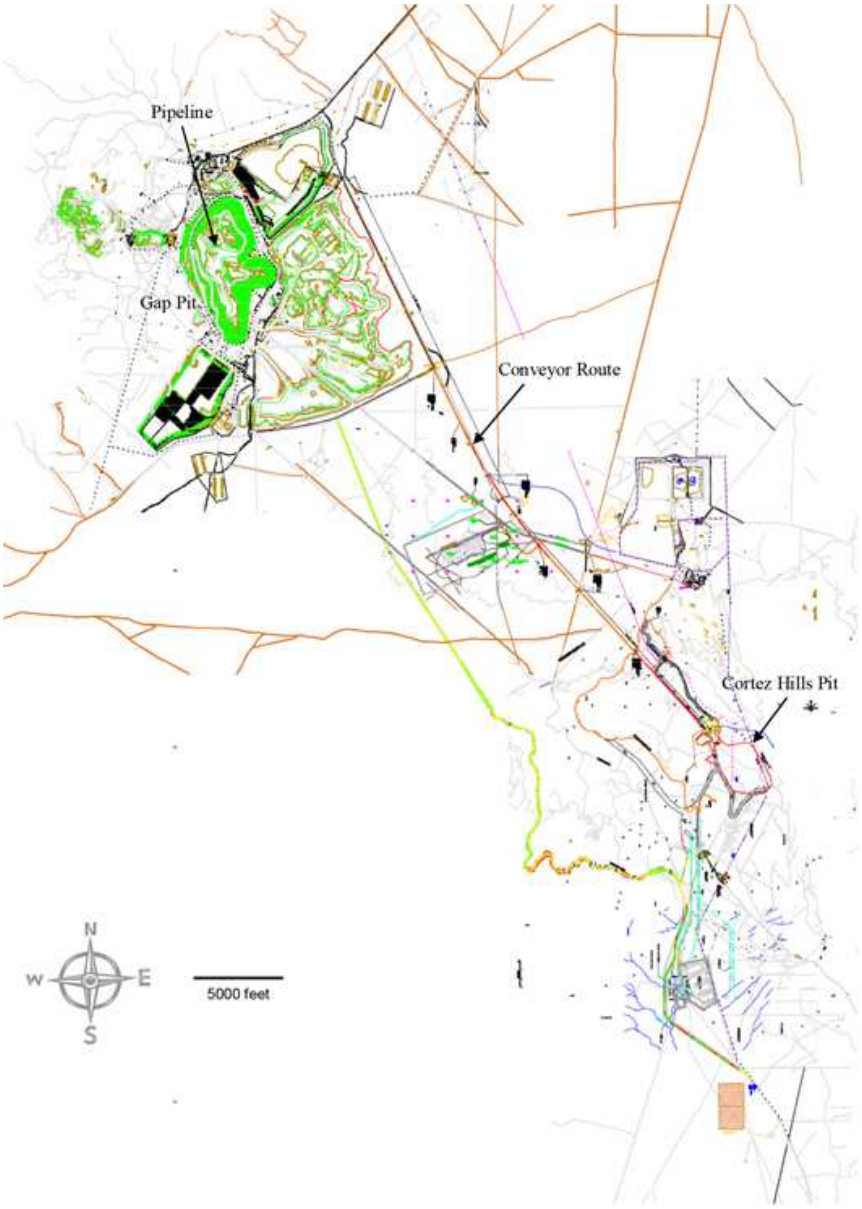
Production Information

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

| | Year ended December 31, 2012 | Year ended December 31, 2011 |
|---|---|---|
| Tons mined (000’s) | 120,203 | 119,021 |
| Tons of ore processed (000’s) | 9,870 | 11,502 |
| Average grade processed (ounces per ton) | 0.150 | 0.136 |
| Ounces of gold produced (000’s) | 1,370 | 1,421 |
| Average total cash costs per ounce [1] | $ 282 | $ 245 |

(1) For an explanation of total cash costs per ounce, refer to “Non-GAAP Financial Measures.”

The diagram below shows the design and layout of the Cortez mine.



**Pueblo Viejo Mine**

The Pueblo Viejo mine is an open pit mining operation located in the central part of the Dominican Republic on the Caribbean island of Hispaniola in the province of Sanchez Ramirez. The mine is 15 kilometres west of the provincial capital of Cotui and approximately 100 kilometres northwest of the national capital of Santo Domingo. Pueblo Viejo employs approximately 2,100 employees and 600 contractors.

The Pueblo Viejo mine site has been a non-operating gold mine since June 1999. Early mining activity at the site dates back to the 1500s. Subsequent to that early mining activity, Rosario Dominicana S.A. commenced mining operations on the property in 1975. In 1979, the Central Bank of the Dominican Republic purchased all foreign-held shares in the mine. Gold and silver production from oxide, transitional, and sulphide ores occurred from 1975 to 1999. The mine ceased operations in 1999. In 2000, the Dominican Republic invited international bids for the leasing and mineral exploitation of the Pueblo Viejo mine site. On July 2, 2001, Pueblo Viejo Dominicana Corporation ("PVDC") (then known as Placer Dome Dominicana Corporation), an affiliate of Placer Dome, was awarded the bid. PVDC and the Dominican Republic subsequently negotiated a special lease agreement (the "SLA") for the Montenegro Fiscal Reserve in which the mine is situated. The SLA was subsequently ratified by the Dominican National Congress and became effective on July 29, 2003. In February 2006, Barrick acquired Placer Dome and in May 2006 amalgamated the companies. At the same time, Barrick sold a 40% stake in the Pueblo Viejo project to Goldcorp. On February 26, 2008, PVDC delivered the Project Notice to the Government of the Dominican Republic pursuant to the SLA and delivered the Pueblo Viejo Feasibility Study to the Government. In 2009, the Dominican Republic and PVDC agreed to amend the terms of the SLA. The amendment became effective on November 13, 2009 following its ratification by the Dominican National Congress.

The Pueblo Viejo mine is situated on the Montenegro Fiscal Reserve, an area specially designated by Presidential Decree for the leasing of minerals and mine development, which covers an area of 4,880 hectares at the head of the Arroyo Margajita Valley in the eastern portion of the Cordillera Centra. Local topography at the site ranges from 565 meters at Loma Cuaba to approximately 65 meters at the Hatillo Reservoir. The site is characterized by rugged and hilly terrain covered with subtropical wet forest and scrub cover. Forest capacity is limited by slope, topography, and soil movement. The region has a tropical climate with little fluctuation in seasonal temperatures. The heaviest rainfall occurs between May and October. Access to the Pueblo Viejo mine from Santo Domingo is by a four lane, paved highway (Autopista Duarte) that is the main route between Santo Domingo and the second largest city, Santiago. Autopista Duarte connects to secondary Highway #17 at the town of Piedra Blanca, approximately 80 kilometres from Santo Domingo. This secondary highway is a two lane, paved highway that passes through the towns of Piedra Blanca and Maimón on the way to Cotui. Highway 17 passes immediately in front of the main gate to the mine.

The SLA between the Dominican State and PVDC governs the development and operation of the Pueblo Viejo mine. The SLA provides PVDC with the right to operate the Pueblo Viejo mine for a 25 year period commencing from the date on which PVDC delivered the Project Notice under the SLA. PVDC has the right to automatically renew the term of the lease for an additional 25 years at its sole option (50 years in total). The agreement provides for another 25 year extension with mutual agreement between both parties (75 years in total). The material permits necessary to provide sufficient surface rights have been obtained for current operations at the property.

Geology

The Pueblo Viejo precious and base metal deposit consists of high sulphidation or acid sulphate epithermal gold, silver, copper, and zinc mineralization that was formed during the Cretaceous Age island arc volcanism. The two main areas of alteration and mineralization are the Monte Negro and Moore deposits.

Pueblo Viejo is situated in the Los Ranchos Formation, a series of volcanic and volcaniclastic rocks that extend across the eastern half of the Dominican Republic, generally striking northwest and dipping southwest. The Pueblo Viejo Member of the Los Ranchos is a restricted sedimentary basin approximately 3 kilometers north-south by 2 kilometers east-west. The basin is filled with lacustrine deposits that range from coarse conglomerate deposited at the edge of the basin, to thinly bedded, carbonaceous sandstone, siltstone, and mudstone deposited further from the paleo-shoreline. To the south, the Pueblo Viejo Member is unconformably overlain by the Hatillo Limestone Formation by means of a low angle, southwest dipping thrust fault.

The Moore deposit is located at the eastern margin of the Pueblo Viejo member sedimentary basin. Stratigraphy consists of finely bedded carbonaceous siltstone and mudstone (PV sediments) overlying horizons of spilite (basaltic-andesite flows), volcanic sandstone, and fragmental volcaniclastics. The Monte Negro deposit is located at the northwestern margin of the sedimentary basin. Stratigraphy consists of interbedded carbonaceous sediments ranging from siltstone to conglomerate that are interlayered with volcaniclastic flows. Metallic mineralization in the deposit areas is primarily pyrite with lesser amounts of sphalerite and enargite. Pyrite mineralization occurs as disseminations, layers, replacements, and veins. Sphalerite and enargite mineralization is primarily in veins, but disseminated sphalerite has been noted in core.

Studies have determined that there were two stages of advanced argillic alteration, both associated with precious metal mineralization. A third stage of mineralization occurred when hydro-fracturing of the silica cap produced pyrite-sphalerite-enargite (Stage III) veins with silicified haloes. Individual Stage III veins have a mean width of 4 centimetres and are typically less than 10 centimetres wide. Stage III veins contain the highest precious and base metal values and are more widely distributed in the upper portions of the deposits. The most common vein minerals are pyrite, sphalerite, and quartz with lesser amounts of enargite, barite, and pyrophyllite.

Gold is intimately associated with pyrite veins, disseminations, replacements, and layers within the zones of advanced argillic alteration. Gold values generally are the highest in zones of silicification or strong quartzpyrophyllite alteration. These gold-bearing alteration zones are widely distributed in the upper parts of the deposits and tend to funnel into narrow feeder zones. Stage III sulphide veins also have higher gold values than replacement style mineralization. The most common form of gold is sub-microscopic gold within pyrite, where it is present as both solid solution within the crystal structure of the pyrite and as colloidal-size microinclusions (<0.5 microns). The proportions of the different forms and carriers of gold vary significantly throughout the Moore and Monte Negro deposits. Generally, the majority of gold is found as sub-microscopic gold in microcrystalline, disseminated, or porous pyrite. Of all the elements, assays for silver consistently have the strongest correlation with gold. Silver has a strong association with Stage III sulphide veins where it occurs as the minerals silver, Sb-sulphides (pyrargyrite), silver-tellurides (hessite), gold and silver-tellurides (sylvanite, petzite), and silver-bearing tetrahedrite. The majority of the zinc occurs as sphalerite; primarily in Stage III sulphide veins and secondarily as disseminations. The majority of copper occurs as enargite hosted in Stage III sulphide veins. Only trace amounts of chalcocite and chalcopyrite have been recorded. The mineralization extends for 2,800 meters north-south and 2,500 meters east-west and extends from the surface to 650 meters in depth.

Many rock types based on both lithological and structural domain boundaries were used in the geological block model. However, rock types were divided into five different categories based on metallurgical properties.

Mining and Processing

The Pueblo Viejo mine achieved commercial production in January 2013 and the mine is expected to ramp up to full capacity in the second half of 2013. In 2012, pre-commercial production from the Pueblo Viejo mine was 67,000 ounces (Barrick's 60% share), while plant commissioning advanced. For 2013, Barrick's share of production from Pueblo Viejo is anticipated to be 500,000 to 650,000 ounces at all-in sustaining cash costs of $525 to $575 per ounce and total cash costs of $375 to $425 per ounce. Actual results will vary depending on the how the ramp-up progresses. Barrick's share of average annual gold production in the first full five years of operation is anticipated to be 625,000 to 675,000 ounces at all-in sustaining cash costs of $500 to $600 per ounce and total cash costs of $300 to $350 per ounce. The foregoing estimates are based on the first full five year average and gold and oil price assumptions of $1,700 per ounce and $90 per barrel, respectively, without escalation for future inflation. Including depreciation of mine construction capital, costs are expected to be $650 to $750 per ounce based on the first full five year average and including mine construction capital of $3.7 billion.

The Pueblo Viejo deposits are located in two major areas, the Monte Negro pit and the Moore pit. Gold and silver will be recovered through pressure oxidation of the whole ore followed by cyanidation of gold and silver in a CIL circuit.

The autoclave circuit has been designed to oxidize initially an average of 1,600 tonnes per day of sulphur. As a result of the varying sulphur content of the mill feed, the processing rate will range from 18,000 tonnes per day (high sulphur) to 24,000 tonnes per day (low sulphur). The rest of the process plant is designed to handle the maximum process throughput. Modifications to one of the four autoclaves were carried out in December 2012 to implement design improvements and allow for higher throughputs, and are expected to be completed on the remaining three autoclaves in the first half of 2013. The first stage pit is located in the existing Monte Negro pit, which is fully operational with all access ramps in place.

Based on existing reserves and production capacity, the expected mine life is approximately 17 years (2013 – 2029) for mining and 34 years (2013 – 2046) for processing operations.

The tailings storage area is located in the El Llagal valley located approximately 4 kilometers south of the plant site. The starter tailings dam is constructed and in operation. The ultimate storage requirements of the tailings impoundment facility will continue to grow as additional resources are identified. The tailings storage area will contain all of the tailings, waste rock and HDS precipitate to be generated over the life of the Pueblo Viejo mine, and runoff water from the design flood event. With the increased resource base, additional tailings impoundment capacity will be identified and studied in 2013. In addition to solids storage, each cell in the tailings facility is sized to provide storage for an operating pond and for extreme precipitation events. The mine is situated in a seismically active area. The design of the dams at site was based on the maximum credible earthquake.

The Hatillo and Hondo Reservoirs supply fresh water for the process plant. Reclaimed water from the El Llagal tailings containment pond is used as a supplementary water supply.

Operational power requirements will vary but generally be less than 170 MW at a process rate of 18,000 tonnes per day to 200 MW at 24,000 tonnes per day. Power during commissioning and initial periods of operation has been sourced, in part, from the national grid under a power purchase agreement with Empresa Genedora de Electricidad Haina S.A., a major Dominican generating company ("Haina")

and in part from temporary generators already set up on site, capable of approximately 40 MW of output. To support the deliveries of power by Haina, PVDC will sell the output of the PVDC owned Monte Rio power plant, with a name plate capacity of approximately 100 MW, to Haina. During mine operation, emergency power will be provided by diesel generators that support critical loads.

Construction of a 215 MW Wartsila combined cycle reciprocating engine power plant together with transmission infrastructure is in progress. The power plant is located near the port city of San Pedro de Macoris on the south coast and will provide the long-term power supply for the Pueblo Viejo mine. The plant will be dual fuel and initially will be operated on heavy fuel oil ("HFO") with the capability to convert to liquefied natural gas ("LNG") in the future if a supply becomes feasible. The HFO will be delivered at an existing HFO off-loading facility in the harbor at San Pedro and delivered to the plant by a 7 km fuel pipeline. The plant will be connected to the site by an approximately 100 km long transmission line. The plant will be phased into service in 2013 with full operation in combined cycle expected by mid 2013.

Environment

In September 2005, PVDC completed a Feasibility Study on the Pueblo Viejo mine. An Environmental Impact Assessment ("EIA") for the mine was completed in late 2005 and presented to the Dominican State in November 2005. Approval of the EIA was received in December 2006 from the Ministry of Environment. An Expansion Environmental Report was filed in 2008 and approved in December 2010. An Environmental and Social Impact Analysis for the power plant and associated fuel supply and transmission line was submitted to Dominican Republic government on January 3, 2012 and was approved on March 27, 2012. The government approved preliminary earth works and site preparation on December 26, 2011. In 2012, all activities at Pueblo Viejo were, and have continued to be, in compliance in all material respects with applicable corporate standards and environmental regulations.

The Pueblo Viejo mine is designed to mitigate potential environmental impacts. 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 Pueblo Viejo mine site is affected by a number of significant legacy environmental issues resulting from the conduct of operations at site prior to Barrick's involvement in the mine. Under the terms of the SLA, the Dominican State is obligated, at its sole cost and expense, to remediate and rehabilitate, or otherwise mitigate all historic environmental matters. PVDC has agreed to cover the capital costs related to such remediation up to $75 million. Subject to the verification of certain conditions, PVDC has agreed to act as an agent of the Dominican State to remediate the historical environmental liabilities that correspond to such State. However, upon PVDC giving the Dominican State a Project Notice, which was issued by PVDC in 2008, PVDC assumed the responsibilities for all historic environmental matters within the boundaries of the "Development Areas", except for hazardous substances at the Rosario's plant site which shall remain responsibility of the Dominican State. In addition, the Dominican State is required under the SLA, in compliance with the applicable Environmental and Social Guidelines and Policies, and at its sole cost and expense, to relocate and pay all indemnification and other compensation due to certain persons with valid claims to land within the Montenegro Fiscal Reserve. Under the SLA, PVDC and the Dominican State, respectively, have up until November 2014 to come into compliance with the historic environmental mitigation and remediation matters for which they are responsible under that agreement.

At December 31, 2012, the recorded amount of estimated future reclamation and closure costs that were recorded under IFRS as defined by IAS 37, and that have been updated each reporting period was $113.8 million (as described in Note 25 to the Consolidated Financial Statements). See "Environment and Closure."

Exploration, Drilling and Analysis

As of December 31, 2012, the drill hole database used to support the development of mineral resources for the Pueblo Viejo property contains 2,039 drill holes, comprised of 774 diamond drill core holes, 64 reverse circulation, 331 percussion holes and 870 rotary samples. Samples totaling 161,793 meters from diamond drill holes, 53,812 meters from rotary drill holes, 8,518 meters from percussion holes, and 10,002 meters from reverse circulation have been collected. In addition 3,696 closed spaced reverse circulation grade control drill holes, totaling 126,232 meters were used to estimate the gold, copper and silver resources. The drill hole spacing is variable, ranging from 50 to 70 meters.

Pueblo Viejo samples were analyzed for gold, silver and copper by independent laboratories in Santiago, Chile and Peru. The quality assurance procedures and assay protocols followed by Barrick in connection with drilling and sampling on the Pueblo Viejo 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. All of these reviews concluded that Pueblo Viejo's quality assurance, data verification and quality control procedures meet or exceed industry standards. Additionally, the data base was checked against the original data before use in the reserve model.

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

Royalties and Taxes

Under the SLA, PVDC is obligated to make the following payments to the Dominican Republic: certain fixed payments due upon achieving certain milestones; a Net Smelter Return Royalty of 3.2%; a Net Profits Interest of 28.75%; a 25% tax on income, and a withholding tax on interest paid on loans and on payments abroad. In addition, an Environmental Reserve Fund to be held in an offshore escrow account is to be funded during operations until the escrowed funds are adequate to discharge PVDC's closure reclamation obligations.

On February 27, 2013, President Medina of the Dominican Republic, in his first Independence Day speech to the National Assembly, announced that the government would submit to Congress a bill that would establish a tax on "unforeseen income" of mineral-exporting companies unless PVDC would promptly agree to the government's demands to increase the benefits to the government under the SLA. In recent months, certain members of the Dominican Congress, including the President of the House of Deputies, had expressed a desire to accelerate and increase the benefits that the Dominican Republic will derive from the mine. The Company, while fully reserving its rights under the SLA, which cannot be unilaterally altered, has engaged in dialogue with representatives of the government in an effort to achieve a mutually acceptable outcome. This could potentially involve a renegotiation of the SLA and/or the imposition of other measures, for instance to provide for prepayment of taxes in the earlier years of the mine life, and could have a significant negative effect on project economics and, in particular, the distribution of profits and cash flows of the mine. To date the parties have been unable to reach agreement. The government has threatened to take unilateral action, such as introducing the "unforeseen income" tax announced by the President or blocking the export of minerals. Such actions would constitute a violation of the SLA, which provides for international arbitration of disputes under the Arbitration Rules of the International Chamber of Commerce. Any such actions taken by the government in an effort to extract greater revenues would negatively affect the profitability and cash flow of the mine. The potential operational impacts of any such action are difficult to predict at this time. Depending on the nature and extent of any unilateral actions that the government may take, the Company could, among other things, decide to curtail, or suspend production at the mine, or to pay the tax under protest, while pursuing its rights under international arbitration.

On March 13, 2013, customs authorities in the Dominican Republic prevented PVDC from exporting a shipment of gold and silver from the Pueblo Viejo mine. The shipment was subsequently released and shipped out of the Dominican Republic on March 18, 2013. To date, subsequent shipments have been successfully completed without significant delay. See "Legal Matters – Government Controls and Regulations."

Financing

During 2010, PVDC secured a variable rate $1.035 billion loan facility for the Pueblo Viejo mine. Barrick and Goldcorp have each provided a guarantee for the loan, in proportion to their ownership interests in the project, until the mine has achieved specified operational and technical requirements, after which the loan will become non-recourse. This facility is insured for political risks by Export Development Corporation of Canada. Substantially all the assets of PVDC, including the Pueblo Viejo mine property and related assets, have been pledged as security under the loan. The effective interest cost for 2012 was 4.06%. As of December 31, 2012, PVDC had drawn $940 million (100% basis) of the facility.

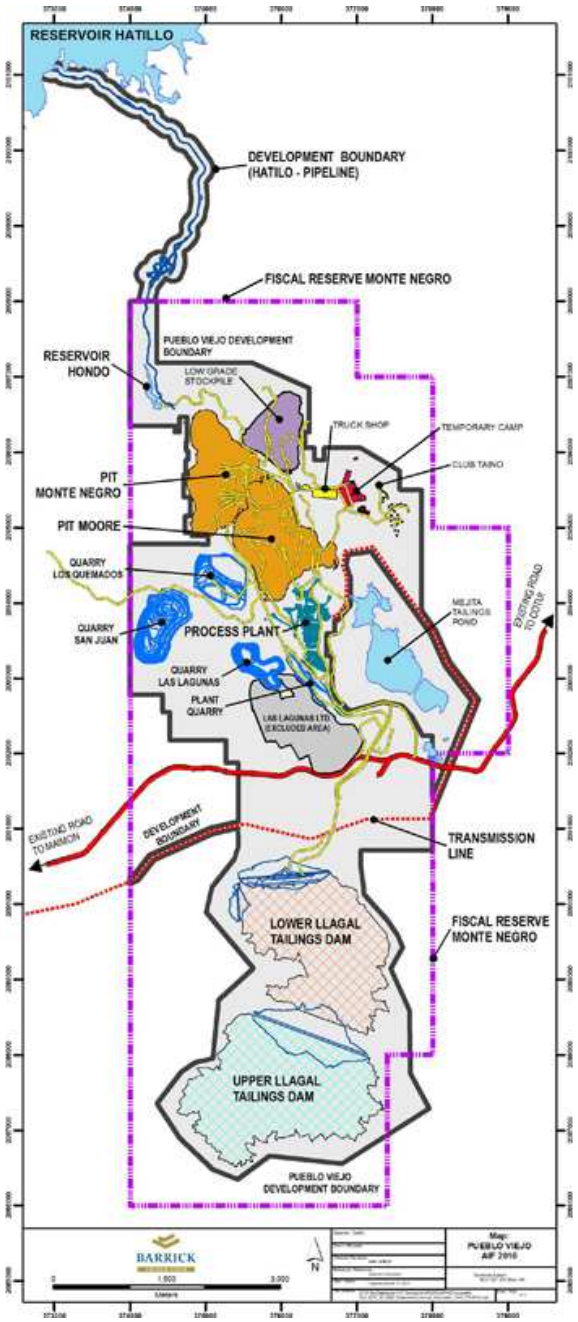
Production Information

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

| | Year ended December 31, 2012 (1) |
|---|---|
| Tons mined (000's) | 10,638 |
| Tons of ore processed (000's) | 490 |
| Average grade processed (ounces per ton) | 0.147 |
| Ounces of gold produced (000's) | 67 |

(1) Barrick's proportional share prior to commercial production.

The diagram on the following page sets out the design and layout of the Pueblo Viejo mine.


RESERVOIR HATILLO
DEVELOPMENT BOUNDARY
(HATILO - PIPELINE)
FISCAL RESERVE MONTE NEGRO
PUEBLO VIEJO DEVELOPMENT
BOUNDARY
RESERVOIR
HONDO
LOW GRADE
STOCKPILE
TRUCK SHOP
TEMPORARY CAMP
CLUB TAINO
PIT
MONTE NEGRO
PIT MOORE
QUARRY
LOS QUEMADOS
QUARRY
SAN JUAN
PROCESS PLANT
MEJITA
TAILINGS
POND
EXISTING ROAD
TO COTUI
QUARRY
LAS LAGUNAS
PLANT
QUARRY
LAS LAGUNAS LTD
(EXCLUDED AREA)
EXISTING ROAD
TO MANION
DEVELOPMENT
BOUNDARY
TRANSMISSION
LINE
LOWER LLAGAL
TAILINGS DAM
FISCAL RESERVE
MONTE NEGRO
UPPER LLAGAL
TAILINGS DAM
PUEBLO VIEJO
DEVELOPMENT BOUNDARY
BARRICK
N
Map:
PUEBLO VIEJO
AIF 2016

**Lagunas Norte Mine**

General Information

The Lagunas Norte mine is an open pit, heap leaching operation. The mine is located in the Alto Chicama mining district and is 140 kilometers east of the coastal city of Trujillo, Peru, and 175 kilometers north of Barrick's Pierina mine. The property is located on the western flank of the Peruvian Andes and is at an elevation of 4,000 to 4,260 meters above sea level. The area is considered to have a mountain climate. Generally, the climate of the area does not impact on the mine's operations. Vegetation consists of small shrubs and grasses. The property is accessible year round by road from both Trujillo and Huamachuco, Peru. The mine has approximately 720 employees and 2,890 contractors.

The Alto Chicama region has been actively mined for coal since the 19th century, principally for domestic consumption. In 1990, Minero Peru S.A., 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.

In 2002, Barrick acquired the three primary mining concessions, named "Derechos Especiales del Estado No. 1, 2 and 3", respectively, from Centromin pursuant to an international bid process. In 2004, these three concessions were consolidated into a single mining concession called "Acumulación Alto Chicama" with an extension of 18,002 hectares, within which the existing open pit and process plant are located. Three additional mining concessions named "Los Angeles", "Lagunas 15" and "Lagunas 16" were subsequently acquired directly by Barrick. The Alto Chicama mining property encompasses the above mentioned four mining concessions totaling 19,774 hectares. The mining rights have an expiry date if production is not commenced within certain timeframes. Additionally, to keep the mining rights in good standing, rights holders are required to pay annual land fees (currently $3.00 per hectare) and additional penalty payments during any period the properties are not in production. Currently, production activities are being carried out on the Acumulación Alto Chicama. Sufficient surface rights have been obtained for current operations at the property.

Peruvian authority approval of both the mine's Environmental Impact Assessment ("EIA") 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 with respect to mine production start-up. Total capital construction cost for the mine was $323 million. All material permits and rights to conduct the operation of the Lagunas Norte mine have been obtained and are in good standing.

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 January 1, 2006.

In February 2010, Barrick filed an amendment to the EIA which proposed certain modifications to some of the mine facilities at the Lagunas Norte mine. This EIA amendment was duly approved by the environmental mining authority on August 6, 2010. Barrick is currently carrying out construction of a new leach pad (Phase 5), carbon-in-column (CIC) process plant and new operational ponds. Barrick expects to complete these construction activities in 2014.

Expansions of the open pit, waste dump and leach pad areas will be required to extend the mine life for two additional years. A new EIA is currently being prepared, which Barrick expects to submit to the authorities in 2014.

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 width and 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 94,000 tonnes per day. Ore is crushed and then transported via truck to the leach pad and run-of-mine ore is transported directly to the leach pad at an average rate of 63,000 tons per day. 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 coastal 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. Water for process use is taken from two small lagoons fed by rain-captured water pursuant to authorizations granted by the water authority. 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 extends until 2022.

In 2012, mining activity at the Lagunas Norte mine focused on Phase 5 (located at the east part of the orebody), Phase 6 (located at the west part of the orebody) which is a high grade area of the mine site and Phase 8 (located at the west side of the orebody). The 2013 mine plan includes mining activity in Phases 7 and 9 (phases with greater content of clean ore).

Environment

Lagunas Norte's operating facilities were designed to mitigate environmental impacts. The operations have processes, procedures or facilities in place to manage hazardous substances potentially harmful to the environment. Lagunas Norte's heap leaching process, for example, operates entirely as a closed circuit. In order to prevent and control spills and protect water quality, the site uses multiple levels of spill containment, infrastructure and procedures as well as field controls like daily inspections and water and air monitoring. The site also has many programs to reuse and conserve water in all its processes. In order to mitigate the impact generated by dust, the site uses several different dust suppression techniques.

In 2012, Lagunas Norte maintained the International Cyanide Code Management certification and its ISO 14001 certification.

An updated closure plan was presented to the Peruvian Ministry of Energy and Mines and approved on November 15, 2011. At December 31, 2012, the recorded amount of estimated future reclamation and closure costs that were recorded under IFRS as defined by IAS 37, and that have been updated each reporting period was $139.0 million (as described in Note 25 to the Consolidated Financial Statements). See "Environment and Closure."

Exploration, Drilling and Analysis

In 2012, approximately 7,400 meters in 41 holes were drilled. Spacing ranged from 50 to 100 meters. The objectives of the 2012 drilling program were to complete in-fill reverse circulation to confirm mineralization continuity and increase geological information as part of ongoing definition. As a result of budgetary constraints, no infill drilling is scheduled for execution in 2013.

As of December 31, 2012, a total of 1,572 holes and 240,835 meters have been drilled at Lagunas Norte with approximately 58,900 meters of reverse circulation and over 181,944 meters of diamond drill. The drilling program at Lagunas Norte has been completed at an average of approximately 50 meter centers. Drill hole collars have been surveyed, and down-hole Sperry Sun surveys conducted on the holes, with data collected approximately every 50 meters and down hole Maxibor II surveys and Gyrosmart surveys conducted on the holes of the 2008 and 2009 drilling campaigns respectively, with data collected approximately every 3 meters. Down hole Deviflex surveys and ReflexGyro surveys were conducted on the holes from the 2010 to 2012 drilling campaigns respectively, with data collected approximately every 3 meters. Core is placed in metal trays at the drill site and transported to the core facility. Geological logs of all core and rock chips 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 177,413 samples have been taken during these drill programs. The average sample length is 1.5 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. During 2012, the preparation and analysis of samples were performed in an external laboratory. Quality assurance, data verification and quality control procedures are reviewed by Barrick's Technical Services Department who have been responsible for the insertion of standards, duplicates and check assay controls which have been employed since early exploration at the Lagunas Norte mine site.

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

Royalties and Taxes

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 (including the foregoing royalty) with respect to the mine to Activos Mineros S.A.C, a State mining company ("Activos"). In 2012, $31 million was paid to Activos under the terms of this royalty.

Under the terms of the Legal Stability Agreement which includes tax stability, Barrick is required to pay national and municipal taxes in effect at December 29, 2004 and is subject to a 32% income tax rate instead of the 30% general rate.

On October 20, 2011, Barrick signed an agreement with the Peruvian Government under which it voluntarily committed to pay on a quarterly basis the Special Mining Contribution ("SMC") approved by Law No 29790 until the expiration of the Legal Stability Agreement. The SMC is assessed on a sliding scale ranging from 4% to 13.12% based on operating income margin. The agreement will remain in force until December 31, 2020. The SMC paid for 2012 was $44.8 million.

Financing

Minera Barrick Misquichilca S.A. (“MBM”), a wholly-owned subsidiary of Barrick, has established a number of capital lease programs with certain financial institutions to partially finance the construction of certain assets at Lagunas Norte. At December 31, 2012, the aggregate amount outstanding under these capital lease programs was $140 million. The average interest rate in 2012 for the aggregate capital leases was LIBOR plus 2.71%.

In November 2004, MBM filed an initial shelf prospectus relating to up to $150 million aggregate principal amount of bonds with CONASEV, the National Supervisory Commission of Companies and Securities in Peru. As of December 31, 2012, MBM had issued $100 million aggregate principal amount of bonds. MBM used all the proceeds from the bond issuance for mine development and general corporate purposes. The effective interest rate in 2012 for the first bond issuance of $50 million was LIBOR plus 1.7% and the effective interest rate in 2012 for the second bond issuance of $50 million was LIBOR plus 1.5%. MBM repaid the second bond issuance of $50 million in May 2012.

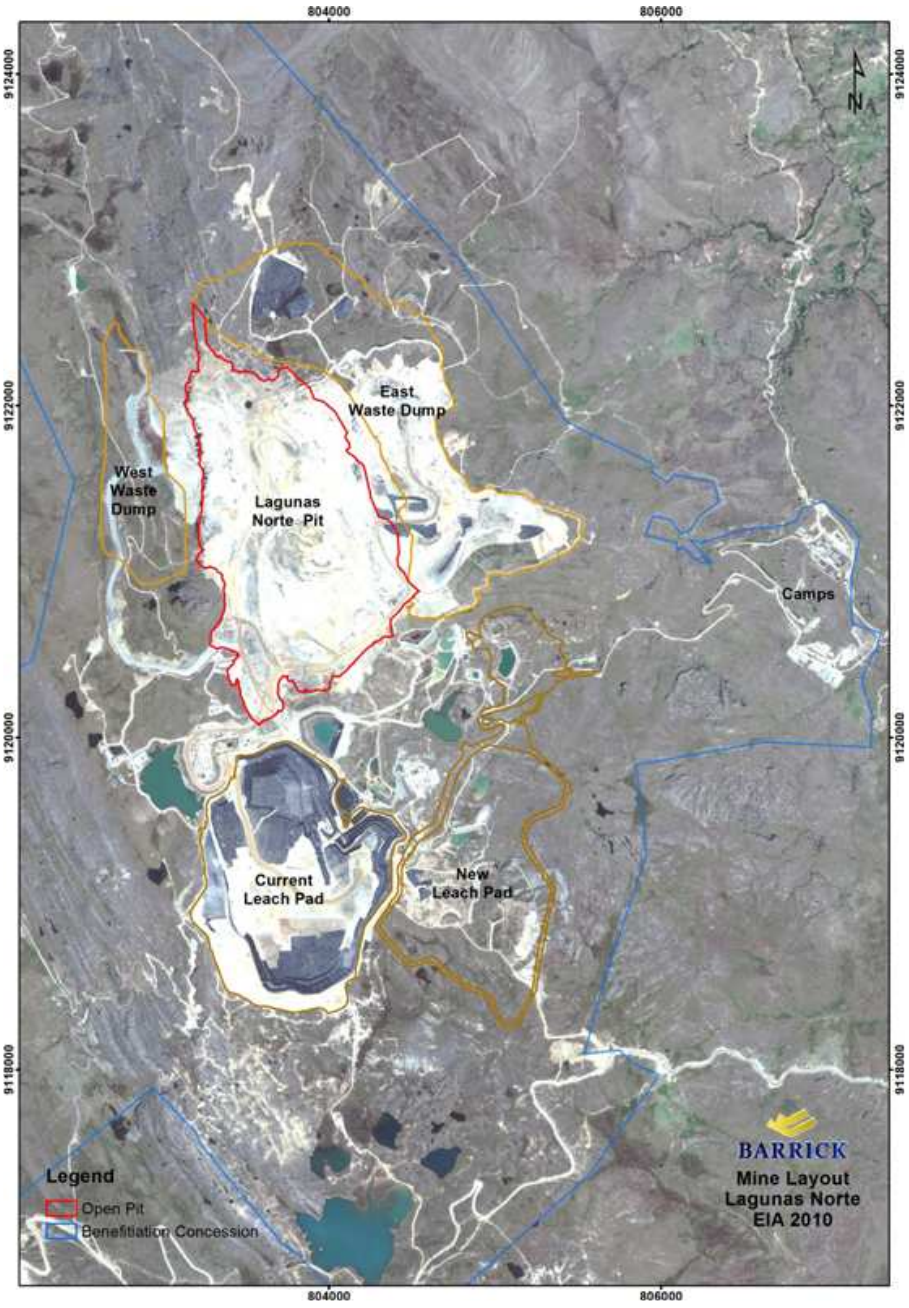
Production Information

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

| | Year ended December 31, 2012 | Year ended December 31, 2011 |
|---|---|---|
| Tons mined (000’s) | 34,421 | 30,898 |
| Tons of ore processed (000’s) | 22,634 | 21,334 |
| Average grade processed (ounces per ton) | 0.037 | 0.043 |
| Ounces of gold produced (000’s) | 754 | 763 |
| Average total cash costs per ounce [(1)] | $ 318 | $ 269 |

(1) For an explanation of total cash costs per ounce, refer to “Non-GAAP Financial Measures.”

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


804000
806000
9124000
9122000
9120000
9118000
N
East
Waste Dump
West
Waste
Dump
Lagunas
Norte Pit
Camps
Current
Leach Pad
New
Leach Pad
BARRICK
Mine Layout
Lagunas Norte
EIA 2010
Legend
Open Pit
Beneficiation Concession

**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 original open pits: the Filo Federico pit and the Amable pit. Waste stripping at a third open pit, called Argenta, commenced in 2010. The Argenta pit is located in the south east sector of the leach field in the mining operation. For processing, the new pit currently uses a mobile crushing system and a new waste dump nearby. The rest of the processing is carried out at the mine's current facilities. No additional water is required for the Argenta pit. Barrick implemented a comprehensive recruitment and training program for personnel required for the operation prioritizing the local labor market. The mine has approximately 1,260 employees and 2,555 contractors.

Following a competitive bidding process completed by the Provincial Mining Exploration and Exploitation Institute ("IPEEM") in 1994, AGC, a Canadian exploration company, was awarded exploration rights to Veladero. AGC then entered into a joint venture agreement with Lac Minerals Ltd. ("Lac Minerals"), which was acquired by Barrick a short time later. In 1995 AGC assigned its interest to its subsidiary in Argentina, Minera Argentina Gold S.A. ("MAGSA"), and from 1996 through 1998 the MAGSA/Barrick joint venture successfully explored Veladero. In early 1999, Homestake acquired AGC. The December 2001 merger of Homestake and Barrick resulted in Barrick gaining 100% indirect control of Veladero through MAGSA and Barrick Exploraciones Argentina S.A. ("BEASA").

Full construction of the Veladero mine commenced in the fourth quarter of 2003 and the first gold pour occurred in September 2005. The Veladero property is located entirely in San Juan Province, Argentina, immediately to the south of Barrick's Pascua-Lama project, approximately 360 kilometers by road northwest of the city of San Juan. The mine site is located at elevations of between 3,900 and 4,800 meters above sea level. 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, has been incorporated into the mine's operating plan. Access to the property is via a combination of public highways and an upgraded private gravel road.

From 2009, after the signature in July 2003 of Addendum N° 3 to the Exploitation Contract between IPEEM and MAGSA, now a subsidiary of Barrick in Argentina, the Veladero mine comprises the following mining properties: (i) the Veladero mining group, consisting of eight mining concessions owned by IPEEM and operated by MAGSA pursuant to applicable provincial law and the Exploitation Contract, and (ii) the Filo Norte mining group, consisting of five mining concessions owned by MAGSA, which are: a) Ursulina Sur; b) Florencia 1; c) Gaby M; d) Río 2 and e) Río 3. With the execution of Addendum N° 3, the Veladero mining properties cover an area of approximately 14,420 hectares.

Pursuant to the Argentina Mining Code, mining concessions do not have an expiry date, however, to keep them in good standing concession holders are required to pay certain annual fees and meet minimum capital investment requirements. As of December 31, 2012, the Veladero mine has complied with these requirements with respect to its current mining properties.

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

The Veladero mine received environmental impact study ("EIS") approval in November 2003 from the Mining Authority of the San Juan Province. This study has since been updated in each of 2005, 2007, 2009 and 2011. A new update will be carried out in 2013. Additional permits required for the mine's current operation, such as water concessions and hazardous substances handling, have been obtained, and some are in the process of being renewed. Barrick expects to obtain such renewals in due course. The fourth update of the EIS, which incorporates an expansion of the mineral leaching system of the mine, was submitted in September 2011 and is under evaluation by the Provincial authority. Other sectorial permits associated with the mine's expansion, such as expansion of leach pad areas and modification of the current outline of the diversion channels of the Protrerillos river, among others, have been granted by the relevant authorities.

Geology

The Veladero deposit is situated at the north end of the El Indio Gold Belt, a 120 kilometer by 25 kilometer north-trending corridor of Permian to late Miocene volcanic and intrusive rocks.

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 by 400 meter to 700 meter wide tabular blanket localized between the 4,000 and 4,350 meter elevations. The mineralized envelope encompassing greater than 0.4 grams per tonne gold is oriented along a 345°-trending regional structural corridor. Higher grade zones within this envelope occupy northeast-striking faults and fracture zones. Hydrothermal alteration is typical of high sulfidation gold deposits, with a silicified core grading outward into advanced argillic alteration, then into peripheral argillic and propylitic alteration haloes. Gold occurs as fine native grains, and is dominantly associated with silicification and with iron oxide or iron sulfate fracture coatings. Silver mineralization is distinct from gold, and occurs as a broader, more diffuse envelope, probably representing a separate mineralizing event. Copper and other base metals are insignificant, and sulphide mineralization is negligible. Principal controls on gold mineralization are structures, brecciation, alteration, host rocks, and elevation.

The Veladero deposit comprises four orebodies: Amable in the south; Cuatro Esquinas in the center; Filo Federico in the north and Argenta. Much of the Veladero deposit is covered by up to 170 meters of overburden.

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.

The Argenta orebody is located approximately 7 kilometers south east of the leach pad. The genesis of the geology for Argenta is similar to the other Veladero orebodies. The lithology comprises a series of breccias and tuffs with an intensive silicification process, which overprints the primary texture. Gold is associated to silver and vuggy silica hosts most of the mineralization.

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. Current crushing capacity at the Veladero mine (not including mobile crushing) is 84,483 tons per day. Veladero self generates electric power using a diesel power plant (permanently-installed diesel-generator sets) with a 9.5 megawatt capacity in Veladero I and 3.8 megawatt capacity in Veladero II; adding a further 6.8 megawatt capacity (PLS and Booster pumps project) in Veladero III, and a 2-megawatt wind-generation turbine. Based on existing reserves and production capacity, the expected mine life is approximately 14 years (2013-2026).

In April 2011, the Argentinean government implemented import controls on a greater number of goods. Delays associated with these import controls have the potential to affect certain aspects of Veladero's operations, such as maintenance and new construction that are dependent on imported goods. Barrick's activities were not impacted by these measures in 2012.

In October 2011, the Argentinean government issued Decree 1722, which requires crude oil, natural gas, and mining companies to repatriate and convert all foreign currency revenues resulting from export transactions into Argentine pesos. A bank transaction tax of 0.6% will apply to the subsequent conversion of pesos to foreign currencies in transactions that would otherwise have been executed using offshore funds.

Environment

In November 2005, Barrick submitted the first biannual update of the Veladero EIS to the San Juan mining authority. Biannual updates were approved in April 2007, March 2009 and October 2010. In September 2011, the fourth biannual update of the Veladero EIS was submitted to the San Juan mining authority. This update outlines the environmental management results for the 2009 to 2010 period, updates glacier-related information and assesses an expansion of the leach pad facility. This document is currently under review and Barrick expects to obtain its approval in due course.

Veladero's operating facilities have been designed to minimize and mitigate environmental impacts. The operations have processes, procedures or facilities in place to manage substances that have the potential to be harmful to the environment. Veladero's heap leaching process, for example, is designed to operate entirely as a closed circuit with no discharge to the environment. In March 2013, an accumulation of solution within the leach pad collection system was identified. Pumping rates were increased to reduce the accumulated solution, recirculating the same to the pad. The situation was reported to the appropriate local authority, which performed a site inspection. Veladero is implementing certain measures requested by the local authority following that inspection. 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 August 2007, Barrick obtained ISO 14001 certification for the entire Veladero operation, and in November 2007, the Veladero operation obtained International Cyanide Management Code certification. In 2011, Veladero was recertified under both ISO 14001 and the International Cyanide Management Code.

On September 30, 2010, the National Law on Minimum Requirements for the Protection of Glaciers was enacted in Argentina, and came into force in early November 2010. The federal law bans new mining exploration and exploitation activities on glaciers and in the "peri-glacial" environment, and subjects ongoing mining activities to an environmental audit. If such audit identifies significant impacts on glaciers and peri-glacial environment, the relevant authority is empowered to take action, which according to the legislation could include the suspension or relocation of the activity. In the case of the Veladero mine, the competent authority is the Province of San Juan. In late January 2013, the Province announced that it had completed the required environmental audit, which concluded that Veladero has not impacted glaciers or periglaciers.

In November 2010, the Federal Court in San Juan granted injunctions, based on the unconstitutionality of the federal law, suspending its application in the Province and in particular to Veladero, pending consideration of the constitutionality of the law by the Supreme Court of Argentina. In July 2012, the Supreme Court of Argentina overturned the injunctions but has not yet ruled on the constitutionality of the federal law. See "Legal Matters – Legal Proceedings – Argentine Glacier Legislation and Constitutional Litigation."

At December 31, 2012, the recorded amount of estimated future reclamation and closure costs that were recorded under IFRS as defined by IAS 37, and that have been updated each reporting period was $53.2 million (as described in Note 25 to the Consolidated Financial Statements). See “Environment and Closure.”

Exploration, Drilling and Analysis

During 2012, 12 reverse circulation drill holes were performed for a total of 3,838 meters in the Federico area in order to increase reserves and resources, and provide upgraded information for the block model. For the Amable pit, a total of 2,690 meters of reverse circulation drilling comprising 11 drill holes was conducted in 2012. The objective of the program was to increase reserves and resources. No drilling was performed in the Argenta Pit during 2012.

The 2012 exploration plan included a testing drilling program outside the final pit limit boundary but within the authorized mine property. This program comprised one diamond drill hole in the Fabiana area totalling 350 meters, seven diamond drill holes at Cerro Colorado area totaling 1,727 meters, two diamond drill holes at Cerro Pelado area totalling 298 meters, one diamond drill hole at Canito area totalling 400 meters, and no diamond drill holes in the Lebory area.

At December 31, 2012, the Veladero drilling database (including Argenta) comprises 295,091 meters of reverse circulation drill holes and 52,244 meters of diamond core drill holes and a total of 3,975 meters of channel samples from declines. Drill spacing within mineralized zones varies from 30 meters to 100 meters, and averages approximately 35 meters in the main pit.

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

Rock chip samples are delivered by mine personnel to the ACME Analytical Laboratories sample preparation facility at the mine, where the lab assumes sample custody. Veladero’s standard assay protocol for rock chips involves initial assaying for gold by fire assay fusion of a 50 gram pulp and analysis by atomic absorption. Analytical results are received from the lab in an electronic format and are entered into the database.

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, data verification and quality control procedures meet or exceed industry standards.

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

Royalties and Taxes

Pursuant to federal legislation which implemented law 24.196 in May 1993, and provincial legislation adhering to the same, operating mines are required to pay to the Provincial government a royalty of up to 3% ("Boca Mina") for minerals extracted from Argentinean soil. This "Boca Mina" is defined as the sales value of the extracted minerals less certain permitted expenses. In addition to the above-mentioned royalty, under the terms of the Exploitation Contract between Barrick and IPEEM, a 0.75% "Boca Mina" royalty is payable to IPEEM for the metals produced from the Veladero property, including future production from the Argenta deposit.

Finally, and only for the Argenta deposit, an additional royalty equivalent to 1.5% on sales calculated on estimated life-of-pit production and a gold price of $1,500 per ounce was levied in the first quarter of 2012, payable to a Provincial development trust fund under the terms of the approved EIS.

In June 2011, the Provincial government and mining companies operating in San Juan Province, including MAGSA, signed a responsible mining agreement under which the mining companies agreed not to deduct certain expenses when calculating their 3% Provincial royalty. In October 2011, Barrick and IPEEM agreed to modify the calculation of the 0.75% royalty payable to the IPEEM under the Exploitation Contract using the same criteria, thus effectively changing the royalty calculation to 0.75% of gross sales of doré.

Veladero's export of gold doré is currently subject to a 5% export duty.

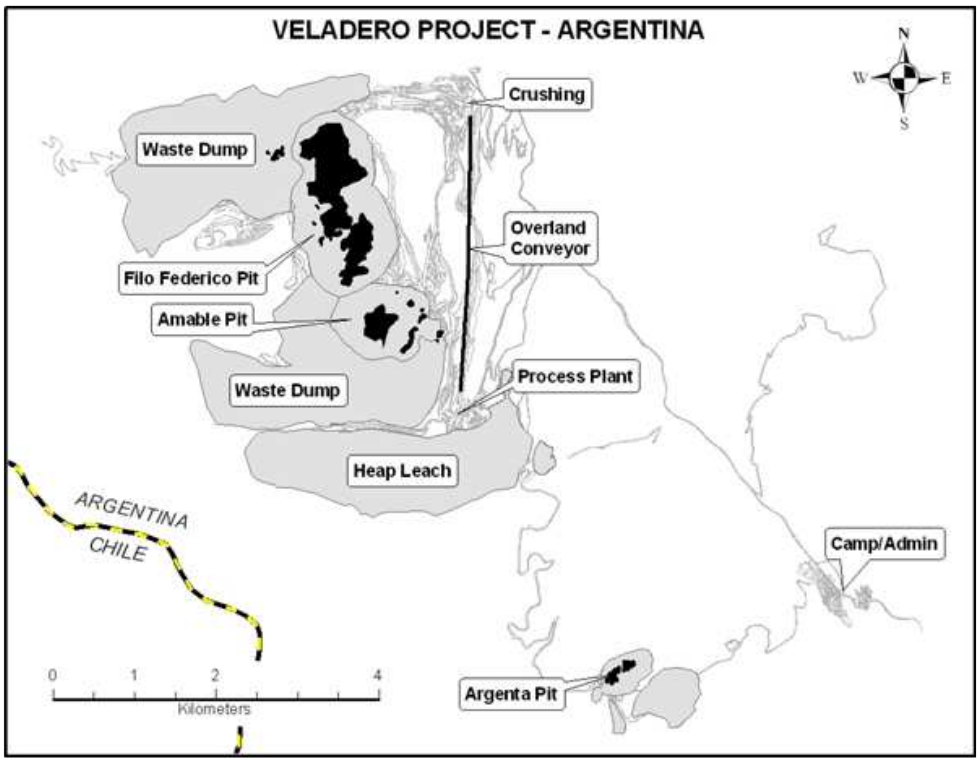
Production Information

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

| | Year ended December 31, 2012 | Year ended December 31, 2011 |
|---|---|---|
| Tons mined (000's) | 92,475 | 97,138 |
| Tons of ore processed (000's) | 30,528 | 34,937 |
| Average grade processed (ounces per ton) | 0.032 | 0.037 |
| Ounces of gold produced (000's) | 766 | 957 |
| Average total cash costs per ounce [(1)] | $ 510 | $ 353 |

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

The diagram below 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 196 kilometers southeast of the port city of Antofagasta. The site is accessible by highway from the port of Antofagasta. The Antofagasta-Salta railway also services the site. Zaldívar employs approximately 855 employees and 1,230 contractors.

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 3,200 meters above mean sea level. There is little or no vegetation. The property is within a 1,295-hectare claim area covered by 248 exploitation concessions. Exploitation concessions are registered in the Conservador de Minas (Mining Property Registrar) and Sernageomin (National Service of Geology and Mines). Sufficient surface rights have been obtained for current operations at the property. The mining and surface rights have no expiry date as long as the applicable annual land payments are made. Environmental permits are issued and registered with the Conama (National Environmental Commission). Barrick has all material permits and rights necessary to conduct the operation of the Zaldívar mine.

In 1979, the initial declaration or statement of discovery ( *manifestación 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 (covering an area of approximately 2 kilometers by 1.5 kilometers with an average thickness of approximately 90 meters) and secondary sulphide ore (covering an area of approximately 2.5 kilometers by 1.5 kilometers with variable thickness from a few meters in the southwest extremity to over 300 meters in the northeast extremity) 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 mine plan contemplates mining the remaining mineral reserves from the open pit in six stages, referred to as Stage 6 through to Stage 11. During 2012, ore production came from Stage 10. Conventional methods of open pit mining are used. During 2012, Zaldívar focused on improving operational efficiencies and reliability of key process crushing and stacking productivity. For 2013, ore production is expected to come from Stage 10.

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

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

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

Environment

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

Zaldívar has the necessary environmental permits to conduct lawful operations, which are primarily related to the original 1993 Environmental Impact Assessment (EIA) and a 2009 update of the same. In 2012, all activities at Zaldívar were, and have continued to be, in compliance in all material respects with applicable corporate standards and environmental regulations.

Zaldívar's ISO 14001 and ISO 9001 certification was renewed in December 2012 for a three-year term. At December 31, 2012, the recorded amount of estimated future reclamation and closure costs that were recorded under IFRS as defined by IAS 37, and that have been updated each reporting period was $45.1 million (as described in Note 25 to the Consolidated Financial Statements). See "Environment and Closure."

Exploration, Drilling and Analysis

The Zaldívar orebody has been extensively drilled. Reverse circulation drilling has been done in order to develop a geological model. Exploration drill holes are sampled at 2 meter intervals comprising whole core sampling. All holes are logged for lithology, alteration, mineralization and structure. In 2012, 63 reverse circulation holes were drilled for 20,287 meters. In addition, six diamond drill holes were drilled for 4,241 meters. The plan for 2013 is to drill 17 reverse circulation holes totaling 5,450 meters and four diamond drill holes totaling 2,000 meters.

Sampling and analysis of diamond and reverse circulation drill holes and blast holes comply with industry standards. Blank sample protocols are used in the normal row of samples sent to the Zaldívar laboratory. Controls exist on biases and the product is checked with the security sampling curves. As well, external laboratories have been used to verify results. Databases generated with these results are thoroughly reviewed and cross checked before being used in the mineral resource/mineral reserve estimation processes. All of these reviews concluded that Zaldívar's quality assurance, data verification and quality control procedures meet or exceed industry standards.

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

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

Royalties and Taxes

The Zaldívar mine is not subject to any royalties.

In 2005, the Chilean Congress passed a mining sector specific tax of 5% on operating profits derived from the sale of mineral products. 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 tax, or renounce their status under the existing DL 600 regime, before November 30, 2005, and face a reduced 4% tax in return for a 12 year mining tax invariability clause. The 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 then current 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. Following the earthquake in Chile in the first quarter of 2010, the Chilean government presented a package of certain tax increases to the Chilean Congress for approval. With respect to corporate income taxes, a temporary first tier income tax increase from 17% to 20% in 2011, and 18.5% in 2012 was presented and approved by the Chilean Congress. The income tax changes were enacted in the third quarter 2010. On September 27, 2012, the Chilean government enacted Law No. 20,630 which changes the corporate tax rate from 18.5% to 20% for 2012 and future years.

In addition, in October 2010, the Chilean government enacted legislation for a new specific mining tax. Under the new specific mining tax, for new projects, the applicable rates would change from 5% of operating margin after depreciation to a range of 5% - 14% based on the level of operating margin. For those companies currently operating under a stabilized regime such as CMZ (stabilized at 4% until approximately 2017), the law contemplates an option to voluntarily apply a rate of 4% - 9% for 2010-2012, and then return to the stabilized rate of 4% until the current stability period ends, and obtain an extension of the stability period at rates in the range of 5% - 14% for an additional 6 years. In January 2011, CMZ voluntarily adopted the new specific mining tax which, as noted above, impacted CMZ's tax rates for the 2010, 2011 and 2012 calendar years. The effective mining tax rate for CMZ was 5.6%, 4.5% and 3.6% for 2010, 2011 and 2012, respectively.

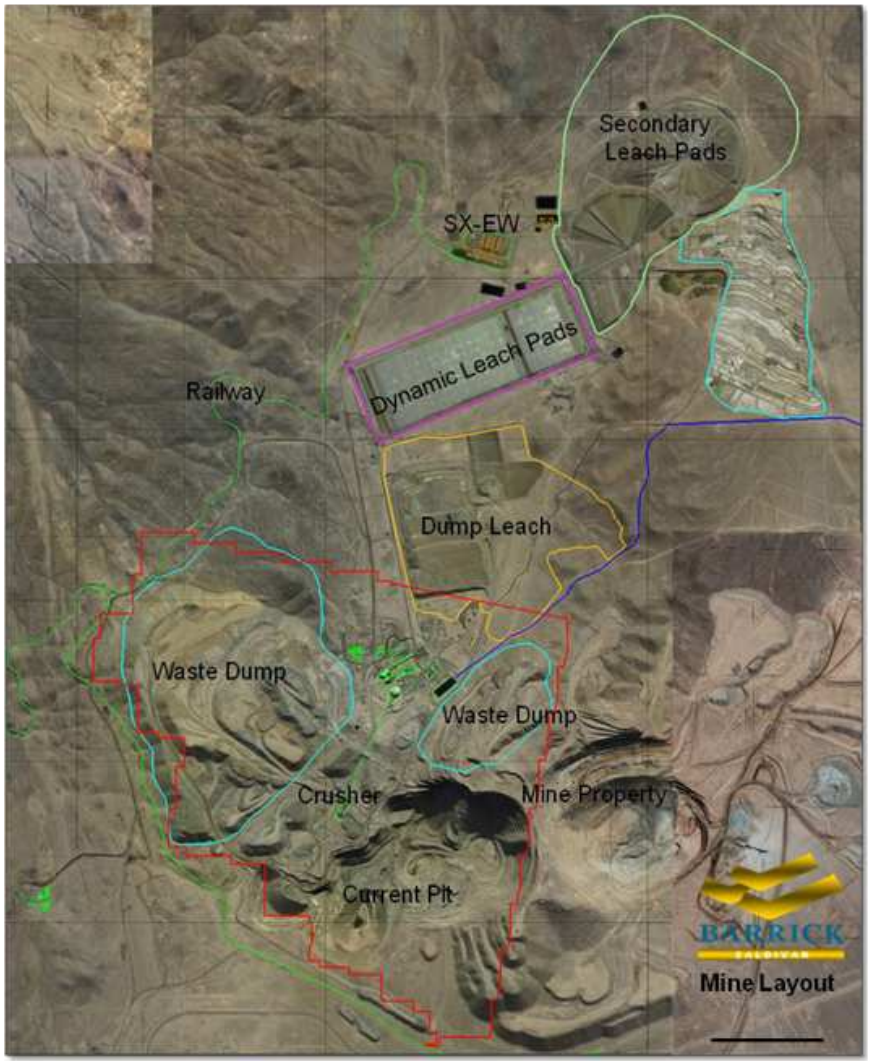
Production Information

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

| | Year ended December 31, 2012 | Year ended December 31, 2011 |
|---|---|---|
| Tons mined (000's) | 74,587 | 72,336 |
| Tons of ore processed (000's) | 50,283 | 48,973 |
| Average grade processed (% of TCu) | 0.53% | 0.52% |
| Pounds of copper produced (000,000's) | 289 | 292 |
| Average C1 cash costs per pound [1] | 1.62 | 1.50 |

(1) For an explanation of C1 cash costs per pound, refer to "Non-GAAP Financial Measures."

The diagram on the following page sets out the design and layout of the Zaldívar mine.


Secondary
Leach Pads
SX-EW
Dynamic Leach Pads
Railway
Dump Leach
Waste Dump
Waste Dump
Crusher
Mine Property
Current Pit
BARRICK
Mine Layout

**Lumwana Property**

General Information

The Lumwana property is an open pit copper mine and conventional sulfide flotation processing facility located on the Central African Copperbelt in the North-Western Province of Zambia, approximately 65 kilometers west of the provincial capital of Solwezi and 400 kilometers northwest of the national capital of Lusaka. Access to the property is via a 10 kilometer road branching off the paved two-lane "T5" highway linking Lumwana and Solwezi to the Copperbelt and other parts of the North–Western Province. The property is characterized by gently rolling hills with elevations ranging from approximately 1,270 meters to approximately 1,410 meters above sea level within the general vicinity of operations. Vegetation consists of woodlands and wetlands are common along watercourses. The region has distinct dry (May to October) and wet (November to April) seasons. During the wet season, heavy rainfall reduces mine production, which is addressed through a stockpiling strategy that provides feedstock to the processing plant when open-pit ore is not accessible. Lumwana employs approximately 1,850 employees and 4,400 contractors.

Barrick acquired its 100% interest in the Lumwana property as part of the Equinox transaction completed in July 2011. See "General Information – Transactions." Equinox earned an interest in the Lumwana property in 1999 by forming a joint venture with the Phelps Dodge Corporation ("Phelps Dodge"). In 2003, Equinox obtained a 51% interest in Lumwana Mining Company Limited ("LMCL") by completing a feasibility study and investing in the exploration of the property and in 2004 Equinox acquired the remaining 49% interest in LMCL from Phelps Dodge for cash consideration. Equinox commenced production from the Lumwana mine in 2008. The contribution of Equinox's operations, including the Lumwana property, has been consolidated into Barrick's results effective June 1, 2011.

The operation of Lumwana is governed by the Mines and Minerals Act No. 7 of 2008 ("the 2008 Act"), the six Large Scale Mining Licenses that constitute the operation and a Development Agreement entered into between Lumwana and the Government of Zambia on December 16, 2005 (the "Lumwana Development Agreement"). The Lumwana Development Agreement provided for a 10-year stability period for the key fiscal and taxation provisions related to Lumwana, including a corporate tax rate of 25% and a mineral royalty of 0.6% of gross product. However, in 2008 and 2011, the Government of Zambia enacted tax changes in breach of the tax stability period contained in the Lumwana Development Agreement. See "Royalties and Taxes" below for additional information about the current fiscal and tax regime applicable to the Lumwana property and Lumwana's position on the Government of Zambia's breach of the tax stability provisions.

In 2012, the original mining licence (LML-49, covering an area of 1,265 $km^2$ and granted on January 6, 2004 for 25 years) was subdivided into six licenses in order to comply with the maximum mining licence size restrictions of the 2008 Act. These licenses (8089-HQ-LML, 9000-HQ-LML, 9001-HQ-LML, 9002-HQ-LML, 9003-HQ-LML and 9004-HQ-LML) include two major copper deposits, Malundwe and Chimiwungo, together with numerous exploration prospects. The leases were granted for copper, cobalt, gold, silver, uranium and sulfur. Other conditions of the mining licences include customary provisions such as the requirement to obtain government approval of Lumwana's proposed work program, development plan and environmental plan, and commitments regarding the employment and training of Zambians. Barrick has all material permits and rights necessary to conduct the operation of the Lumwana mine.

Lumwana also holds the long-term land title to 35,000 hectares of township and mine operating areas within the area of the mining leases. This land title, which is granted by the President and is the highest form of land tenure in Zambia, enables Lumwana to manage and administer the Lumwana surface rights. All material permits and rights to conduct the operation of the Lumwana mine have been obtained and are in good standing.

Geology

The Lumwana copper, cobalt, gold and uranium deposits of Malundwe and Chimiwungo are hosted within the Mwombezhi Dome, which is a northeast trending basement dome in the western arm of the Neoproterozoic Lufilian Arc thrust fold belt. In Zambia, the Lufilian Arc contains variably deformed and metamorphosed metasediments and volcanics of the Katangan Lower and Upper Roan, Nguba and Kundelungu Supergroups, unconformably overlying the Palaeoproterozoic to Mesoproterozoic basement. Subsequent to the deposition of the Katangan sequences the basin was inverted, deformed, metamorphosed and uplifted by generally north directed thrusting and folding, producing the Neoproterozoic Lufilian Arc.

The Lumwana mining licences cover the north-eastern lobe of the Mwombezhi Dome. A number of layer parallel shear zones have been recognized in the Dome within and an east verging major recumbent fold, which structurally emplaces Katangan units within the basement, producing a series of tectono-stratigraphic sheets. Within the Lumwana mining licences the Malundwe and Chimiwungo thrust Sheets host three known copper deposits: the two actively mined deposits of Malundwe and Chimiwungo and the undeveloped Lubwe deposit. All three deposits are structurally controlled, disseminated copper sulphide deposits of Central African Copperbelt type.

The two major deposits at Lumwana are Malundwe and Chimiwungo. Of the two, Malundwe is smaller, but with a higher copper grade and contains discrete zones of uranium and gold mineralization with sporadic high cobalt (greater than 0.1%). Chimiwungo is a much larger deposit that is lower in copper grade, but contains a number of significant high grade (greater than 0.1%) cobalt zones as well as some uranium mineralization.

The copper mineralization at Malundwe and Chimiwungo is hosted almost entirely within high grade metamorphosed, intensely mylonitised, recrystallized muscovite–phlogopite–quartz–kyanite schists with disseminated sulphides (typically less than 5%) dominated by chalcopyrite and bornite.

The overall strike length of mineralization at Malundwe is approximately 6 kilometers north-south, and up to 1.5 kilometers wide (east-west) as a single ore schist horizon. The mineralization extends to maximum depth of approximately 200 meters below surface and is closed off to the west and north but is open to the south, down plunge. The Chimiwungo mineralization extends for 4 kilometers east-west and 5 kilometers north-south. Mineralization is sheeted and continues beyond these extents, but the grade and thickness decrease away from the core of the deposit. The mineralization is still open to the east and south, but has been closed off to the west. The main body of the Chimiwungo deposit consists of multiple stacked mineralized zones in aggregate varying in thickness from 40 to over 100 meters.

The Malundwe orebody contains discrete pods of high grade uranium and some areas with elevated background levels of uranium. While mining at Malundwe will continue for another four to five years, these high grade pods have been depleted. A uranium model for the Chimiwungo orebody has not yet been developed and hence the amount of uranium expected to be mined from this area has not yet been determined. The Lumwana mine could incur increased costs, penalties and delays in processing and realization of revenue if uranium levels in the copper concentrate delivered to smelters exceed agreed limits. Lumwana utilizes grade control and blend strategies in an effort to ensure that its copper concentrate complies with these limits. See “Mining and Processing.”

Mining and Processing

In 2012, mining at Lumwana occurred in both the Malundwe and the Chimiwungo pits. Production from the Chimiwungo orebody commenced in August 2012. The sulphide copper ore from Malundwe and Chimiwungo is being sent to the on-site flotation plant, which produces a concentrate suitable for sale to a smelter. A dedicated power line supplies power to Lumwana from the main grid operated by the government-owned and operated electric utility company in Zambia. In 2012, approximately three-quarters of the ore feed for the Lumwana mill came from the Malundwe pit with the remainder from Chimiwungo pit. In 2013, Chimiwungo is expected to provide approximately two-thirds of the feed for the mill.

A primary gyratory crusher is used to crush the run-of-mine ore and the crusher product is then conveyed via an overland conveyor to a conical crushed ore stockpile. The grinding mill discharges into a hopper and is pumped to conventional hydrocyclones, operating in closed circuit with a ball mill. Following regrinding, the concentrate is cleaned in a conventional cleaner/recleaner circuit to reach final concentrate grade. Final concentrate grades of approximately 25% to 33% copper are expected.

The concentrate is dewatered in a circuit consisting of high-rate thickening followed by pressure filtration to produce a filter cake suitable for transportation. Flotation tailings are thickened and pumped to the tailings dam. The majority of the copper plant water is recovered and recycled from the thickener overflows and tailings dam return water. Fresh make-up water is supplied from a river water dam as required. Based on existing reserves and production capacity, the expected mine life is approximately 20 years (2013 – 2032) for mining and 33 years (2013 – 2045) for processing operations.

The amount of uranium in the copper concentrate is controlled by grade control and blend strategies. High grade uranium ore identified by grade control techniques is not processed in the concentrator. Lumwana's blending strategy is intended to ensure that copper concentrate sold to smelters complies within certain agreed limits.

Environment

Lumwana operates in an environmentally responsible manner to mitigate environmental impacts. All requisite licenses and permits are kept in good standing. The Environmental Council of the Republic of Zambia approved the environmental impact assessment for the Lumwana mine in October 2005. Most of the property, except for the Chimiwungo deposit and associated overburden dumps, falls inside the 105 Acres National Forest, an area of rejuvenating Miombo woodland. The forest's protected status, which is based on its timber resource and not nature conservation considerations, has no material impact on mining operations at Lumwana. In 2012, all activities at Lumwana were, and have continued to be, in compliance in all material respects with applicable corporate standards and environmental regulations.

At December 31, 2012, the recorded amount of estimated future reclamation and closure costs that were recorded under IFRS as defined by IAS 37, and that have been updated each reporting period was $175.8 million (as described in Note 25 to the Consolidated Financial Statements). See "Environment and Closure."

Exploration, Drilling and Analysis

The Chimiwungo and Malundwe orebodies have been extensively drilled. In 2012, drilling programs at Lumwana were focused on a resource definition program at Chimiwungo, reserve delineation at Chimiwungo and Malundwe, extension exploration drilling at Chimiwungo and condemnation drilling to test for economic mineralization in areas of planned mining infrastructure. A total of 237,277 meters of diamond drilling and 49,029 meters of reverse circulation drilling was completed during 2012.

Barrick has prepared a new life-of-mine plan for Lumwana, which reflects information obtained from the exploration and infill drilling program that was completed late in the fourth quarter of 2012. The purpose of the drilling program was to better define the limits of mineralization and develop an updated, more comprehensive block model of the orebody for mine planning purposes. After this drilling was completed, the orebody did not meet Barrick's economic expectations. While the drilling increased reserves and defined significant additional mineralization, some at higher grades, much of it was deep and would require a significant amount of waste stripping, which makes it uneconomic based on Barrick's expected operating costs and current market copper prices. At higher copper prices, however, much of this copper is expected to be economic and come into reserves and resources.

The new life-of-mine plan for Lumwana also reflects revised operating and sustaining capital costs estimates after results of the drill program were incorporated into a new block model for the life-of-mine plan. The revised life-of-mine cost estimates – under present copper price assumptions – reduced expected copper production and, in turn, profitability over the mine life. As a result, Barrick recorded an after-tax asset impairment charge of $3.0 billion for Lumwana in the fourth quarter of 2012. The Company also recorded a goodwill impairment of $0.8 billion for the global copper business unit for a total after-tax charge of $3.8 billion. Barrick continues to progress a number of initiatives to lower costs, including improvements to operating systems and processes, and a full transition to an owner maintained operation. Until the Company can improve mining costs, and/or copper prices increase, the expansion opportunity to increase the throughput capacity of the processing plant does not meet Barrick's investment criteria.

The majority of the mineral resources at Lumwana are supported by diamond drilling derived information. Reverse circulation drill-sourced information, where present, is generally well inter-mixed with diamond drilling data. Diamond drill hole assays are derived predominantly in the vicinity of the copper ore zones and based on half core diamond saw sampling at one meter intervals.

Sampling and analysis of diamond drill holes and reverse circulation complies with industry accepted quality control standards and an external laboratory is used to verify results. Databases generated with these results are reviewed and cross-checked before being used in the resource estimation processes. Geological personnel ensure that the samples collected for modeling and mineral resource estimation have been delivered under secure conditions to the laboratory. Lumwana's quality assurance, data verification and quality control procedures meet or exceed industry standards.

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

Royalties and Taxes

In April 2008, the Government of Zambia enacted a number of changes to the tax regime, including an increase in the corporate tax from 25% to 30%, an increase in the mining royalty from 0.6% to 3%, and a number of other proposed additional taxes including a "variable profit tax", a "windfall tax" and treatment of hedging income as separate source income (the "2008 tax changes"). The 2008 tax changes coincided with the Government of Zambia unilaterally rescinding tax stability guarantees contained in development agreements through a legislative provision stating that development agreements were no longer binding on the Republic of Zambia. In January 2009, the Government of Zambia announced the abolition of a number of the 2008 tax changes, including removing the hedging activity quarantine provision, abolishing the windfall tax, and increasing capital allowances back up to 100%. These changes took effect on April 1, 2009. In December 2011, the Government of Zambia increased the mineral royalty from 3% to 6% and re-introduced the taxation of hedging income as separate source income (the "2011 tax changes"). These changes took effect from April 1, 2012.

Based on local and international legal advice, LMCL believes that the compensation rights for breach of the 10-year stability period granted under the Lumwana Development Agreement prevail over the 2008 and 2011 tax changes and any subsequent tax changes to the Zambian tax regime. However, until it resolves the uncertainty surrounding the application of the Lumwana Development Agreement with the Government of Zambia, LMCL will measure (and during 2012 did measure) its taxation balances for the property on the basis of the enacted legislation, including payment of mineral royalties assessed at 6% beginning April 1, 2012. LMCL will continue to reserve its right to compensation for breach of the tax stability provisions under the Lumwana Development Agreement and, by agreeing to pay mineral royalties, protect itself from the Zambian Revenue Authority assessing interest and penalties on the tax amount.

Production Information

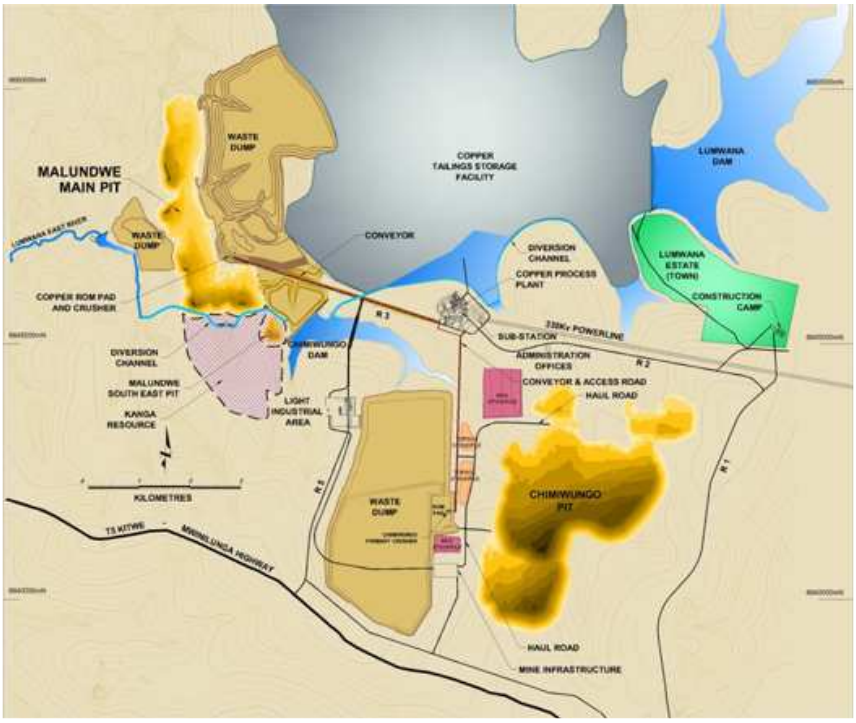
The following table summarizes certain production and financial information for the Lumwana mine for the periods indicated:

| | Year ended December 31, 2012 | Year ended December 31, 2011 (1) |
|---|---|---|
| Tons mined (000's) | 127,361 | 68,380 |
| Tons of ore processed (000's) | 20,839 | 13,823 |
| Average grade processed (% of TCu) | 0.48% | 0.62% |
| Pounds of copper produced (000,000's) | 179 | 159 |
| Average C1 cash costs per pound (2) | $ 3.07 | $ 2.13 |

(1) Barrick acquired the Lumwana Mine through its acquisition of Equinox in June 2011. The contribution of the Lumwana Mine has been consolidated into Barrick's results from June 1, 2011 onwards.

(2) For an explanation of C1 cash costs per pound, refer to "Non-GAAP Financial Measures."

The diagram on the following page sets out the design and layout of the Lumwana mine.




**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 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. Pascua-Lama employs approximately 1,100 employees and 16,180 contractors.

In both Chile and Argentina, Barrick, through its wholly-owned Argentinean subsidiary, Barrick Exploraciones Argentina S.A. ("BEASA"), and its wholly-owned Chilean subsidiary, Compañia Minera Nevada SpA ("CMN"), owns the mining property in the project area. The mining rights have no expiry date, provided the applicable annual land payments are made. Sufficient surface rights have been obtained for current operations at the property.

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 (the "Protocol Area") and the project is entitled to enjoy the benefits to cross-border mining operations that are granted by the Mining Treaty. An increase in the size of the Protocol Area has been requested to include certain additional project-related infrastructure, which request is expected to be approved in due course. In April 2009, the authorities of Chile and Argentina reached an agreement specific to the Pascua-Lama project, which avoids double taxation for the project under the rules of the Mining Treaty. The provisions of the April 2009 agreement remain in force despite the termination of several double taxation treaties by Argentina in 2012, including the general 1976 double taxation treaty with Chile.

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.

Primary road access in Chile initially was via a 126 kilometer public road (route C 485) from the city of Vallenar, through the town of Alto del Carmen and several small communities to the Barrick property and 44 kilometers on Barrick private road to the Protocol Area access control point at Tres Quebradas. The project recently completed the upgrade of 70 kilometers of an existing public road from Punta Colorada and the construction of 48 kilometers of new road to join the road from Alto del Carmen which runs to the Barrick property. Once inside the Protocol Area the road continues an additional 23 kilometers up to the entry to the mine site at La Mesa.

Primary access in Argentina will be by public highways to Tudcum, some 200 kilometers north of the San Juan Province capital city of San Juan and from there 157 kilometers on an existing private road to the access gate to Barrick´s Veladero Mine, and another 30 kilometers through the Veladero property to the Protocol Area. Once inside the Protocol Area, the road continues another five kilometers to the process plant site.

Development

The Pascua-Lama project is being designed as a large-scale open pit operation with processing facilities having a designed throughput capacity of 45,000 tonnes per day. Non-refractory ore produced by the mine will be subject to cyanide leaching, while refractory ore will be subjected to flotation prior to cyanide leaching. The development of the processing facilities has been staged to reflect the expected composition of the ore over the mine life.

The updated mine construction cost estimate and schedule for the project was finalized in the fourth quarter of 2012. Expected total mine construction capital is in the range of $8.0 to $8.5 billion, with first gold production targeted for the second half of 2014. The project is being impacted by labor and commodities cost pressures as a result of inflation and competition for skilled labor. As of December 31, 2012, approximately $4.2 billion had been spent and construction was approximately 40 percent

complete. The tunnel was approximately 70 percent complete. Construction of the primary crusher in Chile commenced in January 2013 and in Argentina, construction of the process plant facility advanced with approximately 60 percent of structural steel erected and about 50 percent of mass earthworks completed. For the 2013 summer construction season, the requisite number of skilled craft laborers have been screened and hired, primarily from the province of San Juan and the rest of Argentina.

During the fourth quarter of 2012, strong winds contributed to increased dust in the open pit area. Barrick voluntarily halted pre-stripping activities in order to implement additional dust mitigation and control measures. Subsequently, regulatory authorities in Chile issued an order to suspend pre-stripping until such dust-related concerns are addressed. The project has strengthened dust mitigation and control measures, including enhanced tunnel ventilation, revised blasting fragmentation, use of more robust protective equipment and a dust monitoring system.

Restrictions have also been placed on the project due to the need to repair and improve certain aspects of the water management system in Chile. In December 2012 and January 2013, a portion of the non-contact water diversion system was damaged. As a result, interim and permanent improvements to the water management system are currently being evaluated. In addition, upgrades to the water treatment plant are being evaluated and completion of the industrial water conveyance system is pending. Interim measures to repair and improve the non-contact water management system are expected to be completed by mid-year, while completion of the other aspects is expected by the end of the first quarter of 2014. See "– Environment" below.

Pre-stripping of the pit in Chile is unlikely to recommence until matters related to dust and water management are resolved. However, the project is evaluating an alternative which would involve accelerating development of another small pit, which had been scheduled to be mined later, in order to provide an alternative source of ore for initial production if resumption of pre-stripping in Chile is delayed beyond May 2013. As a result, to date, the suspension of pre-stripping has not altered the target of first production in the second half of 2014. However, the outcomes of the regulatory processes, and of the constitutional rights protection action, are uncertain, and the Company will continue to monitor for potential impacts on the timing of first production. For more information about these matters, see "– Mining and Processing," "Legal Matters – Government Controls and Regulations," "Legal Matters – Legal Proceedings – Argentine Glacier Legislation and Constitutional Litigation" and "Legal Matters – Legal Proceedings – Pascua-Lama Constitutional Protection Action."

Pascua-Lama is expected to produce an average of 800,000 to 850,000 ounces of gold and 35 million ounces of silver in its first full five years of production at all-in sustaining cash costs of $50 to $200 per ounce and total cash costs of $0 to negative $150 per ounce. The foregoing estimates are based on gold, silver and oil price assumptions of $1,700 per ounce, $30 per ounce and $90 per barrel, respectively and assuming a Chilean peso exchange rate of 475:$1 and do not include escalation for future inflation.

Barrick will continue to finance the project through a combination of one or more of existing capital resources, operating cash flows and additional financings.

In 2009, Barrick entered into the Silver Purchase Agreement with Silver Wheaton whereby it sold the equivalent of 25% of the life-of-mine Pascua-Lama silver production from the later of January 1, 2014 or completion of project construction, and 100% of silver production from the Lagunas Norte, Pierina and Veladero mines until that time. In return, the Company was entitled to an upfront cash payment of $625 million payable over three years, from the date of the agreement, as well as ongoing payments in cash of the lesser of $3.90 (subject to an annual inflation adjustment of 1% starting three years after project completion at Pascua-Lama) and the prevailing market price for each ounce of silver delivered under the agreement. During 2012, Barrick received the final cash installment payment of $137.5 million.

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.

Mining and Processing

The Pascua-Lama mine is being designed as an open pit, centered at an elevation of 4,800 meters. The project will produce both non-refractory oxide and refractory sulfide ores. Construction on the Pascua-Lama project began in 2009. Ore will be treated in two phases due to the nature and distribution of ore types (non-refractory and refractory). Both ore types will be ground and washed, with non-refractory ore being subjected to direct cyanide leaching only. Washed refractory sulfides will be subjected to flotation prior to cyanide leaching of the flotation tailings. Final products from the process include doré bullion and gold/silver/copper flotation concentrates.

The plant consists of primary crushing, wet grinding in autogenous (AG) mills, ball milling, CCD washing, pre-aeration, oxygen assisted cyanide leaching, CCD thickening for pregnant solution recovery, neutralization, cyanide detoxification, cementation using Merrill-Crowe, retorting, smelting and tailings deposition. For the treatment of the refractory ore, a flotation circuit will be added. The processing plant is designed to operate 24 hours a day, 365 days per year. The average design throughput is approximately 2,000 tonnes per hour.

During years 1 and 2, the process facility is designed to process 45,000 tonnes per day of non-refractory ore through three mill lines (Phase 1). In the late first quarter of year 3, a flotation facility will be added and refractory ore will be introduced to one of the mill lines at the rate of 15,000 tonnes per day (Phase 2). During this phase, which continues throughout the remainder of the mine life, the remaining two mill lines continue to process non-refractory ore at 30,000 tonnes per day. 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. During the mine life, refractory ore in the form of gold/silver/copper concentrate will be sold to an offsite smelter.

Until permanent power is available at site, temporary construction power will be provided by diesel generator. The temporary construction generators will be suitable for use as emergency back-up generators during operations in the event of a primary power failure. Permanent electrical power for the project will be provided by a single circuit 220 kV 106 km line from a main substation connected to the Chile main Central Interconnected grid System (SIC) near Punta Colorada (Coquimbo Region) to a substation near the Protocol Area Access Control point in Chile. From there, separate 220 kV lines will be provided for power supply to the substations located at the process plant in Argentina (47 km) and the mine facilities in Chile (23 km). The construction of the primary power supply system is planned to be completed by mid-2013.

The Company is aware of a number of actions that have been initiated against the Province of San Juan in Argentina relating to approvals granted in respect of or actions affecting the Pascua-Lama project. Barrick is not a party to such actions and has limited information with respect to the nature or status of the claims or complaints. In addition, certain other complaints and actions relating to the project have been brought against subsidiaries of Barrick. In 2011, Mountain-West Resources Inc. ("MWR") issued a series of false and misleading press releases in which MWR falsely claimed that the Chilean portion of the Pascua-Lama project is not owned by Barrick but is instead owned by a third party who had granted MWR an option to acquire 50% of that property. Barrick has advised MWR that these statements are false and misleading, and has filed formal complaints referring these matters to the appropriate authorities. Based on the information currently available to the Company, none of these actions or complaints is believed to present a significant risk to the construction of the Pascua-Lama project.

In 2007, the Huascoaltinos Agricultural Community filed a petition against the State of Chile before the Inter-American Commission on Human Rights ("IACHR") claiming that certain of the Community's rights under the American Convention of Human Rights had been violated as a result of, amongst other things, the State's issuance of certain environmental approvals relating to the project. The case has been briefed by the petitioner Community and the respondent State before the IACHR. Barrick is not a party to the proceedings and Barrick believes that the petitioner's claims are without merit. Depending on the decision reached by the IACHR, the IACHR could, amongst other things, potentially impose precautionary measures on the State or recommend alterations to the conditions under which the project was approved or reopen its environmental review. Any such decision could limit or suspend Barrick's ability to develop the project, and could potentially affect Barrick's ability to complete the project as it is currently designed.

In September and October 2012, two constitutional rights protection actions were filed in Chile by representatives of an indigenous community and certain other individuals, seeking the suspension of construction of the Chilean portion of the project due to alleged non-compliance with the requirements of the project's Chilean environmental approval. The court declined to issue an immediate injunction suspending pre-stripping activities. The first action has been admitted for review by the court and the second action has been abandoned for lack of prosecution. Barrick intends to vigorously defend these actions. See "Legal Matters – Legal Proceedings – Pascua-Lama Constitutional Protection Action."

In April 2011, the Argentinean government implemented import controls on a greater number of goods. Delays associated with these import controls have the potential to affect certain aspects of Pascua-Lama's operations, such as maintenance and new construction that are dependent on imported goods. Barrick's activities were not impacted by these measures in 2012.

In October 2011, the Argentinean government issued Decree 1722, which requires crude oil, natural gas, and mining companies to repatriate and convert all foreign currency revenues resulting from export transactions into Argentine pesos. A bank transaction tax of 0.6% will apply to the subsequent conversion of pesos to foreign currencies in transactions that would have been executed using offshore funds.

Environment

The Pascua-Lama project environmental permit was submitted to both Chilean and Argentine authorities in 2000. The Pascua-Lama project received conditional Environmental Impact Assessment ("EIA") approval from appropriate authorities in Chile in May 2001 and, in December 2004, CMN submitted a second EIA in respect of modifications of the project. CMN received conditional approval of the EIA from Chilean environmental regulatory authorities in February 2006. In San Juan Province, BEASA submitted an Environmental Impact Report (Informe de Impacto Ambiental, "IIA") in 2000 to support the environmental approval process for the Argentine components of the project. In 2004, BEASA developed an updated IIA assessing the cumulative environmental impacts of the Pacua-Lama project and the nearby Veladero project. BEASA received conditional approval of the project from the San Juan, Argentina environmental regulatory authority in December 2006. Under Argentine law BEASA is required to update the IIA at least every two years. To date, BEASA has submitted three IIA updates and a fourth is currently in development for submittal later this year.

To date, Barrick has identified over 1,100 permits and authorizations required for the construction, operation and/or closure of project facilities in both countries. The project has obtained over 700 permits and the remaining permits are expected to be obtained in due course.

All environmental aspects of Pascua-Lama were reviewed during the course of the Argentine and Chilean environmental assessments. CMN and BEASA have developed environmental management plans addressing the key environmental aspects of the project. Most of the ore and waste rock to be excavated from the open pit is defined as potentially acid generating due to its geochemical characteristics. In the upper Estrecho valley in Chile where the waste rock will be stockpiled, project development plans include a water management system to divert non-contact waters around the waste rock facility and to collect and treat any drainage from the waste rock. Treated water will be utilized in the mine for industrial purposes (mainly fugitive dust control) and discharged under permit to the Río Estrecho. In December 2012 and January 2013, a portion of the non-contact water diversion system was damaged (see "–Development" above). In March 2013, the environmental authority in Chile issued a resolution alleging certain non-compliances related to the acid rock drainage water management system in Chile. CMN will review and evaluate the resolution once it is formally notified of the same and will respond to the allegations as required, including by presenting a plan to bring the system into compliance with the project's environmental permit.

In Argentina, the process plant will utilize sodium cyanide to recover gold and silver from the ore. The process plant and tailings storage facility 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 through a cyanide destruction circuit. Management procedures for cyanide handling, monitoring and transportation in accordance with the International Cyanide Management Code are being implemented for the project.

On September 30, 2010, the National Law on Minimum Requirements for the Protection of Glaciers was enacted in Argentina, and came into force in early November 2010. The federal law bans new mining exploration and exploitation activities on glaciers and in the "peri-glacial" environment, and subjects ongoing mining activities to an environmental audit. If such audit identifies significant impacts on glaciers and peri-glacial environment, the relevant authority is empowered to take action, which according to the legislation could include the suspension or relocation of the activity. In the case of the the Pascua-Lama project, the competent authority is the Province of San Juan. In late January 2013, the Province announced that it had completed the required environmental audit, which concluded that Pascua- Lama has not impacted glaciers or periglaciers. See also "Legal Matters – Legal Proceedings – Pascua-Lama Constitutional Protection Action."

In November 2010, the Federal Court in San Juan granted injunctions, based on the unconstitutionality of the federal law, suspending its application in the Province and in particular to Pascua-Lama, pending consideration of the constitutionality of the law by the Supreme Court of Argentina. In July 2012, the Supreme Court of Argentina overturned the injunctions but has not yet ruled on the constitutionality of the federal law. See "Legal Matters – Legal Proceedings – Argentine Glacier Legislation and Constitutional Litigation."

At December 31, 2012, the recorded amount of estimated future reclamation and closure costs that were recorded under IFRS as defined by IAS 37, and that have been updated each reporting was approximately $78.8 million (as described in Note 25 to the Consolidated Financial Statements). See "Environment and Closure."

Exploration, Drilling and Analysis

As of December 31, 2012, the drill hole database used to support the development of mineral resources for the Pascua-Lama property contains 1,240 reverse circulation holes, 605 diamond drill core holes, 2,060 underground channel samples, 383 surface channel samples, 157 metallurgical samples and 20 muck samples. The gold and silver resources have been estimated from representative samples taken from 333,415 meters of reverse circulation holes, 159,212 meters of diamond drill holes, 24,503 meters of underground channel samples and 12,704 meters of road channel samples. The drill hole spacing is variable, approximately 40 meters in the Esperanza area and 40 to 60 meters in the Quebrada de Pascua area. The plan for 2013 is to drill a total of 3,668 meters in the Pascua area and 950 meters in the Esperanza area.

Pascua-Lama samples were analyzed for gold, silver and copper by independent laboratories in Santiago, Chile. The quality assurance procedures, data verification and assay protocols followed by Barrick in connection with drilling and sampling on the Pascua-Lama property conform to industry accepted quality control methods.

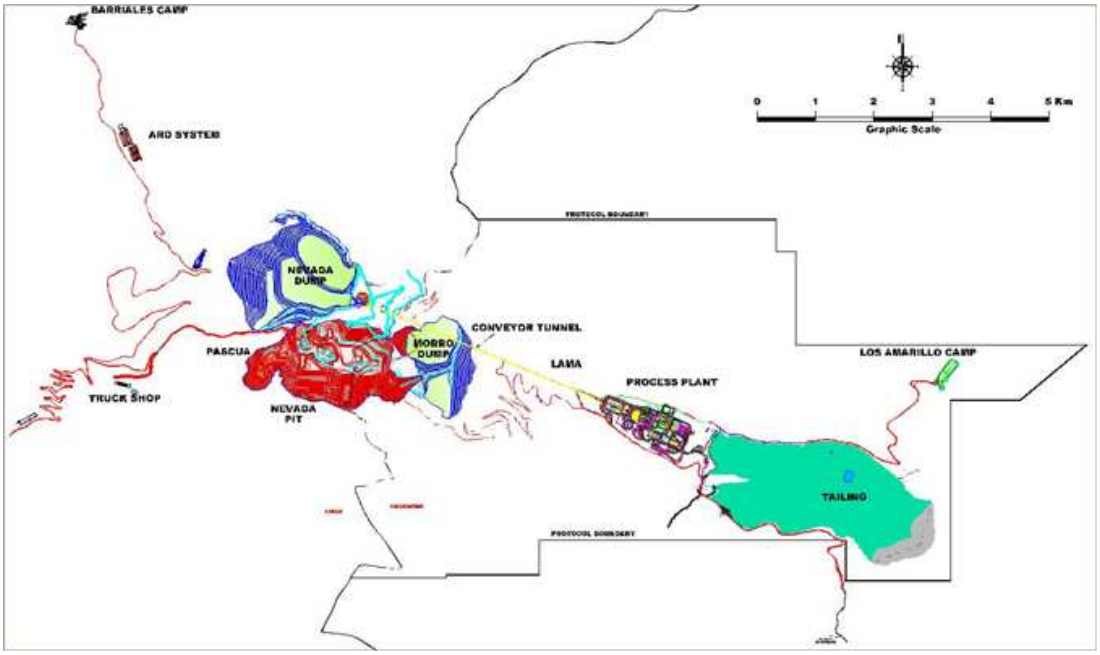
Quality control, data verification and assurance protocols included controls during sampling, transport, laboratory preparation and analysis. All samples remained in the possession of Barrick employees until delivery to third party laboratories. A final check by statistical means indicated that sampling 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. Regular internal auditing of the mineral reserve and mineral resource estimation processes and procedures are conducted.

Royalties and Taxes

Pursuant to federal legislation which implemented law 24.196 in May 1993, and Provincial legislation adhering to the same, operating mines are required to pay to the Provincial government a royalty of up to 3% for minerals extracted from Argentinean soil. 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 1.433% to 9.555% and a 1.91% 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, not currently included in the mine plan. The sliding scale and step-scale royalties on gold increase with rising spot gold prices.

In 2002, as an emergency measure, Argentina adopted a 5% export duty on certain mineral products, including gold. At the time, the duty was described as "temporary." Export of gold doré from Barrick's Veladero Mine is currently subject to this duty. Should such export duty continue to be in place at the time that the Company commences production from Pascua-Lama, only production from ore extracted in Argentina will be subjected to such duty.

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




**EXPLORATION AND EVALUATIONS**

Barrick has historically grown its reserve base through a combination of acquisitions and an exploration strategy that includes a district development program, which focuses on exploration in and around its operating properties, as well as an early-stage exploration program. The Company's strategy is to maintain a geographic mix of projects at different stages in the exploration and development sequence. In 2012, Barrick spent $429 million on its exploration and evaluation activities (2011 – $346 million). Of the $293 million spent on exploration in 2012, approximately $133 million was spent in North America, approximately $53 million was spent in South America, approximately $84 million was spent in the Australia Pacific region, and approximately $23 million was spent by ABG. Evaluation expenditures in 2012, consisting of costs incurred to determine the economic potential of mineral deposits and mine development costs, totaled approximately $136 million (2011: $129 million).

Barrick's exploration strategy is aligned with the Company's disciplined capital allocation framework with a balanced approach to increasing profitable production through acquisitions, project development and finding deposits through exploration. This strategy focuses on: finding new discoveries; replacing

and adding reserves and resources at Barrick's existing operations and development projects; and identifying and delivering exploration upside following acquisitions. Exploration is directed from Barrick's head office in Toronto and is conducted through its RBUs and exploration offices around the world. Barrick's success can be largely attributed to the fact that Barrick has extensive land positions on many of the world's most prospective trends and a disciplined approach to exploration which provides a framework for how regions and projects are selected, how they are resourced and managed, and how exploration activities are accomplished. The Company has maintained a strong commitment to exploration, by providing consistent funding through the years and recognising the value to the company through exploration and evaluations success. In addition, Barrick's exploration team is integrated and aligned with the corporate development teams to identify best assets with early opportunity and upside potential.

In 2013, Barrick expects to spend $400 to $440 million on exploration, of which approximately 45% will be capitalized. The budget supports a strong pipeline of projects and is weighted towards near-term resource additions and conversion at Barrick's existing mines, while still providing support for earlier-stage exploration in Barrick's operating districts. A smaller percentage of the budget is directed at emerging areas in order to generate quality projects for future years. North America remains a key priority in 2013 with approximately 50% of the total exploration budget allocated to the region, the majority of which is targeted for Nevada. In 2013, Barrick expects to expense approximately $280 to $300 million for its share of exploration and evaluation expenditures. In 2013, Barrick's expected exploration and evaluation expenses are primarily attributable to on-going minesite reserve and resource development programs, principally at Goldrush and the Cortez District (described below), ongoing programs at Lumwana and Cerro Casale (described below) and at the Cortez and Veladero mines (see "Material Properties – Cortez" and "Material Properties – Veladero" above). Exploration and evaluation expenses also include non-capitalized project costs at Pascua-Lama and Cerro Casale and costs from projects for which Barrick uses the equity accounting method, including Kabanga and Donlin Gold.

*Goldrush and Cortez District*

In Nevada, drilling in 2012 doubled and upgraded the resource base at Goldrush which is located six kilometers southeast of the Cortez Hills mine and 24 kilometers southeast of the Pipeline mine on Barrick's 100% owned Cortez property. The updated measured and indicated resource of 8.4 million ounces as of year-end 2012 represents more than a 500 percent increase from 2011, when Barrick first announced significant gold discoveries in this area. Additionally, there are 5.7 million ounces in the inferred category. The footprint of the deposit has more than doubled to greater than seven kilometers, and the system still remains open in multiple directions. As this project advances through prefeasibility, a number of development options are being considered, including open pit mining, underground mining, or a combination of both. In addition, shallow mineralization has been encountered to the west, and high grade mineralization has been encountered to the north, which could provide flexibility on mining and development options.

Future exploration programs are expected to delineate the system, upgrade the resource, support the technical studies, and condemn facility sites.

*Advanced Projects*

In 2013, Barrick expects to increase its total project capital expenditures to $2.7 to $3.0 billion (2012: approximately $2.4 billion), reflecting the ramp-up in construction activity at Pascua-Lama, partly offset by lower expenditures at Pueblo Viejo following commencement of commercial production. Based on the current portfolio of development projects and mine plans, total project capital expenditures are expected to decrease in 2014 following the completion of ramp-up activities and the dual fuel power plant

at Pueblo Viejo in 2013, and start-up of production at Jabal Sayid and Pascua-Lama in 2014. The Pascua-Lama project is described in further detail above in the Material Properties section (see "Material Properties – Pascua-Lama Project"). The Jabal Sayid project is described below.

Jabal Sayid is a copper project in Saudi Arabia located about 350 km northeast of the Red Sea port of Jeddah and 120 km southeast of Medina. The property was acquired by Barrick as part of the Equinox transaction in 2011. Construction of the processing infrastructure was completed in the third quarter of 2012, but commissioning was delayed when the Company received notification from the High Commission for Industrial Security ("HCIS") that the mine site was not in compliance with HCIS's safety and security standards. Following receipt of the notification, all explosives were removed from the site and a dedicated team has been working to achieve full compliance with these standards in a process that is expected to take until 2014 and cost approximately $100 million. In the meantime, the number of employees at site has been reduced to minimize holding costs and management is using 2013 to complete a hauling and hoisting optimization study with the goal of improving life-of-mine cash flow from the mine when it is expected to come into production in 2014.

Once Jabal Sayid enters production, the average annual copper output in concentrate is expected to be 100 to 130 million pounds at C1 cash costs of $1.50 to $1.70 per pound in its first full five years of operation. The foregoing estimates are based on 2013 copper and gold price assumptions of $3.50 per pound and $1,700 per ounce, respectively, without escalation for future inflation.

Since the Company acquired its interest in the Jabal Sayid project, the Deputy Ministry for Mineral Resources ("DMMR"), which oversees the mining license, has questioned whether such change in the indirect ownership of the project, as well as previous changes in ownership, required the prior consent of the DMMR. In December 2012, the DMMR required the project to cease commissioning of the plant using stockpiled ore, citing alleged non-compliances with the mining investment law and the mining license, and, in January 2013, required related companies to cease exploration activities, citing non-compliance with the law and the exploration licenses related to the ownership changes. The Company does not believe that such consent was required as a matter of law, but has responded to requests of the DMMR, including through the provision of additional guarantees and undertakings, and stated its firm desire to fully satisfy any related requirements of the DMMR.

*Projects in Feasibility*

Certain of Barrick's other current development projects, which are at various stages of development, are described below.

*Cerro Casale and Donlin Gold*

Cerro Casale and Donlin Gold (both described in further detail below) contain large, long life mineral resources in stable jurisdictions, have significant leverage to the price of gold, and therefore represent valuable long-term opportunities for the Company. Barrick will maintain and enhance the option value of these projects by advancing permitting activities at reasonable costs which, in the case of Donlin Gold, will take a number of years. During this time, Barrick will monitor the attractiveness of these projects and evaluate alternatives to improve their economics. This will provide the Company with the option to make construction decisions in the future should investment conditions warrant. Currently, however, Cerro Casale and Donlin Gold do not meet Barrick's investment criteria, and under the Company's disciplined capital allocation framework, Barrick would not make a decision to construct them at this time.

Acquired in connection with Barrick's acquisition of Arizona Star in 2007, Cerro Casale is a large, undeveloped gold and copper deposit located in the Maricunga district of Region III in Chile, 145 km southeast of Copiapo. Barrick has a 75% interest in the project and has obtained control over the project, following its March 2010 acquisition of a 25% interest from Kinross. The environmental impact assessment for Cerro Casale was approved in January 2013. As noted above, the Company is continuing to evaluate options to improve the project's economics and reviewing the project's initial capital outlay. Project scenarios are being prepared as a series of cases for evaluation. Options being evaluated include staged and simplified processing options as well as alternative sources of power supply. Evaluation of further district opportunities will be assessed based on the results of exploration drilling on satellite ore bodies that could potentially be included in the project plan, and pursuing potential synergies relating to infrastructure requirements. Barrick expects to have preliminary exploration drill results completed by the second half of 2013, at which point the Company will re-evaluate whether the project meets its investment criteria. Further exploration to determine the extended district resource base and studies to define selected project cases would follow this determination. Cerro Casale, on a 100 percent basis, has total proven and probable gold and copper mineral reserves of 23 million ounces of gold and 5.8 billion pounds of copper.

The Donlin Gold project is a large refractory gold deposit located in Southwestern Alaska. In December 2007, Barrick entered into an agreement with NovaGold Resources Inc. ("NovaGold") to form a jointly owned limited liability company, Donlin Creek LLC (now, Donlin Gold LLC), on a 50/50 basis to advance the project. In 2012, the permitting process continued at Donlin Gold following the submission of the draft Plan of Operations and permit application in the third quarter of 2012. Formal confirmation was also received that the permit application package was sufficient to initiate the Environmental Impact Statement ("EIS") process and the EIS Notice of Intent was filed in the Federal Register in the fourth quarter by the Army Corps of Engineers, which is the lead agency for the NEPA (National Environmental Policy Act) process. Donlin Gold contains a large, long life mineral resource in a stable jurisdiction and is significantly leveraged to the price of gold, and therefore represents a valuable long-term opportunity for the Company. Barrick will maintain and enhance the option value of this project by advancing the permitting process, at reasonable costs, which will take a number of years. During this time, Barrick will monitor the attractiveness of the project and evaluate alternatives to improve the economics with the objective of defining a project that satisfies the Company's investment criteria. This will provide the Company with the option to make a construction decision in the future should investment conditions warrant.

*Kabanga*

Barrick is party to a joint-venture agreement with Xstrata Canada Corporation ("Xstrata") with respect to the Kabanga nickel deposit and related mineral licenses in Tanzania. During 2008, Xstrata earned its 50% interest in the project under the earn-in agreement and is currently the operator of the project. Expenditures are funded equally by Xstrata and Barrick. The EIS for the project was submitted to the National Environment Management Council ("NEMC") in the first quarter of 2012, and a response was provided in the fourth quarter of 2012 to the comments received from the NEMC. The draft Mine Development Agreement ("MDA") has been lodged with the Ministry of Energy and Minerals, and additional supporting documentation was delivered ahead of planned discussions in the first half of 2013.

Applications for mineral rights on seven regional properties were granted, with prospecting licenses to be issued. The resettlement working group completed a census and asset survey in the fourth quarter of 2012 as part of the resettlement action plan to engage those families that will need to relocate. A detailed resettlement execution plan is being developed. Efforts will continue to be focused on obtaining approval of the EIS and granting of the Environmental Certificate, negotiating the MDA with the Tanzanian government, pursuing the receipt of a Special Mining License, and finalization and approval of the feasibility study.

Kabanga has a total estimated measured and indicated resource of 37.2 million tonnes grading 2.63% nickel and an inferred resource of 21 million tonnes grading 2.6% nickel. Contingent upon the results of the feasibility study and government infrastructure improvement projects, it is expected that the operation may be capable of producing more than 40,000 tonnes per year of nickel-in-concentrate at full production.

Barrick is considering a potential disposition of its 50% interest in the Kabanga project in accordance with the Company's disciplined capital allocation framework. See "General Information – General Development of the Business."

**ENVIRONMENT AND CLOSURE**

The Company's mining, exploration and development activities are subject to various levels of federal, provincial or state, and local laws and regulations relating to protection of the environment, including requirements for closure and reclamation of mining properties (see "Legal Matters – Government Controls and Regulations"). Barrick's investment in environmental management systems is aimed at eliminating or mitigating environmental risks as they are identified. The governance aspects of Barrick's systems are designed to inform management early enough to respond to risks as they arise.

Barrick has a policy of conducting environmental audits of its business activities, on a regular and scheduled basis, in order to evaluate compliance with: applicable laws and regulations; permit and license requirements; company policies and management standards including guidelines and procedures; and adopted codes of practice. All operating mines and selected project sites are subject to biannual audits, with certain sites being audited more frequently. Starting in 2010, Barrick began submitting closure sites and certain project sites to environmental audits. Barrick has identified certain of its closure and project sites that will be audited on a risk-priority basis in 2013. 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. Barrick has also developed and is continuing to develop specific performance standards relating to environmental matters. Barrick's Global Water Conservation Standard, completed in 2008, is being implemented as a company-wide priority. As of December 31, 2012, 18 of Barrick's 26 operating mines are zero water discharge operations, with all water recycled and reused for mining processes at site. Barrick has developed expertise in using saline water, maximizing availability of fresh water for other community users. In 2012, approximately 30% of the Company's water intake was brackish or saline. In 2013, Barrick intends to continue to participate in the Carbon Disclosure Project's Water Disclosure program to contribute to greater understanding of global industrial water use.

In 2009, Barrick finalized three additional standards: a Biodiversity Standard, a Mine Closure Standard and an Incident Reporting Standard. At year-end 2012, the Biodiversity Standard was being implemented across all of the Company's operating sites. All of Barrick's operating mines have implemented the Mine Closure Standard and the Incident Reporting Standard. A new Tailings Management Standard was finalized in August 2012 and is currently being introduced at the Company's operating sites.

Also in 2009, Barrick completed a risk assessment to identify and address the business risks associated with climate change, while continuing to improve overall energy efficiency of its operations. In

2010, Barrick adopted a Global Climate Change Standard. The Climate Change Standard has been introduced at all of Barrick's operating sites, and the Company expects to continue the implementation of this standard in 2013.

In certain respects, the standards developed by the Company exceed regulatory requirements and represent industry best practices. To provide further guidance toward achieving its environmental objectives, Barrick developed an Environmental Management System ("EMS") in 2005 that was updated in 2008 to align with international standards. At year-end 2012, the EMS had been implemented at all of the Company's sites. The EMS also provides the threshold for an operation to move toward ISO 14001 certification. For example, the North American RBU achieved ISO 14001 certification in 2011, becoming the second of Barrick's regional business units to be certified after the South American RBU. The Australia Pacific RBU is currently pursuing ISO 14001 certification. The Porgera mine achieved ISO 14001 certification in December 2012. All Barrick facilities have staff and systems in place to manage Barrick's regulatory and permit obligations.

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

During 2012, there were no material notices of violations, fines or convictions relating to environmental matters at any of the Company's material operations.

In May and August of 2012, the Chilean environmental authority initiated two regulatory sanction processes against CMN alleging certain non-compliances with the environmental approval for the Pascua-Lama project. The first matter related primarily to alleged transportation and waste handling non-compliance and resulted in a fine of approximately $217,000. The second matter related to the alleged failure to comply with dust control mitigation measures and certain failures in the implementation of the glacier monitoring plan and resulted in a fine of approximately $42,000. CMN intends to appeal both of these fines.

In January 2013, Barrick entered into a settlement agreement with the United States Environmental Protection Agency ("EPA") resolving a dispute regarding EPA's Toxics Release Inventory ("TRI") program. The TRI program requires annual reports regarding the use and management of certain listed chemicals. EPA conducted audits of several of Barrick's mines in Nevada and threatened to issue citations on several issues. Most threatened citations related to the methods used to estimate and report the amounts of minerals that change to a new chemical form during the gold milling process. EPA argued that Barrick underestimates the amount of metal compounds that undergo chemical changes. Barrick disagreed with EPA's position, but in order to resolve the issue will pay a cash penalty of $278,000. As part of the settlement, Barrick also agreed to fund a Supplemental Environmental Project (SEP) that will attempt to more accurately measure the disputed quantities. In addition, EPA and Barrick agreed to a protocol for future reporting. Depending upon the information developed by the SEP, Barrick may modify its previously submitted TRI reports and may pay additional penalties, up to a negotiated maximum of $250,000.

As part of Barrick's goal to minimize the impact on the environmental and social aspects of its projects and operations, it develops comprehensive closure and reclamation plans as part of its initial project planning and design. If it acquires a property that lacks a closure plan, Barrick requires preparation of a closure plan. The Company periodically reviews and updates closure plans to account for additional knowledge acquired in respect of a property or for changes in applicable laws or regulations. The Company has estimated future site reclamation and closure obligations, which it believes will meet current regulatory requirements. See Note 2(U) and 25 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.

Many 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 controlled and process ponds are either netted or other procedures are 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 auspices of the United Nations Environmental Programme. The Code establishes operating standards for manufacturers, transporters and mines and provides for third-party certification of facilities' compliance with the Code. Under the Code, each of the mines that use cyanide must receive a third party certification inspection. The Company listed all 23 of its mines that use cyanide for Code certification. Barrick has achieved certification or re-certification of 22 of those 23 mines that use cyanide under the Code.

Certain of the Company's operations produce mercury as a co-product of the ore that is processed at those sites. Those operations currently sell this mercury, which is captured at each of these sites by air quality 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. Consistent with U.S. law, Barrick will cease the export of elemental mercury from U.S. facilities in 2013. The Company is currently exploring options for storing mercury produced at these sites commencing in 2013. The Company is tracking the development of an international treaty on mercury which is anticipated to come into force by 2017. The Company anticipates ceasing export and sales of elemental mercury at the time the treaty comes into force.

**ENTERPRISE RISK-MANAGEMENT**

The Barrick Enterprise Risk Management ("ERM") process is intended to ensure that all business and operational risks identified at the corporate functional level, by the RBUs (whether at the site or regional level), the global copper business unit or within capital projects, Barrick Energy or ABG are escalated according to a standardized risk ranking criteria. In addition, each risk and mitigation strategy is monitored and escalated to the appropriate level of management based upon organizational impact. The highest priority residual risks from each region and corporate function are presented to Barrick management for final consolidation and prioritization as part of the Company's annual planning process.

In 2012, to improve the overall effectiveness of Barrick's risk management process, the Company initiated and implemented a training program focused on enhanced risk assessment and reporting for key personnel at all levels of the organization. In 2013, Barrick will continue the rollout of the training program and other efforts to increase cross-functional sharing of risk related information at all levels of the organization.

**Financial Risk-Management**

The Company has mining operations in ten 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, the price of certain other metals, currencies, interest rates and other commodity prices. This financial exposure is monitored and managed by the Company as an integral part of its overall financial risk-management program. The Company's financial risk-management program focuses on the unpredictability of commodity prices, currencies and interest rates and uses financial instruments to mitigate significant, unanticipated earnings and cash flow fluctuations that may arise from volatility in the financial markets. The Company's financial risk-management program has been integrated into Barrick's overall ERM reporting process.

*Gold Sales*

For most of Barrick's history, gold forward sales were a significant element in providing the Company with relatively stable revenue that helped fuel its growth. In 2002, Barrick began to take steps to simplify and reduce the size of its gold forward sales program. In late 2003, Barrick adopted a "no-new-hedge" gold policy such that it would not add new ounces to its gold forward sales program.

In 2012, Barrick's entire gold production was delivered into the spot market. The Company realized an average price of $1,669 per ounce compared with the average London P.M. Fix for the year of $1,669 per ounce. In 2011, the Company realized an average gold price of $1,578 per ounce compared with the average London P.M. Fix for the year of $1,572 per ounce. The Company enters into derivative contracts, primarily purchased and written contracts, with the primary objective of increasing reported gold and copper revenue (see Note 23C "Derivative Instruments" to the Consolidated Financial Statements for further information).

*Copper Sales*

Barrick has put in place floor protection using put options on approximately half of its expected copper production for 2013 at an average floor price of $3.50 per pound and has sold an equal amount of call options at an average cap price of $4.25 per pound. Barrick's realized price on its entire copper production is expected to be reduced by approximately $0.04 per pound in 2013 as a result of the net premium paid on option hedging strategies (see "Non-GAAP Financial Measures – Realized Prices").

The Company realized an average price of $3.57 per pound in 2012 compared with the average London Metals Exchange price for the year of $3.61 per pound, as a result of the impact of hedging strategies, quotational period pricing and timing of sales. In 2011, the Company realized an average copper price of $3.82 per pound compared with the average London Metals Exchange price for the year of $4.00 per pound.

*Silver Sales*

Barrick currently produces silver as a by-product at certain of its operating mines. In September 2009, Barrick entered into a transaction with Silver Wheaton for the sale of an amount of silver equivalent to the amount of silver produced from the Lagunas Norte, Pierina and Veladero mines in South America until Pascua-Lama reaches operation, and thereafter for the equivalent of 25% of the amount of silver produced from Pascua-Lama (see "Material Properties – Pascua-Lama Project – Development).

Utilizing option collar strategies, Barrick has hedge protection on a total of 65 million ounces of expected silver production from 2013 to 2018. The contracts contain purchased put and sold call options with weighted average strike prices of $23 per ounce and $53 per ounce, respectively. Barrick has paid a net premium of approximately $0.60 per ounce for these strategies. For collars designated against silver bullion sales, the hedged items are identified as the first stated quantity of ounces of forecasted sales in a future month. For additional information on Barrick's hedges against silver bullion sales, see Note 23C to the Consolidated Financial Statements.

*Currency, Interest Rate and Other Commodity Hedge Programs*

The Company also monitors and manages exposures related to fluctuations in currencies, interest rates and other commodity prices. Currency risk mainly arises on non-U.S. dollar cash expenditures at the Company's Australian, Canadian, South American, Papua New Guinean and Zambian mines that are denominated in local currencies. Interest rate risk mainly relates to interest income receipts on cash balances, interest payments on variable-rate debt obligations and the mark-to-market value of derivative instruments, including the fair value and ongoing payments under U.S. dollar interest-rate swaps. Commodity price risk arises with respect to commodities such as nickel at its Kabanga project, and the costs of electricity, acid, diesel fuel, natural gas and other inputs consumed at each of the Company's operations. The Company mainly uses forward foreign exchange contracts, interest rate swaps and forward commodity contracts to mitigate the impact of these exposures.

Barrick's currency hedge position has provided benefits to it in the form of hedge gains recorded within its operating costs when contract exchange rates are compared to prevailing market exchange rates as follows: 2012 – $336 million; 2011 – $344 million; and 2010 – $145 million. Barrick also recorded hedge gains as an offset to corporate administration costs as follows: 2012 – $20 million; 2011 – $24 million; and 2010 – $33 million. For 2013 forward, Barrick's average hedge rates vary depending on when the contracts were put in place. As of December 31, 2012, Barrick has hedged A$340 million, C$424 million and CLP 356 billion in 2013 for expected Australian, Canadian and Chilean operating costs including sustaining and eligible project capital expenditures and Canadian corporate administrative costs at average rates of A$0.96, C$1.02 and CLP 514, respectively. During 2012, with the Australian dollar trading at historically elevated levels against the U.S. dollar, and based on Barrick's currency outlook, the company opportunistically unwound approximately A$2.6 billion of Australian dollar hedges at an average spot rate of A$1.05. Barrick realized net cash proceeds of approximately $0.5 billion upon the settlement of these contracts. The corresponding accounting gains are recognized in the consolidated statement of income based on the original hedge contract maturity dates, which range until 2014, with remaining locked-in gains of approximately $280 million and $109 million positively impacting Barrick's total reported cash costs in 2013 and 2014, respectively. However, Barrick now has greater exposure to

fluctuations in the price of the Australian dollar, which will have a negative impact on reported total cash costs should the Australian dollar strengthen and a positive impact should the Australian dollar weaken. For 2013, every $0.01 movement in the Australian dollar will have an impact of approximately $2 per ounce on Barrick's consolidated total cash costs. Assuming December 31, 2012 market exchange rate curves and year-end spot price levels of A$1.04 against the U.S. dollar and C$0.99 and CLP 479 for the U.S. dollar against the Canadian dollar and Chilean peso, respectively, Barrick expects to record gains of approximately $270 million against operating costs in 2013, primarily related to previously unwound Australian dollar hedges, or about $37 per ounce based on total forecasted 2013 production. Beyond 2013, Barrick has hedge protection in place for about A$1.5 billion at an average rate of $0.92 and about CLP 356 billion at an average rate of CLP 510 between 2014 and 2016.

As of December 31, 2012, Barrick had forward contracts in place totaling 4.8 million barrels of oil over the next three years. In 2012, Barrick recorded hedge gains in earnings of approximately $24 million on its fuel hedge positions (2011: $48 million gain; 2010: $26 million loss). Assuming market rates at the December 31, 2012 level of $92 per barrel, Barrick expects to realize hedge gains of approximately $20 million in 2013 from its financial fuel contracts.

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 Company's derivative instruments used in the Company's currency, interest rate and commodity hedge programs, see pages 67 to 68 of the MD&A, Note 23 to the Consolidated Financial Statements and "Risk Factors."

*Oversight and Control Over Financial Risk-Management Activities*

The Company's financial risk-management activities are subject to the management, direction and control of its Finance Committee as part of that Committee's oversight of the Company's investment activities and treasury function. The Finance Committee, which is comprised of three members of the Company's Board of Directors, reports to the Board of Directors on the scope of the Company's risk-management strategy and other activities. The Finance Committee approves corporate policy that defines the Company's risk-management objectives and philosophy relating to financial risk-management activities and provides guidance for financial instrument usage. The Finance Committee also approves hedging strategies that are developed by management through its analysis of risk exposures to which the Company is subject, and commodity, foreign exchange and interest rate market analysis from internal and industry sources. The resulting hedging strategies are then incorporated into the Company's overall risk-management strategies.

Responsibility for the implementation of hedging and financial risk-management strategies is delegated to the Company's treasury function. A report on Barrick's hedge positions, detailing the size of the positions by contract type, diversification of the position among counterparties, each counterparty's recent credit rating and the latest fair value of each group of contracts, is prepared bi-monthly and distributed to the Chief Financial Officer and the Chairman of the Finance Committee. The Finance Committee and the Board of Directors also receive a report on Barrick's hedging and overall risk-management position at each of their regularly scheduled meetings.

Barrick maintains segregation of duties of personnel responsible for entering into hedging transactions from personnel responsible for recording and reporting transactions. In addition, the Company's treasury reporting group regularly monitors gold sales and hedging transactions entered into by the Company. 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.

## LEGAL MATTERS

### Government Controls and Regulations

The Company's business is subject to various levels and types of government controls and regulations, which are supplemented and revised from time to time. Set out below is a summary of potentially material developments related to government controls and regulations that may affect Barrick or its properties.

On February 27, 2013, President Medina of the Dominican Republic, in his first Independence Day speech to the National Assembly, announced that the government would submit to Congress a bill that would establish a tax on "unforeseen income" of mineral-exporting companies unless PVDC would promptly agree to the government's demands to increase the benefits to the government under the SLA at Barrick's Pueblo Viejo mine. In recent months, certain members of the Dominican Congress, including the President of the House of Deputies, had expressed a desire to accelerate and increase the benefits that the Dominican Republic will derive from the Pueblo Viejo mine. The Company, while fully reserving its rights under the SLA, which cannot be unilaterally altered, has engaged in dialogue with representatives of the government in an effort to achieve a mutually acceptable outcome. This could potentially involve a renegotiation of the SLA and/or the imposition of other measures, for instance to provide for prepayment of taxes in the earlier years of the mine life, and could have a significant negative effect on project economics and, in particular, the distribution of profits and cash flows of the mine. To date the parties have been unable to reach agreement. The government has threatened to take unilateral action, such as introducing the "unforeseen income" tax announced by the President or blocking the export of minerals. Such actions would constitute a violation of the SLA, which provides for international arbitration of disputes under the Arbitration Rules of the International Chamber of Commerce. Any such actions taken by the government in an effort to extract greater revenues would negatively affect the profitability and cash flow of the mine. The potential operational impacts of any such action are difficult to predict at this time. Depending on the nature and extent of any unilateral actions that the government may take, the Company could, among other things, decide to curtail, or suspend production at the mine, or to pay the tax under protest, while pursuing its rights under international arbitration.

On March 13, 2013, customs authorities in the Dominican Republic prevented PVDC from exporting a shipment of gold and silver from the Pueblo Viejo mine. The shipment was subsequently released and shipped out of the Dominican Republic on March 18, 2013. To date, subsequent shipments have been successfully completed without significant delay.

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. Changes to the mining laws are frequently proposed in the U.S. Congress. In 2011, President Obama's proposed budget included a proposal to replace the land tenure provisions of the mining law with a leasing program and to impose a 5% gross royalty on minerals produced under the new leasing system. The proposal appears to grandfather existing rights. The budget proposal included no legislative language so the exact parameters of the proposal are uncertain. That budget was not approved and the President has not proposed another budget since then. It is uncertain whether the proposal will be part of any budget that is ultimately submitted.

In December 2010, the EPA promulgated a new rule relating to mercury emissions from gold mining facilities. The new rule, known as the gold mining mercury MACT (Maximum Achievable Control Technology) imposes new permitting monitoring and control requirements on gold recovery air pollution sources. Due to the Company's own voluntary control efforts and the State of Nevada's groundbreaking mercury control regulations promulgated with the Company's support in 2006, the Company believes that its operations are well-placed to be able to comply with the new rule. Environmental groups challenged certain aspects of the proposed rule in the U.S. Circuit Court of Appeals for the District of Columbia, seeking more stringent requirements. The Court of Appeals has rejected those challenges.

In November 2009, a lawsuit was filed by a coalition of environmental groups challenging regulations promulgated under the federal mining law: *Earthworks, et al. vs. U.S. Department of the Interior* . The lawsuit seeks to impose different rules on millsite claims and unpatented lode claims and seeks an injunction of all permitting of mines on federal lands until new rules are promulgated. An unfavorable outcome in that litigation could also result in changes in the mining law.

During the fourth quarter of 2012, after observing increased dust in the open pit area, exacerbated by strong winds, the Pascua-Lama project voluntarily halted pre-stripping activities in order to implement additional dust mitigation and control measures. Subsequently, regulatory authorities in Chile issued an order to suspend pre-stripping until such dust-related concerns are addressed. The project has strengthened dust mitigation and control measures, including enhanced tunnel ventilation, revised blasting fragmentation, use of more robust protective equipment and a dust monitoring system.

Restrictions have also been placed on the project due to the need to repair and improve certain aspects of the water management system in Chile. In December 2012 and January 2013, a portion of the non-contact water diversion system was damaged. As a result, interim and permanent improvements to the water management system are currently being evaluated. In addition, upgrades to the water treatment plant are being evaluated and completion of the industrial water conveyance system is pending. Interim measures to repair and improve the non-contact water management system are expected to be completed by mid-year, while completion of the other aspects is expected by the end of the first quarter of 2014.

Pre-stripping of the pit in Chile is unlikely to recommence until matters related to dust and water management are resolved. However, the project is evaluating an alternative which would involve accelerating development of another small pit, which had been scheduled to be mined later, in order to provide an alternative source of ore for initial production if resumption of pre-stripping in Chile is delayed beyond May 2013. As a result, to date, the suspension of pre-stripping has not altered the target of first production in the second half of 2014. However, the outcomes of the regulatory processes, and of the constitutional rights protection action, are uncertain, and the Company will continue to monitor for potential impacts on the timing of first production. See " – Legal Proceedings – Pascua-Lama Constitutional Protection Action."

In October 2011, the Argentinean government issued Decree 1722, which requires crude oil, natural gas, and mining companies to repatriate and convert all foreign currency revenues resulting from export transactions into Argentine pesos. A bank transaction tax of 0.6% will apply to the subsequent conversion of pesos to foreign currencies in transactions that would otherwise have been executed using offshore funds.

In October 2011, the Peruvian government enacted a new voluntary Special Mining Contribution (SMC) payable by mining companies that have entered into legal stability agreements in Peru. On October 20, 2011, Barrick signed an agreement with the Peruvian government by which it voluntarily committed to pay the SMC on a quarterly basis for the term of its legal stability agreements for the Pierina and Lagunas Norte properties. The SMC is assessed on a sliding scale ranging from 4% to 13.12% based on operating income margin.

In April 2011, the Argentinean government implemented import controls on a greater number of goods. Delays associated with these import controls have the potential to affect certain aspects of Veladero's and Pascua-Lama's operations, such as maintenance and new construction, that are dependent on imported goods. Barrick will continue to evaluate the impact of these measures in 2013.

In October 2010, the Chilean government enacted legislation for a new specific mining tax. Under the new specific mining tax, for new projects, the applicable rates would change from 5% of operating

margin after depreciation to a range of 5% – 14% based on the level of operating margin. For those companies currently operating under a stabilized regime, the law contemplates an option to voluntarily apply a rate of 4% – 9% for 2010-2012, and then return to the stabilized rate of 4% until the current stability period ends, and obtain an extension of the stability period at rates in the range of 5% – 14% for an additional six years. In January 2011, Barrick voluntarily adopted the new specific mining tax with respect to its Zaldívar mine in Chile.

On September 30, 2010, the National Law on Minimum Requirements for the Protection of Glaciers was enacted at the federal level in Argentina, coming in force in early November 2010. The federal law bans all new mining exploration and exploitation activities on glaciers and in the "peri-glacial" environment, and subjects ongoing mining activities to an environmental audit. If significant impacts on glaciers and peri-glacial environment are verified by said audit, the authority is empowered to take action, including the suspension or relocation of the activity. In late January 2013, the Province of San Juan, where Barrick's operations are located in Argentina, announced that it had completed the required environmental audit, which concluded that Barrick's activities do not impact glaciers or periglaciers. Barrick believes it is legally entitled to continue its current activities on the basis of existing approvals. In November 2010, the Federal Court in San Juan granted injunctions, based on the unconstitutionality of the federal law, suspending its application in the Province and in particular to Veladero and Pascua-Lama. On July 3, 2012, the National Supreme Court of Justice of Argentina (the "Supreme Court") overturned the injunctions. The Supreme Court has not yet ruled on the constitutionality of the federal law (see " – Legal Proceedings – Argentine Glacier Legislation and Constitutional Litigation").

In 2002, as an emergency measure, Argentina adopted a 5% export duty on certain mineral products, including gold. At the time, the duty was described as "temporary." Export of gold doré from Barrick's Veladero Mine is currently subject to this duty. It is possible that the Argentinean government could attempt to further increase the export duty rates or otherwise impose additional taxes or burdens on the Company's mineral production as additional revenue enhancement measures. Should export duties continue to be in place at the time that the Company commences production from Pascua-Lama, only production from ore extracted in Argentina will be subjected to such duties.

In November 2011, the Australian government enacted a price on carbon emissions with a commencement date of July 1, 2012. The carbon price will be fixed in the first three years, starting at A$23 per tonne of carbon dioxide equivalent and increasing by 5% per annum until June 30, 2015. The carbon tax is designed to apply to the top 500 high-emitting companies in Australia. The government has proposed a transition from the carbon price regime to an emissions trading scheme (ETS) from July 1, 2015. The Coalition opposition has pledged to repeal the carbon price if they win government in the future. Barrick has completed a preliminary assessment and expects the impact of complying with the legislation to be an increase in our total cash costs of approximately $3 per ounce on a consolidated basis and approximately $12 per ounce for the regional business unit on an annualized basis.

In 2010, the Australian government proposed a new tax on the minerals industry. The original proposed tax extended to all minerals including gold and copper. After negative community feedback, the government abandoned the original proposed new tax and announced a new minerals resource rent tax ("MRRT") applying to iron ore and coal. The MRRT came into effect on July 1, 2012 and applies only to iron ore and coal. Other commodities such as gold and copper are not subject to the MRRT.

The Supreme Court in the Republic of the Philippines adopted new Rules of Procedure for Environmental Cases effective April 29, 2010 (the "Environmental Rules"). Rule 7 of the Environmental Rules purports to create a new special civil action or remedy called a "Writ of Kalikasan." The Environmental Rules provide that such a writ is available to a natural or juridical person, on behalf of persons "whose constitutional right to a balanced and healthful ecology is violated, or threatened with

violation by an unlawful act or omission of a public official or employee, or private individual or entity, involving environmental damage of such magnitude as to prejudice the life, health or property of inhabitants in two or more cities or provinces." The remedies available under this procedure are in the nature of injunctive orders preventing continued harm to the environment and orders for rehabilitation or remediation of the environment. The Rules provide for a significantly compressed procedural timeframe for such proceedings and, amongst other things, require: (i) the petitioners to file all of their evidence at the time they commence the proceeding and file their Petition for a Writ; and (ii) the respondents to file a responding pleading and their evidence within ten (10) days of being served with the Writ. The Rules also contemplate a speedy hearing and determination on the merits. Barrick does not operate in the Philippines but is a party to various legal proceedings in that country that relate to Placer Dome's former interest in the Marcopper mine (see " – Legal Proceedings – Writ of Kalikasan").

In 2012, ABG voluntarily agreed to increase the royalty paid on the gross value of minerals at all of ABG's mines in Tanzania from 3% to 4% following the resolution of a range of taxation, permitting and licensing issues with the government of that country.

Since the Company acquired its interest in the Jabal Sayid project through its acquisition of Equinox Minerals in 2011, the Deputy Ministry for Mineral Resources ("DMMR"), which oversees the mining license, has questioned whether such change in the indirect ownership of the project, as well as previous changes in ownership, required the prior consent of DMMR. In December 2012, DMMR required the project to cease commissioning of the plant using stockpiled ore, citing alleged noncompliances with the mining investment law and the mining license, and in January 2013 required related companies to cease exploration activities, citing noncompliance with the law and the exploration license related to the ownership changes. The Company does not believe that such consent was required as a matter of law, but has responded to requests of the DMMR, including through the provision of additional guarantees and undertakings, and expressed its desire to fully satisfy any related requirements of DMMR.

In December 2011, the Government of Zambia increased the mineral royalty from 3.0% to 6.0% effective April 1, 2012, following a previous royalty increase from 0.6% to 3.0% in April 2008. The 3.0% and 6.0% royalties contradict the Development Agreement entered into between Lumwana Mining Company Limited and the Government of Zambia on December 16, 2005, which provided a 10-year stability period for the key fiscal and taxation provisions related to the Lumwana property, including a 0.6% mineral royalty. Based on local and international legal advice, the Company believes that the compensation rights for breach of the 10-year stability period granted under the Lumwana Development Agreement prevail over the mineral royalty and other changes to the Zambian tax regime. In January 2012, the Government of Zambia announced its intention to further review the country's mining legislation. No amendments have been proposed to date.

On November 15, 2011 the Government of Balochistan rejected the mining lease application for Barrick's Reko Diq copper-gold project in Pakistan. Barrick believes that it had a sound legal basis to support its entitlement to secure a mining lease and the Company is actively pursuing the enforcement of its legal rights through both the International Center for Settlement of Investment Disputes and the International Chamber of Commerce. In January 2013, the Supreme Court of Pakistan ruled that the Government of Balochistan exceeded its authority in entering into the Chagai Hills Joint Venture Agreement, and that the contract was invalid. The Governments of Pakistan and Balochistan have indicated that they will argue that this ruling deprives the arbitration tribunals of jurisdiction, which Barrick will oppose vigorously. In the fourth quarter of 2012, the Company recorded a write-down of $120 million related to its investment in Tethyan Copper Company ("TCC"), which holds Barrick's interest in the Reko Diq project, due to political, legal, and regulatory uncertainties, particularly in regard to Pakistan and the Province of Balochistan. This write-down has been taken without prejudice to the legal remedies that may be obtained through the ongoing arbitration proceedings. For additional details

on these proceedings as well as the related proceedings before the Supreme Court of Pakistan see " – Legal Proceedings – Reko Diq Arbitration" and " – Legal Proceedings – Pakistani Constitutional Litigation."

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 (see "Environment and Closure"). 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 current government controls and regulations at each of its material properties.

**Legal Proceedings**

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

*Cortez Hills Complaint*

On November 12, 2008, the United States Bureau of Land Management issued a Record of Decision approving the Cortez Hills Expansion Project (the "Project"). On November 20, 2008, the TeMoak Shoshone Tribe, the East Fork Band Council of the TeMoak Shoshone Tribe and the Timbisha Shoshone Tribe, the Western Shoshone Defense Project, and Great Basin Resource Watch filed a lawsuit against the United States seeking to enjoin the majority of the activities comprising the Project on various grounds.

In December 2009, on appeal from a decision denying certain of the plaintiff's claims, the Ninth Circuit issued an opinion in which it held that the plaintiffs were likely to succeed on two of their claims and ordered that a supplemental Environmental Impact Statement ("EIS") be prepared by Barrick. On March 15, 2011, the BLM issued its record of decision that approved the supplemental EIS. On January 3, 2012, the District Court issued a decision granting summary judgment in favor of Barrick and the BLM on all remaining issues. The plaintiffs have appealed this decision.

*Marinduque Complaint*

Placer Dome was named the sole defendant in a Complaint filed in October 2005, by the Provincial Government of Marinduque, an island province of the Philippines (the "Province"), with the District Court in Clark County, Nevada. The Complaint asserted that Placer Dome was 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 sought "to recover damages for injuries to the

natural, ecological and wildlife resources within its territory." In addition, the Province sought 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 addressed 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.

In October 2010, the Nevada state court issued an order granting the Company's motion to dismiss the action on the grounds of forum non conveniens. The Province has appealed the Court's dismissal order to the Nevada Supreme Court. The Company intends to continue to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

*Calancan Bay (Philippines) Complaint*

In July 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 $1 billion.

In April 2008, Placer Dome Inc. made a special appearance by counsel to move to dismiss the complaint for lack of personal jurisdiction and on other grounds. The plaintiffs have opposed the motion to dismiss. In October 2008, the plaintiffs filed a motion challenging Placer Dome Inc.'s legal capacity to participate in the proceedings in light of its alleged "acquisition" by the Company. Placer Dome Inc. opposed this motion. In January 2009, Marcopper filed an entry of appearance in the action and in March 2012 filed a motion to dismiss the action on various grounds. The plaintiffs have opposed the motion to dismiss. It is not known when the motions will be decided by the Court. The Company intends to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

*Perilla Complaint*

In 2009, BGI and Placer Dome Inc. were purportedly served in Ontario with a complaint filed in November 2008 in the Regional Trial Court of Boac, on the Philippine island of Marinduque, on behalf of two named individuals and purportedly on behalf of the approximately 200,000 residents of Marinduque. The complaint alleges injury to the economy and the ecology of Marinduque as a result of the discharge of mine tailings from the Marcopper mine into the Calancan Bay, the Boac River, and the Mogpog River. The plaintiffs are claiming for abatement of a public nuisance allegedly caused by the tailings discharge and for nominal damages for an alleged violation of their constitutional right to a balanced and healthful ecology. BGI and Placer Dome Inc. filed motions to dismiss the claims against them on a number of grounds in 2009 and 2010. In June 2010, BGI and Placer Dome Inc. filed a motion to have the Court resolve their unresolved motions to dismiss before considering the plaintiffs' motion to admit an amended complaint and also filed an opposition to the plaintiffs' motion to admit on the same basis. It is not known when these motions or the outstanding motions to dismiss will be decided by the Court. The Company intends to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

*Writ of Kalikasan*

On February 25, 2011 a Petition for the Issuance of a Writ of Kalikasan with Prayer for Temporary Environmental Protection Order was filed in the Supreme Court of the Republic of the Philippines in Eliza M. Hernandez, Mamerto M. Lanete and Godofredo L. Manoy versus Placer Dome Inc. and Barrick Gold Corporation (the "Petition"). On March 8, 2011, the Supreme Court issued an En Banc Resolution and Writ of Kalikasan and directed service of summons on Placer Dome Inc. and the Company, ordered Placer Dome Inc. and the Company to make a verified return of the Writ with ten days of service and referred the case to the Court of Appeal for hearing. The Petition alleges that Placer Dome Inc. violated the petitioners' constitutional right to a balanced and healthful ecology as a result of, amongst other things, the discharge of tailings into Calancan Bay, the 1993 Maguila-Guila dam break, the 1996 Boac river tailings spill and failure of Marcopper to properly decommission the Marcopper mine. The petitioners have pleaded that the Company is liable for the alleged actions and omissions of Placer Dome Inc. which was a minority indirect shareholder of Marcopper at all relevant times and is seeking orders requiring the Company to environmentally remediate the areas in and around the mine site that are alleged to have sustained environmental impacts. The petitioners purported to serve the Company on March 25, 2011.

On March 31, 2011, the Company filed an Urgent Motion For Ruling on Jurisdiction with the Supreme Court challenging the constitutionality of the Rules of Procedure in Environmental Cases (the "Environmental Rules") pursuant to which the Petition was filed, as well as the jurisdiction of the Court over the Company. On April 4, 2011, the Company filed its response to the Petition as required by the Environmental Rule without submitting to the jurisdiction of the Court. On November 23, 2011, the Company's counsel received a Motion for Intervention, dated November 18, 2011, filed with the Supreme Court, in which two local governments, or "baranguays" (Baranguay San Antonio and Baranguay Lobo), seek intervenor status in the proceedings with the intention of seeking a dismissal of the proceedings. No decision has as yet been issued with respect to the Urgent Motion for Ruling on Jurisdiction, the Motion for Intervention, or certain other matters before the Court. The Company intends to continue to defend the action vigorously. No amounts have been accrued for any potential loss under this matter.

*Reko Diq Arbitration*

On February 15, 2011, Tethyan Copper Company Pakistan (Private) Limited ("TCCP") (the local operating subsidiary of Tethyan Copper Company ("TCC")) submitted to the Government of the Province of Balochistan (the "GOB") an application for a mining lease in respect of the Reko Diq project in Pakistan. Barrick currently indirectly holds 50% of the shares of TCC, with Antofagasta Plc ("Antofagasta") indirectly holding the other 50%.

TCC believes that, under the Chagai Hills Joint Venture Agreement (the "CHEJVA") between TCC and the GOB, as well as under the 2002 Balochistan Mineral Rules, TCCP was legally entitled to the mining lease subject only to "routine" government requirements. On November 15, 2011, the GOB notified TCCP of the rejection of TCCP's application for the mining lease. On November 28, 2011, TCC filed two requests for international arbitration: one against the Government of Pakistan ("GOP") with the International Centre for Settlement of Investment Disputes ("ICSID") asserting breaches of the Bilateral Investment Treaty ("BIT") between Australia (where TCC is incorporated) and Pakistan, and another against the GOB with the International Chamber of Commerce ("ICC"), asserting breaches of the CHEJVA. In December 2012, the ICSID tribunal declined to issue provisional measures to prevent the GOP from disposing of or encumbering any rights TCC may have to the property until the arbitration is concluded, but advised that it expected that neither the GOP nor the GOB would involve third parties nor conduct further work beyond the limited amount the GOP had disclosed, and imposed certain obligations on the GOP to report to the tribunal if its intentions changed. A hearing was held on the same issue before the ICC tribunal, which in February 2013 issued a ruling similar to that issued by the ICSID tribunal. The GOP filed jurisdictional objections before ICSID on the grounds that the BIT should not apply, which were not accepted. The GOP and GOB have renewed their objections in light of the Pakistani Constitutional Litigation (below). A merits hearing in the ICSID matter has been scheduled for December 2013, and a merits hearing in the ICC matter is tentatively set for March 2014. Issues related to damages in both proceedings have been bifurcated until after rulings on the merits.

*Pakistani Constitutional Litigation*

In November 2006, a Constitutional Petition was filed in the High Court of Balochistan by three Pakistani citizens against: Barrick, the GOB and the GOP, the Balochistan Development Authority ("BDA"), TCCP, Antofagasta, Muslim Lakhani and BHP (Pakistan) Pvt Limited ("BHP"). The Petition alleged, among other things, that the entry by the BDA into the 1993 Joint Venture Agreement ("JVA") with BHP to facilitate the exploration of the Reko Diq area and the grant of related exploration licenses were illegal and that the subsequent transfer of the interests of BHP in the JVA and the licenses to TCC was also illegal and should therefore be set aside. In June 2007, the High Court of Balochistan dismissed the Petition against Barrick and the other respondents in its entirety. In August 2007, the petitioners filed a Civil Petition for Leave to Appeal in the Supreme Court of Pakistan. On May 25, 2011, the Supreme Court ruled, among other things, that the GOB should proceed to expeditiously decide TCCP's application for the grant of a mining lease, transparently and fairly in accordance with laws and applicable rules. The Supreme Court also ruled that the petitions before the Court would remain pending.

In early 2012, the Supreme Court resumed hearing various petitions relating to TCC and the Reko Diq project, including applications seeking to have the CHEJVA declared invalid and applications seeking an order staying the ICSID and ICC arbitrations. In January 2013, the Supreme Court ruled that the GOB exceeded its authority in entering into the CHEJVA, and that the contract was invalid. The GOP and the GOB have indicated that they will argue that this ruling deprives the tribunals of jurisdiction, which TCC will oppose vigorously.

*Argentine Glacier Legislation and Constitutional Litigation*

On September 30, 2010, the National Law on Minimum Requirements for the Protection of Glaciers was enacted in Argentina, and came into force in early November 2010. The federal law bans new mining exploration and exploitation activities on glaciers and in the "peri-glacial" environment, and subjects ongoing mining activities to an environmental audit. If such audit identifies significant impacts on glaciers and peri-glacial environment, the relevant authority is empowered to take action, which according to the legislation could include the suspension or relocation of the activity. In the case of the Veladero mine and the Pascua-Lama project, the competent authority is the Province of San Juan. In late January 2013, the Province announced that it had completed the required environmental audit, which concluded that Veladero and Pascua-Lama do not impact glaciers or periglaciers.

In November 2010, the Federal Court in the Province of San Juan granted injunctions, based on the unconstitutionality of the federal law, suspending its application in the Province and, in particular to Veladero and Pascua-Lama. The National Supreme Court of Justice of Argentina (the "Supreme Court") issued a decision determining that this case falls within its jurisdiction. The National State filed a remedy for revocation of the decision of the Federal Court in the Province of San Juan to grant injunctions suspending the application of the federal law in the Province of San Juan. On July 3, 2012, the Supreme Court overturned the injunctions. The Supreme Court has not yet ruled on the constitutionality of the federal law. No amounts have been accrued for any potential loss under this matter.

*Pascua-Lama Constitutional Protection Action*

On September 28, 2012, a constitutional rights protection action was filed in the Court of Appeals of Copiapo, Chile by representatives of four Diaguita indigenous communities against Compania Minera Nevada ("CMN") Barrick's Chilean subsidiary that holds the Chilean portion of the Pascua-Lama project (the "Project"), and the Environmental Evaluation Commission ("EEC") of the III Region of Atacama, Chile, the regulatory body with oversight authority over the Project.

On October 22, 2012, a second constitutional rights protection action was filed in the Court of Appeals of Copiapo, Chile by a representative of a Diaguita indigenous community and certain other individuals against CMN and the EEC.

The plaintiffs in the actions allege that the construction of the Project affects their constitutional rights to life and to live in an environment free of contamination. The actions allege certain non-compliances with the Project´s environmental approval in Chile, including the carrying out of pre-stripping activities allegedly prior to full completion and operation of the acid rock drainage water management and treatment system and alleged impacts on the Toro 1, Toro 2 and Esperanza glaciers.

The plaintiffs assert that the alleged non-compliances with the environmental approval, together with the lack of inspections, sanctions and injunctions on the part of the regulatory bodies, have resulted in negative impacts on water sources and contamination, or at least the risk of contamination, of the Estrecho and Huasco rivers.

The relief sought in the actions is the suspension of the construction of the Project in Chile until all environmental obligations are fulfilled. At the time of filing of the first action, the plaintiffs sought the immediate granting of a preliminary injunction to halt pre-stripping activities. The preliminary injunction request was not granted. The first action has been admitted for review by the Court. The second action has been abandoned for lack of prosecution. No amounts have been accrued for any potential losses related to these actions.

*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. The results of pending or threatened proceedings related to any potential tax assessments or other matters cannot be predicted with certainty.

**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 2013 gold production and sales, a $50 per ounce increase or decrease in the market gold price will result in an approximately $350-$370 million increase or decrease in the Company's EBITDA. Factors tending to affect the price of gold include:

- industrial and jewelry demand;

- the level of demand for gold as an investment;
- central bank lending, sales and purchases of gold;
- the volume of recycled material available in the market;
- speculative trading; and
- costs 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.

Based on current estimates of Barrick's 2013 copper production and sales, a $0.25 per pound increase or decrease in the market copper price will result in an approximately $120-$130 million increase or decrease in the Company's EBITDA, excluding the impact of Barrick's hedging strategies. Factors tending to affect the price of copper include:

- the worldwide balance of copper demand and supply;
- 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;
- economic growth and political conditions in China, which has become the largest consumer of refined copper in the world, and other major developing economies;
- speculative investment positions in copper and copper futures;
- the availability of secondary material for smelting;
- expectations of the future rate of inflation;
- the availability and cost of substitute materials; and
- currency exchange fluctuations, including the relative strength of the U.S. dollar.

Barrick's gold production is sold into the spot market. The sales price for Barrick's copper production is determined provisionally at the date of sale with the final price determined based on market copper prices at a future date set by the customer, generally one to three months after the initial date of sale. Market prices for copper may fluctuate during this extended settlement period. The prices of Barrick's copper sales are marked-to-market at the balance sheet date based on the forward copper price for the relevant quotational period. All such mark-to-market adjustments are recorded in copper sale revenues. If the market price for copper declines, the final sale price realized by the Company at settlement may be lower than the provisional sale price initially recognized by the Company, requiring negative adjustments to Barrick's average realized copper price for the relevant period.

In addition, certain of Barrick's mineral projects include other minerals (principally nickel and silver), 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.

***Foreign investments and operations***

Barrick conducts mining, development and exploration and other activities in many countries, including the United States, Canada, Australia, Argentina, Chile, Peru, Dominican Republic, Papua New Guinea, Pakistan, Tanzania, Zambia and Saudi Arabia. Mining investments are subject to the risks normally associated with any conduct of business in foreign countries including:

- renegotiation, cancellation or forced modification of existing contracts;
- expropriation or nationalization of property;
- changes in laws or policies of particular countries, including those relating to taxation, royalties, imports, exports, duties, currency, or other claims by government entities, including retroactive claims (see "Legal Matters – Government Controls and Regulations");
- uncertain political and economic environments, war, terrorism, sabotage and civil disturbances;
- delays in obtaining or the inability to obtain or maintain necessary governmental permits;
- currency fluctuations;
- restrictions on the ability of local operating companies to sell gold, copper or other minerals offshore for U.S. dollars, and on the ability of such companies to hold U.S. dollars or other foreign currencies in offshore bank accounts;
- import and export regulations, including restrictions on the export of gold, copper or other minerals;
- risk of loss due to disease and other potential endemic health issues;
- 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. Certain of these risks have increased in the recent environment of higher metal prices and could continue to increase. Furthermore, in the event of disputes arising from Barrick's activities in Argentina, Chile, Peru, Dominican Republic, Papua New Guinea, Pakistan, Tanzania, Zambia and Saudi Arabia, Barrick has been and may continue to be subject to the jurisdiction of courts outside North America and Australia, which could adversely affect the outcome of the dispute.

On February 27, 2013, President Medina of the Dominican Republic announced that the government would submit to Congress a bill that would establish a tax on "unforeseen income" of mineral-exporting companies unless PVDC would promptly agree to the government's demands to increase the benefits to the government under the SLA for Barrick's Pueblo Viejo mine. In recent months, certain members of the Dominican Congress, including the President of the House of Deputies, had expressed a desire to accelerate and increase the benefits that the Dominican Republic will derive from the Pueblo Viejo mine. The Company, while fully reserving its rights under the SLA, which cannot be unilaterally altered, has engaged in dialogue with representatives of the government in an effort to achieve a mutually acceptable outcome. This could potentially involve a renegotiation of the SLA and/or the imposition of other measures, for instance to provide for prepayment of taxes in the earlier years of the mine life, and could have a significant negative effect on project economics and, in particular, the distribution of profits and cash flows of the mine. To date the parties have been unable to reach agreement. The government has threatened to take unilateral action, such as introducing the "unforeseen income" tax announced by the President or blocking the export of minerals. Any such actions taken by the government in an effort to extract greater revenues would negatively affect the profitability and cash flow of the mine. The potential operational impacts of any such action are difficult to predict at this time. Depending on the nature and extent of any unilateral actions that the government may take, the Company could, among other things, decide to curtail, or suspend production at the mine, or to pay the tax under protest, while pursuing its rights under international arbitration. On March 13, 2013, customs authorities in the Dominican Republic prevented PVDC from exporting a shipment of gold and silver from the Pueblo Viejo mine. The shipment was subsequently released and shipped out of the Dominican Republic on March 18, 2013. To date, subsequent shipments have been successfully completed without significant delay.

In Papua New Guinea, the location of the Porgera gold mine and where Barrick has access to over 5,300 square kilometers of exploration property, there is a greater level of political, social and economic risk compared to some other countries in which Barrick operates. The Porgera mine's infrastructure, including power, water and fuel, may be at risk of sabotage. Acts of sabotage could result in damage to production facilities and delays in or curtailments of production at Porgera.

A number of economic and social issues exist that increase Barrick's political and economic risk. Infectious diseases (including malaria, HIV/AIDS and tuberculosis) are major health care issues in certain of the countries in which Barrick operates. In Zambia, Barrick has continued workforce training and health programs at its Lumwana mine to maximize prevention awareness and minimize the impact of infectious diseases, including HIV/AIDS and malaria. In Tanzania, ABG has implemented infectious disease programs, including malaria control programs and HIV/AIDS awareness and prevention programs for its employees, families and local communities at its Bulyanhulu, Tulawaka, North Mara and Buzwagi mines.

***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 or that divestitures of assets will lead to a lower reserve base. The mineral base of Barrick may decline if reserves are mined without adequate replacement and Barrick may not be able to sustain production beyond the current mine lives, based on current production rates.

***Projects***

Barrick's ability to sustain or increase its present levels of gold and copper production is dependent in part on the success of its projects. There are many risks and unknowns inherent in all projects. For example, the economic feasibility of projects is based upon many factors, including:

- the accuracy of reserve estimates;
- metallurgical recoveries with respect to gold, copper and by-products;
- capital and operating costs of such projects;
- the timetables for the construction of such projects and any delays or interruptions;
- the future prices of the relevant minerals; and
- the ability to secure appropriate financing to develop such projects.

Projects also require the successful completion of feasibility studies, the resolution of various fiscal, tax and royalty matters, the issuance of necessary governmental permits and the acquisition of satisfactory surface or other land rights. It may also be necessary for Barrick to, among other things, find or generate suitable sources of power and water for a project, ensure that appropriate community infrastructure is developed by third parties to support the project and to secure appropriate financing to fund these expenditures (see " – Global financial conditions" and " – Liquidity and level of indebtedness").

Projects have no operating history upon which to base estimates of future cash flow. The capital expenditures and time required to develop new mines or other projects are considerable and changes in costs or construction schedules can affect project economics. Thus, it is possible that actual costs may increase significantly and economic returns may differ materially from Barrick's estimates or that metal prices may decrease significantly or that Barrick could fail to obtain the satisfactory resolution of fiscal and tax matters or the governmental approvals necessary for the operation of a project or obtain project financing on acceptable terms and conditions or at all, in which case, the project may not proceed either on its original timing or at all. In fact, Barrick's Pascua-Lama project has experienced a significant increase in its capital cost estimate and length of construction schedule since the feasibility study on the project. Although in the fourth quarter of 2012, the cost and schedule estimate was finalized, it is possible that unanticipated events, or the outcome of the current constitutional challenges and regulatory actions in Chile could result in further changes.

Barrick has adopted a disciplined capital allocation framework which focuses on maximizing risk-adjusted rates or return and free cash flow and, has announced that, in accordance with this framework, in the current challenging environment, it has no plans to build any new mines. If Barrick declines to advance a project on a particular timetable or at all, the rights associated with the project could be negatively affected.

***Liquidity and level of indebtedness***

As of December 31, 2012, Barrick had cash and cash equivalents of approximately $2.1 billion and capital leases and long-term debt of approximately $14.1 billion. Although Barrick has been successful in repaying debt in the past and issuing new debt securities in capital markets transactions, there can be no assurance that it can continue to do so. In addition, Barrick may assume additional debt in future periods or reduce its holdings of cash and cash equivalents in connection with funding future acquisitions, existing operations, capital expenditures, dividends or in pursuing other business opportunities. 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.

At current market gold and copper prices, Barrick expects to generate negative free cash flow in 2013. This is primarily due to expected capital expenditures of about $2.6 billion at the Pascua-Lama project. As of December 31, 2012, Barrick had approximately $1.8 billion in debt maturing in 2013. During the first quarter of 2013, Barrick borrowed $2.0 billion under its previously undrawn $4.0 billion credit facility due 2018, of which $1.2 billion was used to repay the outstanding balance on its credit facility due April 2013. As a result, as of March 20, 2013, Barrick had approximately $0.6 billion of debt maturing in 2013. Barrick expects to obtain the funds to pay its expenses and to pay principal and interest on its debt in 2013 through a combination of one or more of: borrowing under the Company's $4.0 billion credit facility (subject to compliance with covenants and making of certain representations and warranties); its future cash flow from operations; issuing additional equity or unsecured debt; and asset sales. The key financial covenant in Barrick's $4.0 billion credit facility requires Barrick to maintain a consolidated tangible net worth ("CTNW") of at least $3.0 billion (Barrick's CTNW was $12.0 billion as of December 31, 2012). Barrick's ability to meet its payment obligations will depend on its future financial performance, which will be impacted by financial, business, economic and other factors. Barrick will not be able to control many of these factors, such as economic conditions in the markets in which it operates. Barrick cannot be certain that its existing capital resources and future cash flow from operations will be sufficient to allow it to pay principal and interest on Barrick's debt and meet its other obligations. If these amounts are insufficient or if there is a contravention of its debt covenants, Barrick may be required to refinance all or part of its existing debt, sell assets, borrow more money or issue additional equity. The ability of Barrick to access the bank, public debt or equity capital markets on an efficient basis may be constrained by a dislocation in the credit markets and/or capital and/or liquidity constraints in the banking, debt and/or equity markets at the time of issuance. See " – Global financial conditions." If Barrick is unable to maintain its indebtedness and financial ratios at levels acceptable to its credit rating agencies, or should Barrick's business prospects deteriorate, the ratings currently assigned to Barrick by Moody's Investor Services, Standard & Poor's Ratings Services or DBRS could be downgraded, which could adversely affect the value of Barrick's outstanding securities and existing debt and its ability to obtain new financing on favorable terms, and increase Barrick's borrowing costs.

***Global financial conditions***

Following the onset of the credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. The deteriorating financial condition of certain government authorities has significantly increased the potential for sovereign defaults in a number of jurisdictions, including within the member states of the European Union. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises. Future economic shocks may be precipitated by a number of causes, including a continued rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact Barrick's ability to obtain equity or debt

financing in the future on terms favorable to Barrick. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, Barrick's operations and financial condition could be adversely impacted.

***Inflation***

In addition to potentially affecting the price of gold, copper and silver, general inflationary pressures may also affect Barrick's labor, commodity and other input costs, which could have a materially adverse effect on Barrick's financial condition, results of operations and capital expenditures for the development of its projects. See " – Metal price volatility," " – Projects," " – Price volatility and availability of other commodities," " – Production and cost estimates" and " – Shortages of critical parts, equipment and skilled labor."

***Mineral reserves and resources***

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

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

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

***Price volatility and availability of other commodities***

The profitability of Barrick's business is affected by the market prices of commodities produced as by-products at Barrick's mines, such as silver, as well as the cost and availability of commodities which

are consumed or otherwise used in connection with Barrick's operations and projects, including, but not limited to, diesel fuel, natural gas, electricity, acid, steel, concrete and cyanide. Prices of such commodities can be subject to volatility, which can be material and can occur over short periods of time, and are affected by factors that are beyond Barrick's control. An increase in the cost, or decrease in the availability, of construction materials such as steel and concrete may affect the timing and cost of Barrick's projects. If Barrick's proceeds from the sale of by-products were to decrease significantly, or the costs of certain commodities consumed or otherwise used in connection with Barrick's operations and projects were to increase, or their availability to decrease, significantly, and remain at such levels for a substantial period of time, Barrick may determine that it is not economically feasible to continue commercial production at some or all of Barrick's operations or the development of some or all of Barrick's current projects, which could have an adverse impact on Barrick as described under " – Metal price volatility" above.

***Mining risks and insurance risks***

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological conditions, labor force disruptions, civil strife, unavailability of materials and equipment, weather conditions, pit wall failures, rock bursts, cave-ins, flooding, seismic activity, water conditions and gold bullion losses, most of which are beyond Barrick's control. These risks and hazards could result in: damage to, or destruction of, mineral properties or producing facilities; personal injury or death; environmental damage; delays in mining; and monetary losses and possible legal liability. As a result, production may fall below historic or estimated levels and Barrick may incur significant costs or experience significant delays that could have a material adverse effect on Barrick's financial performance, liquidity and results of operation.

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

It is also 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.

***Production and cost estimates***

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

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

***Environmental, health and safety regulations; permits***

Barrick's mining and processing operations, development 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 or to obtain financing 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 reasonably practicable, 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. While Barrick has implemented extensive health and safety initiatives at its sites to ensure the health and safety of its employees, contractors and members of the community affected by its operations, there is no guarantee that such measures will eliminate the occurrence of accidents or other incidents which may result in personal injuries or damage to property, and in certain instances such occurrences could give rise to regulatory fines and/or civil liability.

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.

***Security and human rights***

Civil disturbances and criminal activities such as trespass, illegal mining, sabotage, theft and vandalism have caused disruptions at certain of Barrick's operations, including the Porgera mine in Papua New Guinea, the Lagunas Norte and Pierina mines in Peru and the Pueblo Viejo mine in the Dominican Republic and certain of ABG's operations in Tanzania, occasionally resulting in the suspension of operations. Affected sites have taken measures to protect their employees, property and production facilities from these risks. Certain sites have engaged armed and unarmed security personnel and installed perimeter fencing, walls and cameras in sensitive areas, such as main entrances and processing plants. Some sites have entered into arrangements with law enforcement agencies to provide policing and law and order in the areas surrounding the applicable site. Incidents of criminal activity, trespass, illegal mining, theft and vandalism have occasionally led to conflict with security personnel and/or police, which in some cases resulted in injuries and/or fatalities. The measures that have been implemented by the Company or ABG will not guarantee that such incidents will not continue to occur and such incidents may halt or delay production, increase operating costs, result in harm to employees or trespassers, decrease operational efficiency, increase community tensions or result in criminal and/or civil liability for the Company or its employees and/or financial damages or penalties.

The manner in which the Company's or ABG's personnel respond to civil disturbances and criminal activities can give rise to additional risks where those responses are not conducted in a manner that is consistent with international standards relating to the use of force and respect for human rights. Barrick and ABG have implemented a number of significant measures and safeguards which are intended to ensure that their personnel understand and uphold these standards. The implementation of these measures will not guarantee that the Company's or ABG's personnel will uphold these standards in every instance. The failure to conduct security operations in accordance with these standards can result in harm to employees or community members, increase community tensions, reputational harm to Barrick and its partners or result in criminal and/or civil liability for the Company, ABG or their respective employees and/or financial damages or penalties.

Civil disturbances and criminal activities such as trespass, illegal mining, theft and vandalism have occasionally caused disruptions to operations at Porgera and at certain of Barrick's and ABG's operations. Illegal mining, which involves trespass into the operating area of the mine, is both a security and safety issue at the Porgera mine and at certain of ABG's operations in Tanzania. The illegal miners from time to time have clashed with mine security staff and law enforcement personnel who have attempted to move them away from the facilities. The presence of the illegal miners, given the nature of the mines' operations, creates a safety issue for the illegal miners as well as Barrick's and ABG's employees and can cause disruptions to mine operations.

It is not possible to determine with certainty the future costs that Barrick may incur in dealing with the issues described above at its operations; however, if the number of incidents increases, costs associated with security, in the case of civil disturbances and illegal mining, may also increase, affecting profitability.

***Community relations and license to operate***

The Company's relationship with the communities in which it operates are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment

and on communities impacted by such activities. Certain non-governmental organizations ("NGOs"), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, or Barrick's operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While Barrick is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk. Barrick has implemented extensive community relations and security and safety initiatives to anticipate and manage social issues that may arise at its operations.

***Government regulation and changes in legislation***

The Company's business is subject to various levels of government controls and regulations, which are supplemented and revised from time to time. Barrick is unable to predict what legislation or revisions may be proposed that might affect its business or when any such proposals, if enacted, might become effective. Such changes, however, could require increased capital and operating expenditures and could prevent or delay certain operations by the Company. To the extent that Barrick fails to or is alleged to fail to comply with any applicable regulation, whether in the future or in the past, the Company may be unable to continue operate successfully at a particular location. 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 Australian dollar, Canadian dollar, Chilean peso, Argentine peso, Dominican peso, Peruvian sol, the Papua New Guinea kina, Tanzanian shilling and the Zambian kwacha. The appreciation of certain non-U.S. dollar currencies against the U.S. dollar has increased the costs of production at Barrick's mines, making such mines less profitable. This may continue into the future. Barrick enters into currency hedging contracts to mitigate the impact on operating costs of the appreciation of certain non-U.S. dollar currencies against the U.S. dollar. Barrick may incur an opportunity loss if the U.S. dollar appreciates in value relative to non-U.S. dollar currencies. Assuming December 31, 2012 market exchange rate curves and year-end spot price levels of A$1.04 against the U.S. dollar and C$0.99 and CLP 479 for the U.S. dollar against the Canadian dollar and Chilean peso, respectively, Barrick expects to record gains on its operating expenditures of approximately $270 million in 2013 (about $37 per ounce on total forecasted 2013 production), primarily related to previously unwound Australian dollar hedges. These hedging activities do not cover all of Barrick's future expected operating costs. There can be no assurance that Barrick will continue the hedging activities that it currently undertakes. See " – Use of derivatives" and "Enterprise Risk Management – Financial Risk-Management."

***U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws***

The U.S. Foreign Corrupt Practices Act, the Canadian Corruption of Foreign Public Officials Act, the U.K. Bribery Act and anti-bribery laws in other jurisdictions, generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business or other commercial advantage. Barrick's policies mandate compliance with these anti-bribery laws, which often carry substantial penalties. Barrick operates in jurisdictions that have experienced governmental and private sector corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with certain local customs and practices. There can be no assurance that the

Barrick's internal control policies and procedures always will protect it from reckless or other inappropriate acts committed by the Company's affiliates, employees or agents. Violations of these laws, or allegations of such violations, could have a material adverse effect on Barrick's business, financial position and results of operations and could cause the market value of Barrick's common shares to decline.

***Interest rates***

A significant, prolonged decrease in interest rates could have a material adverse impact on the interest earned on Barrick's cash balances ($2.1 billion at December 31, 2012). The Company's interest rate exposure mainly relates to the mark-to-market value of derivative instruments, including the fair value and ongoing payments under U.S. dollar interest-rate swaps; and to the interest payments on its variable-rate debt ($2.3 billion at December 31, 2012, which includes 100% of the variable-rate portion of non-recourse project financing facility for Pueblo Viejo drawn as of such date).

***Use of derivatives***

Barrick uses certain derivative products to manage the risks associated with copper and silver price volatility, changes in other commodity input 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 that the creditworthiness of a counterparty may adversely affect its ability to perform its payment and other obligations under its agreement with Barrick or adversely affect the financial and other terms the counterparty is able to offer Barrick; (b) market liquidity risk – the risk that Barrick has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; (c) unrealized mark-to-market risk – the risk that, in respect of certain derivative products, an adverse change in market prices for commodities, currencies or interest rates will result in Barrick incurring an unrealized mark-to-market loss in respect of such derivative products. See " – Global financial conditions."

***Litigation***

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

***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.

***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 or greater geographic, political, operating, financial, legal 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. In addition, recently many companies in the mining industry have seen significant downward pressure on their equity values after announcing significant acquisitions. There is a risk that if Barrick were to announce a significant acquisition, the value of Barrick's common shares could decrease over the short, medium and/or long term. There can be no assurance that Barrick would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

***Employee relations***

Barrick's ability to achieve its future goals and objectives is dependent, in part, on maintaining good relations with its employees and minimizing employee turnover. Work stoppages or other industrial relations events at Barrick's major capital projects could lead to project delays or increased costs. These events could arise out of the unionized workforce of Barrick's project contractors. A prolonged labor disruption at any of its material properties could have a material adverse impact on its operations as a whole.

***Shortages of critical parts, equipment and skilled labor***

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

***Joint ventures***

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

***Disclosure and internal controls***

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

***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.

***Ability to support the carrying value of goodwill and non-current assets***

As of December 31, 2012, the carrying value of Barrick's goodwill on an IFRS basis was approximately $8.8 billion or 19% of Barrick's total assets. Under IFRS, goodwill is allocated to the group of cash generating units ("CGU") that comprise an operating segment since each CGU in a segment is expected to derive benefits from a business combination that results in the recognition of goodwill. CGUs generally represent individual mineral or oil and gas properties. Goodwill is tested annually for impairment at the beginning of the fourth quarter for the gold and capital projects segments, and at the end of the fourth quarter for the copper and oil and gas segments. In addition, at each reporting period Barrick assesses whether there is an indication that goodwill is impaired and, if there is such an indication, Barrick would test for goodwill impairment at that time. The test for goodwill impairment involves a comparison of the recoverable amount of an operating segment to its carrying value. A goodwill impairment charge is recognized for any excess of the carrying amount of the operating segment over its recoverable amount.

Non-current assets are tested for impairment when events or changes in circumstances suggest that the carrying amount of these assets may not be recoverable. The impairment test is carried out using the same approach that is used for goodwill. However, the assessment is done at the CGU level, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets.

The assessment for goodwill and non-current asset impairment is subjective and requires management to make estimates and assumptions for a number of factors including estimates of production levels, operating costs and capital expenditures reflected in Barrick's life-of-mine plans, as well as economic factors beyond management's control, such as gold, copper and oil prices; discount rates; and observable net asset value ("NAV") multiples. Should management's estimate of the future not reflect actual events, goodwill or non-current asset impairment charges may materialize and the timing and amount of such impairment charges is difficult to predict.

***Holding of African Barrick Gold***

On March 24, 2010, ABG began operating as a separate, publicly traded company that holds all of Barrick's former African gold mines, gold projects and gold exploration properties. Barrick retained an equity interest of 73.9% in ABG. The board of directors and/or executive management team of ABG may determine to undertake actions that are different than those that the board of directors and/or executive management team of Barrick would have taken. In addition, the minority shareholders of ABG represent an important stakeholder group that is required to be considered in ABG's corporate governance and decision-making. Given the potential divergence in stakeholder interests, there is a risk that actions undertaken by ABG could differ from actions that would have been taken by Barrick and in certain circumstances could adversely affect Barrick's reputation and/or result in potential civil or criminal

liability for the Company. In addition, holding a controlling equity interest in a London Stock Exchange-listed company such as ABG places certain practical and regulatory constraints on the manner in which Barrick could dispose of its interest in ABG, should it determine it wishes to do so.

## 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 (IFRS) for the year ended December 31, 2012, which 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 as at and for the year ended December 31, 2012 (IFRS), which is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov as an exhibit to Barrick's Form 40-F.

## CAPITAL STRUCTURE

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

### General

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

### Common Shares

The holders of Barrick common shares are entitled to one vote for each share on all matters submitted to a vote of shareholders and do not have cumulative voting rights. The holders of Barrick common shares are entitled to receive dividends if, as and when declared by the Board of Directors of Barrick in respect of the Barrick common shares. Subject to the prior rights of the holders, if any, of the first preferred shares and second preferred shares then outstanding and of the shares then outstanding of any other class ranking senior to the Barrick common shares, the holders of Barrick common shares are entitled to share ratably in any distribution of the assets of Barrick upon liquidation, dissolution or winding-up, after satisfaction of all debts and other liabilities. As of March 20, 2013, there were 1,001,138,029 Barrick common shares issued and outstanding.

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

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

**Preferred Shares**

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

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

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

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

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

The first series of First Preferred Shares is designated as “$0.114 Non-cumulative Redeemable Convertible First Preferred Shares, Series A” (the “First Preferred Shares, Series A”), consisting of 10,000,000 First Preferred Shares. In addition to the rights, privileges, restrictions and conditions attached to the First Preferred Shares as a class, the First Preferred Shares, Series A are entitled to fixed non-

cumulative preferential cash dividends of C$0.114 per year, payable quarterly and can be converted into common shares on a one for one basis (subject to adjustment) if called for redemption. The redemption price for the First Preferred Shares, Series A is initially C$1.90 per share, but it may change if the Company gives notice that it has determined that the market price of the First Preferred Shares, Series A is a stipulated price. On or after the day that is 30 days after such notice is given, a holder of First Preferred Shares, Series A can require the Company to redeem his or her First Preferred Shares, Series A. The approval of the holders of the First Preferred Shares, Series A is required in respect of certain changes to the provisions relating to the First Preferred Shares or the First Preferred Shares, Series A. As of March 20, 2013, 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 20, 2013, 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 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. All outstanding BGI exchangeable shares (other than BGI exchangeable shares owned by Barrick or any subsidiary or affiliate of Barrick) were redeemed by Barrick on February 27, 2009. The Special Voting Share was redeemed and cancelled by Barrick in March 2009.

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 20, 2013, 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 20, 2013:

| | Rating Agency | | |
|---|---|---|---|
| | Moody's Investors Service | Standard & Poor's Ratings Services | DBRS |
| Senior Unsecured Debt | Baa1 | BBB+ | A (low) |

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

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. The BBB rating is the fourth highest of ten major categories. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (–) sign to show relative standing within the major rating categories. According to the S&P rating system, debt securities rated BBB are more subject to adverse economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still adequate. If S&P anticipates that a credit rating may change in the next six to 24 months, it may issue an updated ratings outlook indicating whether the possible change is likely to be "positive," "negative," "stable," or "developing" (meaning that it is uncertain whether a rating will be upgraded or downgraded). However, a ratings outlook does not mean that a ratings change will necessarily occur. In July 2012, S&P lowered their rating on the Company's long-term corporate credit to BBB+ from A- following Barrick's announcement of a capital cost increase and a delay to production start-up at the Pascua-Lama project. At that time, S&P also placed a "negative" ratings outlook on the Company's long-term corporate credit rating, noting that execution risks surrounding Pascua-Lama could further impact our credit metrics and free operating cash flow generation (see "Material Properties – Pascua-Lama Project" for more information about this project).

DBRS Limited ("DBRS") uses 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, and with the exception of the AAA and D categories is denoted by the subcategories "high" and "low." The absence of either a "high" or "low" designation indicates the rating is in the "middle" of the category. According to DBRS, a rating of A (low) by DBRS is in the third highest of 10 major categories and is of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. While "A (low)" is a respectable rating, entities in this category are considered to be vulnerable to future events, but qualifying negative factors are considered manageable.

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. Credit ratings are intended to provide investors with (i) an independent measure of the credit quality of an issue of securities; (ii) an indication of the likelihood of repayment for an issue of securities; and (iii) an indication of the capacity and willingness of the issuer to meet its financial obligations in accordance with the terms of those securities. Credit ratings accorded to Barrick's debt instruments may not reflect the potential impact of all risks on the value of such instruments, including risks related to market or other factors discussed in this Annual Information Form (see also "Risk Factors").

## MARKET FOR SECURITIES

Barrick's common shares are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange under the symbol ABX. The following table outlines the closing share price trading range and volume of shares traded by month in 2012, based on trading information published by each Exchange.

| | Toronto Stock Exchange | | | New York Stock Exchange | | |
|---|---|---|---|---|---|---|
| | Share Price Trading Range | | Share Volume | Share Price Trading Range | | Share Volume |
| | High | Low | | High | Low | |
| 2012 | (C$ per share) | | (millions) | ($ per share) | | (millions) |
| January | 50.33 | 45.74 | 56 | 50.23 | 45.21 | 45 |
| February | 50.27 | 45.96 | 55 | 50.38 | 45.90 | 42 |
| March | 47.86 | 42.19 | 67 | 48.58 | 42.21 | 58 |
| April | 44.13 | 38.36 | 48 | 44.49 | 38.46 | 45 |
| May | 41.59 | 35.11 | 60 | 40.76 | 34.82 | 64 |
| June | 44.75 | 36.81 | 77 | 43.30 | 35.55 | 71 |
| July | 39.56 | 31.18 | 71 | 39.00 | 31.00 | 60 |
| August | 38.12 | 31.55 | 57 | 38.68 | 31.49 | 61 |
| September | 42.08 | 37.43 | 67 | 43.15 | 37.80 | 54 |
| October | 41.73 | 37.50 | 58 | 42.53 | 38.25 | 42 |
| November | 37.95 | 32.91 | 55 | 38.00 | 32.87 | 58 |
| December | 34.95 | 32.43 | 50 | 35.53 | 32.81 | 47 |

ABG's common shares are listed and posted for trading on the London Stock Exchange under the symbol ABG. The following table outlines the closing share price trading range and volume of shares traded by month in 2012, based on trading information provided by the LSE.

| 2012 | London Stock Exchange Share Price Trading Range High | Low | Share Volume |
|---|---|---|---|
| | (UK£ per share) | | (millions) |
| January | 5.16 | 4.43 | 10.45 |
| February | 5.32 | 4.43 | 15.69 |
| March | 4.58 | 3.84 | 19.19 |
| April | 3.87 | 3.51 | 13.28 |
| May | 3.68 | 3.10 | 11.39 |
| June | 4.04 | 3.49 | 8.73 |
| July | 4.17 | 3.17 | 11.11 |
| August | 4.54 | 3.81 | 20.56 |
| September | 4.85 | 4.39 | 9.29 |
| October | 4.92 | 4.24 | 12.94 |
| November | 4.27 | 3.85 | 9.25 |
| December | 4.54 | 4.10 | 7.26 |

**MATERIAL CONTRACTS**

Set out below is a description of Barrick's material contracts as at December 31, 2012.

On March 6, 2003, Placer Dome entered into an Indenture (the "2003 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 2003 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 2003 Indenture, sets out the terms and conditions pertaining to the $300 million principal amount 6.45% debentures.

On November 12, 2004, Barrick entered into an Indenture with Barrick Gold Inc., Barrick Gold Finance Company and JPMorgan Chase Bank (the "2004 Indenture"). Pursuant to the 2004 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 2004 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 (Barbados) Corp., formerly Barrick International Bank Corp. ("BIBC") issued an aggregate of $1 billion of notes (the "BIBC 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 "2006 Indenture"). The 2006 Indenture sets out the terms and conditions pertaining to the BIBC 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 BIBC 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 "ABXFC Indenture"). The ABXFC Indenture sets out the terms and conditions pertaining to the ABXFC Notes, which include an unconditional guarantee by Barrick, BIBC and Barrick (HMC).

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

On October 16, 2009, Barrick entered into an Indenture with Barrick (PD) Australia Finance Pty Ltd. and the Bank of New York Mellon (the "2009 Indenture"). Pursuant to the 2009 Indenture, Barrick (PD) Australia Finance Pty Ltd. issued $400 million principal amount 4.950% notes due 2020 (the "BPDAF 2020 Notes") and $850 million principal amount 5.950% notes due 2039 (the "BPDAF 2039 Notes"), all on October 16, 2009. The 2009 Indenture sets out the terms and conditions pertaining to the BPDAF 2020 Notes and the BPDAF 2039 Notes. Each of the BPDAF 2020 Notes and the BPDAF 2039 Notes are unconditionally guaranteed by Barrick.

On June 1, 2011, Barrick entered into an Indenture with Barrick North America Finance LLC ("BNAF"), Citibank N.A. and Wilmington Trust Company (the "2011 Indenture"). Pursuant to the 2011 Indenture, Barrick and BNAF issued an aggregate of $4.0 billion in debt securities comprised of: $700 million of 1.75% notes due 2014 and $1.1 billion of 2.90% notes due 2016 issued by Barrick (collectively, the "Barrick Notes") as well as $1.35 billion of 4.40% notes due 2021 and $850 million of 5.70% notes due 2041 issued by BNAF (collectively, the "BNAF Notes"). The Barrick Notes and the BNAF Notes are unconditionally guaranteed by Barrick.

On April 3, 2012, Barrick issued an aggregate of $2 billion in debt securities pursuant to the 2011 Indenture, comprised of $1.25 billion of 3.85% notes due 2022 and $750 million of 5.25% notes due 2042.

**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 2010, as a result of Barrick's positive outlook on the gold price, its strong financial position and robust operating cash flows, Barrick's Board of Directors authorized an annual dividend increase from $0.40 per common share to $0.48 per common share. The Board also approved moving from a semi-annual dividend to a quarterly dividend. In 2010, Barrick paid a total cash dividend of $0.44 per common

share – $0.20 in mid-June, $0.12 in mid-September and $0.12 in mid-December. In 2011, Barrick paid a total cash dividend of $0.51 per common share – $0.12 in mid-March, $0.12 in mid-June, $0.12 in mid-September and $0.15 in mid-December. In 2012, Barrick paid a total cash dividend of $.80 per common share – $0.20 in mid-March, $0.20 in mid-June, $0.20 in mid-September and $0.20 in mid-December, which represents a 33% increase from the previous quarterly dividend. This increase reflects Barrick's ability to generate substantial cash flows from our operations in a high gold price environment. 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 quarterly based on, among other things, the Company's current and projected liquidity profile.

## DIRECTORS AND OFFICERS OF THE COMPANY

As of March 20, 2013, directors and executive officers of Barrick as a group beneficially own, directly or indirectly, or exercise control or direction over 2,698,311 common shares representing approximately 0.27% of the outstanding common shares of Barrick.

### Directors of the Company

The present term of each director will expire at the next annual meeting of shareholders or upon such director's successor being elected or appointed. The following are the directors of the Company as at March 20, 2013

| Name (age) and municipality of residence | Principal occupations during past 5 years |
|---|---|
| Howard L. Beck ( *79* )<br>Toronto, Ontario<br>Canada | Mr. Beck is a corporate director. Mr. Beck was a senior partner of the law firm, Davies, Ward & Beck from 1962 to 1989. Mr. Beck holds an undergraduate degree and law degree from the University of British Columbia and a master's degree in law from Columbia University. He was called to the bar of British Columbia and Ontario. He was appointed Queen's Counsel in 1971.<br><br>**Barrick Board Details:**<br>• Director since July 14, 1984 |
| C. William D. Birchall *(70)*<br>Toronto, Ontario<br>Canada | Mr. Birchall is the Vice Chairman of Barrick. Mr. Birchall is the former Vice Chairman of Trizec Hahn Corporation, a real estate company. He is the President of the William Birchall Foundation. He graduated from Merchant Taylor's School and is a Fellow of the United Kingdom Institute of Chartered Accountants.<br><br>**Barrick Board Details:**<br>• Vice Chairman since 2005 and Director since July 14, 1984 |

| Name (age) and municipality of residence | Principal occupations during past 5 years |
|---|---|
| Donald J. Carty *(66)*<br>Dallas, Texas<br>USA | Mr. Carty is the Chairman of Porter Airlines Inc. and Virgin America Airlines, commercial airline companies, and e-Rewards Inc., a digital data collection and reporting company. He served as Vice Chairman and Chief Financial Officer of Dell Inc., a computer manufacturer, from January 2007 until June 2008. Mr. Carty is the former Chairman and Chief Executive Officer of AMR Corp. and American Airlines, commercial airline companies. Mr. Carty is also a member of the board of directors of Big Brothers Big Sisters Lonestar and a member of the Executive Board of the SMU Cox School of Business. He holds an undergraduate degree and an honorary doctor of law 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.<br><br>**Barrick Board Details:**<br>• Director since February 22, 2006 |
| Gustavo Cisneros ( *67* )<br>Santo Domingo,<br>Dominican Republic | Mr. Cisneros is the Chairman of the Cisneros Group of Companies, a privately held media, entertainment, technology and consumer products organization. Mr. Cisneros is a member of Barrick's International Advisory Board. He is also a senior advisor to RRE Ventures LLC, a venture capital firm. He is a member of the advisory boards of a number of organizations and universities, including the United Nations Information and Communication Technologies (ICT) Task Force, Haiti Presidential International Advisory Board, The Americas Society, Georgetown University and Harvard University. Mr. Cisneros holds an undergraduate degree from Babson College.<br><br>**Barrick Board Details:**<br>• Director since September 9, 2003 |
| Robert M. Franklin ( *66* )<br>Toronto, Ontario<br>Canada | Mr. Franklin is President of Signalta Capital Corporation, an investment company. Mr. Franklin is the former Chairman of the Board of Photowatt Technologies, a developer of solar power technologies, and the former Chairman of the Board of Placer Dome Inc., a gold mining company. He holds an undergraduate degree from Hillsdale College.<br><br>**Barrick Board Details:**<br>• Director since February 22, 2006 |

| Name (age) and municipality of residence | Principal occupations during past 5 years |
|---|---|
| J. Brett Harvey *(62)*<br>Canonsburg, Pennsylvania<br>USA | Mr. Harvey is Chairman and Chief Executive Officer of CONSOL Energy Inc., a coal, gas and energy services company. He is also the Chairman and Chief Executive Officer of CNX Gas Corporation, a natural gas company and a subsidiary of CONSOL Energy Inc. Mr. Harvey serves on the board of a number of energy industry associations, including the coal industry advisory board of the International Energy Agency, the Leadership Council of the American Coalition for Clean Coal Electricity, the National Coal Council, the Virginia Coalfield Economic Development Authority, and he is the chairman of the Bituminous Coal Operators' Association's board of directors. Mr. Harvey is also on the board of directors of the Allegheny Conference on Community Development, a member of the National Executive Board of the Boy Scouts of America, and a director and past chairman of the Boy Scouts of America Laurel Highlands Counsel. He holds an undergraduate degree from the University of Utah.<br><br>**Barrick Board Details:**<br>• Director since December 15, 2005 |
| Dambisa Moyo *(44)*<br>London, United Kingdom | Dr. Moyo is an international economist and commentator on the global economy. Dr. Moyo worked at the World Bank from 1993 to 1995 and at Goldman Sachs from 2001 to 2008 where she worked in debt capital markets, hedge fund coverage and as an economist in the global macroeconomics team. Dr. Moyo is a Patron for Absolute Return for Kids and a past director of Room to Read and the Lundin for Africa Foundation. Dr. Moyo holds an undergraduate degree and master's degree in business administration from American University, a master's degree from Harvard University's Kennedy School of Government and a doctorate in economics from Oxford University.<br><br>**Barrick Board Details:**<br>• Director since April 27, 2011 |
| The Right Honourable Brian Mulroney ( *73* )<br>Montreal, Quebec<br>Canada | Mr. Mulroney assumed the role of Senior Advisor, Global Affairs of Barrick on January 1, 2012. Mr. Mulroney is also the Chairman of Barrick's International Advisory Board and a Senior Partner of Norton Rose Canada LLP, a law firm. Mr. Mulroney was the Prime Minister of Canada from 1984 to 1993. Mr. Mulroney is a member of the advisory group of Lion Capital LLP. He holds an undergraduate degree from St. Francis Xavier University and a law degree from Université Laval. Mr. Mulroney is a Companion of the Order of Canada.<br><br>**Barrick Board Details:**<br>• Director since November 8, 1993 |

| Name (age) and municipality of residence | Principal occupations during past 5 years |
|---|---|
| Anthony Munk *(52)*<br>Toronto, Ontario<br>Canada | Mr. Anthony Munk is a Senior Managing Director of Onex Corporation, a leading North American private equity firm. He is also a director of the Aurea Foundation and a Trustee of the Art Gallery of Ontario Foundation Board. Mr. Munk holds an undergraduate degree from Queen's University.<br><br>Mr. Munk is also a director of the private companies JELD-WEN Holding, Inc. and was formerly a director of RSI Home Products Inc. and Chairman of the Board of Husky Injection Molding Systems Ltd., which are private companies.<br><br>**Barrick Board Details:**<br>• Director since December 10, 1996 |
| Peter Munk ( *85* )<br>Toronto, Ontario<br>Canada | Mr. Peter Munk is the Founder and Chairman of Barrick. From March 27, 2008 to January 15, 2009, Mr. Munk was also the interim Chief Executive Officer of Barrick. He is also the former Chairman of Trizec Properties, Inc., a real estate investment trust, and the former Chairman and Chief Executive Officer of Trizec Canada Inc., a real estate company. Mr. Munk is the former Chair of the University of Toronto Crown Foundation and served as a Trustee of the University Health Network in Toronto. He holds an undergraduate degree and an honorary doctor of laws from the University of Toronto. Mr. Munk is a member of the Canadian Business Hall of Fame and the Canadian Mining Hall of Fame, a recipient of the Woodrow Wilson Award for Corporate Citizenship, the Queen Elizabeth II Diamond Jubilee Medal and several honorary degrees. Mr. Munk is a Companion of the Order of Canada.<br><br>**Barrick Board Details:**<br>• Director since July 14, 1984 |
| Steven J. Shapiro *(60)*<br>Houston, Texas<br>USA | Mr. Shapiro is a corporate director. He is the former Executive Vice President, Finance and Corporate Development and director of Burlington Resources, Inc., an oil and gas exploration and production company. He serves as a trustee of the Houston Museum of Natural Science. Mr. Shapiro holds an undergraduate degree from Union College and a master's degree in business administration from Harvard University.<br><br>**Barrick Board Details:**<br>• Director since September 1, 2004 |

| Name (age) and municipality of residence | Principal occupations during past 5 years |
|---|---|
| Jamie C. Sokalsky *(55)*<br>Toronto, Ontario<br>Canada | Jamie C. Sokalsky was appointed President and Chief Executive Officer and a director of Barrick Gold Corporation on June 5, 2012. Prior to his appointment, Mr. Sokalsky was Executive Vice President and Chief Financial Officer of Barrick. He is a council member of the International Council on Mining and Metals, and a director of the World Gold Council. Mr. Sokalsky is a Chartered Accountant and holds an undergraduate degree from Lakehead University.<br><br>**Barrick Board Details:**<br>• Director since June 5, 2012 |
| John L. Thornton ( *59* )<br>Palm Beach, Florida<br>USA | Mr. Thornton was appointed Co-Chairman of Barrick on June 5, 2012. He is a Professor, Director of the Global Leadership Program and Chairman of the Advisory Board at Tsinghua University School of Economics and Management in Beijing. He is also Chairman of the Board of Trustees of the Brookings Institution in Washington, D. C. He retired in 2003 as President and a member of the board of the Goldman Sachs Group. Mr. Thornton is a trustee, advisory board member or member of the China Foreign Affairs University, China Investment Corporation (CIC), China Securities Regulatory Commission (CSRC), Council of Foreign Relations, The Hotchkiss School, McKinsey Advisory Council, Morehouse College, and the National Committee on U.S. – China Relations. Mr. Thornton received an undergraduate degree from Harvard College, a degree in jurisprudence from Oxford University and a master's degree from the Yale School of Management.<br><br>**Barrick Board Details:**<br>• Director since February 15, 2012 |

Mr. Mulroney, a director of the Company, is a director of Quebecor World Inc., a company which during the past ten years has made a proposal under legislation relating to bankruptcy or insolvency or instituted an arrangement with creditors while Mr. Mulroney was acting as a director for such company. On January 21, 2008, Quebecor World Inc. and substantially all of its U.S. operating subsidiaries filed a voluntary petition for creditor protection under the Canadian *Companies' Creditors Arrangement Act* and Chapter 11 of the U.S. Bankruptcy Code.

**Committees of the Board**

***Corporate Governance and Nominating Committee***

The Corporate Governance and Nominating Committee is comprised of H.L. Beck, R.M. Franklin and D. Moyo.

***Audit Committee***

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

***Compensation Committee***

The Compensation Committee is comprised of G. Cisneros, J.B. Harvey and S.J. Shapiro.

***Corporate Responsibility Committee***

The Corporate Responsibility Committee is comprised of C.W.D. Birchall, J.L. Thornton and D. Moyo.

***Finance Committee***

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

***International Advisory Board***

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

**Executive Officers of the Company**

In addition to Peter Munk, Jamie C. Sokalsky and C. William D. Birchall, as set out above, the following are the executive officers of the Company as at March 20, 2013:

| Name (age) and municipality of residence | Office | Principal occupations during past 5 years |
|---|---|---|
| Ammar Al-Joundi *(48)*<br>Toronto, Ontario<br>Canada | Executive Vice President and Chief Financial Officer | Executive Vice President and Chief Financial Officer; prior to July 10, 2012, Senior Vice President, Finance and Chief Financial Officer of Agnico-Eagle Mines Ltd.; prior to Sep 2010, Senior Vice President of Business Strategy and Capital Allocation. |
| Kelvin Dushnisky *(49)*<br>Oakville, Ontario<br>Canada | Senior Executive Vice President | Executive Vice President, Corporate and Legal Affairs of the Company; prior to June 2010, Executive Vice President, Corporate Affairs of the Company. |
| Igor Gonzales *(58)*<br>Toronto, Ontario<br>Canada | Executive Vice President and Chief Operating Officer | Executive Vice President and Chief Operating Officer; prior to May 2012, President, South America. |
| Robert Krcmarov *(48)*<br>Toronto, Ontario<br>Canada | Senior Vice President, Global Exploration | Senior Vice President, Global Exploration of the Company; prior to December 2008, Vice President, Global Exploration of the Company. |
| Richard McCreary *(50)*<br>Toronto, Ontario<br>Canada | Senior Vice President, Corporate Development | Senior Vice President, Corporate Development; prior to April 2011, Head of World Markets' Global Mining at CIBC. |

| Name (age) and municipality of residence | Office | Principal occupations during past 5 years |
|---|---|---|
| Ivan Mullany *(50)*<br>Toronto, Ontario<br>Canada | Senior Vice-President, Capital Projects | Senior Vice President, Capital Projects; prior to August 2011, Vice President, Technical Services; prior to 2009, Senior Director, Metallurgy & Process. |
| Don Ritz *(66)*<br>Toronto, Ontario<br>Canada | Senior Vice President, Safety and Leadership Development | Senior Vice President, Safety and Leadership Development of the Company; prior to July 2009, Vice President, Safety and Health of the Company. |
| Sybil Veenman *(49)*<br>Toronto, Ontario<br>Canada | Senior Vice President and General Counsel | Senior Vice President and General Counsel; prior to July 2010, Senior Vice President, Assistant General Counsel and Secretary of the Company; prior to July 2008, Vice President, Assistant General Counsel and Secretary of the Company. |
| Gary Halverson *(54)*<br>Sandy, Utah<br>USA | President, North America | President, North America of the Company. Prior to November 2011, President, Australia-Pacific RBU of the Company; Director of Operations Eastern Region Australia Pacific. |
| Guillermo Calo *(45)*<br>Santiago, Chile | President, South America | President, South America; prior to July 2012, Directors of Organizational Effectiveness for South America. |
| Mike Feehan *(57)*<br>Fremantle, WA<br>Australia | President, Australia-Pacific | President, Australia-Pacific of the Company; prior to November 2011, Senior Vice President Operations Support of the Company and Director of Operations for North America. |
| Mark Fisher *(54)*<br>Toronto, Ontario<br>Canada | President, Copper | President, Global Copper Business; prior to October 2012, Director of Operations in South America; prior to November 2011, Director of Operations in Australia-Pacific, prior to December 2010, Director of Operations at the Porgera mine in Papua New Guinea. |
| Greg Hawkins *(44)*<br>London, England | President and Chief Executive Officer, African Barrick Gold | President and Chief Executive Officer, African Barrick Gold; prior to March 2010, Chief Financial Officer, Australia-Pacific RBU of the Company. |

**AUDIT COMMITTEE**

**Audit Committee Mandate**

*Purpose*

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

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

*Committee Responsibilities*

3. The Committee's responsibilities shall include:

External Auditors

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

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

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

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

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

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

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

Financial Reporting

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

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

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

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

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

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

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

Internal Controls Over Financial Reporting

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

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

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

(r) establishing procedures for:

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

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

Internal Audit

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

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

Other

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

(v) reporting regularly to the Board;

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

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

*Responsibilities of the Committee Chair*

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

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

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

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

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

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

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

*Powers*

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

*Composition*

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

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

8. Each member of the Committee shall be "financially literate" and at least one member of the Committee shall have "accounting or related financial management expertise" [1]. At least one member of the Committee shall be an "audit committee financial expert", as defined in the applicable rules and regulations of securities regulatory authorities and/or stock exchanges.

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

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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 (D.J. Carty, R.M. Franklin, D. Moyo and S.J. Shapiro). Dr. D. Moyo became a member of the Committee on May 2, 2012. There were five meetings of the Audit Committee in 2012. All of the members of the Committee attended all of the meetings held in 2012 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.

**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. No member of the Audit Committee currently serves on the audit committee of more than three publicly-traded companies.

**Audit Committee Pre-Approval Policies and Procedures**

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

**External Auditor Service Fees**

PricewaterhouseCoopers LLP are the auditors of Barrick's Consolidated Financial Statements. The following PricewaterhouseCoopers LLP fees were incurred by Barrick in each of the years ended December 31, 2012 and 2011 for professional services rendered to Barrick:

| Fees [1] (amount in millions) | 2012 | 2011 |
|---|---|---|
| Audit Fees [2] | $10.0 | $10.0 |
| Audit-related Fees [3] | 0.6 | 0.6 |
| Tax Fees | 1.1 | 1.1 |
| All Other Fees | 0.1 | 0.1 |
| Total | $11.8 | $11.8 |

(1) The classification of fees is based on applicable Canadian securities laws and SEC definitions.
(2) The audit fees remained consistent year over year.
(3) In 2012, audit-related fees primarily related to fees paid for services in connection with the Company's offering of debt securities of $0.2 million ($0.3 million in 2011) and services relating to required regulatory certifications of $0.2 million. Other audit related fees also included translation of financial information for regulatory filing purposes ($0.1 million).

**INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES**

Management is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure controls and procedures. Internal control over financial reporting is a framework designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with International Financial Reporting Standards. The Company's internal control over financial reporting framework includes those policies and procedures that pertain to the preparation of financial information, including information contained in Barrick's 2012 Annual Report and this Annual Information Form.

Disclosure controls and procedures form a broader framework designed to ensure that other financial and non-financial information disclosed publicly fairly presents in all material respects the financial condition, results of operations and cash flows of the company for the periods presented in the MD&A and Barrick's Annual Report. Barrick's disclosure controls and procedures framework includes processes designed to ensure that material information relating to Barrick, and its consolidated subsidiaries, is made known to management, including Barrick's Chief Executive Officer and Chief Financial Officer, by others within those entities to allow timely decisions regarding required disclosure. Disclosure controls and procedures apply to various disclosures, including reports filed with securities regulatory agencies.

The management of Barrick, at the direction of our chief executive and financial officers, have evaluated the effectiveness of the design and operation of the internal controls over financial reporting (as defined in rules adopted by the SEC) and disclosure controls and procedures as at December 31, 2012. Based on that evaluation, Barrick's Chief Executive Officer and Chief Financial Officer concluded that the Company's internal control over financial reporting and disclosure controls and procedures were effective as at December 31, 2012. For additional information as regards the effectiveness of internal control over financial reporting, see "Management's Report on Internal Control over Financial Reporting" in Barrick's 2012 Annual Report.

Together, the internal control over financial reporting and disclosure controls and procedures frameworks provide internal control over financial reporting and disclosure. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial statement preparation and financial reporting. Accordingly, Barrick's management, including Barrick's Chief Executive Officer and Chief Financial Officer, does not expect that Barrick's internal control over financial reporting and disclosure will prevent or detect all misstatements or fraud. Further, projections of any evaluation of the effectiveness of internal control to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may change.

Barrick will continue to monitor the effectiveness of its internal control over financial reporting and disclosure and may make modifications from time to time as considered necessary or desirable.

Barrick's annual management report on internal control over financial reporting and the integrated audit report of Barrick's auditors for the year ended December 31, 2012 will be included in Barrick's 2012 Annual Report and its 2012 Form 40-F/Annual Information Form on file with the SEC and Canadian provincial securities regulatory authorities.

**NON-GAAP FINANCIAL MEASURES**

**Total Cash Costs per ounce, C1 Cash Costs per pound, C3 Fully Allocated Costs per pound and All-In Sustaining Cash Costs per ounce**

Total cash costs per ounce, C1 cash costs per pound, C3 fully allocated costs per pound and all-in sustaining cash costs per ounce are non-GAAP financial measures. Total cash costs per ounce measure include all costs absorbed into inventory, as well as royalties, and by-product credits, and exclude inventory purchase accounting adjustments, unrealized gains/losses from non-hedge currency and commodity contracts, and depreciation and accretion. The Company's total cash costs exclude the impact of ore purchase agreements that have economic characteristics similar to a toll milling arrangement, as the cost of producing these ounces is not indicative of our normal production costs. Hence, the Company removes such costs from total cash costs. These measures also include the gross margin generated by the Barrick Energy business unit, which was acquired to mitigate Barrick's exposure to oil prices as a credit against gold production costs. The presentation of these statistics in this manner allows the Company to monitor and manage those factors that impact production costs on a monthly basis. These measures are calculated by dividing the aggregate of the applicable costs by gold ounces or copper pounds sold. These measures are calculated on a consistent basis for the periods presented.

Starting in the first quarter of 2012, Barrick replaced the non-GAAP measure "total cash cost per pound" for its copper business with "C1 cash costs per pound". The Company believes that this change will enable investors to better understand the performance of its global copper segment in comparison to other copper producers who present results on a similar basis. As part of this change, Barrick also introduced "C3 fully allocated costs per pound". The primary difference between total cash costs and C1 cash costs is that royalties and non-routine charges are excluded from C1 cash costs as they are not direct production costs. C3 fully allocated costs per pound include C1 cash costs, depreciation, royalties, exploration and evaluation expense, administration expense and non-routine charges.

Beginning in 2013, Barrick is adopting an "all-in sustaining cash costs per ounce" measure. The Company believes that current operating measures commonly used in the gold industry do not capture all

of the sustaining expenditures incurred in order to produce gold, and therefore they do not present a complete picture of a company's operating performance or its ability to generate free cash flow from its current operations. Similarly, they do not reflect all of the expenditures that would be included in the valuation of a gold mining company. For these reasons, the Company is working with the members of the World Gold Council ("WGC") to define an all-in sustaining cash costs measure that better represents the total costs associated with producing gold. Barrick believes this measure will better meet the needs of analysts, investors and other stakeholders of the Company in assessing its operating performance, its ability to generate free cash flow from current operations and its overall value.

The WGC project to define all-in sustaining cash costs is ongoing and a final standard is expected in the middle of 2013. The Company expects to conform our disclosure of all-in sustaining cash costs to the measure that is ultimately approved by the WGC. Barrick's current definition of all-in sustaining cash costs commences with total cash costs and then adds sustaining capital expenditures, corporate general and administrative costs, mine site exploration and evaluation costs and environmental rehabilitation costs. This measure seeks to represent the total costs of producing gold from current operations, and therefore it does not include capital expenditures attributable to projects or mine expansions, exploration and evaluation costs attributable to growth projects, income tax payments, interest costs or dividend payments. Consequently, this measure is not representative of all of the Company's cash expenditures. In addition, our calculation of all-in sustaining cash costs does not include depreciation expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Company's overall profitability.

Barrick calculates total cash costs and all-in sustaining cash costs based on its equity interest in production from the Company's mines. Barrick 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, the Company excludes the economic share of gold production attributable to the non-controlling interest. Consequently, the Company's production and total cash costs statistics only reflect its equity share of production.

Total cash cost, C1 cash cost, C3 fully allocated costs and all-in sustaining cash costs are intended to provide additional information only and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. The following tables reconcile these non-GAAP measures to the most directly comparable IFRS measure.

***Total Cash Costs per ounce, All-In Sustaining Cash Costs per ounce, C1 Cash Costs per pound***

| ($ millions) | Gold | | | Copper | | | Oil & Gas | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| For the years ended December 31 | **2012** | 2011 | 2010 | **2012** | 2011 | 2010 | **2012** | 2011 | 2010 | **2012** | 2011 | 2010 |
| Cost of Sales | **$6,210** | $5,169 | $4,610 | **$1,279** | $915 | $407 | **$165** | $156 | $114 | **$7,654** | $6,240 | $5,131 |
| Less: Depreciation | **1,389** | 1,152 | 1,077 | **231** | 170 | 88 | **102** | 97 | 47 | **1,722** | 1,419 | 1,212 |
| Cash costs of sales | **$4,821** | $4,017 | $3,533 | **$1,048** | $745 | $319 | **$ 63** | $ 59 | $ 67 | **$5,932** | $4,821 | $3,919 |

| ($ millions) | Gold | | Copper | | Oil & Gas | | Total | |
|---|---|---|---|---|---|---|---|---|
| For the three months ended December 31 | **2012** | 2011 | 2012 | **2011** | **2012** | 2011 | **2012** | 2011 |
| Cost of Sales | **$1,771** | $1,384 | **$418** | $274 | **$40** | $48 | **$2,229** | $1,706 |
| Less: Depreciation | **421** | 312 | **66** | 61 | **24** | 29 | **511** | 402 |
| Cash costs of sales | **$1,350** | $1,072 | **$352** | $213 | **$16** | $19 | **$1,718** | $1,304 |

***Reconciliation of Cost of Sales to Total Cash Costs per ounce***

*Gold*

| ($ millions, except per ounce information in dollars) | For the years ended December 31 | | | For the three months ended December 31 | |
|---|---|---|---|---|---|
| | **2012** | 2011 | 2010 | **2012** | 2011 |
| Cash cost of sales | **$4,821** | $4,017 | $3,533 | **$ 1,350** | $ 1,072 |
| Cost of sales applicable to discontinued operations | **—** | — | 10 | **—** | — |
| Cost of sales applicable to non-controlling interests [1] | **(168)** | (171) | (97) | **(44)** | (45) |
| Cost of sales applicable to ore purchase arrangement | **(161)** | (126) | (104) | **(42)** | (26) |
| Other metal sales | **(139)** | (137) | (120) | **(38)** | (33) |
| Realized non-hedge gains/losses on fuel hedges | **(9)** | (5) | 3 | **(19)** | 1 |
| Treatment and refinement charges [2] | **6** | 8 | 8 | **2** | 1 |
| Impact of Barrick Energy | **(90)** | (118) | (56) | **(25)** | (32) |
| Total cash cost of sales | **$4,260** | $3,468 | $3,177 | **$ 1,184** | $ 938 |
| Ounces sold – consolidated basis (000s ounces) | **7,465** | 7,758 | 7,902 | **2,071** | 1,913 |
| Ounces sold – non-controlling interest (000s ounces) [1] | **(173)** | (208) | (160) | **(44)** | (48) |
| Ounces sold – equity basis (000s ounces) | **7,292** | 7,550 | 7,742 | **2,027** | 1,865 |
| Total cash costs per ounce [3] | **$ 584** | $ 460 | $ 409 | **$ 584** | $ 505 |

[1] Relates to interest in ABG held by outside shareholders.

[2] In first quarter 2012, we amended the presentation of treatment and refinement charges incurred on concentrate sales in the consolidated financial statements. Previously, these charges were included in cost of sales and they are now deducted from revenues. We have amended this non-GAAP financial performance measure to reflect this change and therefore result in a measure that is consistent with prior periods.

[3] Total cash costs per ounce may not calculate based on amounts presented in this table due to rounding.

***Reconciliation of Total Cash Cost of Sales to All-In Sustaining Cash Costs per ounce***

| ($ millions, except per ounce information in dollars) | For the years ended December 31 | | | For the three months ended December 31 | |
|---|---|---|---|---|---|
| | **2012** | 2011 | 2010 | **2012** | 2011 |
| Total cash cost of sales | **$4,260** | $3,468 | $3,177 | **$ 1,184** | $ 938 |
| General & administrative costs | **373** | 314 | 311 | **111** | 82 |
| Rehabilitation – accretion and amortization | **147** | 134 | 111 | **38** | 40 |
| Mine on-site exploration and evaluation costs | **156** | 136 | 89 | **47** | 38 |
| Mine development expenditures | **833** | 750 | 561 | **233** | 173 |
| Sustaining capital expenditures | **1,129** | 876 | 785 | **356** | 265 |
| All-in sustaining cash costs | **$6,898** | $5,678 | $5,034 | **$ 1,969** | $ 1,536 |
| Ounces sold – consolidated basis (000s ounces) | **7,465** | 7,758 | 7,902 | **2,071** | 1,913 |
| Ounces sold – non-controlling interest (000s ounces) [1] | **(173)** | (208) | (160) | **(44)** | (48) |
| Ounces sold – equity basis (000s ounces) | **7,292** | 7,550 | 7,742 | **2,027** | 1,865 |
| All-in sustaining cash costs per ounce [2] | **$ 945** | $ 752 | $ 649 | **$ 972** | $ 826 |

[1] Relates to interest in ABG held by outside shareholders.
[2] All-in sustaining cash costs per ounce may not calculate based on amounts presented in this table due to rounding.

***Reconciliation of Cost of Sales to C1 Cash Costs per pound***

*Copper*

| ($ millions, except per pound information in dollars) | For the years ended December 31 | | | For the three months ended December 31 | |
|---|---|---|---|---|---|
| | **2012** | 2011 | 2010 | **2012** | 2011 |
| Cost of sales | **$ 1,048** | $ 745 | $ 319 | **$ 352** | $ 213 |
| Cost of sales applicable to discontinued operations | **—** | — | 91 | **—** | — |
| Treatment and refinement charges [1] | **95** | 68 | 23 | **26** | 26 |
| Less: royalties | **(34)** | (17) | (6) | **(11)** | (3) |
| Less: non-routine charges | **(62)** | (34) | — | **(45)** | 29 |
| Other metal sales | **(1)** | (3) | (6) | **—** | — |
| Other | **(22)** | — | — | **(5)** | — |
| C1 cash cost of sales | **$ 1,024** | $ 759 | $ 421 | **$ 317** | $ 265 |
| Depreciation/amortization | **231** | 170 | 88 | **66** | 61 |
| Royalties | **34** | 17 | 6 | **11** | 3 |
| Non-routine charges | **62** | 34 | — | **45** | (29) |
| Exploration and evaluation | **14** | 12 | — | **7** | 4 |
| Administration costs | **9** | 22 | 5 | **4** | 12 |
| Other expense (income) | **27** | 9 | 19 | **15** | 19 |
| C3 fully allocated cost of sales | **$ 1,401** | $ 1,023 | $ 539 | **$ 465** | $ 335 |
| Pounds sold – consolidated basis (millions pounds) | **472** | 444 | 391 | **154** | 135 |
| C1 cash cost per pound [2] | **$ 2.17** | $ 1.71 | $ 1.08 | **$ 2.07** | $ 1.96 |
| C3 fully allocated cost per pound [2] | **$ 2.97** | $ 2.30 | $ 1.38 | **$ 3.04** | $ 2.47 |

[1] In first quarter 2012, Barrick amended the presentation of treatment and refinement charges incurred on concentrate sales in the consolidated financial statements. Previously, these charges were included in cost of sales and they are now deducted from revenues. The Company has amended this non-GAAP financial performance measure to reflect this change and therefore result in a measure that is consistent with prior periods.

[2] C1 cash costs per pound and C3 fully allocated costs per pound may not calculate based on amounts presented in this table due to rounding.

**Realized Prices**

Realized price is a non-GAAP financial measure which excludes from sales:

- Unrealized gains and losses on non-hedge derivative contracts;

- Unrealized mark-to-market gains and losses on provisional pricing from copper and gold sales contracts;
- Sales attributable to ore purchase arrangements; and
- Export duties.

This measure is intended to enable management to better understand the price realized in each reporting period for gold and copper sales because unrealized mark-to-market value of non-hedge gold and copper derivatives are subject to change each period due to changes in market factors such as market and forward gold and copper prices so that prices ultimately realized may differ from those recorded. The exclusion of such unrealized mark-to-market gains and losses from the presentation of this performance measure enables investors to understand performance based on the realized proceeds of selling gold and copper production.

The gains and losses on non-hedge derivatives and receivable balances relate to instruments/balances that mature in future periods, at which time the gains and losses will become realized. The amounts of these gains and losses reflect fair values based on market valuation assumptions at the end of each period and do not necessarily represent the amounts that will become realized on maturity. The Company also excludes export duties that are paid upon sale and netted against revenues. Barrick believes this provides investors and analysts with a more accurate measure with which to compare to market gold prices and to assess the Company's gold sales performance. For those reasons, management believes that this measure provides a more accurate reflection of Barrick's past performance and is a better indicator of its expected performance in future periods.

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

***Reconciliation of Sales to Realized Price per ounce/per pound*** [1]

| ($ millions, except per ounce/pound information in dollars) | Gold | | | Copper | | |
|---|---|---|---|---|---|---|
| For the years ended December 31 | **2012** | 2011 | 2010 | **2012** | 2011 | 2010 |
| Sales | **$12,564** | $12,255 | $9,679 | **$1,689** | $1,646 | $1,033 |
| Sales applicable to discontinued operations | **—** | — | 43 | **—** | — | 244 |
| Sales applicable to non-controlling interests | **(288)** | (329) | (206) | **—** | — | — |
| Sales attributable to ore purchase agreement | **(174)** | (137) | (111) | **—** | — | — |
| Realized non-hedge gold/copper derivative (losses) gains | **—** | 43 | 26 | **(76)** | (21) | 30 |
| Treatment and refinement charges [1] | **6** | 8 | 8 | **95** | 68 | 23 |
| Unrealized mark-to-market provincial price adjustment | **—** | — | (1) | **—** | — | — |
| Other | **—** | — | — | **(22)** | — | — |
| Export duties | **65** | 73 | 68 | **—** | — | — |
| Revenues – as adjusted | **$12,173** | $11,913 | $9,506 | **$1,686** | $1,693 | $1,330 |
| Ounces/pounds sold (000s ounces/millions pounds) | **7,292** | 7,550 | 7,742 | **472** | 444 | 391 |
| Realized gold/copper price per ounce/pound [2] | **$ 1,669** | $ 1,578 | $1,228 | **$ 3.57** | $ 3.82 | $ 3.41 |

[1] In the first quarter of 2012, Barrick amended the presentation of treatment and refinement charges incurred on concentrate sales in the consolidated financial statements. Previously, these charges were included in cost of sales and they are now deducted from revenues. The Company has amended this non-GAAP financial performance measure to reflect this change and therefore result in a measure that is consistent with prior periods.

[2] Realized price per ounce/pound may not calculate based on amounts presented in this table due to rounding.

**Adjusted Net Earnings (Adjusted Net Earnings per Share) and Adjusted Return on Equity**

Adjusted net earnings is a non-GAAP financial measure which excludes the following from net earnings:

- Significant tax adjustments not related to current period earnings;
- Impairment charges (reversals) related to intangibles, goodwill, property, plant and equipment, and investments;
- Gains/losses and other one-time costs relating to acquisitions/dispositions;
- Foreign currency translation gains/losses;
- Non-recurring restructuring costs;
- Unrealized gains/losses on non- hedge derivative instruments; and
- Change in the measurement of the PER as a result of changes in the discount rates for closed sites.

Barrick uses this measure internally to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented, and to assist with the planning and forecasting of future operating results. Barrick believes that adjusted net earnings allows investors and analysts to better evaluate the results of the underlying business of the Company. While the adjustments to net earnings in this measure include items that are recurring, management believes that adjusted net earnings is a useful measure of the Company's performance because non-recurring tax adjustments; impairment charges, gains/losses and other one-time costs relating to asset acquisitions/dispositions and business combinations; and non-recurring restructuring charges do not reflect the underlying operating performance of Barrick's core mining business and are not necessarily indicative of future operating results.

The Company also adjusts for changes in PER discount rates relating to Barrick's closed sites as they are not related to day-to-day operations and not indicative of underlying results. Furthermore, foreign currency translation gains/losses and unrealized gains/losses from non-hedge derivatives are not necessarily reflective of the underlying operating results for the reporting periods presented.

As noted, the Company uses this measure for its own internal purposes. Management's internal budgets and forecasts and public guidance do not reflect potential impairment charges, potential gains/losses on the acquisition/disposition of assets, foreign currency translation gains/losses, or unrealized gains/losses on non-hedge derivatives. Consequently, the presentation of adjusted net earnings enables investors and analysts to better understand the underlying operating performance of Barrick's

core mining business through the eyes of management. Management periodically evaluates the components of adjusted net earnings based on an internal assessment of performance measures that are useful for evaluating the operating performance of our business segments and a review of the non-GAAP measures used by mining industry analysts and other mining companies.

Barrick also presents adjusted return on equity as a measure which is calculated by dividing adjusted net earnings by average shareholders' equity. Management believes this to be a useful indicator of the Company's performance. Barrick uses adjusted net earnings to calculate the adjusted return on equity as management believes it is a useful measure of the Company's underlying operating performance of its core mining business.

Adjusted net earnings is intended to provide additional information only and does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. The following table reconciles these non-GAAP measures to the most directly comparable IFRS measure.

***Reconciliation of Net Earnings to Adjusted Net Earnings and Adjusted Return on Equity [1]***

| ($ millions, except per share amounts in dollars) | For the years ended December 31 | | | For the three months ended December 31 | |
|---|---|---|---|---|---|
| | **2012** | 2011 | 2010 | **2012** | 2011 |
| Net earnings/(losses)attributable to equity holders of the Company | **($ 665)** | $ 4,484 | $ 3,582 | **($ 3,062)** | $ 959 |
| Significant tax adjustments not related to current period earnings | **(83)** | 122 | (4) | **(42)** | 86 |
| Impairment charges (reversals) related to intangibles, property, plant and equipment, and investments | **4,425** | 165 | (65) | **4,161** | 153 |
| Acquisition/disposition adjustments [2] | **(13)** | (165) | (62) | **1** | (6) |
| Foreign currency translation (gains)/losses | **125** | (5) | 32 | **97** | 21 |
| Restructuring costs | **—** | 2 | 43 | **—** | — |
| Acquisition related costs [3] | **—** | 97 | — | **—** | (18) |
| Changes in PER discount rate for closed sites | **18** | 32 | — | **—** | 32 |
| Other items | **57** | — | — | **42** | — |
| Unrealized (gains)/losses on non-hedge derivative instruments | **(37)** | (66) | (9) | **(89)** | (61) |
| Adjusted net earnings | **$ 3,827** | $ 4,666 | $ 3,517 | **$ 1,108** | $ 1,166 |
| Net earnings/(losses) per share [4] | **(0.66)** | 4.49 | 3.63 | **(3.06)** | 0.96 |
| Adjusted net earnings per share [4] | **$ 3.82** | $ 4.67 | $ 3.56 | **$ 1.11** | $ 1.17 |
| Average Shareholder's Equity | **$ 22,604** | $21,418 | $17,352 | **$ 23,509** | $22,869 |
| Adjusted return on equity [5] | **17%** | 22% | 20% | **19%** | 20% |

1 Amounts presented in this table are after-tax.

2 For the three month period ended December 31, 2011, includes gains on sale of assets. For the year ended December 31, 2011, includes gain on sale assets of $188 million, partially offset by a $23 million charge for the recognition of a liability for contingent consideration related to the acquisition of the additional 40% interest in our Cortez property.

3 Represents expensed transaction costs, fair value inventory purchase adjustments and realized foreign exchange losses relating to our economic hedge of the purchase price related to the Equinox acquisition.

4 Calculated using weighted average number of shares outstanding under the basic method of earnings per share.

5 Calculated as annualized adjusted net earnings divided by average shareholders' equity.

**INTERESTS OF EXPERTS**

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

**ADDITIONAL INFORMATION**

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and options to purchase securities is contained in the Company's Management Information Circular and Proxy Statement dated March 18, 2013. As well, additional financial information is provided in the Company's 2012 Annual Report, in the Company's Consolidated Financial Statements (as prepared under IFRS) and Management's Discussion and Analysis of Financial and Operating Results for the year ended December 31, 2012 (as prepared under IFRS), each of which is available electronically from SEDAR (www.sedar.com) and from EDGAR (www.sec.gov). Additional Information relating to Barrick is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

**Exhibit 99.2**

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

Barrick's management assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2012. Barrick's Management used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of Barrick's internal control over financial reporting. Based on Barrick management's assessment, Barrick's internal control over financial reporting is effective as at December 31, 2012.

The effectiveness of the Company's internal control over financial reporting as at December 31, 2012 has been audited by PricewaterhouseCoopers LLP, Chartered Accountants, as stated in their report which is located on pages 71 - 73 of Barrick's 2012 Annual Financial Statements.

## MANAGEMENT'S RESPONSIBILITY

Management's Responsibility for Financial Statements

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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect Management's best estimates and judgments based on currently available information. The Company has developed and maintains a system of internal 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.

Ammar Al-Joundi
Executive Vice President
and Chief Financial Officer
Toronto, Canada
February 13, 2013

## MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Barrick's management assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2012. Barrick's Management used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of Barrick's internal control over financial reporting. Based on Barrick management's assessment, Barrick's internal control over financial reporting is effective as at December 31, 2012.

The effectiveness of the Company's internal control over financial reporting as at December 31, 2012 has been audited by PricewaterhouseCoopers LLP, Chartered Accountants, as stated in their report which is located on pages 71 - 73 of Barrick's 2012 Annual Financial Statements.

February 13, 2013

**Independent Auditor's Report**

**To the Shareholders of**
**Barrick Gold Corporation**

We have completed integrated audits of Barrick Gold Corporation's 2012 and 2011 consolidated financial statements and its internal control over financial reporting as at December 31, 2012. Our opinions, based on our audits, are presented below.

**Report on the consolidated financial statements**
We have audited the accompanying consolidated financial statements of Barrick Gold Corporation which comprise the consolidated balance sheets as at December 31, 2012 and December 31, 2011 and the consolidated statements of income, comprehensive income, cash flow and changes in equity for the years then ended and the related notes.

**Management's responsibility for the consolidated financial statements**
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Canadian generally accepted auditing standards also require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles and policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Barrick Gold Corporation as at December 31, 2012 and December 31, 2011 and its financial performance and its cash flows for the years then ended in accordance with IFRS as issued by the IASB.

**Report on internal control over financial reporting**
We have also audited Barrick Gold Corporation's internal control over financial reporting as at December 31, 2012, based on criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Management's responsibility for internal control over financial reporting**
Management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting.

**Auditor's responsibility**
Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control, based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our audit opinion on the Company's internal control over financial reporting.

**Definition of internal control over financial reporting**
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.

**Inherent limitations**
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.

**Opinion**
In our opinion, Barrick Gold Corporation maintained, in all material respects, effective internal control over financial reporting as at December 31, 2012, based on criteria established in Internal Control - Integrated Framework issued by COSO.

**(Signed) "PricewaterhouseCoopers LLP"**

**Chartered Accountants, Licensed Public Accountants**
**Toronto, Canada**

# Consolidated Statements of Income

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

| | 2012 | 2011 |
|---|---|---|
| **Revenue** (notes 5 and 6) | **$14,547** | $14,236 |
| **Costs and expenses** | | |
| Cost of sales (notes 5 and 7) | **7,654** | 6,240 |
| Corporate administration | **195** | 166 |
| Exploration and evaluation (notes 5 and 8) | **429** | 346 |
| Other expense (note 9a) | **633** | 576 |
| Impairment charges (note 9b) | **6,470** | 235 |
| | **15,381** | 7,563 |
| Other income (note 9c) | **69** | 248 |
| Income (loss) from equity investees (note 14a) | **(13)** | 8 |
| Gain on non-hedge derivatives (note 23e) | **31** | 81 |
| **Income (loss) before finance items and income taxes** | **(747)** | 7,010 |
| **Finance items** | | |
| Finance income | **11** | 13 |
| Finance costs (note 12) | **(177)** | (199) |
| **Income (loss) before income taxes** | **(913)** | 6,824 |
| Income tax recovery (expense) (note 10) | **236** | (2,287) |
| **Net income (loss)** | **$ (677)** | $ 4,537 |
| **Attributable to:** | | |
| Equity holders of Barrick Gold Corporation | **$ (665)** | $ 4,484 |
| Non-controlling interests (note 30) | **$ (12)** | $ 53 |
| | **(677)** | 4,537 |
| | | |
| **Earnings (loss) per share data attributable to the equity holders of Barrick Gold Corporation (note 11)** | | |
| Net income (loss) | | |
| Basic | **$ (0.66)** | $ 4.49 |
| Diluted | **$ (0.66)** | $ 4.48 |

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

# Consolidated Statements of Comprehensive Income

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

| | 2012 | 2011 |
|---|---|---|
| Net income (loss) | **$ (677)** | $ 4,537 |
| **Other comprehensive income (loss), net of taxes** | | |
| Unrealized gains (losses) on available-for-sale ("AFS") financial securities, net of tax $6, $9 | **(37)** | (91) |
| Realized (gains) losses and impairments on AFS financial securities, net of tax $6, $5 | **34** | 36 |
| Unrealized gains on derivative investments designated as cash flow hedges, net of tax $20, $41 | **167** | 370 |
| Realized (gains) on derivative investments designated as cash flow hedges, net of tax $96, $93 | **(331)** | (413) |
| Actuarial (losses) on post employment benefit obligations, net of tax $3, $13 | **(5)** | (22) |
| Currency translation adjustments gain (loss), net of tax $nil, $nil | **35** | (36) |
| **Total other comprehensive loss** | **(137)** | (156) |
| **Total comprehensive income (loss)** | **$ (814)** | $ 4,381 |
| **Attributable to:** | | |
| Equity holders of Barrick Gold Corporation | **$ (802)** | $ 4,328 |
| Non-controlling interests | **$ (12)** | $ 53 |

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)

| | 2012 | 2011 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Net income (loss) | **$ (677)** | $ 4,537 |
| Adjustments for the following items: | | |
| Depreciation | **1,722** | 1,419 |
| Finance costs (excludes accretion) | **123** | 147 |
| Impairment charges (note 9b) | **6,470** | 235 |
| Income tax expense (note 10) | **(236)** | 2,287 |
| Increase in inventory | **(616)** | (708) |
| Proceeds from settlement of Australian dollar hedge contracts | **465** | - |
| Gain on non-hedge derivatives (note 23e) | **(31)** | (81) |
| Gain on sale of long-lived assets/investments | **(18)** | (229) |
| Other operating activities (note 13a) | **(186)** | (187) |
| Operating cash flows before interest and income taxes | **7,016** | 7,420 |
| Interest paid | **(118)** | (137) |
| Income taxes paid | **(1,459)** | (1,968) |
| **Net cash provided by operating activities** | **5,439** | 5,315 |
| **INVESTING ACTIVITIES** | | |
| Property, plant and equipment | | |
| Capital expenditures (note 5) | **(6,369)** | (4,973) |
| Sales proceeds | **18** | 48 |
| Acquisitions (note 4) | **(37)** | (7,677) |
| Investments | | |
| Purchases | **-** | (72) |
| Sales | **168** | 80 |
| Other investing activities (note 13b) | **(301)** | (233) |
| **Net cash used in investing activities** | **(6,521)** | (12,827) |
| **FINANCING ACTIVITIES** | | |
| Proceeds on exercise of stock options | **18** | 57 |
| Long-term debt (note 23b) | | |
| Proceeds | **2,000** | 6,648 |
| Repayments | **(1,462)** | (380) |
| Dividends | **(750)** | (509) |
| Funding from non-controlling interests (note 30) | **505** | 403 |
| Deposit on silver sale agreement (note 27) | **137** | 138 |
| Other financing activities (note 13c) | **(25)** | (66) |
| **Net cash provided by financing activities** | **423** | 6,291 |
| **Effect of exchange rate changes on cash and equivalents** | **7** | (2) |
| Net decrease in cash and equivalents | **(652)** | (1,223) |
| **Cash and equivalents at beginning of year (note 23a)** | **2,745** | 3,968 |
| **Cash and equivalents at the end of year (note 23a)** | **$ 2,093** | $ 2,745 |

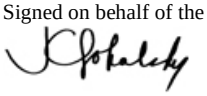
The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated Balance Sheets

| Barrick Gold Corporation<br>(in millions of United States dollars) | As at December 31, 2012 | As at December 31, 2011 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash and equivalents (note 23a) | **$ 2,093** | $ 2,745 |
| Accounts receivable (note 16) | **449** | 426 |
| Inventories (note 15) | **2,695** | 2,498 |
| Other current assets (note 16) | **626** | 876 |
| Total current assets | **5,863** | 6,545 |
| | | |
| Non-current assets | | |
| Equity in investees (note 14a) | **135** | 440 |
| Other investments (note 14b) | **78** | 161 |
| Property, plant and equipment (note 17) | **28,717** | 28,979 |
| Goodwill (note 18a) | **8,837** | 9,626 |
| Intangible assets (note 18b) | **453** | 569 |
| Deferred income tax assets (note 28) | **443** | 409 |
| Non-current portion of inventory (note 15) | **1,692** | 1,153 |
| Other assets (note 20) | **1,064** | 1,002 |
| **Total assets** | **$ 47,282** | $ 48,884 |
| **LIABILITIES AND EQUITY** | | |
| Current liabilities | | |
| Accounts payable (note 21) | **2,265** | 2,083 |
| Debt (note 23b) | **1,848** | 196 |
| Current income tax liabilities | **41** | 306 |
| Other current liabilities (note 22) | **261** | 326 |
| Total current liabilities | **4,415** | 2,911 |
| | | |
| Non-current liabilities | | |
| Debt (note 23b) | **12,095** | 13,173 |
| Provisions (note 25) | **2,812** | 2,326 |
| Deferred income tax liabilities (note 28) | **2,602** | 4,231 |
| Other liabilities (note 27) | **850** | 689 |
| **Total liabilities** | **22,774** | 23,330 |
| **Equity** | | |
| Capital stock (note 29) | **17,926** | 17,892 |
| Retained earnings | **3,142** | 4,562 |
| Accumulated other comprehensive income | **463** | 595 |
| Other | **314** | 314 |
| **Total equity attributable to Barrick Gold Corporation shareholders** | **21,845** | 23,363 |
| Non-controlling interests (note 30) | **2,663** | 2,191 |
| **Total equity** | **24,508** | 25,554 |
| Contingencies and commitments (notes 16 and 34) | | |
| **Total liabilities and equity** | **$ 47,282** | $ 48,884 |

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

Signed on behalf of the Board,



Jamie C. Sokalsky, Director  Steven J. Shapiro, Director

# Consolidated Statements of Changes in Equity

| Barrick Gold Corporation | Attributable to equity holders of the company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| (in millions of United States dollars) | Common Shares (in thousands) | Capital stock | Retained earnings | Accumulated other comprehensive income (loss)[1] | Other[2] | Total equity attributable to Shareholders | Non-controlling interests | Total equity |
| **At January 1, 2012** | **1,000,423** | **$17,892** | **$ 4,562** | **$ 595** | **$ 314** | **$ 23,363** | **$ 2,191** | **$ 25,554** |
| Net loss | - | - | (665) | - | - | (665) | (12) | (677) |
| Total other comprehensive loss | - | - | (5) | (132) | - | (137) | - | (137) |
| Total comprehensive loss | - | $ - | $ (670) | $ (132) | $ - | $ (802) | $ (12) | $ (814) |
| Transactions with owners | | | | | | | | |
| Dividends | - | - | (750) | - | - | (750) | - | (750) |
| Issued on exercise of stock options | 685 | 18 | - | - | - | 18 | - | 18 |
| Recognition of stock option expense | - | 16 | - | - | - | 16 | - | 16 |
| Funding from non-controlling interests | - | - | - | - | - | - | 505 | 505 |
| Other decrease in non-controlling interests | - | - | - | - | - | - | (21) | (21) |
| Total transactions with owners | 685 | $ 34 | $ (750) | $ - | $ - | $ (716) | $ 484 | $ (232) |
| **At December 31, 2012** | **1,001,108** | **$17,926** | **$ 3,142** | **$ 463** | **$ 314** | **$ 21,845** | **$ 2,663** | **$ 24,508** |
| | | | | | | | | |
| **At January 1, 2011** | **998,500** | **$17,820** | **$ 609** | **$ 729** | **$ 314** | **$ 19,472** | **$ 1,745** | **$ 21,217** |
| Net income | - | - | 4,484 | - | - | 4,484 | 53 | 4,537 |
| Total other comprehensive loss | - | - | (22) | (134) | - | (156) | - | (156) |
| Total comprehensive income (loss) | - | $ - | $ 4,462 | $ (134) | $ - | $ 4,328 | $ 53 | $ 4,381 |
| Transactions with owners | | | | | | | | |
| Dividends | - | - | (509) | - | - | (509) | - | (509) |
| Issued on exercise of stock options | 1,923 | 57 | - | - | - | 57 | - | 57 |
| Recognition of stock option expense | - | 15 | - | - | - | 15 | - | 15 |
| Funding from non-controlling interests | - | - | - | - | - | - | 403 | 403 |
| Other decrease in non-controlling interests | - | - | - | - | - | - | (10) | (10) |
| Total transactions with owners | 1,923 | $ 72 | $ (509) | $ - | $ - | $ (437) | $ 393 | $ (44) |
| **At December 31, 2011** | **1,000,423** | **$17,892** | **$ 4,562** | **$ 595** | **$ 314** | **$ 23,363** | **$ 2,191** | **$ 25,554** |

[1] Includes cumulative translation adjustments as at December 31, 2012: $13 million (2011: $22 million loss).
[2] Includes additional paid-in capital as at December 31, 2012: $276 million (December 31, 2011: $276 million) and convertible borrowings - equity component as at December 31, 2012: $38 million (December 31, 2011: $38 million).

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Barrick Gold Corporation.** *Tabular dollar amounts in millions of United States dollars, unless otherwise shown. References to C$, A$, ZAR, CLP, PGK, TZS, JPY, ARS, GBP, EUR and ZMW are to Canadian dollars, Australian dollars, South African rand, Chilean pesos, Papua New Guinea kina, Tanzanian shillings, Japanese yen, Argentinean pesos, British pound sterling, Euros and Zambian kwacha, respectively.*

**1 > CORPORATE INFORMATION**

Barrick Gold Corporation ("Barrick" or the "Company") is a corporation governed by the Business Corporations Act (Ontario). The Company's head and registered office is located at Brookfield Place, TD Canada Trust Tower, 161 Bay Street, Suite 3700, Toronto, Ontario, M5J 2S1. We are principally engaged in the production and sale of gold and copper, as well as related activities such as exploration and mine development. We also hold interests in oil and gas properties located in Canada. Our producing gold mines are concentrated in three regional business units ("RBU"): North America, South America, and Australia Pacific. We also hold a 73.9% equity interest in African Barrick Gold plc ("ABG"), a company listed on the London Stock Exchange that owns gold mines and exploration properties in Africa. Our Copper business unit contains producing copper mines located in Chile and Zambia and a mine under construction located in Saudi Arabia. We sell our gold and copper production into the world market.

**2 > SIGNIFICANT ACCOUNTING POLICIES**

A) **Statement of Compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") under the historical cost convention, as modified by revaluation of derivative contracts and certain financial assets. The policies applied in these financial statements are based on IFRSs in effect as at December 31, 2012. These consolidated financial statements were approved for issuance by the Board of Directors on February 13, 2013.

B) **Basis of Preparation**

*Subsidiaries*

These consolidated financial statements include the accounts of Barrick and its subsidiaries. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation. We consolidate subsidiaries where we have the ability to exercise control. Control is achieved when we have the power to govern the financial and operating policies of the entity. Control is normally achieved through ownership, directly or indirectly, of more than 50% of the voting power. Control can also be achieved through power over more than half of the voting rights by virtue of an agreement with other investors or through the exercise of de facto control. For non wholly-owned subsidiaries, the net assets attributable to outside equity shareholders are presented as "non-controlling interests" in the equity section of the consolidated balance sheet. Profit for the period that is attributable to non-controlling interests is calculated based on the ownership of the minority shareholders in the subsidiary.

*Joint Ventures*

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control such that significant operating and financial decisions require the unanimous consent of the parties sharing control. Our joint ventures consist of jointly controlled assets ("JCAs") and jointly controlled entities ("JCEs").

A JCA is a joint venture in which the venturers have control over the assets contributed to or acquired for the purposes of the joint venture. JCAs do not involve the establishment of a corporation, partnership or other entity. The participants in a JCA derive benefit from the joint activity through a share of production, rather than by receiving a share of the net operating results. Our proportionate interest in the assets, liabilities, revenues, expenses, and cash flows of JCAs are incorporated into the consolidated financial statements under the appropriate headings.

A JCE is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has a long-term interest. We account for our interests in JCEs using the equity method of accounting.

On acquisition, an equity method investment is initially recognized at cost. The carrying amount of equity method investments includes goodwill identified on acquisition, net of any accumulated impairment losses. The carrying amount is adjusted by our share of post-acquisition net income or loss, depreciation, amortization or impairment of the fair value adjustments made at the date of acquisition,

dividends and our share of post-acquisition movements in Other Comprehensive Income ("OCI").

*Associates*
An associate is an entity over which the investor has significant influence but not control and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20% if we have the power to be actively involved and influential in policy decisions affecting the entity. Our share of the net assets and net income or loss is accounted for in the consolidated financial statements using the equity method of accounting.

Outlined below is information related to our jointly controlled assets and entities other than 100% owned Barrick subsidiaries:

| | Entity type at December 31, 2012 | Economic interest at December 31, 2012 [1] | Method |
|---|---|---|---|
| Marigold Mine | JCA | 33% | Proportional |
| Round Mountain Mine | JCA | 50% | Proportional |
| Turquoise Ridge Mine | JCA | 75% | Proportional |
| Kalgoorlie Mine | JCA | 50% | Proportional |
| Porgera Mine | JCA | 95% | Proportional |
| African Barrick Gold plc [2] | Subsidiary, publicly traded | 73.9% | Consolidation |
| Pueblo Viejo Project [2] | Subsidiary | 60% | Consolidation |
| Cerro Casale Project [2] | Subsidiary | 75% | Consolidation |
| Donlin Gold Project [3] | JCE | 50% | Equity Method |
| Reko Diq Project [3] | JCE | 37.5% | Equity Method |
| Kabanga Project [3] | JCE | 50% | Equity Method |

[1] Unless otherwise noted, all of our joint ventures are funded by contributions made by their partners in proportion to their economic interest.
[2] We consolidate our interests in Pueblo Viejo, Cerro Casale and ABG and record a non-controlling interest for the 40%, 25% and 26.1%, respectively, that we do not own.
[3] Our jointly controlled entities are all early stage exploration projects and, as such, do not have any significant assets, liabilities, income, contractual commitments or contingencies. Expenses are recognized through our equity pick-up (loss). Refer to note 13 for further details.

C) **Business Combinations**
On the acquisition of a business, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the identifiable assets and liabilities on the basis of fair value at the date of acquisition. Provisional fair values allocated at a reporting date are finalized as soon as the relevant information is available, within a period not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustments to those provisional fair values effective as at the acquisition date. Incremental costs related to acquisitions are expensed as incurred.

When the amount of purchase consideration is contingent on future events, the initial cost of the acquisition recorded includes an estimate of the fair value of the contingent amounts expected to be payable in the future. When the fair value of contingent consideration as at the date of acquisition is finalized before the purchase price allocation is finalized, the adjustment is allocated to the identifiable assets and liabilities acquired. Subsequent changes to the estimated fair value of contingent consideration are recorded in the consolidated statement of income.

When the cost of the acquisition exceeds the fair values of the identifiable net assets acquired, the difference is recorded as goodwill. If the fair value attributable to Barrick's share of the identifiable net assets exceeds the cost of acquisition, the difference is recognized as a gain in the consolidated statement of income.

Non-controlling interests represent the fair value of net assets in subsidiaries, as at the date of acquisition, that are not held by Barrick and are presented in the equity section of the consolidated balance sheet.

When control of a subsidiary is acquired in stages, its carrying value prior to the acquisition of control is compared with the fair value of the identifiable net assets at that date. If fair value is greater than/less than carrying value, gain/loss is recorded in the consolidated statement of income.

D) **Discontinued Operations**

A discontinued operation is a component of the Company that can be clearly distinguished from the rest of the Company, both operationally and for financial reporting purposes, and is expected to be recovered primarily through sale rather than continuing use. The assets and liabilities are presented as held for sale in the consolidated balance sheet when the sale is highly probable, the asset or disposal group is available for immediate sale in its present condition and management is committed to the sale, which should be expected to be completed within one year from the date of classification. Results of operations and any gain or loss from disposal are excluded from earnings before finance items and tax and are reported separately as income from discontinued operations.

E) **Foreign Currency Translation**

The functional currency of the Company, for each subsidiary of the Company, and for joint ventures and associates, is the currency of the primary economic environment in which it operates. The functional currency of our gold and copper operations is the US dollar. We translate non-US dollar balances for these operations into US dollars as follows:

- Property, plant and equipment ("PP&E"), intangible assets and equity method investments using historical rates;
- Available-for-sale securities using the closing exchange rate as at the balance sheet date with translation gains and losses recorded in OCI;
- Deferred tax assets and liabilities using the closing exchange rate as at the balance sheet date with translation gains and losses recorded in income tax expense;
- Other assets and liabilities using the closing exchange rate as at the balance sheet date with translation gains and losses recorded in other income/expense; and
- Income and expenses using the average exchange rate for the period, except for expenses that relate to non-monetary assets and liabilities measured at historical rates, which are translated using the same historical rate as the associated non-monetary assets and liabilities.

The functional currency of our Canadian oil and gas operations is the Canadian dollar. We translate non-US dollar balances related to these operations into US dollars as follows:

- Assets and liabilities using the closing exchange rate as at the balance sheet date with translation gains and losses recorded in OCI; and
- Income and expenses using the average exchange rate for the period with translation gains and losses recorded in OCI.

F) **Revenue Recognition**

We record revenue when evidence exists that all of the following criteria are met:

- The significant risks and rewards of ownership of the product have been transferred to the buyer;
- Neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- The amount of revenue can be reliably measured;
- It is probable that the economic benefits associated with the sale will flow to us; and
- The costs incurred or to be incurred in respect of the sale can be reliably measured.

These conditions are generally satisfied when title passes to the customer.

*Gold Bullion Sales*

Gold bullion is sold primarily in the London spot market. The sales price is fixed at the delivery date based on the gold spot price. Generally, we record revenue from gold bullion sales at the time of physical delivery, which is also the date that title to the gold passes.

*Concentrate Sales*

Under the terms of concentrate sales contracts with independent smelting companies, gold and copper sales prices are provisionally set on a specified future date after shipment based on market prices. We record revenues under these contracts at the time of shipment, which is also when the risk and rewards of ownership pass to the smelting companies, using forward market gold and copper prices on the expected date that final sales prices will be determined. Treatment and refinement charges incurred on the sale of concentrates are recorded as a reduction of revenue. 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, which result in the existence of an embedded derivative in accounts receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included in revenue in the consolidated statement of income.

*Copper Cathode Sales*
Under the terms of copper cathode sales contracts, copper sales prices are provisionally set on a specified future date based upon market commodity prices plus certain price adjustments. Revenue is recognized at the time of shipment, which is also when the risks and rewards of ownership pass to the customer. Revenue is provisionally measured using forward market prices on the expected date that final selling prices will be determined. 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 accounts receivable. This embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included in revenue in the consolidated statement of income.

*Oil and Gas Sales*
Revenue from the sale of crude oil, natural gas and natural gas liquids is recorded at the time it enters the pipeline system, which is also when risks and rewards of ownership are transferred. At the time of delivery of oil and gas, revenues are determined based upon contracts by reference to monthly market commodity prices plus certain price adjustments. Price adjustments include product quality and transportation adjustments and market differentials.

G) **Exploration and Evaluation ("E&E")**
Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.

Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve; (ii) determining the optimal methods of extraction and metallurgical and treatment processes; (iii) studies related to surveying, transportation and infrastructure requirements; (iv) permitting activities; and (v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Exploration and evaluation expenditures are capitalized if management determines that probable future economic benefits will be generated as a result of the expenditures. Cash flows attributable to capitalized exploration and evaluation expenditures are classified as investing activities in the consolidated statement of cash flow.

For our oil and gas properties, we follow the successful efforts method of accounting, whereby exploration expenditures that are either general in nature or related to an unsuccessful drilling program are recorded as exploration expense in the consolidated statement of income. Only costs that relate directly to the discovery and development of specific commercial oil and gas reserves are capitalized as development costs.

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

I) **Taxation**
Current tax for each taxable entity is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred tax is recognized using the balance sheet method in respect of all temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes, except as indicated below.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in an acquisition that is not a business combination and, at the time of the acquisition, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and the carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilized, except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in an acquisition that is not a business combination and, at the time of the acquisition, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. To the extent that an asset not previously recognized fulfills the criteria for recognition, a deferred income tax asset is recorded.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realized or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the balance sheet date.

Current and deferred tax relating to items recognized directly in equity are recognized in equity and not in the income statement.

*Royalties and Special Mining Taxes*

Income tax expense includes the cost of royalty and special mining taxes payable to governments that are calculated based on a percentage of taxable profit whereby taxable profit represents net income adjusted for certain items defined in the applicable legislation.

J) **Other Investments**

Investments in publicly quoted equity securities that are neither subsidiaries nor associates are categorized as available-for-sale. Available-for-sale equity investments are recorded at fair value with unrealized gains and losses recorded in OCI. Realized gains and losses are recorded in earnings when investments are sold and are calculated using the average carrying amount of securities sold.

If the fair value of an investment declines below the carrying amount, we undertake qualitative and quantitative assessments of whether the impairment is either significant or prolonged. If an unrealized loss on an available-for-sale investment has been recognized in OCI and it is deemed to be either significant or prolonged, any cumulative loss that had been recognized in OCI is reclassified as an impairment loss in the consolidated statement of income. The reclassification adjustment is calculated as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized. If the value of a previously impaired available-for-sale equity investment subsequently recovers, additional unrealized gains are recorded in OCI and the previously recorded impairment losses are not subject to reversal through the consolidated statement of income.

K) **Inventory**

Material extracted from our mines is classified as either ore or waste. Ore represents material that, at the time of extraction, we expect to process into a saleable form and sell at a profit. Raw materials are comprised of both ore in stockpiles and ore on leach pads as processing is required to extract benefit from the ore. Ore is accumulated in stockpiles that are subsequently processed into gold/copper in a saleable form.The recovery of gold and copper from certain oxide ores is achieved through the heap leaching process. Work in process represents gold/copper in the processing circuit that has not completed the production process, and is not yet in a saleable form. Finished goods inventory represents gold/copper in saleable form. Mine operating supplies represent commodity consumables and other raw materials used in the production process, as well as spare parts and other maintenance supplies that are not classified as capital items.

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all costs incurred, based on a normal production capacity, in bringing each product to its present location and condition. Cost of inventories comprises direct labor, materials and contractor expenses, including non-capitalized stripping costs; depreciation on PP&E including capitalized stripping costs; and an allocation of mine site overhead costs. As ore is removed for processing, costs are removed based on the average cost per ounce/pound in the stockpile.

We record provisions to reduce inventory to net realizable value to reflect changes in economic factors that impact inventory value and to reflect present intentions for the use of slow moving and obsolete supplies inventory. Net realizable value is determined with reference to relevant market prices less applicable variable selling expenses. Provisions recorded also reflect an estimate of the remaining costs of completion to bring the inventory into its saleable form. Provisions are also recorded to reduce mine operating supplies to net realizable value, which is generally calculated by reference to its salvage or scrap value, when it is determined that the supplies are obsolete. Provisions are reversed to reflect subsequent recoveries in net realizable value where the inventory is still on hand.

L) **Production Stage**

We assess each mine construction project to determine when a mine moves into production stage. The criteria used to assess the start date are determined based on the 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 the production stage. Some of the criteria considered would include, but are not limited to, the following: (1) the level of capital expenditures compared to construction cost estimates; (2) the completion of a reasonable period of testing of mine plant and equipment; (3) the ability to produce minerals in saleable form (within specifications); and (4) the ability to sustain ongoing production of minerals.

When a mine construction project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventory or expensed, except for capitalizable costs related to property, plant and equipment additions or improvements, open pit stripping activities that provide a future benefit, underground mine development or E&E expenditures that meet the criteria for capitalization.

Pre-production stripping costs are capitalized until an "other than de minimis" level of mineral is extracted, after which time such costs are either capitalized to inventory or, if it qualifies as an open pit stripping activity that provides a future benefit, to PP&E. We consider various relevant criteria to assess when an "other than de minimis" level of mineral is produced. Some of the criteria considered would include, but are not limited to, the following: (1) the amount of minerals mined versus total ounces in life of mine ("LOM") ore; (2) the amount of ore tons mined versus total LOM expected ore tons mined; (3) the current stripping ratio versus the LOM strip ratio; and (4) the ore grade versus the LOM grade.

M) **Property, Plant and Equipment**

*Buildings, Plant and Equipment*

At acquisition, we record buildings, plant and equipment at cost, including all expenditures incurred to prepare an asset for its intended use. These expenditures consist of: the purchase price; brokers' commissions; and installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges.

We capitalize costs that meet the asset recognition criteria. Costs incurred that do not extend the productive capacity or useful economic life of an asset are considered repairs and maintenance expense and are accounted for as a cost of the inventory produced in the period.

Buildings, plant and equipment are depreciated over their expected useful life, which commences when the assets are considered available for use. Once buildings, plant and equipment are considered available for use they are measured at cost less accumulated depreciation and applicable impairment losses.

Depreciation on equipment utilized in the development of assets, including open pit and underground mine development, is recapitalized as development costs attributable to the related asset.

**Estimated useful lives of Major Asset Categories**

| | |
|---|---|
| Buildings, plant and equipment | 5 - 35 years |
| Underground mobile equipment | 5 - 7 years |
| Light vehicles and other mobile equipment | 2 - 3 years |
| Furniture, computer and office equipment | 2 - 3 years |

*Leasing Arrangements*
We enter into leasing arrangements and arrangements that are in substance leasing arrangements. The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, including whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Leasing arrangements that transfer substantially all the risks and rewards of ownership of the asset to Barrick are classified as finance leases. Finance leases are recorded as an asset with a corresponding liability at an amount equal to the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance costs using the effective interest method, whereby a constant rate of interest expense is recognized on the balance of the liability outstanding. The interest element of the lease is charged to the consolidated statement of income as a finance cost.

PP&E assets acquired under finance leases are depreciated, once the asset becomes available for use, over the shorter of the useful life of the asset and the lease term.

All other leases are classified as operating leases. Operating lease payments are recognized as an operating cost in the consolidated statement of income on a straight-line basis over the lease term.

*Mineral Properties*
Mineral properties consist of: the fair value attributable to mineral reserves and resources acquired in a business combination or asset acquisition; underground mine development costs; open pit mine development costs; capitalized exploration and evaluation costs; and capitalized interest.

*i) Acquired Mining Properties*
On acquisition of a mining property we prepare an estimate of the fair value attributable to the proven and probable mineral reserves, mineral resources and exploration potential attributable to the property. The estimated fair value attributable to the mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of the acquisition is depreciated on a units of production ("UOP") basis whereby the denominator is the proven and probable reserves and the portion of mineral resources considered to be probable of economic extraction. The estimated fair value attributable to mineral resources that are not considered to be probable of economic extraction at the time of the acquisition is not subject to depreciation, until the resources become probable of economic extraction in the future. The estimated fair value attributable to exploration licenses is recorded as an intangible asset and is not subject to depreciation until the property enters production.

*ii) Underground Mine Development Costs*
At our underground mines, we incur development costs to build new shafts, drifts and ramps that will enable us to physically access ore underground. The time over which we will continue to incur these costs depends on the mine life. These underground development costs are capitalized as incurred.

Capitalized underground development costs incurred to enable access to specific ore blocks or areas of the underground mine, and which only provide an economic benefit over the period of mining that ore block or area, are depreciated on a UOP basis, whereby the denominator is estimated ounces/pounds of gold/copper in proven and probable reserves and the portion of resources within that ore block or area that is considered probable of economic extraction.

If capitalized underground development costs provide an economic benefit over the entire mine life, the costs are depreciated on a UOP basis, whereby the denominator is the estimated ounces/pounds of gold/copper in total accessible proven and probable reserves and the portion of resources that is considered probable of economic extraction.

*iii) Open Pit Mining Costs*
In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping. Stripping costs incurred in order to provide initial access to the ore body (referred to as pre-production stripping) are capitalized as open pit mine development costs.

Stripping costs incurred during the production stage of a pit are accounted for as costs of the inventory produced during the period that the stripping costs were incurred, unless these costs are expected to provide a future economic benefit. Production phase stripping costs generate a future economic benefit when the related stripping activity: (i) improves access to ore to be mined in the future; (ii) increases the fair value of the mine (or pit) as access to future mineral reserves becomes less costly; and (iii) increases the productive capacity or extends the

productive life of the mine (or pit). Production phase stripping costs that are expected to generate a future economic benefit are capitalized as open pit mine development costs.

Capitalized open pit mine development costs are depreciated on a UOP basis whereby the denominator is the estimated ounces/pounds of gold/copper in the associated open pit in proven and probable reserves and the portion of resources considered probable of economic extraction based on the current LOM plan. Capitalized open pit mine development costs are depreciated once the open pit has entered production and the future economic benefit is being derived.

*iv) Oil and Gas Properties*
On acquiring an oil and gas property, we estimate the fair value of reserves and resources and we record this amount as an asset at the date of acquisition, which is subject to depreciation, on a UOP basis over proved reserves, when the asset is available for its intended use.

*Construction-in-Progress*
Assets under construction at operating mines are capitalized as construction-in-progress. The cost of construction-in-progress comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Construction-in-progress amounts related to development projects are included in the carrying amount of the development project. Construction-in-progress amounts incurred at operating mines are presented as a separate asset within PP&E. Construction-in-progress also includes deposits on long lead items. Construction-in-progress is not depreciated. Depreciation commences once the asset is complete and available for use.

*Capitalized Interest*
We capitalize interest costs for qualifying assets. Qualifying assets are assets that require a significant amount of time to prepare for their intended use, including projects that are in the exploration and evaluation, development or construction stages. Qualifying assets also include significant expansion projects at our operating mines. Capitalized interest costs are considered an element of the cost of the qualifying asset. Capitalization ceases when the asset is substantially complete or if construction is interrupted for an extended period. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to the relevant borrowings during the period. Where funds borrowed are directly attributable to a qualifying asset, the amount capitalized represents the borrowing costs specific to those borrowings. Where surplus funds available out of money borrowed specifically to finance a project are temporarily invested, the total capitalized interest is reduced by income generated from short-term investments of such funds.

*Insurance*
We record losses relating to insurable events as they occur. Proceeds receivable from insurance coverage are recorded at such time as receipt is virtually certain and the amount receivable is fixed or determinable. For business interruption the amount is only recognized when it is virtually certain as supported by receipt of notification of a minimum or proposed settlement amount from the insurance adjuster.

N) **Goodwill**
Under the acquisition method of accounting, the costs of business combinations are allocated to the assets acquired and liabilities assumed based on the estimated fair value at the date of acquisition. The excess of the fair value of consideration paid over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is not amortized; instead it is tested annually for impairment at the beginning of the fourth quarter for the gold and capital projects segments and at the end of the fourth quarter for the copper and Barrick Energy segments. In addition, at each reporting period we assess whether there is an indication that goodwill is impaired and, if there is such an indication, we would test for goodwill impairment at that time. At the date of acquisition, goodwill is assigned to the cash generating unit (“CGU”) or group of CGUs that is expected to benefit from the synergies of the business combination. For the purposes of impairment testing, goodwill is allocated to the Company’s operating segments, which corresponds to the level at which goodwill is internally monitored by the Chief Operating Decision Maker (“CODM”).

The recoverable amount of an operating segment is the higher of Value in Use (“VIU”) and Fair Value Less Costs to Sell (“FVLCS”). A goodwill impairment is recognized for any excess of the carrying amount of the segment over its recoverable amount. Goodwill impairment charges are not reversible.

O) **Intangible Assets**
Intangible assets acquired by way of an asset acquisition or business combination are recognized if the asset is separable or arises from contractual or legal rights and the fair value can be measured reliably on initial recognition.

On acquisition of a mineral property in the exploration stage, we prepare an estimate of the fair value attributable to the exploration licenses acquired, including the fair value attributable to mineral resources, if any, of that property. The fair value of the exploration license is recorded as an intangible asset (acquired exploration potential) as at the date of acquisition. When an exploration stage property moves into development, the acquired exploration potential attributable to that property is transferred to mining interests within PP&E.

P) **Impairment of Non-Current Assets**

We review and test the carrying amounts of PP&E and intangible assets with definite lives when an indicator of impairment is considered to exist. Impairment assessments on PP&E and intangible assets are conducted at the level of CGUs, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. For operating mines, projects and oil and gas properties, the individual mine/project/property represents a CGU for impairment testing.

The recoverable amount of a CGU is the higher of VIU and FVLCS. An impairment loss is recognized for any excess of the carrying amount of a CGU over its recoverable amount. Where it is not appropriate to allocate the loss to a separate asset, an impairment loss related to a CGU is allocated to the carrying amount of the assets of the CGU on a pro rata basis based on the carrying amount of its non-monetary assets.

*Impairment Reversal*

Impairment losses for PP&E and intangible assets are reversed if the conditions that gave rise to the impairment are no longer present and it has been determined that the asset is no longer impaired as a result. This reversal is recognized in the consolidated statement of income and is limited to the carrying value that would have been determined, net of any depreciation where applicable, had no impairment charge been recognized in prior years. When an impairment reversal is undertaken, the recoverable amount is assessed by reference to the higher of VIU and FVLCS.

Q) **Debt**

Debt is recognized initially at fair value, net of financing costs incurred, and subsequently measured at amortized cost. Any difference between the amounts originally received and the redemption value of the debt is recognized in the consolidated statement of income over the period to maturity using the effective interest method.

R) **Derivative Instruments and Hedge Accounting**

*Derivative Instruments*

Derivative instruments are recorded at fair value on the consolidated balance sheet, classified based on contractual maturity. Derivative instruments are classified as either hedges of the fair value of recognized assets or liabilities or of firm commitments (“fair value hedges”), hedges of highly probable forecast transactions (“cash flow hedges”) or non-hedge derivatives. Derivatives designated as either a fair value or cash flow hedge that are expected to be highly effective in achieving offsetting changes in fair value or cash flows are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Derivative assets and derivative liabilities are shown separately in the balance sheet unless there is a legal right to offset and the intent to settle on a net basis.

*Fair Value Hedges*

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated statement of income, together with any changes in the fair value of the hedged asset or liability or firm commitment that is attributable to the hedged risk.

*Cash Flow Hedges*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. The gain or loss relating to the ineffective portion is recognized in the consolidated statement of income. Amounts accumulated in equity are transferred to the consolidated statement of income in the period when the forecasted transaction impacts earnings. When the forecasted transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial carrying amount of the asset or liability.

When a derivative designated as a cash flow hedge expires or is sold and the forecasted transaction is still expected to occur, any cumulative gain or loss relating to the derivative that is recorded in equity at that time remains in equity and is recognized in the consolidated statement of income when the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was recorded in equity is immediately transferred to the consolidated statement of income.

*Non-Hedge Derivatives*
Derivative instruments that do not qualify as either fair value or cash flow hedges are recorded at their fair value at the balance sheet date, with changes in fair value recognized in the consolidated statement of income.

S) **Embedded Derivatives**
Derivatives embedded in other financial instruments or executory contracts are accounted for as separate derivatives when their risks and characteristics are not closely related to their host financial instrument or contract. In some cases, the embedded derivatives may be designated as hedges and are accounted for as described above.

T) **Fair Value Measurement**
Fair value is 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. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Refer to note 24 for further information.

U) **Environmental Rehabilitation Provision**
Mining, extraction and processing activities normally give rise to obligations for environmental rehabilitation. Rehabilitation work can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation, including compliance with and monitoring of environmental regulations; security and other site-related costs required to perform the rehabilitation work; and operation of equipment designed to reduce or eliminate environmental effects. The extent of work required and the associated costs are dependent on the requirements of relevant authorities and our environmental policies. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognized as an expense and liability when the event that gives rise to an obligation occurs and reliable estimates of the required rehabilitation costs can be made.

Provisions for the cost of each rehabilitation program are normally recognized at the time that an environmental disturbance occurs or a constructive obligation is determined. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. The major parts of the carrying amount of provisions relate to tailings pond closure/rehabilitation; demolition of buildings/mine facilities; ongoing water treatment; and ongoing care and maintenance of closed mines. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation and at the time of closure in connection with disturbances as at the reporting date. Estimated costs included in the determination of the provision reflect the risks and probabilities of alternative estimates of cash flows required to settle the obligation at each particular operation. The expected rehabilitation costs are estimated based on the cost of external contractors performing the work or the cost of performing the work internally depending on management's intention.

The timing of the actual rehabilitation expenditure is dependent upon a number of factors such as the life and nature of the asset, the operating license conditions and the environment in which the mine operates. Expenditures may occur before and after closure and can continue for an extended period of time depending on rehabilitation requirements. Rehabilitation provisions are measured at the expected value of future cash flows, which exclude the effect of inflation, discounted to their present value using a current US dollar real risk-free pre-tax discount rate. The unwinding of the discount, referred to as accretion expense, is included in finance costs and results in an increase in the amount of the provision. Provisions are updated each reporting period for changes to expected cash flows and for the effect of changes in the discount rate, and the change in estimate is added or deducted from the related asset and depreciated over the expected economic life of the operation to which it relates.

Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements or, if more stringent, our environmental policies which give rise to a constructive obligation.

When provisions for closure and rehabilitation are initially recognized, the corresponding cost is capitalized as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalized cost of closure and rehabilitation activities is recognized in PP&E and depreciated over the expected economic life of the operation to which it relates.

Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgments and estimates involved. 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 resources with a corresponding change in the life of mine plan; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; changes in discount rates; changes in foreign exchange rates and changes in laws and regulations governing the protection of the environment.

Rehabilitation provisions are adjusted as a result of changes in estimates and assumptions. Those adjustments are accounted for as a change in the corresponding cost of the related assets, including the related mineral property, except where a reduction in the provision is greater than the remaining net book value of the related assets, in which case the value is reduced to nil and the remaining adjustment is recognized in the consolidated statement of income. In the case of closed sites, changes in estimates and assumptions are recognized immediately in the consolidated statement of income. For an operating mine, the adjusted carrying amount of the related asset is depreciated prospectively. Adjustments also result in changes to future finance costs.

V) **Litigation and Other Provisions**

Provisions are recognized when a present obligation exists (legal or constructive), as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are discounted to their present value using a current US dollar risk-free pre-tax discount rate and the accretion expense is included in finance costs.

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. Contingent gains are only recognized when the inflow of economic benefits is virtually certain.

W) **Stock-Based Compensation**

Barrick offers equity-settled (Employee Stock Option Plan ("ESOP"), Employee Share Purchase Plan ("ESPP")) and cash-settled (Restricted Share Units ("RSU"), Deferred Share Units ("DSU"), Performance Restricted Share Units ("PRSU")) awards to certain employees, officers and directors of the Company.

Equity-settled awards are measured at fair value using the Lattice model with market related inputs as of the date of the grant. The cost is recorded over the vesting period of the award to the same expense category as the award recipient's payroll costs (i.e. cost of sales, RBU costs, corporate administration) and the corresponding entry is recorded in equity. Equity-settled awards are not remeasured subsequent to the initial grant date.

Cash-settled awards are measured at fair value initially using the market value of the underlying shares at the date of the grant of the award and are required to be remeasured to fair value at each reporting date until settlement. The cost is then recorded over the vesting period of the award. This expense, and any changes in the fair value of the award, is recorded to the same expense category as the award recipient's payroll costs. The cost of a cash-settled award is recorded within liabilities until settled.

We use the accelerated method (also referred to as 'graded' vesting) 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 forfeiture rates. We make adjustments if the actual forfeiture rate differs from the expected rate.

*Employee Stock Option Plan*

Under Barrick's ESOP, certain officers and key employees of the Corporation may purchase common shares at an exercise price that is equal to the closing share price on the day before the grant of the option. The grant date is the date when the details of the award, including the number of options granted to the individual and the exercise price, are approved. Stock options vest over four years, beginning in the year after granting. The ESOP arrangement has graded vesting terms, and therefore, multiple vesting periods must

be valued and accounted for separately over their respective vesting periods. The compensation expense of the instruments issued for each grant under the ESOP is calculated using the Lattice model. The compensation expense is adjusted by the estimated forfeiture rate which is estimated based on historical forfeiture rates and expectations of future forfeiture rates. We make adjustments if the actual forfeiture rate differs from the expected rate.

*Restricted Share Units*
Under our RSU plan, selected employees are granted RSUs where each RSU has a value equal to one Barrick common share. RSUs vest at the end of two and a half years and are settled in cash upon vesting. Additional RSUs are credited to reflect dividends paid on Barrick common shares over the vesting period.

A liability for RSUs is measured at fair value on the grant date and is subsequently adjusted for changes in fair value. The liability is recognized on a straight-line basis over the vesting period, with a corresponding charge to compensation expense, as a component of corporate administration and other expenses. Compensation expenses for RSUs incorporate an estimate for expected forfeiture rates based on which the fair value is adjusted.

*Deferred Share Units*
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 is paid out. Additional DSUs are credited to reflect dividends paid on Barrick common shares. The initial fair value of the liability is calculated as of the grant date and is recognized immediately. Subsequently, at each reporting date and on settlement, the liability is remeasured, with any change in fair value recorded as compensation expense in the period.

*Performance Restricted Share Units*
Under our PRSU plan, selected employees are granted PRSUs, where each PRSU has a value equal to one Barrick common share. PRSUs vest at the end of a three-year period and are settled in cash on the third anniversary of the grant date. Additional PRSUs are credited to reflect dividends paid on Barrick common shares over the vesting period. The amount of PRSUs that vest is based on the achievement of performance goals and the target settlement ranges from 0% to 200% of the original grant of units.

The value of a PRSU reflects the value of a Barrick common share adjusted for its relative performance against certain competitors. Therefore, the fair value of the PRSUs is determined with reference to the closing stock price at each remeasurement date.

The initial fair value of the liability is calculated as of the grant date and is recognized within compensation expense using the straight-line method over the vesting period. Subsequently, at each reporting date and on settlement, the liability is remeasured, with any changes in fair value recorded as compensation expense. The fair value is adjusted for the revised estimated forfeiture rate.

*Employee Share Purchase Plan*
Under our ESPP plan, Barrick employees can purchase Company shares through payroll deduction. Each year, employees may contribute 1%-6% of their combined base salary and annual bonus, and Barrick will match 50% of the contribution, up to a maximum of $5,000 per year.

Both Barrick and the employee make the contributions on a bi-monthly basis with the funds being transferred to a custodian who purchases Barrick Common Shares in the open market. Shares purchased with employee contributions have no vesting requirement; however, shares purchased with Barrick's contributions vest one year from contribution date. All dividend income is used to purchase additional Barrick shares.

Barrick records an expense equal to its bi-monthly cash contribution. No forfeiture rate is applied to the amounts accrued. Where an employee leaves prior to vesting, any accrual for contributions by Barrick during the year related to that employee is reversed.

X) **Post-Retirement Benefits**

*Defined Contribution Pension Plans*

Certain employees take part in defined contribution employee benefit plans whereby we contribute up to 6% of the employees' annual salary and bonus. We also have a retirement plan for certain officers of Barrick under which we contribute 15% of the officer's annual salary. The contributions are recognized as compensation expense as incurred. The Company has no further payment obligations once the contributions have been paid.

*Defined Benefit Pension Plans*

We have qualified defined benefit pension plans that cover certain of our United States and Canadian employees and provide benefits based on employees' years of service. 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.

As well as the qualified plans, we have non-qualified defined benefit pension plans covering certain employees and former directors of Barrick.

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 accrued benefit obligations change during the year. We record actuarial gains and losses in other comprehensive income and retained earnings.

Our valuations are carried out using the projected unit credit method and the expected rate of return on pension plan assets is determined as management's best estimate of the long-term return on major asset classes. We record the difference between the fair value of the plan assets and the present value of the plan obligations as an asset or liability on the consolidated balance sheets.

*Pension Plan Assets and Liabilities*

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 expected rate of return on assets for pension cost purposes is the weighted average of expected long-term asset return assumptions. We use long-term historical returns on equities and fixed-income investments, reflecting the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run, in estimating the long-term rate of return for plan assets. 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.

*Other Post-Retirement Benefits*

We provide post-retirement medical, dental, and life insurance benefits to certain employees. Actuarial gains and losses resulting from variances between actual results and economic estimates or actuarial assumptions are recorded in OCI.

Y) **New Accounting Standards**

*IFRS 9 Financial Instruments*

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on the measurement of financial liabilities and derecognition of financial instruments. In December 2011, the IASB issued an amendment that adjusted the mandatory effective date of IFRS 9 from January 1, 2013 to January 1, 2015. We are currently assessing the impact of adopting IFRS 9 on our consolidated financial statements, including the applicability of early adoption.

*IFRS 10 Consolidated Financial Statements*

In May 2011, the IASB issued IFRS 10 Consolidated Financial Statements to replace IAS 27 Consolidated and Separate

Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power over the investee to direct relevant activities and exposure to variable returns before control is present. IFRS 10 will be applied starting January 1, 2013. We are currently finalizing our assessment of the impact of adopting IFRS 10 on our consolidated financial statements.

*IFRS 11 Joint Arrangements*
In May 2011, the IASB issued IFRS 11 Joint Arrangements to replace IAS 31 Interests in Joint Ventures. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties to the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. IFRS 11 will be applied starting January 1, 2013. We are currently finalizing our assessment of the impact of adopting IFRS 11 on our consolidated financial statements.

*IFRS 12 Disclosure of Interests in Other Entities*
In May 2011, the IASB issued IFRS 12 Disclosure of Interests in Other Entities to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates and the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). IFRS 12 will be applied starting January 1, 2013. We have completed our assessment and note that additional disclosures will be required in our 2013 annual consolidated financial statements.

*IFRS 13 Fair Value Measurement*
In May 2011, the IASB issued IFRS 13 Fair Value Measurement as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. IFRS 13 will be applied starting January 1, 2013. We are currently finalizing our assessment of the impact of adopting IFRS 13 on our consolidated financial statements.

*IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine*
In October 2011, the IASB issued IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: useable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. IFRIC 20 will be applied starting January 1, 2013. We will amend our accounting policy on production phase stripping costs to require our open pit mines to consider components of the pit in their assessment of whether or not a future benefit has been created by the mining activities in the period.We expect that this will lead to an increase in the amount of stripping costs that are capitalized over the life of an open pit mine. Based on our analysis, we expect that our restated 2012 financial statements will show an increase in PP&E, a decrease in inventory and an increase in net income. The quantum of these changes is currently under review in preparation of our first quarter 2013 reporting.

**3 > SIGNIFICANT JUDGMENTS, ESTIMATES, AND ASSUMPTIONS**
Many of the amounts included in the consolidated balance sheet require management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the estimates. Information about such judgments and estimates is contained in the description of our accounting policies and/or other notes to the financial statements. The key areas where judgments, estimates and assumptions have been made are summarized below.

*Reserves and Resources*
Estimates of the quantities of proven and probable mineral reserves and mineral resources, form the basis for our life of mine LOM plans, which are used for a number of important business and accounting purposes, including: the calculation of depreciation expense; the capitalization of production phase stripping costs; and forecasting the timing of the payments related to the environmental rehabilitation provision. In addition, the underlying LOM plans are used in the impairment tests for goodwill and non-current assets. We estimate our ore reserves and mineral resources based on information compiled by qualified persons as defined in accordance with the Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Projects requirements.

*Impairment of Goodwill and Non-Current Assets*
Goodwill and non-current assets are tested for impairment if there is an indicator of impairment, and annually at the beginning of the fourth quarter for our gold and capital projects segments, and at the end of the fourth quarter for our copper and Barrick Energy segments. Calculating the estimated fair values of cash generating units for non-current asset impairment tests and groups of CGUs for goodwill impairment tests requires management to make estimates and assumptions with respect to future production levels, operating and capital costs in our LOM plans, future metal prices, foreign exchange rates, Net Asset Value ("NAV") multiples and discount rates. Changes in any of the assumptions or estimates used in determining the fair values could impact the impairment analysis. Management is also required to make a judgment with respect to which CGUs should be grouped together for goodwill testing purposes, including the assessment of operating segments, the highest level at which goodwill can be tested. Refer to note 2(n), note 2(p) and note 19 for further information.

*Capitalization of Exploration and Evaluation Costs*
Management has determined that costs related to exploration drilling, evaluation studies and other development work that have been capitalized have probable future benefit and are economically recoverable. Management's criteria for assessing the economic recoverability of these costs is disclosed in note 2(g).

*Production Stage of a Mine*
The determination of the date on which a mine enters the production stage is a significant judgment since capitalization of certain costs ceases upon entering production. As a mine is constructed, costs incurred are capitalized and proceeds from mineral sales are offset against the capitalized costs. This continues until the mine is available for use in the manner intended by management, which requires significant judgment in its determination. Refer to note 2(l) for further information on the criteria used to make this assessment.

*Purchase Price Allocations*
In a business combination, we are required to fair value each identifiable asset and liability as at the acquisition date. This requires management to make judgments and estimates, as of the acquisition date, to determine the fair value, including the amount of mineral reserves and resources acquired, future metal prices, future operating costs and capital expenditure requirements and discount rates. Any excess of acquisition cost over the fair value of the identifiable net assets is recognized as goodwill. Provisional and final fair value allocations recorded as a result of business combinations are discussed further in note 4.

*Provisions for Environmental Rehabilitation*
Management assesses its provision for environmental rehabilitation on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs, the timing of these expenditures, and the impact of changes in discount rates and foreign exchange rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future. Refer to note 2(u) for further information.

*Income Taxes*
Management is required to make estimations regarding the tax basis of assets and liabilities and related deferred income tax assets and liabilities, amounts recorded for uncertain tax positions, the measurement of income tax expense and indirect taxes, and estimates of the timing of repatriation of earnings, which would impact the recognition of withholding taxes and taxes related to the outside basis on subsidiaries/associates. A number of these estimates require management to make estimates of future taxable profit, and if actual results are significantly different than our estimates, the ability to realize the deferred tax assets recorded on our balance sheet could be impacted. Refer to note 2(i), note 10 and note 28 for further information.

*Contingencies*
Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within our control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against us or unasserted claims, that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims or actions as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to recognize as a contingent liability or assessing the impact on the carrying value of assets. Contingent assets are not recognized in the consolidated financial statements.

**Other Notes to the Financial Statements**



## 4 > ACQUISITIONS AND DIVESTITURES

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| **Cash paid on acquisition** [1] | | |
| Equinox | **$ -** | $7,482 |
| Oil and gas acquisitions | **-** | 278 |
| Other [2] | **37** | - |
| | **$ 37** | $7,760 |
| Less: cash acquired | **-** | (83) |
| | **$ 37** | $7,677 |
| **Cash proceeds on divestiture** [1] | | |
| Highland Gold | **$ 122** | $ - |
| Sedibelo | **-** | 44 |
| Pinson | **-** | 15 |
| | **$ 122** | $ 59 |

[1] All amounts represent gross cash paid on acquisition or received on divestiture.
[2] Represents ABG's acquisition of Aviva Corporation as well as an asset acquisition by our North American Regional Business Unit.

### A) Disposition of our 20% interest in Highland Gold

On April 26, 2012, we completed the sale of our 20.4% investment in Highland Gold for net proceeds of $122 million. As a result of the sale of this holding, we recognized an impairment loss of $86 million representing the difference between the net proceeds and our carrying value.

### B) Acquisition of Equinox Minerals Limited

On June 1, 2011, we acquired 83% of the voting shares of Equinox Minerals Limited ("Equinox"), thus obtaining control. Throughout June we obtained a further 13% of the voting shares and obtained the final 4% on July 19, 2011. Cash consideration paid in second quarter 2011 was $7,213 million, with a further $269 million paid in third quarter 2011, for total cash consideration of $7,482 million. We have determined that this transaction represented a business combination with Barrick identified as the acquirer. We began consolidating the operating results, cash flows and net assets of Equinox from June 1, 2011.

Equinox was a publicly traded mining company that owned the Lumwana copper mine in Zambia and the Jabal Sayid copper project in Saudi Arabia. These operations form part of Barrick's copper business unit which was established in fourth quarter 2011.

The tables below present the purchase price and our final allocation of the purchase price to the assets and liabilities acquired. This allocation was finalized in fourth quarter 2011 to reflect the final determination of the assigned values of the assets and liabilities acquired. The significant adjustments were to increase property plant, and

equipment by $819 million and deferred income taxes by $769 million, with a corresponding net increase to goodwill of $79 million. There were no adjustments made to the consolidated statement of income after applying these adjustments retroactively to the acquisition date.

**Purchase Cost**

| | |
|---|---|
| Cash paid to Equinox shareholders in June 2011 | $ 6,957 |
| Cash paid to Equinox shareholders in July 2011 | 269 |
| Fair value of Equinox shares previously acquired | 131 |
| Payouts to Equinox employees on change of control | 125 |
| Total acquisition cost | $ 7,482 |
| Cash acquired with Equinox | (83) |
| Net cash consideration | $ 7,399 |

The purchase cost was funded from our existing cash balances and from proceeds from the issuance of long-term debt of $6.5 billion.

**Summary of Final Purchase Price Allocation**

| | Fair Value at Acquisition |
|---|---|
| Assets | |
| Current assets | $ 366 |
| Buildings, plant and equipment | 1,526 |
| Lumwana depreciable mining interest | 1,792 |
| Lumwana non-depreciable mining interest | 2,258 |
| Jabal Sayid non-depreciable mining interest | 902 |
| Intangible assets | 66 |
| Goodwill | 3,506 |
| Total assets | $ 10,416 |
| Liabilities | |
| Current liabilities | $ 359 |
| Deferred income tax liabilities | 2,108 |
| Provisions | 59 |
| Debt | 408 |
| Total liabilities | $ 2,934 |
| Net assets | $ 7,482 |

In accordance with the acquisition method of accounting, the acquisition cost has been allocated to the underlying assets acquired and liabilities assumed, based primarily upon their estimated fair values at the date of acquisition. We primarily used a static discounted cash flow model (being the net present value of expected future cash flows) to determine the fair value of the mining interests, and used a replacement cost approach in determining the fair value of buildings, plant and equipment. Expected future cash flows are based on estimates of projected future revenues, expected conversions of resources to reserves, and expected future production costs and capital expenditures based on the life of mine plan as at the acquisition date. The excess of acquisition cost over the net identifiable assets acquired represents goodwill.

Goodwill arose on this acquisition principally because of the following factors: (1) the scarcity of large, long-life copper deposits; (2) the ability to capture financing, tax and operational synergies by managing these properties within a copper business unit in Barrick; (3) the potential to expand production through operational improvements and increases to reserves through exploration at the Lumwana property, which is located in one of the most prospective copper regions in the world; and (4) the recognition of a deferred tax liability for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed at amounts that do not reflect fair value. The goodwill is not deductible for income tax purposes.

C) **Oil and Gas Acquisitions**

In 2011, our oil and gas subsidiary Barrick Energy completed three acquisitions. On January 14, 2011, Barrick Energy acquired a 50% interest in the Valhalla North property from Penn West (“Valhalla North”), for approximately $25 million. On June 30, 2011, Barrick Energy acquired all of the outstanding shares of Venturion Natural Resources Limited (“Venturion”), a privately held corporation, for approximately $185 million. On July 28, 2011, Barrick Energy acquired all of the outstanding shares of Culane Energy Corporation (“Culane”) for approximately $68 million. These acquisitions were made to acquire additional producing assets, proved and probable reserves, as well as facilities to allow us to grow and expand our energy business. We have determined that these transactions represent business combinations, with Barrick Energy identified as the acquirer. The tables below present the combined purchase cost and the final purchase price allocation for these transactions. We have recorded goodwill on these transactions as a result of the potential to increase current reserves through enhanced oil recoveries and the recognition of a deferred tax liability for the difference between the carrying values and the tax bases of assets acquired and liabilities assumed. The goodwill is not deductible for tax purposes. Barrick Energy began consolidating the operating results, cash flows, and net assets of Valhalla North, Venturion and Culane from January 14, 2011, June 30, 2011 and July 28, 2011, respectively.

| Total Costs to Allocate | |
|---|---|
| Purchase cost | $ 278 |

| Final Allocation of Fair Values to Valhalla North, Venturion and Culane Net Assets | |
|---|---|
| Current assets | $ 8 |
| Property, plant and equipment | 342 |
| Goodwill | 26 |
| Total assets | $ 376 |
| Current liabilities | $ 4 |
| Provisions | 13 |
| Bank debt | 44 |
| Deferred income tax liabilities | 37 |
| Total liabilities | $ 98 |
| Net assets acquired | $ 278 |

**5 > SEGMENT INFORMATION**

Barrick's business is organized into seven primary operating segments: four regional gold businesses, a global copper business unit, an oil and gas business, and a capital projects group. Barrick's Chief Operating Decision Maker reviews the operating results, assesses performance and makes capital allocation decisions at an operating segment level. Therefore, these business units are operating segments for financial reporting purposes. In fourth quarter 2011, Barrick established the global copper business unit in order to maximize the value of the Company's copper and other non-gold mining assets following the acquisition of Equinox in June 2011. This unit is responsible for providing strategic direction and oversight of the copper business and ensuring that the Company realizes the business and operational synergies arising from the acquisition.

Segment performance is evaluated based on a number of measures including segment income before income tax, production levels and unit production costs. Income tax, corporate administration, finance income and costs, impairment charges and reversals, investment write-downs and gains/losses on non-hedge derivatives are managed on a consolidated basis and are therefore not reflected in segment income.

**Consolidated Statements of Income Information**

| | | Cost of Sales | | | | | |
|---|---|---|---|---|---|---|---|
| For the year ended December 31, 2012 | Revenue | Direct Mining & Royalties | Depreciation | Exploration & Evaluation | Operating Segment Administration | Other Expenses [1] | Segment Income (Loss) |
| **Gold** | | | | | | | |
| North America | $ 5,722 | $ 1,742 | $ 593 | $ 46 | $ 61 | $ 30 | $ 3,250 |
| South America | 2,668 | 793 | 295 | 15 | 31 | 70 | 1,464 |
| Australia Pacific | 3,233 | 1,649 | 315 | 53 | 49 | 46 | 1,121 |
| ABG | 1,081 | 637 | 162 | 29 | 51 | 38 | 164 |
| **Copper** [2] | 1,690 | 1,048 | 231 | 14 | 9 | 58 | 330 |
| **Capital Projects** [3] | - | - | 3 | 27 | 9 | 80 | (119) |
| **Barrick Energy** | 153 | 63 | 102 | - | 12 | 13 | (37) |
| | $ 14,547 | $ 5,932 | $ 1,701 | $ 184 | $ 222 | $ 335 | $ 6,173 |

**Consolidated Statements of Income Information**

| For the year ended December 31, 2011 | Revenue | Cost of Sales: Direct Mining & Royalties | Cost of Sales: Depreciation | Cost of Sales: Exploration & Evaluation | Cost of Sales: Operating Segment Administration | Other Expenses[1] | Segment Income (Loss) |
|---|---|---|---|---|---|---|---|
| **Gold** | | | | | | | |
| North America | $ 5,263 | $ 1,453 | $ 471 | $ 35 | $ 45 | $ 102 | $ 3,157 |
| South America | 2,864 | 698 | 207 | 7 | 30 | 16 | 1,906 |
| Australia Pacific | 3,073 | 1,304 | 307 | 51 | 42 | - | 1,369 |
| ABG | 1,210 | 562 | 138 | 30 | 48 | 35 | 397 |
| **Copper** [2] | 1,649 | 745 | 170 | 12 | 22 | 45 | 655 |
| **Capital Projects** [3] | - | - | 8 | 40 | 2 | 111 | (161) |
| **Barrick Energy** | 177 | 59 | 97 | - | 12 | 58 | (49) |
| | $ 14,236 | $ 4,821 | $ 1,398 | $ 175 | $ 201 | $ 367 | $ 7,274 |

[1] Other expenses include accretion expense, which is included with finance costs in the consolidated statements of income. For the year ended December 31, 2012, accretion expense was $54 million (2011: $52 million).
[2] The Copper segment includes exploration and evaluation expense and losses from equity investees that hold copper projects.
[3] The Capital Projects segment relates to our interests in our significant gold projects under construction. Segment loss for the Capital Projects segment includes exploration and evaluation expense and losses from equity investees that hold capital projects.

**Reconciliation of Segment Income to Income (Loss) from Continuing Operations Before Income Taxes**

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| Segment income | **$ 6,173** | $ 7,274 |
| Depreciation of corporate assets | **(21)** | (21) |
| Exploration not managed by segments | **(211)** | (145) |
| Evaluation not managed by segments | **(47)** | (40) |
| Corporate administration | **(195)** | (166) |
| Other (expenses) income | **(61)** | 49 |
| Impairment charges | **(6,470)** | (96) |
| Finance income | **11** | 13 |
| Finance costs (excludes accretion) | **(123)** | (147) |
| Gain on non-hedge derivatives | **31** | 81 |
| Gain from equity investees not attributable to segments | **-** | 22 |
| Income (loss) before income taxes | **$ (913)** | $ 6,824 |

**Geographic Information**

| | Non-current assets [1] | | Revenue [2] | |
|---|---|---|---|---|
| | **As at Dec. 31, 2012** | As at Dec. 31, 2011 | **2012** | 2011 |
| United States | **$ 6,380** | $ 5,675 | **$ 5,373** | $ 4,914 |
| Zambia | **973** | 5,153 | **567** | 475 |
| Chile | **6,029** | 5,111 | **1,124** | 1,148 |
| Dominican Republic | **4,797** | 3,638 | **-** | - |
| Argentina | **4,391** | 2,893 | **1,230** | 1,397 |
| Tanzania | **2,314** | 2,099 | **1,081** | 1,210 |
| Canada | **1,289** | 1,405 | **502** | 525 |
| Saudi Arabia | **1,550** | 1,611 | **-** | - |
| Australia | **1,643** | 1,485 | **2,520** | 2,330 |
| Papua New Guinea | **1,176** | 1,017 | **713** | 769 |
| Peru | **767** | 602 | **1,437** | 1,468 |
| Other | **-** | 121 | **-** | - |
| Unallocated [1] | **10,110** | 11,529 | **-** | - |
| Total | **$ 41,419** | $ 42,339 | **$ 14,547** | $ 14,236 |

[1] Unallocated assets include goodwill, deferred tax assets and certain financial assets.
[2] Presented based on the location from which the product originated.

**Asset Information [1]**

| | Total Assets | | Segment Capital Expenditures [2] | |
|---|---|---|---|---|
| | **As at Dec. 31, 2012** | As at Dec. 31, 2011 | **For the year ended Dec. 31, 2012** | For the year ended Dec. 31, 2011 |
| **Gold** | | | | |
| North America | **$ 8,927** | $ 8,200 | **$ 1,379** | $ 1,056 |
| South America | **3,074** | 2,925 | **362** | 491 |
| Australia Pacific | **4,317** | 3,982 | **527** | 465 |
| ABG | **2,469** | 2,258 | **317** | 309 |
| Copper | **7,206** | 12,398 | **740** | 433 |
| Capital Projects [3] | **13,135** | 9,484 | **2,974** | 2,563 |
| Barrick Energy | **955** | 1,104 | **128** | 163 |
| Segment total | **$ 40,083** | $ 40,351 | **$ 6,427** | $ 5,480 |
| Cash and equivalents | **2,093** | 2,745 | **-** | - |
| Other current assets | **3,770** | 3,800 | **-** | - |
| Equity in investees | **-** | 209 | **-** | - |
| Other investments | **78** | 161 | **-** | - |
| Intangible assets | **453** | 569 | **-** | - |
| Deferred income tax assets | **443** | 409 | **-** | - |
| Other items not allocated to segments | **362** | 640 | **34** | 27 |
| Total | **$ 47,282** | $ 48,884 | **$ 6,461** | $ 5,507 |

[1] Liabilities are not managed on a segment basis and have therefore been excluded from segment disclosures.
[2] Segment capital expenditures are presented for internal management reporting purposes on an accrual basis. Capital expenditures in the Consolidated Statements of Cash Flow are presented on a cash basis. In 2012, cash expenditures were $6,369 million (2011: $4,973 million) and the increase in accrued expenditures was $92 million (2011: $534 million).
[3] The carrying amount of the long-lived assets in the Capital Projects segment is transferred to the relevant operating segment on commissioning of the mine.

## 6 > REVENUE

| For the years ended December 31 | 2012 | 2011 |
|---|---|---|
| **Gold bullion sales** [1] | | |
| Spot market sales | **$ 12,241** | $ 11,819 |
| Concentrate sales [2] | **323** | 436 |
| | **$ 12,564** | $ 12,255 |
| **Copper sales** [1] | | |
| Copper cathode sales | **$ 1,123** | $ 1,141 |
| Concentrate sales [2] | **566** | 505 |
| | **$ 1,689** | $ 1,646 |
| **Oil and gas sales** | **$153** | $177 |
| **Other metal sales** [3] | **$141** | $158 |
| **Total** | **$ 14,547** | $ 14,236 |

[1] Revenues include amounts transferred from OCI to earnings for commodity cash flow hedges (see note 23d).
[2] Concentrate revenues are presented net of treatment charges and refinement charges incurred on the sale of concentrates. For the year ended December 31, 2012, treatment charges and refinement charges for gold were $6 million (2011: $8 million) and for copper were $95 million (2011: $68 million).
[3] Revenues include the sale of by-products for our gold and copper mines.

*Principal Products*

All of our gold mining operations produce gold in doré form, except Bulyanhulu and Buzwagi which produce both gold doré and gold concentrate. 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. Concentrate is a processing product containing the valuable ore mineral from which most of the waste mineral has been eliminated. Our Lumwana mine produces a concentrate that primarily contains copper. At our Zaldívar mine we produce copper cathode, which consists of 99.9% copper.

*Revenue*

Revenue is presented net of direct sales taxes of $65 million (2011: $50 million). Incidental revenues from the sale of by-products, primarily copper and silver, are classified within other metal sales.

In 2012, we reclassified treatment and refinement charges incurred on the sale of concentrates from cost of sales and began recording them as an offset against revenue. This change does not have any impact on our net income or net assets. We have restated our prior period results to conform to the current presentation.

**Provisional Copper and Gold Sales**

We have provisionally priced sales for which price finalization, referenced to the relevant copper and gold index, is outstanding at the balance sheet date. Our exposure at December 31, 2012 to the impact of movements in market commodity prices for provisionally priced sales is set out in the following table:

| | Volumes subject to final pricing | | Impact on net income before taxation of 10% movement in market price US$M | |
|---|---|---|---|---|
| As at December 31 | **2012** | 2011 | **2012** | 2011 |
| Copper pounds (millions) | **64** | 63 | **$ 23** | $ 22 |
| Gold ounces (000s) | **28** | 29 | **5** | 5 |

For the year ended December 31, 2012, our provisionally priced copper sales included provisional pricing gains of $10 million (2011: $63 million loss) and our provisionally priced gold sales included provisional pricing gains of $3 million (2011: $9 million gain).

At December 31, 2012, our provisionally priced copper and gold sales subject to final settlement were recorded at average prices of $3.59/lb (2011: $3.45/lb) and $1,688 /oz (2011: $1,653/oz), respectively. The sensitivities in the above tables have been determined as the impact of a 10% change in commodity prices at each reporting date, while holding all other variables, including foreign currency exchange rates, constant.

## 7 > COST OF SALES

| For the years ended December 31 | 2012 | 2011 |
|---|---|---|
| Direct mining cost [1,2] | **$ 5,558** | $ 4,486 |
| Depreciation | **1,722** | 1,419 |
| Royalty expense | **374** | 335 |
| Total | **$ 7,654** | $ 6,240 |

[1] Direct mining cost includes charges to reduce the cost of inventory to net realizable value as follows: $74 for the year ended December 31, 2012 (2011: nil).
[2] Direct mining cost includes the costs of extracting by-products.

**Cost of Sales**
Cost of sales consists of direct mining costs (which include personnel costs, certain general and administrative costs, energy costs (principally diesel fuel and electricity), maintenance and repair costs, operating supplies, external services, third-party smelting and transport fees), and depreciation related to sales and royalty expenses. Cost of sales is based on the weighted average cost of contained or recoverable ounces sold and royalty expense for the period. Costs also include any impairment to reduce inventory to its net realizable value.

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

- Net profits interest (NPI) royalty,
- Modified net smelter return (NSR) royalty,
- Net smelter return sliding scale (NSRSS) royalty,
- Gross proceeds sliding scale (GPSS) royalty,
- Gross smelter return (GSR) royalty,
- Net value (NV) royalty,
- Land tenement (LT) royalty, and a
- Gold revenue royalty.

Royalty expense is recorded on completion of the production process.

Royalties applicable to our oil and gas properties include:
- Crown royalties,
- Net profits interest (NPI) royalty,
- Overriding royalty (ORR), and a
- Freehold royalty (FH).

| Producing mines and capital projects | Type of royalty |
|---|---|
| **North America** | |
| Goldstrike | 0%-5% NSR, 0%-6% NPI |
| Williams | 1.5% NSR, 0.75%-1% NV |
| David Bell | 3%-3.5% NSR |
| Hemlo - Interlake property | 50% NPI, 3% NSR |
| Round Mountain | 3.53%-6.35% NSRSS |
| Bald Mountain | 3.5%-7% NSRSS, 2.9%-4% NSR, 10% NPI |
| Ruby Hill | 3% modified NSR |
| Cortez | 1.5% GSR |
| Cortez - Pipeline/South Pipeline deposit | 0.4%-9% GSR |
| Cortez - portion of Pipeline/ South Pipeline deposit | 5% NV |
| **South America** | |
| Veladero | 3.75% gross proceeds |
| Lagunas Norte | 2.51% NSR |
| **Australia Pacific** | |
| Porgera | 2% NSR, 0.25% other |
| Western Australia production [1] | 2.5% of gold revenue |
| Cowal | 4% of net gold revenue |
| **African Barrick Gold** | |
| Bulyanhulu | 4% NSR [2] |
| Tulawaka | 4% NSR [2] |
| North Mara - Nyabirama and Nyabigena pit | 4% NSR [2], 1% LT |
| North Mara - Gokona pit | 4% NSR [2], 1.1% LT |
| Buzwagi | 4% NSR, 30% NPI [2,3] |
| **Capital Projects** | |
| Donlin Gold Project | 1.5% NSR (first 5 years), 4.5% NSR (thereafter), 8.0% NPI [4] |
| Pascua-Lama Project - Chile gold production | 1.4%-9.6% GPSS |
| Pascua-Lama Project - Chile copper production | 1.9% NSR |
| Pascua-Lama Project - Argentina production | 3% modified NSR |
| Pueblo Viejo | 3.2% NSR (for gold & silver), 28.75% NPI [4] |
| Cerro Casale | 3% NSR (capped at $3 million cumulative) |
| **Copper** | |
| Lumwana | 6% GSR [5] |
| Kabanga | 4% NSR |
| **Other** | |
| Barrick Energy | 0.23% NPI, 3.06% FH&ORR, 19.61% Crown Royalty |

[1] Includes the Kalgoorlie, Kanowna, Granny Smith, Plutonic, Darlot and Lawlers mines.
[2] The NSR increased from 3% to 4% effective April 2012.
[3] The NPI is calculated as a percentage of profits realized from the Buzwagi mine after all capital, exploration, and development costs and interest incurred in relation to the Buzwagi mine have been recouped and all operating costs relating to the Buzwagi mine have been paid. No amount is currently payable.
[4] The NPI is calculated as a percentage of profits realized from the mine until all funds invested to date with interest at an agreed upon rate are recovered. No amount is currently payable.
[5] The GSR increased from 3% to 6% effective April 2012.

## 8 > EXPLORATION AND EVALUATION

| For the years ended December 31 | 2012 | 2011 |
|---|---|---|
| Exploration: | | |
| Minesite exploration | **$ 82** | $ 72 |
| Global programs | **211** | 145 |
| | **$ 293** | $ 217 |
| Evaluation costs | **136** | 129 |
| Exploration and evaluation expense [1] | **$ 429** | $ 346 |

[1] Approximates the impact on operating cash flow.

## 9 > OTHER CHARGES

### A Other Expense

| For the years ended December 31 | 2012 | 2011 |
|---|---|---|
| Operating segment administration [1] | **$ 222** | $ 201 |
| Corporate social responsibility | **83** | 55 |
| Changes in estimate of rehabilitation costs at closed mines | **39** | 79 |
| World Gold Council fees | **14** | 9 |
| Currency translation losses [2] | **73** | 22 |
| Pension and other post-retirement benefit expense (note 33) | **-** | 4 |
| Severance and other restructuring costs | **19** | 6 |
| Equinox acquisition costs | **-** | 39 |
| Other expensed items | **183** | 161 |
| Total | **$ 633** | $ 576 |

[1] Relates to general and administrative costs incurred at business unit offices.
[2] Amounts attributable to currency translation losses on working capital balances.

### B Impairment Charges

| For the years ended December 31 | 2012 | 2011 |
|---|---|---|
| Impairment of long-lived assets [1] | **$ 5,251** | $ 138 |
| Impairment of other intangibles [1] | **169** | - |
| Impairment of other investments [1] | **206** | - |
| | **$5,626** | $138 |
| Impairment of goodwill [1] | **798** | - |
| Impairment of available-for-sale investments | **46** | 97 |
| Total | **$ 6,470** | $ 235 |

[1] Refer to note 19 for further details.

### C Other Income

| For the years ended December 31 | 2012 | 2011 |
|---|---|---|
| Gain on sale of long-lived assets/investments [1] | **$18** | $229 |
| Pension and other post-retirement benefit gain (note 33) | **19** | - |
| Royalty income | **3** | 3 |
| Other | **29** | 16 |
| Total | **$ 69** | $ 248 |

[1] 2011 amounts include the sale of our interest in Sedibelo ($66 million), Fronteer Gold ($46 million), Fenn Gibb ($34 million), Metminco ($32 million) and Pinson ($28 million).

## 10 > INCOME TAX EXPENSE

| For the years ended December 31 | 2012 | 2011 |
|---|---|---|
| Tax on profit | | |
| Current tax | | |
| Charge for the year | **$ 1,422** | $ 1,861 |
| Adjustment in respect of prior years | **(67)** | 24 |
| | **$1,355** | $1,885 |
| Deferred tax | | |
| Origination and reversal of temporary differences in the current year | **$ (1,679)** | $ 405 |
| Adjustment in respect of prior years | **88** | (3) |
| | **$ (1,591)** | $ 402 |
| Income tax expense (recovery) | **$ (236)** | $ 2,287 |
| Tax expense related to continuing operations | | |
| Current | | |
| Canada | **$10** | $23 |
| International | **1,404** | 1,736 |
| | **$ 1,414** | $ 1,759 |
| Deferred | | |
| Canada | **$ (38)** | $ (15) |
| International | **(1,575)** | 453 |
| | **$ (1,613)** | $ 438 |
| Income tax expense (recovery) before elements below: | **$ (199)** | $ 2,197 |
| Net currency translation losses (gains) on deferred tax balances | **46** | (32) |
| Impact of tax rate changes | **(22)** | - |
| Amendment in Australia | **(58)** | - |
| Foreign Income Tax Assessment | **(19)** | - |
| Impact of functional currency changes | **16** | (4) |
| Dividend withholding tax | **-** | 87 |
| Impact of Peruvian Tax Court decision | **-** | 39 |
| Income tax expense (recovery) | **$ (236)** | $ 2,287 |

**Currency Translation**

Deferred tax balances are subject to remeasurement for changes in currency exchange rates each period. The most significant balances are Argentinean deferred tax liabilities with a carrying amount of approximately $300 million. In 2012, tax expense of $46 million primarily arose from translation losses due to the weakening of the Argentinean peso against the US dollar. In 2011 the appreciation of the Papua New Guinea kina against the US dollar, and the weakening of the Argentinean peso against the US dollar resulted in net translation gains totaling $32 million. These losses and gains are included within deferred tax expense/recovery.

**Tax Rate Changes**
In second quarter 2012, a tax rate change was enacted in the province of Ontario, Canada, resulting in a deferred tax recovery of $11 million.

In third quarter 2012, a tax rate change was enacted in Chile, resulting in a current tax expense of $4 million and deferred tax recovery of $15 million.

**Amendment in Australia**
In fourth quarter 2012, amendments were made to prior year tax returns for one of our Australian consolidated tax groups, based on updated tax pool amounts from the time of the consolidation election. These amendments resulted in a current tax recovery of $44 million and a deferred tax recovery of $14 million.

**Foreign Income Tax Assessment**
In second quarter 2012, a foreign income tax assessment was received which resulted in a current tax recovery of $19 million.

**Functional Currency Changes**
In fourth quarter 2012, we received approval to prepare certain of our Papua New Guinea tax returns using US dollar functional currency effective January 1, 2012. This approval resulted in a one-time deferred tax expense of $16 million. Going forward, the material Papua New Guinea tax return will now be filed using a US dollar functional currency.

In 2011, we filed an election in Australia to prepare certain of our Australian tax returns using US dollar functional currency effective January 1, 2011. This election resulted in a one-time deferred tax benefit of $4 million. Going forward, all material Australian tax returns will now be filed using a US dollar functional currency.

**Dividend Withholding Tax**
In 2011, we recorded an $87 million dollar dividend withholding current tax expense in respect of funds repatriated from foreign subsidiaries.

**Peruvian Tax Court Decision**
On September 30, 2004, the Tax Court of Peru issued a decision in our favor in the matter of our appeal of a 2002 income tax assessment for an amount of $32 million, excluding interest and penalties. The assessment mainly related to the validity of a revaluation of the Pierina mining concession, which affected its tax basis for the years 1999 and 2000. The full life of mine effect on current and deferred income tax liabilities totaling $141 million was fully recorded at December 31, 2002, as well as other related costs of about $21 million.

In January 2005, we received written confirmation that there would be no appeal of the September 30, 2004 Tax Court of Peru decision. In December 2004, we recorded a $141 million reduction in current and deferred income tax liabilities and a $21 million reduction in other accrued costs. The confirmation concluded the administrative and judicial appeals process with resolution in Barrick's favor.

Notwithstanding the favorable Tax Court decision we received in 2004 on the 1999 to 2000 revaluation matter, in an audit concluded in 2005, The Tax Administration in Peru (SUNAT) has reassessed us on the same issue for tax years 2001 to 2003. On October 19, 2007, SUNAT confirmed their reassessment. We filed an appeal to the Tax Court of Peru within the statutory period.

The Tax Court decision was rendered on August 15, 2011. The Tax Court ruled in our favor on substantially all material issues. However, based on the Tax Court decision, the timing of certain deductions would differ from the position taken on filing. As a result, we would incur interest and penalties in some years and earn refund interest income in other years. SUNAT initially assessed us $100 million for this matter. However, after appeal, on February 27, 2012 an agreed amount of $52 million was paid in respect of the 2001 and 2003 taxation years. In addition, we have claimed or will claim tax refunds for the 2006 to 2009 taxation years. Reflecting what we believe is the probable amount, we recorded a current tax expense of $39 million in 2011 in respect of this matter.

On November 15, 2011, we appealed the Tax Court decision to the Judicial Court with respect to the timing of certain deductions for the Pierina mining concession. SUNAT also appealed the Tax Court decision to the Judicial Court.

**Reconciliation to Canadian Statutory Rate**

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| At 26.5% (2011: 28%) statutory rate | **$ (242)** | $ 1,911 |
| Increase (decrease) due to: | | |
| Allowances and special tax deductions [1] | **(272)** | (243) |
| Impact of foreign tax rates [2] | **(505)** | 270 |
| Expenses not tax deductible | **47** | 22 |
| Impairment charges not tax deductible | **456** | - |
| Net currency translation losses/(gains) on deferred tax balances | **46** | (32) |
| Current year tax losses not recognized in deferred tax assets | **72** | 17 |
| Adjustments in respect of prior years | **21** | 21 |
| Impact of tax rate changes | **(22)** | - |
| Amendment in Australia | **(58)** | - |
| Foreign tax assessment | **(19)** | - |
| Impact of Peruvian Tax Court decision | **-** | 39 |
| Impact of functional currency changes | **16** | (4) |
| Dividend withholding tax | **-** | 87 |
| Other withholding taxes | **43** | 31 |
| Mining taxes | **175** | 167 |
| Other items | **6** | 1 |
| Income tax expense (recovery) | **$ (236)** | $ 2,287 |

[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. Amounts in 2012 included the impact of impairments in a high tax jurisdiction.

## 11 > EARNINGS PER SHARE

| For the years ended December 31 ($ millions, except shares in millions and per share amounts in dollars) | **2012** | | 2011 | |
|---|---|---|---|---|
| | **Basic** | **Diluted** | Basic | Diluted |
| Net income (loss) | **$ (677)** | **$ (677)** | $ 4,537 | $ 4,537 |
| Net (income) loss attributable to non-controlling interests | **12** | **12** | (53) | (53) |
| Net (loss) income attributable to equity holders of Barrick Gold Corporation | **$ (665)** | **$ (665)** | $ 4,484 | $ 4,484 |
| Weighted average shares outstanding | **1,001** | **1,001** | 999 | 999 |
| Stock options | **-** | **-** | - | 2 |
| | **1,001** | **1,001** | 999 | 1,001 |
| Earnings (loss) per share data attributable to the equity holders of Barrick Gold Corporation | **$ (0.66)** | **$ (0.66)** | $ 4.49 | $ 4.48 |

## 12 > FINANCE COST

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| Interest | **$ 680** | $ 541 |
| Amortization of debt issue costs | **14** | 17 |
| Amortization of discount and other | **(4)** | (3) |
| Interest capitalized [1] | **(567)** | (408) |
| Accretion | **54** | 52 |
| Total | **$ 177** | $ 199 |

[1] Interest has been capitalized at the rate of interest applicable to the specific borrowings financing the assets under construction or, where financed through general borrowings, at a capitalization rate representing the average interest rate on such borrowings. For the year ended December 31, 2012, the general capitalization rate was 5.30% (2011: 5.43%).

## 13 > CASH FLOW – OTHER ITEMS

### A Operating Cash Flows - Other Items

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| Adjustments for non-cash income statement items: | | |
| Currency translation losses (note 9a) | **$ 73** | $ 22 |
| RSU expense | **29** | 30 |
| Stock option expense | **16** | 15 |
| Income (loss) from investment in jointly controlled entities/equity investees (note 14) | **13** | (8) |
| Change in estimate of rehabilitation provisions at closed mines | **39** | 79 |
| Inventory impairment charges (reversals) (note 15) | **74** | - |
| Accretion | **54** | 52 |
| Cash flow arising from changes in: | | |
| Derivative assets and liabilities | **(51)** | (78) |
| Other current assets | **17** | (32) |
| Value added tax recoverable | **(22)** | (68) |
| Accounts receivable | **(23)** | 49 |
| Other current liabilities | **(14)** | (81) |
| Prepaid assets | **(115)** | (35) |
| Accounts payable and accrued liabilities | **105** | (64) |
| Other assets and liabilities | **(280)** | (24) |
| Contingent consideration related to the acquisition of the additional 40% of the Cortez property | **(50)** | - |
| Settlement of rehabilitation obligations | **(51)** | (44) |
| Other net operating activities | **$ (186)** | $ (187) |
| Operating cash flow includes payments for: | | |
| Cash interest paid | **$ 118** | $ 137 |

### B Investing Cash Flows – Other Items

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| Funding of investments in jointly controlled entities/equity investees (note 14) | **$ (37)** | $ (36) |
| Value added tax recoverable on project capital expenditures | **(252)** | (147) |
| Other | **(12)** | (50) |
| Other net investing activities | **$ (301)** | $ (233) |
| Investing cash flow includes payments for: | | |
| Capitalized interest (note 23) | **$ 547** | $ 382 |

### C Financing Cash Flows – Other Items

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| Financing fees on long-term debt | **$ (22)** | $ (59) |
| Derivative settlements | **(3)** | (7) |
| Other net financing activities | **$ (25)** | $ (66) |

## 14 > INVESTMENTS

### A Equity Accounting Method Investment Continuity

| | Highland Gold [1] | Reko Diq [2] | Donlin Gold | Kabanga | Total |
|---|---|---|---|---|---|
| At January 1, 2011 | $ 192 | $ 124 | $ 79 | $ 1 | $ 396 |
| Equity pick-up (loss) from equity investees | 22 | (12) | (2) | - | 8 |
| Funds invested (dividends received) | (5) | 9 | 22 | 10 | 36 |
| At December 31, 2011 | $ 209 | $ 121 | $ 99 | $ 11 | $ 440 |
| Loss from equity investees | - | (11) | (1) | (1) | (13) |
| Funds invested | - | 10 | 17 | 10 | 37 |
| Impairment charges | - | (120) | - | - | (120) |
| Transfer to other investments | (209) | - | - | - | (209) |
| At December 31, 2012 | $ - | $ - | $ 115 | $ 20 | $ 135 |
| Publicly traded | Yes | No | No | No | |

[1] Refer to note 4a and 19 for further details.
[2] Refer to note 19 and 34 for further details.

### B Other Investments

| | As at Dec. 31, 2012 | | As at Dec. 31, 2011 | |
|---|---|---|---|---|
| | **Fair Value [1]** | **Cumulative Gains in AOCI** | Fair Value [1] | Cumulative Gains in AOCI |
| Available-for-sale securities | $ 78 | $ 22 | $ 161 | $ 25 |

[1] Refer to note 24 for further information on the measurement of fair value.

### Gains on Investments Recorded in Earnings

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| Gains realized on sales | **$ 6** | $ 55 |
| Cash proceeds from sales | **46** | 80 |

## 15 > INVENTORIES

| | Gold | | Copper | |
|---|---|---|---|---|
| | **As at Dec. 31, 2012** | As at Dec. 31, 2011 | **As at Dec. 31, 2012** | As at Dec. 31, 2011 |
| Raw materials | | | | |
| Ore in stockpiles | **$ 1,888** | $ 1,401 | **$ 272** | $ 189 |
| Ore on leach pads | **303** | 335 | **325** | 247 |
| Mine operating supplies | **956** | 757 | **140** | 128 |
| Work in process | **345** | 371 | **6** | 6 |
| Finished products | | | | |
| Gold doré | **114** | 111 | **-** | - |
| Copper cathode | **-** | - | **11** | 14 |
| Copper concentrate | **-** | - | **22** | 89 |
| Gold concentrate | **5** | 3 | **-** | - |
| | **$ 3,611** | $ 2,978 | **$ 776** | $ 673 |
| Non-current ore in stockpiles [1] | **(1,451)** | (980) | **(241)** | (173) |
| | **$ 2,160** | $ 1,998 | **$ 535** | $ 500 |

[1] Ore that we do not expect to process in the next 12 months is classified within other assets.

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| Inventory impairment charges [1] | **$ 74** | $ 1 |
| Inventory impairment charges reversed | **-** | (1) |

[1] Reflects impairment of inventory at our Lumwana mine.

*Ore on leach pads*

The recovery of gold and copper from certain oxide ores is achieved through the heap leaching process. Our Pierina, Lagunas Norte, Veladero, Cortez, Bald Mountain, Round Mountain, Ruby Hill and Marigold mines all use a heap leaching process for gold and our Zaldívar mine uses a heap leaching process for copper. Under this method, ore is placed on leach pads where it is treated with a chemical solution, which dissolves the gold or copper contained in the ore. The resulting "pregnant" solution is further processed in a plant where the gold or copper is recovered. For accounting purposes, costs are added to ore on leach pads based on current mining and leaching costs, including applicable depreciation, depletion and amortization relating to mining operations. Costs are removed from ore on leach pads as ounces or pounds are recovered based on the average cost per recoverable ounce of gold or pound of copper on the leach pad.

Estimates of recoverable gold or copper on the leach pads are calculated from the quantities of ore placed on the leach pads (measured tons added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on ore type).

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 regularly 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, 2012, the weighted average cost per recoverable ounce of gold and recoverable pound of copper on leach pads was $820 per ounce and $1.07 per pound, respectively (2011: $653 per ounce of gold and $1.03 per pound of copper). Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis.

The ultimate recovery of gold or copper from a leach pad will not be known until the leaching process is concluded. Based on current mine plans, we expect to place the last ton of ore on our current leach pads at dates for gold ranging from 2013 to 2032 and for copper ranging from 2013 to 2028. 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**

| | **As at Dec. 31, 2012** | As at Dec. 31, 2011 |
|---|---|---|
| **Gold** | | |
| Goldstrike | **$ 684** | $ 525 |
| Porgera | **260** | 149 |
| Cortez | **221** | 192 |
| Pueblo Viejo | **201** | 55 |
| Cowal | **115** | 90 |
| Kalgoorlie | **100** | 99 |
| Buzwagi | **86** | 59 |
| North Mara | **53** | 75 |
| Round Mountain | **40** | 47 |
| Veladero | **36** | 30 |
| Lagunas Norte | **24** | 22 |
| Turquoise Ridge | **15** | 15 |
| Other | **53** | 43 |
| **Copper** | | |
| Zaldívar | **152** | 175 |
| Lumwana | **67** | 14 |
| Jabal Sayid | **53** | - |
| | **$ 2,160** | $ 1,590 |

**Ore on Leachpads**

| | **As at Dec. 31, 2012** | As at Dec. 31, 2011 |
|---|---|---|
| **Gold** | | |
| Veladero | **$ 123** | $ 128 |
| Bald Mountain | **75** | 61 |
| Marigold | **27** | 22 |
| Ruby Hill | **19** | 9 |
| Cortez | **17** | 12 |
| Round Mountain | **16** | 17 |
| Pierina | **16** | 71 |
| Lagunas Norte | **10** | 15 |
| **Copper** | | |
| Zaldívar | **325** | 247 |
| | **$ 628** | $ 582 |

**Purchase Commitments**

At December 31, 2012, we had purchase obligations for supplies and consumables of approximately $1,859 million (2011: $1,748 million).

## 16 > ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

| | As at Dec. 31, 2012 | As at Dec. 31, 2011 |
|---|---|---|
| Accounts receivable | | |
| Amounts due from concentrate sales | **$ 139** | $ 99 |
| Amounts due from copper cathode sales | **122** | 107 |
| Other receivables | **188** | 220 |
| | **$ 449** | $ 426 |
| Other current assets | | |
| Derivative assets (note 23f) | **$ 124** | $ 507 |
| Goods and services taxes recoverable [1] | **226** | 194 |
| Prepaid expenses | **239** | 123 |
| Other | **37** | 52 |
| | **$ 626** | $ 876 |

[1] Includes $141 million and $26 million in VAT and fuel tax receivables in South America and Africa, respectively (2011: $131 million and $22 million).

## 17 > PROPERTY, PLANT AND EQUIPMENT

| | Buildings, plant and equipment | Mining property costs subject to depreciation [1,3] | Mining property costs not subject to depreciation [1,2] | Oil and gas properties | Total |
|---|---|---|---|---|---|
| At January 1, 2012 | | | | | |
| Net of accumulated depreciation | $ 3,681 | $ 10,014 | $ 14,270 | $ 1,014 | $ 28,979 |
| Adjustment on currency translation | - | - | - | 22 | 22 |
| Additions | 203 | 956 | 5,033 | 137 | 6,329 |
| Capitalized interest | - | - | 558 | - | 558 |
| Disposals | (15) | - | (12) | (2) | (29) |
| Depreciation | (731) | (1,030) | - | (101) | (1,862) |
| Impairment charges | (9) | (2,527) | (2,508) | (207) | (5,251) |
| Transfers [4] | 700 | 873 | (1,602) | - | (29) |
| At December 31, 2012 | $ 3,829 | $ 8,286 | $ 15,739 | $ 863 | $ 28,717 |
| | | | | | |
| At December 31, 2012 | | | | | |
| Cost | $ 10,371 | $ 18,865 | $ 18,336 | $ 1,416 | $ 48,988 |
| Accumulated depreciation and impairments | (6,542) | (10,579) | (2,597) | (553) | (20,271) |
| Net carrying amount - December 31, 2012 | $ 3,829 | $ 8,286 | $ 15,739 | $ 863 | $ 28,717 |

| | Buildings, plant and equipment | Mining property costs subject to depreciation [1,3] | Mining property costs not subject to depreciation [1,2] | Oil and gas properties | Total |
|---|---|---|---|---|---|
| At January 1, 2011 | | | | | |
| Cost | $ 8,825 | $ 12,261 | $ 7,577 | $ 761 | $ 29,424 |
| Accumulated depreciation and impairments | (5,441) | (5,992) | - | (101) | (11,534) |
| Net carrying amount - January 1, 2011 | $ 3,384 | $ 6,269 | $ 7,577 | $ 660 | $ 17,890 |
| Adjustment on currency translation | - | - | - | (22) | (22) |
| Additions | 180 | 219 | 4,874 | 178 | 5,451 |
| Capitalized interest | - | - | 396 | - | 396 |
| Disposals | (20) | (4) | - | - | (24) |
| Acquisitions | - | 3,078 | 3,400 | 342 | 6,820 |
| Depreciation | (430) | (869) | - | (95) | (1,394) |
| Impairment charges | - | - | (89) | (49) | (138) |
| Transfers [4] | 567 | 1,321 | (1,888) | - | - |
| At December 31, 2011 | $ 3,681 | $ 10,014 | $ 14,270 | $ 1,014 | $ 28,979 |
| At December 31, 2011 | | | | | |
| Cost | $ 9,519 | $ 17,036 | $ 14,359 | $ 1,281 | $ 42,195 |
| Accumulated depreciation and impairments | (5,838) | (7,022) | (89) | (267) | (13,216) |
| Net carrying amount - December 31, 2011 | $ 3,681 | $ 10,014 | $ 14,270 | $ 1,014 | $ 28,979 |

[1] Includes capitalized reserve acquisition costs, capitalized development costs and capitalized exploration and evaluation costs other than exploration license costs included in intangible assets.
[2] Assets not subject to depreciation includes construction-in-progress, capital projects and acquired mineral resources and exploration potential at operating mine sites and development projects.
[3] Assets subject to depreciation include the following items for production stage properties: acquired mineral reserves and resources, capitalized mine development costs, capitalized stripping and capitalized exploration and evaluation costs.
[4] Primarily relates to long-lived assets in the Capital Projects segment that are transferred to the relevant operating segment on commissioning of the mine. The Pueblo Viejo mine entered commercial production subsequent to year-end. As a result, all Mining property costs not subject to depreciation related to Pueblo Viejo ($4.6 billion at December 31, 2012) will be transferred to mining property costs subject to depreciation in early January. This will be reflected in the Q1 2013 financial statements.

**A Mineral Property Costs Not Subject to Depreciation**

| | Carrying amount at Dec. 31, 2012 | Carrying amount at Dec. 31, 2011 |
|---|---|---|
| Construction-in-progress [1] | **$ 1,590** | $ 1,314 |
| Acquired mineral resources and exploration potential | **370** | 2,639 |
| Projects | | |
| Pascua-Lama | **5,861** | 3,749 |
| Pueblo Viejo [2] | **4,585** | 3,554 |
| Cerro Casale [2] | **1,836** | 1,732 |
| Jabal Sayid | **1,497** | 1,282 |
| | **$ 15,739** | $ 14,270 |

[1] Represents assets under construction at our operating mine sites.
[2] Amounts are presented on a 100% basis and include our partner's non-controlling interest.

**Changes in Gold and Copper Mineral Reserves**

At the end of each fiscal year, as part of our annual business cycle, we prepare updated estimates of proven and probable gold and copper mineral reserves for each mineral property. We prospectively revise calculations of amortization expense for property, plant and equipment amortized using the UOP method, whereby the denominator is estimated recoverable ounces of gold/pounds of copper. The effect of changes in reserve estimates on amortization expense for 2012 was a $51 million decrease (2011: $119 million decrease).

**B Capital Commitments and operating leases**

In addition to entering into various operational commitments in the normal course of business, we had commitments of approximately $1,800 million at December 31, 2012 (2011: $1,338 million) for construction activities at our capital projects.

Operating leases are recognized as an operating cost in the consolidated statement of income on a straight-line basis over the lease term. At December 31, 2012, we have operating lease commitments totaling $173 million, of which $29 million is expected to be paid within a year, $67 million is expected to be paid within two to five years and the remaining amount to be paid beyond five years.

## 18 > GOODWILL AND OTHER INTANGIBLE ASSETS

### A Goodwill

At December 31, 2012, goodwill has been assigned to each operating segment as follows:

| | Gold | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | North America | Australia | South America | ABG | Capital Projects | Copper | Barrick Energy | Total |
| Opening balance January 1, 2011 | $ 2,376 | $ 1,480 | $ 441 | $ 179 | $ 809 | $ 743 | $ 68 | $ 6,096 |
| Additions [1] | - | - | - | - | - | 3,506 | 26 | 3,532 |
| Other [2] | - | - | - | - | - | - | (2) | (2) |
| Closing balance December 31, 2011 | $ 2,376 | $ 1,480 | $ 441 | $ 179 | $ 809 | $ 4,249 | $ 92 | $ 9,626 |
| Additions | - | - | - | 6 | - | - | - | 6 |
| Other [2] | - | - | - | - | - | - | 3 | 3 |
| Impairments [3] | - | - | - | - | - | (798) | - | (798) |
| Closing balance December 31, 2012 | $ 2,376 | $ 1,480 | $ 441 | $ 185 | $ 809 | $ 3,451 | $ 95 | $ 8,837 |
| Cost | $ 2,376 | $ 1,480 | $ 441 | $ 185 | $ 809 | $ 4,249 | $ 95 | $ 9,635 |
| Accumulated impairment losses | - | - | - | - | - | (798) | - | (798) |
| Net carrying amount | $ 2,376 | $ 1,480 | $ 441 | $ 185 | $ 809 | $ 3,451 | $ 95 | $ 8,837 |

[1] Represents goodwill acquired as a result of the acquisition of Equinox ($3,506 million) (note 4b) and Venturion and Culane ($26 million) (note 4c).
[2] Represents the impact of foreign exchange rate changes on the translation of Barrick Energy from C $ to US $.
[3] Refer to note 19.

### B Intangible Assets

| | Water rights [1] | Technology [2] | Supply contracts [3] | Exploration potential [4] | Total |
|---|---|---|---|---|---|
| Opening balance January, 2011 | $ 116 | $ 17 | $ 7 | $ 335 | $ 475 |
| Additions | - | - | 16 | 78 | 94 |
| Closing balance December 31, 2011 | $ 116 | $ 17 | $ 23 | $ 413 | $ 569 |
| Additions | - | - | - | 54 | 54 |
| Amortization and impairment losses | - | - | (1) | (169) | (170) |
| Closing balance December 31, 2012 | $ 116 | $ 17 | $ 22 | $ 298 | $ 453 |
| Cost | $ 116 | $ 17 | $ 39 | $ 467 | $ 639 |
| Accumulated amortization and impairment losses | - | - | (17) | (169) | (186) |
| Net carrying amount December 31, 2012 | $ 116 | $ 17 | $ 22 | $ 298 | $ 453 |

[1] Water rights in South America ($116 million) are subject to annual impairment testing and will be amortized through cost of sales when we begin using these in the future.
[2] The amount will be amortized through cost of sales using the UOP method over the estimated proven and probable reserves of the Pueblo Viejo mine, with no assumed residual value.
[3] Relates to a supply agreement with Michelin North America Inc. to secure a supply of tires and is amortized over the effective term of the contract through cost of sales.
[4] Exploration potential consists of the estimated fair value attributable to exploration licenses acquired as a result of a business combination or asset acquisition. The carrying value of the licenses will be transferred to PP&E when the development of attributable mineral resources commences (note 2m(i)).

## 19 > IMPAIRMENT OF GOODWILL AND NON-CURRENT ASSETS

### A Goodwill impairment test

In accordance with our accounting policy, goodwill was tested for impairment in the fourth quarter, with our gold segments and capital projects segment being tested at the beginning of the quarter, and our copper and Barrick Energy segments at the end of the quarter. When there is an indicator of impairment of non-current assets within an operating segment containing goodwill, we test the non-current assets for impairment first and recognize any impairment loss on the non-current assets before testing the operating segment containing the goodwill for impairment. The recoverable amount of each operating segment has been determined based on its FVLCS, which has been determined to be greater than the value in use (VIU) model. For the year ended December 31, 2012, we recorded an impairment of goodwill related to our copper segment of $798 million (2011: nil).

*Gold and Capital Projects*

FVLCS for each of the gold segments and the capital projects segment was determined by calculating the net present value ("NPV") of the future cash flows expected to be generated by the segments. The estimates of future cash flows were derived from the most LOM plans, with mine lives ranging from 2 to 34 years and an average mine life of 14 years, aggregated to the segment level, the level at which goodwill is tested. We have used an estimated long-term gold price of $1,700 per ounce (2011: $1,600 per ounce) to estimate future revenues. The future cash flows for each gold mine/capital project were discounted using a real weighted average cost of capital ranging from 3% to 8% depending on the location and market risk factors for each mine/project, which results in an average weighted cost of capital for the gold segments and capital projects segments of 5% (2011 average real weighted cost of capital of 5%). Gold companies consistently trade at a market capitalization greater than the NPV of their expected cash flows. Market participants describe this as a "NAV multiple", whereby the NAV multiple represents the multiple applied to the NPV to arrive at the trading price. The NAV multiple represents the value of the exploration potential of the mineral property, namely the ability to find and produce more metal than what is currently included in the LOM plan, and the benefit of gold price optionality. As a result, we applied a NAV multiple to the NPV of each CGU within each gold segment and the capital projects segment based on the observable NAV multiples of comparable companies as at the test date. In 2012, the average NAV multiple was approximately 1.2 (2011: 1.2).

*Copper*

For our copper segment, the FVLCS was determined based on the NPV of future cash flows expected to be generated using the most recent LOM plans, with mine lives ranging from 13 to 33 years, aggregated to the segment level. We utilized a long-term risk-adjusted copper price of $3.43 per pound (2011: $3.44 per pound) to estimate future revenues. The risk adjustment to the average long-term copper price was approximately 5.8% (2011: 4.5%). The expected future cash flows were additionally discounted using rates from 4.5% to 6.5% (2011: 4.5% to 5.5%) to reflect the time value of money and a residual risk factor for cash flow uncertainties not related to metal price. This results in an effective weighted average cost of capital for the copper segment of approximately 7% (2011: 7%).

We recorded a non-current asset impairment charge of $5.0 billion for the Lumwana CGU in fourth quarter of 2012 (see the Non-current asset impairment test section below for further details). After reflecting this charge, we conducted our goodwill impairment test and determined that the carrying value of our copper segment exceeded its FVLCS, and therefore we recorded a goodwill impairment charge of $798 million. The FVLCS of our copper segment was impacted in the current year by an increase in expected future operating and capital costs.

*Oil & gas*

For our oil and gas segment, the FVLCS was determined based on the NPV of future cash flows expected to be generated from our oil and gas CGUs, aggregated to the segment level. We have estimated future oil prices using the forward curve provided by an independent reserve evaluation firm, with prices starting at $90 per barrel (WTI) (2011: $97 per barrel). The future cash flows were discounted using a real weighted average cost of capital for long life oil and gas assets of 8.5% (2011: 8.5%). In fourth quarter 2012, we recorded a non-current asset impairment charge of $207 million for certain CGUs in this segment (see the Non-current asset impairment test section below for further details). After reflecting these charges, the FVLCS of Barrick Energy exceeds its carrying amount by about $40 million and therefore segment goodwill was recoverable (see Key assumptions and sensitivities for further details).

### B Non-current asset impairment test

Non-current assets are tested for impairment when events or changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable amount is calculated using the same FVLCS approach as described above for goodwill. However, the assessment is done at the

CGU level, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. Non-current assets, other than goodwill, that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

For the year ended December 31, 2012, we recorded impairment charges of $5.6 billion (2011: $0.1 billion) for non-current assets, as summarized in the table below:

| | **2012** | 2011 |
|---|---|---|
| Lumwana | **$ 4,950** | $ - |
| Barrick Energy CGUs | **207** | 49 |
| Exploration properties | **169** | - |
| Reko Diq | **120** | - |
| Highland Gold | **86** | - |
| PV power assets | **46** | 83 |
| Tulawaka | **31** | - |
| Other | **17** | 6 |
| Total impairment charges | **$ 5,626** | $ 138 |

We have prepared an updated LOM plan for Lumwana, which reflects information obtained from the extensive exploration and infill drilling program that was completed late in the fourth quarter of 2012. We needed to complete this exploration program in order to better define the limits of the mineralization and establish and develop a more comprehensive and accurate block model of the ore body for mine planning purposes. The new LOM plan also reflects revised operating and sustaining capital costs. In particular, unit mining costs were determined to be significantly higher than previously estimated.

While the drilling program was successful in increasing reserves and defining significant additional mineralization, the revised LOM cost estimates reduced overall copper resources, expected copper production and, in turn, profitability over the mine life. We continue to progress a number of key initiatives, including improvements to operating systems and processes, and a full transition to an owner maintained operation. A focus on higher utilization and productivity of the mining fleet has also been identified as one of the major opportunities to improve value. Until we can improve the operating costs, the expansion opportunity to increase the throughput capacity of the processing plant does not currently meet our investment criteria.

The significant changes in the LOM plan were considered an indicator of impairment, and, accordingly, we performed an impairment assessment for Lumwana as at the end of the year. As a result of this assessment, we have recorded an impairment charge of $5.0 billion, related to the carrying value of the PPE at Lumwana in the fourth quarter of 2012.

In fourth quarter 2012, we recorded an impairment charge of $207 million (2011: $49 million) related to PP&E in certain of our CGUs in our Barrick Energy segment. The impairment charges were primarily as a result of lower WTI prices and a significant increase in the discount of Edmonton par prices, from which Barrick Energy's realized prices are derived, compared to the WTI equivalent prices in the prior year.

In fourth quarter 2012, we also recorded the following impairment charges: $31 million in PP&E impairment charges related to Tulawaka in our ABG segment, primarily as a result of a decrease in the expected remaining mine life in its most recent LOM plan; $120 million related to our equity method investment in TCC, which holds our interest in the Reko Diq project; and a further $46 million write-down of power-related assets at our Pueblo Viejo project, above the impairment charge recorded in 2011, based on new information with respect to the recoverable amount of these assets received in fourth quarter 2012.

Other impairment charges recorded in 2012 included: $169 million related to exploration properties, included in intangible assets, in Papua New Guinea and Saudi Arabia as a result of our decision to cease exploration activities ($141 million in Papua New Guinea in third quarter 2012 and $28 million in Saudi Arabia in fourth quarter 2012); and $86 million related to our equity method investment in Highland Gold as a result of the disposition of our equity interest in first quarter 2012.

For the year ended December 31, 2011, we recorded impairment charges of $138 million for non-current assets. The impairment included a $49 million charge at our Barrick Energy segment, primarily due to oil recovery issues at one of our properties. Impairment charges also included a $83 million write-down of power-related assets at our Pueblo Viejo project as a result of a decision to proceed with an alternative long-term power solution.

**C Key assumptions and sensitivities**

The key assumptions used in determining the recoverable amount (FVLCS) are related to commodity prices, discount rates, NAV multiples for gold assets, operating costs, exchange rates and capital expenditures. The Company performed a sensitivity analysis on all key assumptions that assumed a negative 10% change for each individual assumption while holding the other assumptions constant

and determined that, other than as discussed below, no reasonably possible change in any of the key assumptions would cause the carrying value of our business segments to exceed its recoverable amount for the purposes of the goodwill impairment test or the carrying value of any of our CGUs to exceed its recoverable amount for the purposes of the non-current asset impairment test where an indicator of potential impairment for the non-current asset was noted.

As at December 31, after reflecting the impairments of Lumwana's long-life assets and the copper segment's goodwill, the recoverable amount of the copper segment is equal to its carrying amount, including goodwill. Therefore any significant negative change in the key assumptions could result in an additional impairment charge to non-current assets of Lumwana and/or copper segment goodwill. As at December 31, 2012, the carrying amount of goodwill for the copper segment is $3.5 billion.

In second quarter 2012 we identified a potential indicator of impairment at our Pascua-Lama project based on a significant increase in the expected construction costs and delay in the expected completion date. We conducted an impairment assessment at that time and determined that the fair value of the project exceeded its carrying value. In fourth quarter 2012, upon completion of the final cost estimate, schedule and the associated LOM plan, we updated our assessment and determined that the fair value of the project exceeds its carrying value as at December 31, 2012 by about $1.5 billion. A decrease of about 7% in long-term gold prices, a decrease of about 12% in silver prices, an increase of about 10% in operating costs or an increase of about 15% in the total LOM capital expenditures, would in isolation, cause the estimated recoverable amount to be equal to the carrying value. As at December 31, 2012, the carrying value of Pascua-Lama is $5.24 billion (2011: $3.06 billion).

We also conducted an internal assessment of our Buzwagi mine, in our ABG segment, in fourth quarter 2012 and determined that the fair value of the project exceeds its carrying value by about $165 million. A decrease of about 5% in gold prices or an increase of about 10% in cash operating costs, would in isolation, cause the estimated recoverable amount to be equal to the carrying value. The current carrying value of Buzwagi is $747 million (2011: $634 million). In addition, the recoverable amount of Tulawaka is approximately equal to its carrying amount, and therefore any significant change in the key assumptions could result in additional impairment charges. The current carrying value of Tulawaka is $8 million (2011: $28 million).

As at December 31, an indicator of potential impairment was noted for our Darlot mine, in our Australia Pacific operating segment, in relation to a significant increase in operating costs in its most recent LOM plan. Accordingly, we conducted an impairment assessment and determined that the fair value of the mine exceeds its carrying value as at December 31, 2012 by about $50 million. A decrease of about 15% in gold prices, an increase of about 20% in cash operating costs or an increase of about 15% in the Australian dollar compared to the US dollar would, in isolation, cause the estimated recoverable amount to be equal to the carrying value. The current carrying value of Darlot is $66 million (2011: $90 million.) In addition, the recoverable amount of our Kanowna mine is approximately equal to its carrying amount, and therefore any significant change in the key assumptions could result in an impairment charge. The current carrying value of Kanowna is $162 million (2011: $197 million).

As at December 31, the recoverable amount of certain CGUs within Barrick Energy are approximately equal to their carrying amounts and therefore any significant change in the key assumptions could result in additional impairment charges. The current carrying value of these CGUs is $589 million (2011: $231 million).

**20 > OTHER ASSETS**

| | **As at Dec. 31, 2012** | As at Dec. 31, 2011 |
|---|---|---|
| Derivative assets (note 23f) | **$ 183** | $ 455 |
| Goods and services taxes recoverable [1] | **514** | 272 |
| Notes receivable | **149** | 121 |
| Other | **218** | 154 |
| | **$ 1,064** | $ 1,002 |

[1] Includes $442 million and $73 million in VAT and fuel tax receivables in South America and Africa, respectively (2011: $209 million and $63 million).

## 21 > ACCOUNTS PAYABLE

| | As at Dec. 31, 2012 | As at Dec. 31, 2011 |
|---|---|---|
| Accounts payable | **$ 1,018** | $ 963 |
| Accruals | **1,247** | 1,120 |
| | **$ 2,265** | $ 2,083 |

## 22 > OTHER CURRENT LIABILITIES

| | As at Dec. 31, 2012 | As at Dec. 31, 2011 |
|---|---|---|
| Provision for environmental rehabilitation (note 25) | **$ 74** | $ 79 |
| Derivative liabilities (note 23f) | **10** | 22 |
| Post-retirement benefits (note 33) | **5** | 14 |
| Restricted stock units (note 32b) | **28** | 27 |
| Contingent purchase consideration | **-** | 50 |
| Other | **144** | 134 |
| | **$ 261** | $ 326 |

## 23 > 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 consolidated financial statements as follows: accounts receivable – note 16; investments – note 14; restricted share units – note 32b.

### A Cash and Equivalents

Cash and equivalents include cash, term deposits, treasury bills and money market investments with original maturities of less than 90 days.

**Cash and Equivalents**

| | As at Dec. 31, 2012 | As at Dec. 31, 2011 |
|---|---|---|
| Cash deposits | **$ 1,151** | $ 1,009 |
| Term deposits | **184** | 278 |
| Money market investments | **758** | 1,458 |
| | **$ 2,093** | $ 2,745 |

## B Long-Term Debt [1]

| | 2012 | | | | |
|---|---|---|---|---|---|
| | At Dec. 31 | Proceeds | Repayments | Amortization and Other [2] | At Jan. 1 |
| Credit facility | $ 1,200 | $ - | $ 300 | $ - | $ 1,500 |
| Equinox credit facility | - | - | 1,000 | 6 | 994 |
| Project financing | 890 | - | - | 17 | 873 |
| Other fixed rate notes | 3,196 | - | - | 6 | 3,190 |
| 3.85%/5.25% notes | 1,985 | 2,000 | - | (15) | - |
| 1.75%/2.9%/4.4%/5.7% notes [3] | 3,974 | - | - | 2 | 3,972 |
| 5.80%/4.875% notes [4] | 750 | - | - | - | 750 |
| 5.75%/6.35% notes [5] | 989 | - | - | 1 | 988 |
| Other debt obligations [6] | 774 | - | 118 | (7) | 899 |
| Capital leases | 185 | - | 44 | 26 | 203 |
| | $ 13,943 | $ 2,000 | $ 1,462 | $ 36 | $ 13,369 |
| Less: current portion [7] | (1,848) | - | - | - | (196) |
| | $ 12,095 | $ 2,000 | $ 1,462 | $ 36 | $ 13,173 |

| | 2011 | | | | |
|---|---|---|---|---|---|
| | At Dec. 31 | Proceeds | Repayments | Amortization and Other [2] | At Jan. 1 |
| Credit facility | $ 1,500 | $ 1,500 | $ - | $ - | $ - |
| Equinox credit facility | 994 | 1,000 | - | (6) | - |
| Project financing | 873 | 148 | - | (16) | 741 |
| Other fixed rate notes | 3,190 | - | - | - | 3,190 |
| 1.75%/2.9%/4.4%/5.7% notes [3] | 3,972 | 4,000 | - | (28) | - |
| 5.80%/4.875% notes [4] | 750 | - | - | - | 750 |
| 5.75%/6.35% notes [5] | 988 | - | - | - | 988 |
| Other debt obligations [6] | 899 | - | - | 2 | 897 |
| Capital leases | 203 | - | 20 | 151 | 72 |
| | $ 13,369 | $ 6,648 | $ 20 | $ 103 | $ 6,638 |
| Less: current portion [7] | (196) | - | - | - | (14) |
| | $ 13,173 | $ 6,648 | $ 20 | $ 103 | $ 6,624 |

[1] The agreements that govern our long-term debt each contain various provisions which are not summarized herein. These provisions allow Barrick to, at its option, redeem indebtedness prior to maturity at specified prices and also may permit redemption of debt by Barrick upon the occurrence of certain specified changes in tax legislation.

[2] Amortization of debt premium/discount and increases in capital leases.

[3] In June 2011, we issued an aggregate of $4 billion of debentures to finance a portion of the acquisition of Equinox. They are comprised of: $700 million at a $1 million discount that matures on May 30, 2014, $1.1 billion at a $1 million discount that matures on May 30, 2016, $1.35 billion at a $1 million discount that matures on May 30, 2021, and $850 million at a $4 million discount that matures on May 30, 2041.

[4] In 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.

[5] $400 million of US dollar notes with a coupon rate of 5.75% mature on October 15, 2016 and $600 million of US dollar notes with a coupon rate of 6.35% mature on October 15, 2036.

[6] The obligations have an aggregate amount of $774 million, of which $50 million is subject to floating interest rates and $724 million is subject to fixed interest rates ranging from 6.38% to 8.05%. The obligations mature at various times between 2013 and 2035.

[7] The current portion of long-term debt consists of the credit facility ($1,200 million, 2011: $50 million), other fixed rate notes ($500 million, 2011: nil), other debt obligations ($65 million, 2011: $118 million), project financing ($45 million, 2011: nil), and capital leases ($38 million, 2011: $28 million).

*Credit Facility*
We have a credit and guarantee agreement (the "Credit Facility") with certain Lenders, which requires such Lenders to make available to us a credit facility of up to $1.45 billion ($1.5 billion prior to second quarter 2012) or the equivalent amount in Canadian dollars. We drew $1.5 billion on the Credit Facility in 2011 to finance a portion of the acquisition of Equinox Minerals Limited, including the payment of related fees and expenses. 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. $50 million matured in the second quarter of 2012 and an additional $250 million was repaid during the second quarter of 2012. The remaining $1.2 billion matures in 2013.

*Equinox Acquisition Financing*
In May 2011, we entered into a credit and guarantee agreement (the "Equinox credit facility") with certain lenders, which required such Lenders to make available to us a credit facility of $2 billion or the equivalent amount in Canadian dollars. The Equinox credit facility, which was unsecured, had an interest rate of LIBOR plus 1.25% on drawn down amounts, and a commitment rate of 0.20% on undrawn amounts.

In order to finance a portion of the Equinox acquisition, including the payment of related fees and expenses, we drew $1.5 billion on the Credit Facility in May 2011 and $1.0 billion on the Equinox credit facility in June 2011.

In June 2011, Barrick, and our wholly-owned subsidiary Barrick North America Finance LLC ("BNAF"), issued an aggregate of $4.0 billion in debt securities comprised of: $700 million of 1.75% notes that mature in 2014 and $1.1 billion of 2.90% notes that mature in 2016 issued by Barrick (collectively, the "Barrick Notes") as well as $1.35 billion of 4.40% notes that mature in 2021 and $850 million of 5.70% notes that mature in 2041 issued by BNAF (collectively, the "BNAF Notes"). Barrick provides an unconditional and irrevocable guarantee of the BNAF Notes. The Barrick Notes and the guarantee in respect of the BNAF Notes will rank equally with Barrick's other unsecured and unsubordinated obligations.

The net proceeds from this offering were used in June 2011 to finance a portion of the acquisition of Equinox, including the payment of related fees and expenses.

*Refinancing of Equinox Credit Facility*
In January 2012, we finalized a credit and guarantee agreement (the "2012 Credit Facility") with certain Lenders, which required such Lenders to make available to us a credit facility of $4 billion or the equivalent amount in Canadian dollars. The credit facility, which is unsecured, has an interest rate of LIBOR plus 1.20% on drawn amounts, and a commitment rate of 0.175% on undrawn amounts. The $4 billion facility matures in 2018. Coincident with this agreement becoming effective, we drew $1 .0 billion on the 2012 Credit Facility, paid down the $1.0 billion outstanding under the Equinox Credit Facility and then terminated the Equinox Credit Facility.

*Pueblo Viejo Project Financing Agreement*
In April 2010, Barrick and Goldcorp finalized terms for $1.035 billion (100% basis) in non-recourse project financing for Pueblo Viejo. The lending syndicate is comprised of international financial institutions including export development agencies and commercial banks. The amount is divided into three tranches of $400 million, $375 million and $260 million with tenors of 15, 15 and 12 years, respectively. The $400 million tranche bears a coupon of LIBOR+3.25% pre-completion and scales gradually to LIBOR+5.10% (inclusive of political risk insurance premium) for years 13-15. The $375 million tranche bears a fixed coupon of 4.02% for the entire 15 years. The $260 million tranche bears a coupon of LIBOR+3.25% pre-completion and scales gradually to LIBOR+4.85% (inclusive of political risk insurance premium) for years 11-12. Barrick and Goldcorp each provided a guarantee for their proportionate share which will terminate upon Pueblo Viejo meeting certain operating completion tests and are subject to an exclusion for certain political risk events.

We have drawn $940 million to date and the remaining undrawn amount in this financing agreement was $95 million as at December 31, 2012.

*Other Fixed Rate Notes*
On October 16, 2009, we issued two tranches of debentures totaling $1.25 billion through our wholly-owned indirect subsidiary Barrick (PD) Australia Finance Pty Ltd. ("BPDAF") consisting of $850 million of 30-year notes with a coupon rate of 5.95%, and $400 million of 10-year notes with a coupon rate of 4.95% (collectively the "Notes"). BPDAF used the proceeds to provide loans to us for settling the Gold Hedges [1] and some of the Floating Contracts [1] . In exchange, we provide sufficient funds to BPDAF to meet the principal and interest obligations on the notes. We also provided an unconditional and irrevocable guarantee of these payments, which will rank equally with our other unsecured and unsubordinated obligations.

[1] Gold Hedges were fixed price (non-participating) gold contracts and the floating contracts were spot-price (fully-participating) gold contracts.

On March 19, 2009, we issued an aggregate of $750 million of 10-year notes with a coupon rate of 6.95% for general corporate purposes. The notes are unsecured, unsubordinated obligations and will rank equally with our other unsecured, unsubordinated obligations.

In September, 2008, we issued an aggregate of $1.25 billion of notes through our wholly-owned indirect subsidiaries Barrick North America Finance LLC and Barrick Gold Financeco LLC (collectively the "LLCs") consisting of $500 million of 5-year notes with a coupon rate of 6.125%, $500 million of 10-year notes with a coupon rate of 6.8%, and $250 million of 30-year notes with a coupon rate of 7.5% (collectively the "Notes"). The LLCs used the proceeds to provide loans to us. We provide sufficient funds to the LLCs to meet the principal and interest obligations on the Notes. We also provided an unconditional and irrevocable guarantee of these payments, which will rank equally with our other unsecured and unsubordinated obligations.

*3.85 and 5.25 Notes*

On April 3, 2012, we issued an aggregate of $2 billion in debt securities comprised of $1.25 billion of 3.85% notes that matures in 2022 and $750 million of 5.25% notes that matures in 2042. $1.0 billion of the net proceeds from this offering were used to repay existing indebtedness under the 2012 Credit Facility.

*ABG Credit Facility*

On January 22, 2013 ABG concluded negotiations with a syndicate of commercial banks for an export credit backed term loan facility ("ABG facility") for the amount of $142 million. The ABG facility is secured by the Bulyanhulu project, and has a term of seven years and has an interest rate of LIBOR plus 2.5% on drawn down amounts.

**Debt Issue Costs**

In 2012, a total of $15 million of debt issue costs arose from debt issued during the year. In 2011, a total of $50 million of debt issue costs arose from debt issued during the year.

**Interest**

| | **2012** | | 2011 | |
|---|---|---|---|---|
| For the years ended December 31 | **Interest cost** | **Effective rate** [1] | Interest cost | Effective rate [1] |
| Credit facility | **$ 12** | **0.89%** | $ 5 | 0.56% |
| Equinox credit facility | **4** | **1.73%** | 10 | 1.62% |
| Project financing | **33** | **3.72%** | 36 | 4.22% |
| Other fixed rate notes | **213** | **6.53%** | 212 | 6.27% |
| 3.85%/5.25% notes | **66** | **4.42%** | | |
| 1.75%/2.9%/4.4%/5.7% notes | **154** | **3.84%** | 88 | 3.77% |
| 5.80%/4.875% notes | **41** | **5.43%** | 42 | 5.63% |
| 5.75%/6.35% notes | **62** | **6.20%** | 62 | 6.22% |
| Other debt obligations | **45** | **5.55%** | 48 | 5.30% |
| Capital leases | **7** | **3.89%** | 7 | 5.03% |
| Deposit on silver sale agreement (note 27) | **46** | **8.59%** | 33 | 8.59% |
| Accretion | **54** | | 52 | |
| Other interest | **7** | | 12 | |
| | **$ 744** | | $ 607 | |
| Less: interest capitalized | **(567)** | | (408) | |
| | **$ 177** | | $ 199 | |
| Cash interest paid | **$ 665** | | $ 519 | |
| Amortization of debt issue costs | **14** | | 17 | |
| Amortization of discount and other | **(4)** | | (3) | |
| Increase in interest accruals | **15** | | 22 | |
| Accretion | **54** | | 52 | |
| Interest cost | **$ 744** | | $ 607 | |

[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** [1]

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 and thereafter |
|---|---|---|---|---|---|---|
| Credit facility | $ 1,200 | $ - | $ - | $ - | $ - | $ - |
| Project financing | 45 | 90 | 90 | 90 | 90 | 535 |
| Other fixed rate notes | 500 | - | - | - | - | 2,750 |
| 3.85%/5.25% notes | - | - | - | - | - | 2,000 |
| 1.75%/2.9%/4.4%/5.7% notes | - | 700 | - | 1,100 | - | 2,200 |
| 5.80%/4.875% notes | - | 350 | - | - | - | 400 |
| 5.75%/6.35% notes | - | - | - | 400 | - | 600 |
| Other debt obligations | 65 | - | 100 | - | - | 566 |
| | $ 1,810 | $ 1,140 | $ 190 | $ 1,590 | $ 90 | $ 9,051 |
| Minimum annual payments under capital leases | $ 38 | $ 39 | $ 32 | $ 26 | $ 21 | $ 29 |

[1] This table illustrates the contractual undiscounted cash flows, and may not agree with the amounts disclosed in the consolidated balance sheet.

**C Derivative Instruments ("Derivatives")**

In the normal course of business, our assets, liabilities and forecasted transactions, as reported in US dollars, are impacted by various market risks including, but not limited to:

| Item | Impacted by |
|---|---|
| • Sales | • Prices of gold, silver, copper, oil and natural gas |
| • Cost of sales | |
| ○ Consumption of diesel fuel, propane, natural gas, and electricity | ○ Prices of diesel fuel, propane, natural gas, and electricity |
| ○ Non-US dollar expenditures | ○ Currency exchange rates – US dollar versus A$, ARS, C$, CLP, JPY, PGK, TZS, ZAR, EUR, and ZMW |
| ○ By-product credits | ○ Prices of silver and copper |
| • Corporate and regional administration, exploration and evaluation costs | • Currency exchange rates – US dollar versus A$, ARS, C$, CLP, JPY, PGK, TZS, GBP and ZAR |
| • Capital expenditures | |
| ○ Non-US dollar capital expenditures | ○ Currency exchange rates – US dollar versus A$, ARS, C$, CLP, EUR, PGK, GBP and ZAR. |
| ○ Consumption of steel | ○ Price of steel |
| • Interest earned on cash and equivalents | • US dollar interest rates |
| • Interest paid on fixed-rate borrowings | • US dollar interest rates |

The time frame and manner in which we manage those risks varies for each item based upon our assessment of the risk and available alternatives for mitigating risk. For these particular risks, we believe that derivatives are an appropriate way of managing the risk.

We use derivatives as part of our risk management program to mitigate variability associated with changing market values related to the hedged item. Many of the derivatives we use meet the hedge effectiveness criteria and are designated in a hedge accounting relationship.

Certain derivatives are designated as either hedges of the fair value of recognized assets or liabilities or of firm commitments ("fair value hedges") or hedges of highly probable forecasted transactions ("cash flow hedges"), collectively known as "accounting hedges". Hedges that are expected to be highly effective in achieving offsetting changes in fair value or cash flows are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Some of the derivative instruments we use are effective in achieving our risk management objectives, but they do not meet the strict hedge effectiveness criteria. These derivatives are considered to be "non-hedge derivatives". We also enter into derivative instruments with the objective of realizing trading gains to increase our reported net income. These derivatives are also considered to be "non-hedge derivatives".

**D Summary of Derivatives at December 31, 2012**

| | Notional Amount by Term to Maturity | | | | Accounting Classification by Notional Amount | | | |
|---|---|---|---|---|---|---|---|---|
| | Within 1 year | 2 to 3 years | 4 to 5 years | Total | Cash flow hedge | Fair value hedge | Non-Hedge | Fair value (USD) |
| **US dollar interest rate contracts** | | | | | | | | |
| Total pay variable receive fixed swap positions | $ 100 | $ 100 | $ - | $ 200 | $ - | $ 200 | $ - | $ 6 |
| **Currency contracts** | | | | | | | | |
| A$:US$ contracts (A$ millions) | 540 | 1,045 | 480 | 2,065 | 1,740 | - | 325 | 103 |
| C$:US$ contracts (C$ millions) | 424 | 96 | - | 520 | 513 | - | 7 | 12 |
| CLP:US$ contracts (CLP millions) [1] | 356,175 | 365,016 | - | 721,191 | 245,173 | - | 476,018 | 55 |
| PGK:US$ contracts (PGK millions) | 50 | - | - | 50 | - | - | 50 | 1 |
| ZAR:US$ contracts (ZAR millions) | 870 | 79 | - | 949 | 475 | - | 474 | 1 |
| **Commodity contracts** | | | | | | | | |
| Copper collar sell contracts (millions of pounds) | 99 | - | - | 99 | 99 | - | - | 16 |
| Silver collar sell contracts (millions of ounces) | 5 | 28 | 32 | 65 | 55 | - | 10 | 64 |
| Diesel contracts (thousands of barrels) [2] | 3,354 | 2,460 | - | 5,814 | 960 | - | 4,854 | 20 |
| Electricity contracts (thousands of megawatt hours) | 26 | 48 | - | 74 | - | - | 74 | - |

[1] Non-hedge contracts economically hedge pre-production capital expenditures at our Pascua-Lama and Cerro Casale projects and operating/administration costs at various South American locations.
[2] Diesel commodity contracts represent a combination of WTI, BRENT, and BRENT/WTI spread swaps. These derivatives hedge physical supply contracts based on the price of ULSD, WTB, MOPS and JET, respectively, plus a spread. WTI represents West Texas Intermediate, BRENT represents Brent Crude Oil, and MOPS represents Mean of Platts Singapore.

**Fair Values of Derivative Instruments**

| | Asset Derivatives | | | Liability Derivatives | | |
|---|---|---|---|---|---|---|
| | **Balance Sheet Classification** | **Fair Value as at Dec. 31, 2012** | Fair Value as at Dec. 31, 2011 | Balance Sheet Classification | **Fair Value as at Dec. 31, 2012** | Fair Value as at Dec. 31, 2011 |
| Derivatives designated as hedging instruments | | | | | | |
| US dollar interest rate contracts | **Other assets** | **$ 6** | $ 7 | **Other liabilities** | **$ -** | $ - |
| Currency contracts | **Other assets** | **133** | 629 | **Other liabilities** | **-** | 26 |
| Commodity contracts | **Other assets** | **81** | 312 | **Other liabilities** | **11** | 6 |
| Total derivatives classified as hedging instruments | | **$ 220** | $ 948 | | **$ 11** | $ 32 |
| Derivatives not designated as hedging instruments | | | | | | |
| Currency contracts | **Other assets** | **48** | 4 | **Other liabilities** | **9** | 26 |
| Commodity contracts | **Other assets** | **39** | 10 | **Other liabilities** | **9** | 6 |
| Total derivatives not designated as hedging instruments | | **$ 87** | $ 14 | | **$ 18** | $ 32 |
| Total derivatives | | **$ 307** | $ 962 | | **$ 29** | $ 64 |

**US Dollar Interest Rate Contracts**

*Fair Value Hedges*

We have a $200 million pay variable receive fixed swap position outstanding that is used to hedge changes in the fair value of a portion of our long-term fixed-rate debt. The effective portion of changes in the fair value of the swap contracts is recorded in interest expense. Gains and losses from hedge ineffectiveness are recognized in current earnings, classified in the consolidated statement of income as gains/(losses) on non-hedge derivatives.

**Currency Contracts**

*Cash Flow Hedges*

During the year, currency contracts totaling A$ 1,474 million, CAD$ 372 million, and ZAR 515 million have been designated against forecasted non-US dollar denominated expenditures, some of which are hedges which matured within the year. In total, we have AUD$ 1,740 million, CAD$ 513 million, CLP 245 billion and ZAR 475 million designated as cash flow hedges of our anticipated operating, administrative, sustaining capital and project capital spend. The outstanding contracts hedge the variability of the US dollar amount of those expenditures caused by changes in currency exchange rates over the next five years. The effective portion of changes in fair value of the currency contracts is recorded in OCI until the forecasted expenditure impacts earnings. Gains and losses from hedge ineffectiveness are recognized in current earnings classified in the consolidated statement of income as gains (losses) on non-hedge derivatives.

*Non-hedge Derivatives*

We concluded that CLP 476 billion of derivatives contracts do not meet the strict hedge effectiveness criteria. These contracts represent an economic hedge of operating and administrative expenses at various South America locations, and pre-production capital expenditures at our Pascua-Lama and Cerro Casale projects. Also, ZAR 474 million represents an economic hedge of our anticipated operating and administrative spending at various locations in Africa. Although not qualifying as accounting hedges, the contracts protect us against the variability of CLP and ZAR to the US dollar. The remaining non-hedge currency contracts are used to mitigate the variability of the US dollar amount of non-US dollar denominated exposures that do not meet the strict hedge effectiveness criteria. Changes in the fair value of the non-hedge currency contracts are recorded in the consolidated statement of income as gains (losses) on non-hedge derivatives.

During the year, we wrote a combination of AUD put and call options with an outstanding notional amount of AUD $200 million at December 31, 2012. We also wrote CAD put option contracts with no outstanding notional amount at December 31, 2012. As a result of these activities we earned $15 million in premium income, recognized in the consolidated statement of income as gains on non-hedge derivatives.

**Commodity Contracts**

*Diesel/Propane/Electricity/Natural Gas*

*Cash Flow Hedges*

In total, we have fuel contracts totaling 960 thousand barrels of WTI, and Brent-WTI swaps designated as cash flow hedges of our anticipated usage of fuels in our operations. The designated contracts act as a hedge against the variability in market prices. The effective portion of changes in the fair value of the commodity contracts is recorded in OCI until the forecasted transaction impacts earnings. Gains and losses from hedge ineffectiveness are recognized in current earnings, classified in the consolidated statement of income as gains (losses) on non-hedge derivatives.

*Non-hedge Derivatives*

As a result of de-designating all existing WTI contracts on January 1, 2011 due to a change in our diesel fuel supply contract, we currently have $12 million of crystallized gains in OCI as at December 31, 2012, remaining from the original total of $35 million. The hedged item is still expected to occur and therefore amounts crystallized in OCI will be recorded in cost of sales when the originally designated exposures occur over the next 12 months. During the year, we entered into 1,740 thousand barrels of WTI, 480 thousand barrels of Brent-WTI swaps, and 252 thousand barrels of Brent to economically hedge our exposure to forecasted fuel purchases for expected consumption at our mines. In total, on a combined basis we have 3,854 thousand barrels of WTI, Brent and Brent-WTI swaps outstanding that economically hedge our exposure to forecasted fuel purchases at our mines.

Non-hedge electricity contracts of 74 thousand megawatt hours are used to mitigate the risk of price changes on electricity consumption at Barrick Energy. Although not qualifying as an accounting hedge, the contracts protect Barrick to a significant extent from the effects of changes in electricity prices. Changes in the unrealized and realized fair value of non-hedge electricity contracts are recognized in the consolidated statement of income as gains (losses) on non-hedge derivatives.

During the year, we wrote three million barrels of WTI put options with an outstanding notional of one million barrels at December 31, 2012. As a result of this activity, we recorded $6 million in realized gains on premiums recognized in the consolidated statement of income as gains (losses) on non-hedge derivatives.

**Metals Contracts**

*Cash Flow Hedges*

During the year, we purchased 99 million pounds of copper collar contracts to designate as hedges against copper cathode sales at our Zaldivar mine in 2013. These contracts contain purchased put and sold call options with weighted average strike prices of $3.50/lb and $4.25/lb, respectively. These contracts were designated as cash flow hedges, with the effective portion of the hedge recognized in OCI and the ineffective portion, together with the changes in time value, recognized in non-hedge derivative gains (losses). These contracts mature evenly throughout 2013.

During the year, contracts totaling 20 million ounces of silver were purchased to designate as hedges against silver sales in 2014 to 2018. Silver collar contracts totaling 55 million ounces have been designated as hedges against silver bullion sales from our silver producing mines. These contracts contain purchased put and sold call options with weighted average strike prices of $23/oz and $53/oz, respectively.

Our copper and silver collar contracts have been designated as accounting hedges and the effective portion of changes in fair value of these contracts is recorded in OCI until the forecasted sale impacts earnings. Any changes in the fair value of collar contracts due to changes in time value are excluded from hedge effectiveness assessment and are consequently recognized in the consolidated statement of income. Provided that spot copper and silver prices remain within the collar band, any unrealized gain (loss) on the collar will be attributable to time value.

During the year, we recorded unrealized losses on our copper collars and silver collars of $46 million and $48 million, respectively, due to changes in time value. This was included in current period earnings as gains on non-hedge derivative activities. Gains and losses from hedge ineffectiveness and the excluded time value of options are recognized in the consolidated statement of income as gains on non-hedge derivatives.

*Non-Hedge Derivatives*

We enter into purchased and written contracts with the primary objective of increasing the realized price on our gold sales. During the year, we held net purchased gold long positions with an average outstanding notional of 10 thousand ounces. We also wrote gold put and call options with an average outstanding notional of 12 thousand and 108 thousand ounces, respectively. As a result of these activities, we recorded nil in the consolidated statement of income as gains on non-hedge derivatives. There are no outstanding gold positions at December 31, 2012.

We currently have 10 million ounces of silver collar contracts which do not meet the requirements for hedge accounting treatment as the timing of the exposure has changed. As a result, we have recorded gains of $12 million in the consolidated statement of income as gains on non-hedge derivatives.

**Cash Flow Hedge Gains (Losses) in Accumulated Other Comprehensive Income ("AOCI")**

| | Commodity price hedges | | | Currency hedges | | | Interest rate hedges | |
|---|---|---|---|---|---|---|---|---|
| | Gold/Silver [1] | Copper | Fuel | Operating costs | Administration/other costs | Capital expenditures | Long-term debt | Total |
| At January 1, 2011 | $ 1 | $ (20) | $ 51 | $ 716 | $ 42 | $ 65 | $ (27) | $ 828 |
| Effective portion of change in fair value of hedging instruments | 46 | 128 | 26 | 200 | 1 | 17 | (7) | 411 |
| Transfers to earnings: | | | | | | | | |
| On recording hedged items in earnings/PP&E [1] | (3) | (22) | (48) | (344) | (24) | (64) | 3 | (502) |
| Hedge ineffectiveness due to changes in original forecasted transaction | - | (4) | - | - | - | - | - | (4) |
| At December 31, 2011 | $ 44 | $ 82 | $ 29 | $ 572 | $ 19 | $ 18 | $ (31) | $ 733 |
| Effective portion of change in fair value of hedging instruments | (34) | (45) | 2 | 220 | 26 | 21 | (3) | 187 |
| Transfers to earnings: | | | | | | | | |
| On recording hedged items in earnings/PP&E [1] | - | (37) | (24) | (336) | (20) | (13) | 3 | (427) |
| At December 31, 2012 | $ 10 | $ - | $ 7 | $ 456 | $ 25 | $ 26 | $ (31) | $ 493 |

| Hedge gains/losses classified within | Cost of sales | Copper sales | Cost of sales | Cost of sales | Administration/other expense | Property, plant, and equipment | Interest expense | |
|---|---|---|---|---|---|---|---|---|
| Portion of hedge gain (loss) expected to affect 2013 earnings [2] | $ - | $ - | $ 8 | $ 269 | $ 17 | $ 26 | $ (3) | $ 317 |

[1] Realized gains (losses) on qualifying currency hedges of capital expenditures are transferred from OCI to PP&E on settlement.
[2] Based on the fair value of hedge contracts at December 31, 2012.

**Cash Flow Hedge Gains (Losses) at December 31**

| Derivatives in cash flow hedging relationships | Amount of gain (loss) recognized in OCI | | Location of gain (loss) transferred from OCI into income/PP&E (effective portion) | Amount of gain (loss) transferred from OCI into income (effective portion) | | Location of gain (loss) recognized in income (ineffective portion and amount excluded from effectiveness testing) | Amount of gain (loss) recognized in income (ineffective portion and amount excluded from effectiveness testing) | |
|---|---|---|---|---|---|---|---|---|
| | **2012** | 2011 | | **2012** | 2011 | | **2012** | 2011 |
| Interest rate contracts | **$ (3)** | $ (7) | Finance income/ finance costs | **$ (3)** | $ (3) | Gain (loss) on non-hedge derivatives | **$ -** | $ - |
| Foreign exchange contracts | **267** | 218 | Cost of sales/ corporate administration | **369** | 432 | Gain (loss) on non-hedge derivatives | **7** | (2) |
| Commodity contracts | **(77)** | 200 | Revenue/cost of sales | **61** | 73 | Gain (loss) on non-hedge derivatives | **(95)** | 168 |
| Total | **$ 187** | $ 411 | | **$ 427** | $ 502 | | **$ (88)** | $ 166 |

**Fair Value Hedge Gains at December 31**

| Derivatives in fair value hedging relationships | Location of gain (loss) recognized in income on derivatives | Amount of gain (loss) recognized in income on derivatives | |
|---|---|---|---|
| | | **2012** | 2011 |
| Interest rate contracts | Interest income/expense | **$ (2)** | $ 2 |

**E Gains (Losses) on Non-hedge Derivatives**

| For the years ended December 31 | 2012 | 2011 |
|---|---|---|
| Commodity contracts | | |
| Gold | **$ -** | $ 43 |
| Silver | **12** | - |
| Copper | **(5)** | (85) |
| Fuel | **6** | (1) |
| Currency contracts | **107** | (48) |
| Interest rate contracts | **(1)** | 6 |
| | **$ 119** | $ (85) |
| | | |
| Gains (losses) attributable to silver option collar hedges [1] | **$ (48)** | $ 64 |
| Gains (losses) attributable to copper option collar hedges [1] | **(46)** | 94 |
| Gains (losses) attributable to currency option collar hedges [1] | **7** | (2) |
| Hedge ineffectiveness | **(1)** | 10 |
| | **$ (88)** | $ 166 |
| | **$ 31** | $ 81 |

[1] Represents unrealized gains (losses) attributable to changes in time value of the collars, which are excluded from the hedge effectiveness assessment.

**F Derivative Assets and Liabilities**

| | 2012 | 2011 |
|---|---|---|
| At January 1 | **$ 898** | $ 848 |
| Derivatives cash (inflow) outflow | | |
| Operating activities | **(374)** | (428) |
| Financing activities | **3** | 7 |
| Early settlement of derivates | **(465)** | - |
| Change in fair value of: | | |
| Non-hedge derivatives | **119** | (85) |
| Cash flow hedges: | | |
| Effective portion | **187** | 411 |
| Fair value hedges | **(2)** | (21) |
| Excluded from effectiveness changes | **(88)** | 166 |
| At December 31 | **$ 278** | $ 898 |
| Classification: | | |
| Other current assets | **$ 124** | $ 507 |
| Other long-term assets | **183** | 455 |
| Other current liabilities | **(10)** | (22) |
| Other long-term obligations | **(19)** | (42) |
| | **$ 278** | $ 898 |

For the twelve months ended December 31, 2012, we unwound approximately $2.6 billion of our Australian dollar hedges at an average spot price of $1.05. We realized net cash proceeds of approximately $0.5 billion upon settlement of these contracts. The corresponding accounts will be recognized in the consolidated statement of income based on the original hedge contract maturity dates, by 2014.

## 24 > FAIR VALUE MEASUREMENTS

Fair value is 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. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

**A Assets and Liabilities Measured at Fair Value on a Recurring Basis**

| Fair Value Measurements<br>At December 31, 2012 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Aggregate Fair Value |
|---|---|---|---|---|
| Cash and equivalents | $ 2,093 | $ - | $ - | $ 2,093 |
| Available-for-sale securities | 78 | - | - | 78 |
| Derivatives | - | 278 | - | 278 |
| Receivables from provisional copper and gold sales | - | 261 | - | 261 |
| | $ 2,171 | $ 539 | $ - | $ 2,710 |

**B Fair Values of Financial Assets and Liabilities**

| | **At Dec. 31, 2012** | | At Dec. 31, 2011 | |
|---|---|---|---|---|
| | **Carrying amount** | **Estimated fair value** | Carrying amount | Estimated fair value |
| Financial assets | | | | |
| Cash and equivalents [1] | **$ 2,093** | **$ 2,093** | $ 2,745 | $ 2,745 |
| Accounts receivable [1] | **449** | **449** | 426 | 426 |
| Other receivables | **156** | **156** | 138 | 138 |
| Available-for-sale securities [2] | **78** | **78** | 161 | 161 |
| Derivative assets | **307** | **307** | 962 | 962 |
| | **$ 3,083** | **$ 3,083** | $ 4,432 | $ 4,432 |
| Financial liabilities | | | | |
| Accounts payable [1] | **$ 2,265** | **$ 2,265** | $ 2,083 | $ 2,083 |
| Long-term debt [3] | **13,943** | **15,502** | 13,369 | 14,374 |
| Derivative liabilities | **29** | **29** | 64 | 64 |
| Other liabilities | **323** | **323** | 202 | 202 |
| | **$ 16,560** | **$ 18,119** | $ 15,718 | $ 16,723 |

[1] Fair value approximates the carrying amounts due to the short-term nature and historically negligible credit losses.
[2] Recorded at fair value. Quoted market prices are used to determine fair value.
[3] Long-term debt is generally recorded at amortized cost except for obligations that are designated in a fair-value hedge relationship, in which case the carrying amount is adjusted for changes in fair value of the hedging instrument in periods when a hedge relationship exists. The fair value of long-term debt is primarily determined using quoted market prices. Balance includes current portion of long-term debt.

**C Assets Measured at Fair Value on a Non-Recurring Basis**

| | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Aggregate fair value |
|---|---|---|---|---|
| Other assets [1] | $ - | $ - | $ 6 | $ 6 |
| Property, plant and equipment [2] | - | - | 1,638 | 1,638 |
| Intangible assets [3] | - | - | 65 | 65 |
| Goodwill [4] | - | - | 3,451 | 3,451 |

1 Other assets with a carrying amount of $128 million were written down to their fair value of $6 million, which was included in earnings this period.
2 Property, plant and equipment with a carrying amount of $6,883 million were written down to their fair value of $1,638 million, which was included in earnings this period.
3 Intangible assets with a carrying amount of $234 million were written down to their fair value of $65 million, which was included in earnings this period.
4 Goodwill with a carrying amount of $4,249 million were written down to their fair value of $3,451 million, which was included in earnings this period.

**Valuation Techniques**

*Cash Equivalents*

The fair value of our cash equivalents is classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. Our cash equivalents are comprised of U.S. Treasury bills and money market securities that are invested primarily in U.S. Treasury bills.

*Available-for-Sale Securities*

The fair value of available-for-sale securities is determined based on the closing price of each security at the balance sheet date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore available-for-sale securities are classified within Level 1 of the fair value hierarchy.

*Derivative Instruments*

The fair value of derivative instruments is determined using either present value techniques or option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. The fair value of all our derivative contracts includes an adjustment for credit risk. For counterparties in a net asset position, credit risk is based upon the observed credit default swap spread for each particular counterparty, as appropriate. For counterparties in a net liability position, credit risk is based upon Barrick's observed credit default swap spread. The fair value of US dollar interest rate and currency swap contracts is determined by discounting contracted cash flows using a discount rate derived from observed LIBOR and swap rate curves and CDS rates. In the case of currency contracts, we convert non-US dollar cash flows into US dollars using an exchange rate derived from currency swap curves and CDS rates. The fair value of commodity forward contracts is determined by discounting contractual cash flows using a discount rate derived from observed LIBOR and swap rate curves and CDS rates. Contractual cash flows are calculated using a forward pricing curve derived from observed forward prices for each commodity. Derivative instruments are classified within Level 2 of the fair value hierarchy.

*Receivables from Provisional Copper and Gold Sales*

The fair value of receivables rising from copper and gold sales contracts that contain provisional pricing mechanisms is determined using the appropriate quoted forward price from the exchange that is the principal active market for the particular metal. As such, these receivables, which meet the definition of an embedded derivative, are classified within Level 2 of the fair value hierarchy.

*Property, Plant and Equipment*

The fair value of property, plant and equipment is determined primarily using an income approach based on unobservable cash flows and as a result is classified within Level 3 of the fair value hierarchy.

## 25 > PROVISIONS AND ENVIRONMENTAL REHABILITATION

### A Provisions

| | **As at Dec. 31, 2012** | As at Dec. 31, 2011 |
|---|---|---|
| Environmental rehabilitation ("PER") | **$ 2,589** | $ 2,080 |
| Post-retirement benefits | **125** | 146 |
| RSUs | **26** | 22 |
| Other | **72** | 78 |
| | **$ 2,812** | $ 2,326 |

### B Environmental Rehabilitation

| | **2012** | 2011 |
|---|---|---|
| At January 1 | **$ 2,159** | $ 1,621 |
| PERs acquired (divested) during the year | **(3)** | 67 |
| PERs arising in the year | **469** | 391 |
| Impact of revisions to expected cash flows recorded in earnings | **37** | 75 |
| Settlements | | |
| Cash payments | **(51)** | (44) |
| Settlement gains | **(2)** | (3) |
| Accretion | **54** | 52 |
| At December 31 | **$ 2,663** | 2,159 |
| Current portion (note 22) | **(74)** | (79) |
| | **$ 2,589** | $ 2,080 |

The eventual settlement of all PERs is expected to take place between 2013 and 2053.

The PER has increased from third quarter 2012 by $289 million primarily due to changes in discount rates and increases in cost estimates. A 1% increase in the discount rate would result in a decrease of PER by $374 million and a 1% decrease in the discount rate would result in an increase in PER by $482 million.

## 26 > FINANCIAL RISK MANAGEMENT

Our financial instruments are comprised of financial liabilities and financial assets. Our principal financial liabilities, other than derivatives, comprise accounts payable and debt. The main purpose of these financial instruments is to manage short-term cash flow and raise funds for our capital expenditure program. Our principal financial assets, other than derivative instruments, are cash and equivalents and accounts receivable, which arise directly from our operations. In the normal course of business, we use derivative instruments to mitigate exposure to various financial risks.

We manage our exposure to key financial risks in accordance with our financial risk management policy. The objective of the policy is to support the delivery of our financial targets while protecting future financial security. The main risks that could adversely affect our financial assets, liabilities or future cash flows are as follows:

a) Market risk, including commodity price risk, foreign currency and interest rate risk;
b) Credit risk;
c) Liquidity risk; and
d) Capital risk management.

Management designs strategies for managing each of these risks, which are summarized below. Our senior management oversees the management of financial risks. Our senior management ensures that our financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with our policies and our risk appetite. All derivative activities for risk management purposes are carried out by functions that have the appropriate skills, experience and supervision.

### a) Market Risk

Market risk is the risk that changes in market factors, such as commodity prices, foreign exchange rates or interest rates, will affect the value of our financial instruments. We manage market risk by either accepting it or mitigating it through the use of derivatives and other economic hedging strategies.

#### Commodity Price Risk

Gold and Copper

We sell our gold and copper production in the world market. The market prices of gold and copper are the primary drivers of our profitability and ability to generate both operating and free cash flow. All of our future gold production is unhedged in order to provide our shareholders with full exposure to changes in the market gold price. Our corporate treasury function implements hedging strategies on an opportunistic basis to protect us from downside price risk on our copper production. We have put in place floor protection on approximately 20% of our expected copper production for 2013 at an average floor price of $3.50 per pound. In addition, we have sold an equal amount of call options at an average price of $4.25. Our remaining copper production is subject to market prices.

Silver

We expect to produce significant amounts of silver as Pascua-Lama enters production in 2014. We utilize option collar strategies, whereby we have hedge protection on a total of 65 million ounces of expected silver production from 2013 to 2018, inclusive, to provide downside price risk protection on a portion of this future silver production. Changes in the market silver price have a significant impact on the fair value of these collars. Changes in the expected long-term price of silver have a significant impact on the estimated fair value of the Pascua-Lama project.

Fuel

On average we consume approximately 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. Therefore, volatility in crude oil prices has a significant direct and indirect impact on our production costs. To mitigate this volatility, we employ a strategy of combining the use of financial contracts and our production from Barrick Energy to effectively hedge our exposure to oil prices.

The table below summarizes the impact of changes in the market price on gold, copper, silver and oil. The impact is expressed in terms of the resulting change in our profit after tax for the year or, where applicable, the change in equity. The sensitivities are based on the assumption that the market price changes by 10% with all other variables held constant.

**Impact of a 10% change from year-end price**

| Products | Effect on Earnings 2012 | Effect on Earnings 2011 | Effect on Equity 2012 | Effect on Equity 2011 |
|---|---|---|---|---|
| 10% increase in gold price | **$ 799** | $ 776 | **$ 799** | $ 776 |
| 10% increase in copper price | **103** | 143 | **115** | 46 |
| 10% increase in silver price [1] | **(33)** | (42) | **(37)** | (21) |
| 10% increase in oil price | **9** | 10 | **10** | (1) |

| Products | Effect on Earnings 2012 | Effect on Earnings 2011 | Effect on Equity 2012 | Effect on Equity 2011 |
|---|---|---|---|---|
| 10% decrease in gold price | **$ (799)** | $ (776) | **$ (799)** | $ (776) |
| 10% decrease in copper price | **(67)** | (130) | **(9)** | (47) |
| 10% decrease in silver price [1] | **18** | 32 | **52** | 30 |
| 10% decrease in oil price | **(9)** | (10) | **(9)** | 1 |

[1] Represents unrealized gains (losses) attributable to changes in fair value of the silver collars.

**Foreign Currency Risk**

The functional and reporting currency for our gold and copper segments and capital projects is the US dollar, while the functional currency of our oil and gas segment is the Canadian dollar. We report our results using the US dollar. The majority of our operating and capital expenditures are denominated and settled in US dollars. The largest single exposure we have is to the Australian dollar. We also have exposure to the Canadian dollar through a combination of Canadian mine operating costs and corporate administration costs; and to the Papua New Guinea kina, Peruvian sol, Chilean peso, Argentinean peso and Zambian kwacha through mine operating costs. Consequently, fluctuations in the US dollar exchange rate against these currencies increase the volatility of cost of sales, corporate administration costs and overall net earnings, when translated into US dollars. To mitigate these inherent risks and provide greater certainty over our costs, we have foreign currency hedges in place for some of our Australian and Canadian dollar exposures as well as a significant portion of our Chilean peso exposures. In the third quarter 2012, the Company unwound approximately AUD $2.6 billion of our Australian dollar hedges (see note 23D for further details). As a result we now have greater exposure to fluctuation in the value of the Australian dollar compared to the US dollar.

The following table shows gains (losses) associated with a 10% change in exchange rate of the Australian dollar:

**Impact of a 10% change in exchange rate of Australian dollar**

| | Average Exchange Rate 2012 | Average Exchange Rate 2011 | Effect on Net Earnings 2012 | Effect on Net Earnings 2011 | Effect on Equity 2012 | Effect on Equity 2011 |
|---|---|---|---|---|---|---|
| 10% weakening | **$ 1.03** | $ 1.03 | **$ (26)** | $ - | **$ (26)** | $ - |
| 10% strengthening | **1.03** | 1.03 | **26** | - | **26** | - |

**Interest Rate Risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instruments will fluctuate due to changes in market interest rates. Currently, our interest rate exposure mainly relates to interest receipts on our cash balances ($2.1 billion at the end of the year); the mark-to-market value of derivative instruments; the fair value and ongoing payments under US dollar interest-rate swaps; and to the interest payments on our variable-rate debt ($2.3 billion at December 31, 2012).

The following table shows the approximate interest rate sensitivities of our financial assets and liabilities as at December 31:

**Impact of a 1% change in interest rate**

| | Effect on Net Earnings 2012 | Effect on Net Earnings 2011 | Effect on Equity 2012 | Effect on Equity 2011 |
|---|---|---|---|---|
| 1% increase | **$ (2)** | $ 16 | **$ (2)** | $ 16 |
| 1% decrease | **2** | (16) | **2** | (16) |

**b) 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. Credit risk arises from cash and equivalents, trade and other receivables as well as derivative assets. For cash and equivalents and trade and other receivables, credit risk exposure equals the carrying amount on the balance sheet, net of any overdraft positions. To mitigate our inherent exposure to credit risk we maintain policies to limit the concentration of credit risk, review counterparty creditworthiness on a monthly basis, and ensure liquidity of available funds. We also invest our cash and equivalents in highly rated financial institutions, primarily within the

United States and other investment grade countries [1] . Furthermore, we sell our gold and copper production into the world market and to private customers with strong credit ratings. Historically customer defaults have not had a significant impact on our operating results or financial position.

For derivatives with a positive fair value, we are exposed to credit risk equal to the carrying value. When the fair value of a derivative is negative, we assume no credit risk. We mitigate credit risk on derivatives by:

- Entering into derivatives with high credit-quality counterparties;
- Limiting the amount of net exposure with each counterparty; and
- Monitoring the financial condition of counterparties on a regular basis.

The company's maximum exposure to credit risk at the reporting date is the carrying value of each of the financial assets disclosed as follows:

| At December 31 | 2012 | 2011 |
|---|---|---|
| Cash and equivalents | **$ 2,093** | $ 2,745 |
| Accounts receivable | **449** | 426 |
| Net derivative assets by counterparty | **282** | 901 |
| | **$ 2,824** | $ 4,072 |

[1] Investment grade countries include Canada, Chile, Australia, and Peru. Investment grade countries are defined as being rated BBB- or higher by S&P.

**c) Liquidity Risk**

Liquidity risk is the risk of loss from not having access to sufficient funds to meet both expected and unexpected cash demands. We manage our exposure to liquidity risk by maintaining adequate cash reserves, access to undrawn credit facilities and access to public debt markets, by staggering the maturities of outstanding debt instruments to mitigate refinancing risk and by continuous monitoring of forecast and actual cash flows. Details of the undrawn credit facility are included in Note 23. Our ability to access public debt markets and the related cost of debt financing is dependent upon maintaining an investment grade credit rating. In third quarter 2012, our credit rating was downgraded to BBB+ from A- by S&P, with a negative outlook, following our announcement of a capital cost increase and delay to production start-up at our Pascua-Lama project. Our credit rating, as established by Moody's has remained stable throughout this period. We do not expect the change in our credit rating by S&P to adversely affect our ability to access the debt markets, but it could impact funding costs for any new debt financing.

At current market gold and copper prices, we expect to generate negative free cash flow in 2013. This is primarily due to expected capital expenditures of about $2.6 billion at our Pascua-Lama project. In addition, we have approximately $1.8 billion in debt maturing in 2013. We expect to meet our financing needs related to these developments by utilizing a number of different options, including the $4.25 billion available under our credit facilities (subject to compliance with covenants and the making of certain representations and warranties, these facilities are available for drawdown as a source of financing), operating cash flow, asset sales and future debt or equity issuances, should the need arise. These alternatives should provide us with the flexibility to fund any potential cash flow shortfall and are continually evaluated to determine the optimal capital structure.

The following table outlines the expected maturity of our significant financial assets and liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, these balances may not agree with the amounts disclosed in the balance sheet.

| As at December 31, 2012 (in $ millions) | Less than 1 year | 1 to 3 years | 3 to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Cash and equivalents | $ 2,093 | $ - | $ - | $ - | $ 2,093 |
| Accounts receivable | 449 | - | - | - | 449 |
| Derivative assets | 124 | 119 | 51 | 13 | 307 |
| Trade and other payables | 2,265 | - | - | - | 2,265 |
| Debt | 1,848 | 1,401 | 1,727 | 9,080 | 14,056 |
| Derivative liabilities | 10 | 13 | 6 | - | 29 |
| Other liabilities | 117 | 123 | 36 | 47 | 323 |

| As at December 31, 2011 (in $ millions) | Less than 1 year | 1 to 3 years | 3 to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Cash and equivalents | $ 2,745 | $ - | $ - | $ - | $ 2,745 |
| Accounts receivable | 426 | - | - | - | 426 |
| Derivative assets | 504 | 369 | 56 | 33 | 962 |
| Trade and other payables | 2,083 | - | - | - | 2,083 |
| Debt | 196 | 3,257 | 2,820 | 7,161 | 13,434 |
| Derivative liabilities | 22 | 30 | 12 | - | 64 |
| Other liabilities | 12 | 140 | 18 | 32 | 202 |

**d) Capital Risk Management**

Our objective when managing capital is to provide value for shareholders by maintaining an optimal short-term and long-term capital structure in order to reduce the overall cost of capital while preserving our ability to continue as a going concern. Our capital management objectives are to safeguard our ability to support our operating requirements on an ongoing basis, continue the development and exploration of our mineral properties and support any expansion plans. Our objectives are also to ensure that we maintain a strong balance sheet and optimize the use of debt and equity to support our business and provide financial flexibility in order to maximize shareholder value. We define capital as total debt less cash and equivalents and it is managed by management subject to approved policies and limits by the Board of Directors. We are not subject to any significant financial covenants or capital requirements with our lenders or other parties.

**27 > OTHER NON-CURRENT LIABILITIES**

| | **As at Dec. 31, 2012** | As at Dec. 31, 2011 |
|---|---|---|
| Deposit on silver sale agreement | **$ 620** | $ 453 |
| Derivative liabilities (note 23f) | **19** | 42 |
| Provision for supply contract restructuring costs | **20** | 25 |
| Provision for offsite remediation | **62** | 61 |
| Other | **129** | 108 |
| | **$ 850** | $ 689 |

**Silver Sale Agreement**

On September 22, 2009, we entered into an agreement with Silver Wheaton Corp. to sell the equivalent of 25% of the life of mine silver production from the Pascua-Lama project and 100% of silver production from the Lagunas Norte, Pierina and Veladero mines until project completion at Pascua-Lama. In return, we were entitled to an upfront cash payment of $625 million payable over three years from the date of the agreement, as well as ongoing payments in cash of the lesser of $3.90 (subject to an annual inflation adjustment of 1% starting three years after project completion at Pascua-Lama) and the prevailing market price for each ounce of silver delivered under the agreement.

During 2012 we received the final cash payment from the agreement of $137.5 million (2011: $137.5 million). An imputed interest expense is being recorded on the liability at the rate implicit in the agreement. The liability plus imputed interest will be amortized based on the difference

between the effective contract price for silver and the amount of the ongoing cash payment per ounce of silver delivered under the agreement.

## 28 > 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: substantively enacted rates that will apply when temporary differences reverse; interpretations of relevant tax legislation; estimates of the tax bases of assets and liabilities; and the deductibility of expenditures for income tax purposes. In addition the measurement and recognition of deferred tax assets takes into account tax planning strategies. We recognize the effect of changes in our assessment of these estimates and factors when they occur. Changes in deferred income tax assets and liabilities are allocated between net income, other comprehensive income, and goodwill based on the source of the change.

Current income taxes of $31 million and deferred income taxes of $49 million have been provided on the undistributed earnings of certain foreign subsidiaries. Deferred income taxes have not been provided on the undistributed earnings of all other foreign subsidiaries for which we are able to control the timing of the remittance, and it is probable that there will be no remittance in the foreseeable future. These undistributed earnings amounted to $8,549 million as at December 31, 2012.

### Sources of Deferred Income Tax Assets and Liabilities

| At December 31 | **2012** | 2011 |
|---|---|---|
| Deferred tax assets | | |
| Tax loss carry forwards | **$ 430** | $ 624 |
| Alternative minimum tax ("AMT") credits | **44** | 165 |
| Environmental rehabilitation | **724** | 683 |
| Property, plant and equipment | **46** | 26 |
| Post-retirement benefit obligations | **34** | 16 |
| Accrued interest payable | **72** | 45 |
| Other | **41** | 41 |
| | **$ 1,391** | $ 1,600 |
| Deferred tax liabilities | | |
| Property, plant and equipment | **(3,189)** | (5,067) |
| Derivative instruments | **(35)** | (138) |
| Inventory | **(326)** | (217) |
| | **$ (2,159)** | $ (3,822) |
| Classification: | | |
| Non-current assets | **$443** | $409 |
| Non-current liabilities | **(2,602)** | (4,231) |
| | **$ (2,159)** | $ (3,822) |

The deferred tax asset of $443 million includes $365 million expected to be realized in more than one year. The deferred tax liability of $2,602 million includes $2,582 million expected to be realized in more than one year.

### Expiry Dates of Tax Losses and AMT Credits

| | 2013 | 2014 | 2015 | 2016 | 2017+ | No expiry date | Total |
|---|---|---|---|---|---|---|---|
| Non-capital tax losses [1] | | | | | | | |
| Canada | $ - | $ 4 | $ 5 | $ - | $ 1,412 | $ - | $1,421 |
| Dominican Republic | - | - | - | - | - | 367 | 367 |
| Barbados | - | - | 738 | 834 | 5,340 | - | 6,912 |
| Chile | - | - | - | - | - | 168 | 168 |
| Tanzania | - | - | - | - | - | 138 | 138 |
| Zambia | - | - | - | - | 902 | - | 902 |
| Other | - | - | 1 | - | - | 60 | 61 |
| | $ - | $ 4 | $744 | $834 | $7,654 | $733 | $9,969 |
| AMT credits [2] | | | | | | $44 | $44 |

[1] Represents the gross amount of tax loss carry forwards translated at closing exchange rates at December 31, 2012.

[2] Represents the amounts deductible against future taxes payable in years when taxes payable exceed "minimum tax" as defined by United States tax legislation.

The non-capital tax losses include $7,528 million of losses which are not recognized in deferred tax assets. Of these, $4 million expire in 2014, $743 million expire in 2015, $834 million expire in 2016, $5,674 million expire in 2017 or later, and $273 million have no expiry date.

**Recognition of Deferred Tax Assets**

We recognize deferred tax assets taking into account the effects of local tax law. Deferred tax assets are fully recognized when we conclude that sufficient positive evidence exists to demonstrate that it is probable that a deferred tax asset will be realized. The main factors considered are:

- Historic and expected future levels of taxable income;
- Tax plans that affect whether tax assets can be realized; and
- The nature, amount and expected timing of reversal of taxable temporary differences.

Levels of future income are mainly affected by: market gold, copper and silver prices; forecasted future costs and expenses to produce gold and copper reserves; quantities of proven and probable gold and copper reserves; market interest rates; and foreign currency exchange rates. If these factors or other circumstances change, we record an adjustment to the recognition of deferred assets to reflect our latest assessment of the amount of deferred tax assets that is probable will be realized.

A deferred income tax asset totaling $358 million has been recorded in Canada. This deferred tax asset primarily arose due to mark-to-market losses realized for acquired Placer Dome derivative instruments recognized on the acquisition in 2006. Projections of various sources of income support the conclusion that the realizability of this deferred tax asset is probable and consequently, we have fully recognized this deferred tax asset.

**Deferred Tax Assets Not Recognized**

| | **2012** | 2011 |
|---|---|---|
| Australia and Papua New Guinea | **$ 181** | $ 122 |
| Canada | **88** | 76 |
| Argentina | **-** | 35 |
| Barbados | **73** | 73 |
| Tanzania | **43** | 31 |
| Zambia | **48** | - |
| Other | **17** | 23 |
| | **$ 450** | $ 360 |

Deferred Tax Assets Not Recognized relate to: non-capital loss carry forwards of $271 million (2011: $170 million), capital loss carry forwards with no expiry date of $126 million (2011: $120 million), and other deductible temporary differences with no expiry date of $53 million (2011: $70 million).

**Source of Changes in Deferred Tax Balances**

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| Temporary differences | | |
| Property, plant and equipment | **$ 1,898** | $(2,865) |
| Environmental rehabilitation | **41** | 214 |
| Tax loss carry forwards | **(194)** | 287 |
| AMT credits | **(121)** | (152) |
| Derivatives | **103** | 21 |
| Other | **(42)** | (17) |
| | **1,685** | (2,512) |
| Net currency translation (losses)/ gains on deferred tax balances | **(46)** | 32 |
| Impact of tax rate changes | **26** | - |
| Impact of amendment in Australia | **14** | - |
| Impact of functional currency changes | **(16)** | 4 |
| | **$ 1,663** | $(2,476) |
| Intraperiod allocation to: | | |
| Loss (Income) from continuing operations before income taxes | **$ 1,591** | $(402) |
| Equinox acquisition | **-** | (2,108) |
| Barrick Energy acquisitions | **-** | (37) |
| Acquisition of Aviva Corporation | **(6)** | - |
| OCI | **79** | 69 |
| Other | **(1)** | 2 |
| | **$ 1,663** | $ (2,476) |

**Income Tax Related Contingent Liabilities**

| | **2012** | 2011 |
|---|---|---|
| At January 1 | **$ 64** | $ 64 |
| Additions based on tax positions related to the current year | **1** | 1 |
| Additions based on tax positions related to prior years | **9** | - |
| Reductions for tax positions of prior years | **(10)** | (1) |
| At December 31 [1] | **$ 64** | $ 64 |

[1] If reversed, the total amount of $64 million would be recognized as a benefit to income taxes on the income statement, and therefore would impact the reported effective tax rate.

We anticipate the amount of income tax related contingent liabilities to decrease within 12 months of the reporting date by approximately $2 million to $3 million, related primarily to the expected settlement of income tax and mining tax assessments.

We further anticipate that it is reasonably possible for the amount of income tax related contingent liabilities to decrease within 12 months of the reporting date by approximately $46 million through a potential settlement with tax authorities that may result in a reduction of available tax pools.

**Tax Years Still Under Examination**

| | |
|---|---|
| Canada | 2008-2012 |
| United States | 2012 |
| Dominican Republic | 2009-2012 |
| Peru | 2007-2009, 2011-2012 |
| Chile | 2009-2012 |
| Argentina | 2006-2012 |
| Australia | All years open |
| Papua New Guinea | 2004-2012 |
| Saudi Arabia | 2007-2012 |
| Tanzania | All years open |
| Zambia | 2009-2012 |

## 29 > CAPITAL STOCK

**Common Shares**

Our authorized capital stock includes an unlimited number of common shares (issued 1,001,107,981 common shares); 10,000,000 First preferred shares Series A (issued nil); 10,000,000 Series B (issued nil); and 15,000,000 Second preferred shares Series A (issued nil). Our common shares have no par value.

**Dividends**

In 2012, we declared and paid dividends in US dollars totaling $0.75 per share ($750 million) (2011: $0.51 per share, $509 million).

## 30 > NON-CONTROLLING INTERESTS

| | Pueblo Viejo | ABG [1] | Cerro Casale [2] | Total |
|---|---|---|---|---|
| At January 1, 2011 | $ 598 | $ 680 | $ 467 | $ 1,745 |
| Share of income (loss) | (26) | 82 | (3) | 53 |
| Cash contributed | 365 | - | 38 | 403 |
| Decrease of non-controlling interest | - | (10) | - | (10) |
| At December 31, 2011 | $ 937 | $ 752 | $ 502 | $ 2,191 |
| Share of income (loss) | (19) | 15 | (8) | (12) |
| Cash contributed | 487 | - | 18 | 505 |
| Decrease in non-controlling interest [3] | - | (21) | - | (21) |
| At December 31, 2012 | $ 1,405 | $ 746 | $ 512 | $ 2,663 |

[1] Represents non-controlling interest in ABG. The balance includes the non-controlling interest of 30% in our Tulawaka mine.
[2] Represents non-controlling interest in Cerro Casale.
[3] Represents dividends received from African Barrick Gold.

## 31 > REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel include the members of the Board of Directors and the Senior leadership team. Compensation for key management personnel (including Directors) was as follows:

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| Salaries and short-term employee benefits [1] | **$ 23** | $ 20 |
| Post-employment benefits [2] | **2** | 3 |
| Termination Benefits | **18** | - |
| Share-based payments and other [3] | **50** | 28 |
| | **$ 93** | $ 51 |

[1] Includes annual salary and annual short-term incentives/other bonuses earned in the year.
[2] Represents company contributions to retirement savings plans.
[3] Relates to stock option, RSU, and PRSU grants and other compensation.

## 32 > STOCK-BASED COMPENSATION

**A Stock Options**

Under Barrick's stock option plan, certain officers and key employees of the Corporation may purchase common shares at an exercise price that is equal to the closing share price on the day before the grant of the option. The grant date is the date when the details of the award, including the number of options granted by individual and the exercise price, are approved. Stock options vest evenly over four years, beginning in the year after granting. Options granted in July 2004 and prior are exercisable over 10 years, whereas options granted since December 2004 are exercisable over seven years. At December 31, 2012, 6.9 million (2011: 6.9 million) common shares were available for granting options. Stock options when exercised result in an increase to the number of common shares issued by Barrick.

Compensation expense for stock options was $16 million in 2012 (2011: $15 million), and is presented as a component of

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 2012 by $0.02 per share (2011: $0.01 per share).

Total intrinsic value relating to options exercised in 2012 was $8 million (2011: $40 million).

**Employee Stock Option Activity (Number of Shares in Millions)**

| | **2012** | | 2011 | |
|---|---|---|---|---|
| | **Shares** | **Average Price** | Shares | Average Price |
| C$ options | | | | |
| At January 1 | **1.1** | **$ 27** | 1.4 | $ 26 |
| Exercised | **(0.4)** | **24** | (0.2) | 25 |
| Cancelled/expired | **(0.1)** | **28** | (0.1) | 23 |
| At December 31 | **0.6** | **$ 28** | 1.1 | $ 27 |
| US$ options | | | | |
| At January 1 | **5.8** | **$41** | 7.0 | $38 |
| Granted | **1.1** | **44** | 0.5 | 50 |
| Exercised | **(0.2)** | **30** | (1.6) | 30 |
| Forfeited | **(0.2)** | **41** | - | - |
| Cancelled/expired | **(0.2)** | **46** | (0.1) | 34 |
| At December 31 | **6.3** | **$ 42** | 5.8 | $ 41 |

**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 | 0.1 | $ 22 | 0.3 | $ 1 | 0.1 | $ 22 | $ 1 |
| $ 28 - $ 31 | 0.5 | 30 | 0.9 | 3 | 0.5 | 30 | 3 |
| | 0.6 | $ 28 | 0.8 | $ 4 | 0.6 | $ 28 | $ 4 |
| US$ options | | | | | | | |
| $ 9 - $ 19 | 0.1 | $13 | 0.1 | $ 1 | 0.1 | $ 13 | $ 1 |
| $ 20 - $ 27 | 0.7 | 26 | 2.8 | 6 | 0.7 | 26 | 6 |
| $ 28 - $ 41 | 1.5 | 37 | 3.4 | (3) | 1.1 | 38 | (3) |
| $ 42 - $ 55 | 4.0 | 47 | 4.5 | (49) | 2.2 | 45 | (22) |
| | 6.3 | $ 42 | 4.0 | $ (45) | 4.1 | $ 40 | $ (18) |

[1] Based on the closing market share price on December 31, 2012 of C$ $34.82 and US$ $35.01.

**Option Information**

| For the years ended (per share and per option amounts in dollars) | **Dec. 31, 2012** | Dec. 31, 2011 |
|---|---|---|
| Valuation assumptions | **Lattice [1,2]** | Lattice [1,2] |
| Expected term (years) | **5.3** | 5.3 |
| Expected volatility [2] | **33%-38%** | 33%-38% |
| Expected dividend yield | **1.22%** | 1.22% |
| Risk-free interest rate [2] | **0.04%-2.04%** | 0.04%-2.04% |
| Options granted (in millions) | **1.1** | 0.5 |
| Weighted average fair value per option | **$12** | $14 |

[1] Different assumptions were used for the multiple stock option grants during the year.
[2] The volatility and risk-free interest rate assumptions varied over the expected term of these stock option grants.

The expected volatility assumptions have been developed taking into consideration both historical and implied volatility of our US dollar share price. Forfeitures have also been factored in based on historical forfeiture rates. 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.

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, 2012, there was $11 million (2011: $15 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 (2011: 2 years).

**B Restricted Share Units (RSUs) and Deferred Share Units (DSUs)**

Under our RSU plan, selected employees are granted RSUs where each RSU has a value equal to one Barrick common share. RSUs vest at the end of a two-and-a-half-year period and are settled in cash on the two-and-a-half-year anniversary of the grant date. Additional RSUs are credited to reflect dividends paid on Barrick common shares over the vesting period.

Compensation expense for RSUs incorporates an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates. We make adjustments if the actual forfeiture rate differs from the expected rate. At December 31, 2012, the weighted average remaining contractual life of RSUs was 1.09 years (2011: 1.55 years).

Compensation expense for RSUs was $29 million in 2012 (2011: $30 million) and is presented as a component of corporate administration and other expense, consistent with the classification of other elements of compensation expense for those employees who had RSUs.

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 January 1, 2011 | 180 | $ 9.4 | 2,947 | $ 70.7 |
| Settled for cash | (29) | (0.8) | (1,242) | (60.8) |
| Forfeited | - | - | (69) | (2.3) |
| Granted | 36 | 1.7 | 1,153 | 56.8 |
| Credits for dividends | - | - | 26 | 1.2 |
| Change in value | - | (1.9) | - | (16.4) |
| At December 31, 2011 | 187 | $ 8.4 | 2,815 | $ 49.2 |
| Settled for cash | (23) | (0.8) | (708) | (28.9) |
| Forfeited | - | - | (57) | (2.4) |
| Granted | 43 | 1.7 | 387 | 16.0 |
| Credits for dividends | - | - | 52 | 2.1 |
| Change in value | - | (2.3) | - | 18.1 |
| At December 31, 2012 | 207 | $ 7.0 | 2,489 | $ 54.1 |

**C Performance Restricted Share Units (PRSUs)**

In 2008, Barrick launched a PRSU plan. Under this plan, selected employees are granted PRSUs, where each PRSU has a value equal to one Barrick common share. PRSUs vest at the end of a three-year period and are settled in cash on the third anniversary of the grant date. Additional PRSUs are credited to reflect dividends paid on Barrick common shares over the vesting period. Vesting, and therefore the liability, is based on the achievement of performance goals and the target settlement will range from 0% to 200% of the value. At December 31, 2012, 185 thousand units were outstanding (2011: 201 thousand units).

**D Employee Share Purchase Plan (ESPP)**
In 2008, Barrick launched an Employee Share Purchase Plan. This plan enables Barrick employees to purchase Company shares through payroll deduction. Each year, employees may contribute 1%-6% of their combined base salary and annual bonus, and Barrick will match 50% of the contribution, up to a maximum of $5,000 per year. During 2012, Barrick contributed and expensed $0.8 million to this plan (2011: $0.8 million).

**E ABG Stock Options**
African Barrick Gold has a stock option plan for its directors and selected employees. The exercise price of the granted options is determined by the ABG Remuneration Committee before the grant of an option provided that this price cannot be less than the average of the middle-market quotation of ABG's shares (as derived from the London Stock Exchange Daily Official List) for the three dealing days immediately preceding the date of grant. All options outstanding at the end of the year expire in 2017 and 2018. There were 0.7 million ABG options granted which were exercisable at December 31, 2011. Stock option expense of $1.5 million (2011: $1.4 million) is included as a component of other expense.

## 33 > POST-RETIREMENT BENEFITS

**A Description of Plans**

**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 $66 million in 2012 (2011: $58 million).

**Defined Benefit Pension Plans**
We have qualified defined benefit pension plans that cover certain of our United States and Canadian employees and provide benefits based on employees' years of service. Our policy is to fund the amounts necessary on an actuarial basis to provide enough assets to meet the benefits payable to plan members. Independent trustees administer assets of the plans, which are invested mainly in fixed income and equity securities. In 2012, certain vested participants elected a lump sum to settle their obligations, resulting in a settled gain of $5 million.

We also have certain plans that are unfunded that cover certain of our employees. No funding is done on these plans and contributions for future years will be equal to benefit payments.

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 record actuarial gains and losses in the Statement of Comprehensive Income.

**Post-Retirement Health Care Plans**
We provide post-retirement medical, dental, and life insurance benefits to certain employees. In 2012, one of our health care plans was wound up, resulting in a settlement gain of $14 million.

**B Post-Retirement Plan Information**
**Actuarial Assumptions**

| As at December 31 | **Pension Plans 2012** | **Other Post-Retirement Benefits 2012** | Pension Plans 2011 | Other Post-Retirement Benefits 2011 |
|---|---|---|---|---|
| Discount rate | | | | |
| Benefit obligation | **1.75 - 4.55%** | **2.95 - 3.10%** | 2.80 - 5.21% | 3.80 - 4.10% |
| Pension cost | **2.80 - 5.21%** | **3.68 - 4.10%** | 4.60 - 4.90% | 3.50 - 5.77% |
| Expected return on plan assets | **N/A** | **N/A** | 4.50 - 7.00% | N/A |
| Wage increases | **2.25%** | **N/A** | N/A | 5.00% |

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, 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 used to determine present value of estimated future cash outflows expected to be required to settle the pension obligations. 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-quality (Moody's Aa) US corporate bonds. Bonds included in this analysis were restricted to those with a minimum outstanding balance of $50 million. Only non-callable bonds, or bonds with a make-whole provision, were included. Finally, outlying bonds (highest and lowest 10%) were discarded as being non-representative and likely to be subject to a change in investment grade. The resulting discount rate from this analysis was rounded to the nearest five basis points. The procedure was applied separately for pension and post-retirement plan purposes, and produced the same rate in each case.

The expected 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. 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 expected inflation rates.

We have assumed a health care cost trend rate of increase of 7.75% in 2013 (2012: 8%), decreasing ratably to 4.75% in 2019 and thereafter (2012: 4.75%) . The assumed health care cost trend rate of increase had a minimal effect on the amounts reported. A one percentage point change in the assumed health care cost trend rate at December 31, 2012 would have had no significant effect on the post-retirement obligation and would have had no significant effect on the benefit expense for 2012.

**Expense Recognized in the Income Statement**

| As at December 31 | **Pension Plans 2012** | **Other Post-Retirement Benefits 2012** | Pension Plans 2011 | Other Post-Retirement Benefits 2011 |
|---|---|---|---|---|
| Expected return on plan assets | **$ (15)** | **$ -** | $ (15) | $ - |
| Past service cost | **1** | **-** | 1 | - |
| Interest cost | **14** | **-** | 16 | 1 |
| Settlements | **(5)** | **(14)** | 1 | - |
| Total expense (recovery) | **$ (5)** | **$ (14)** | $ 3 | $ 1 |

Actual return for the year ended December 31, 2012 was $29 million (2011: $13 million).

**Plan Assets/Liabilities**

| As at December 31 | **Pension Plans 2012** | **Other Post-Retirement Benefits 2012** | Pension Plans 2011 | Other Post-Retirement Benefits 2011 |
|---|---|---|---|---|
| Non-current assets | **$ 1** | **$ -** | $ 2 | $ - |
| Current liabilities [1] | **3** | **2** | 12 | 2 |
| Non-current liabilities | **119** | **6** | 124 | 22 |
| Other comprehensive income (loss) [2] | **(9)** | **1** | (38) | 4 |
| | **$ 114** | **$ 9** | $ 100 | $ 28 |
| Accumulated actuarial gains (losses) recognized in OCI (before taxes) | **$ (49)** | **$5** | $ (40) | $ 4 |

[1] Expected recovery or settlement within 12 months from the reporting date.
[2] Amounts represent actuarial (gains) losses.

| As at December 31 | **2012** | 2011 | 2010 |
|---|---|---|---|
| Present value of defined benefit obligation | **$ 336** | $ 385 | $ 363 |
| Fair value of plan assets | **207** | 227 | 227 |
| Funded status | **(129)** | (158) | (136) |
| Experience adjustments on plan liabilities | **22** | 26 | 19 |
| Experience adjustments on plan assets | **14** | (3) | - |

**Defined Benefit Obligation**

The movement in the defined benefit obligation over the year is as follows:

| As at December 31 | **Pension Plans 2012 [1]** | **Other Post-Retirement Benefits 2012** | Pension Plans 2011 | Other Post-Retirement Benefits 2011 |
|---|---|---|---|---|
| Balance at January 1 | **$ 361** | **$ 24** | $ 336 | $ 27 |
| Service cost | **1** | **-** | 1 | - |
| Interest cost | **14** | **1** | 16 | 1 |
| Actuarial (gains) losses | **23** | **(1)** | 29 | (3) |
| Benefits paid | **(32)** | **(2)** | (21) | (1) |
| Settlements | **(39)** | **(14)** | - | - |
| Balance at December 31 | **$ 328** | **$ 8** | $ 361 | $ 24 |
| Funded status [2] | **$ (121)** | **$ (8)** | $ (134) | $ (24) |

[1] Includes unfunded pension obligations of $87 million for the year ended December 31, 2012 (2011: $93 million).
[2] Represents the fair value of plan assets less projected benefit obligations.

Expected contributions to the pension plans and post-employment benefit plans for the year ended December 31, 2013 are $7 million and $2 million respectively.

**Fair Value of Plan Assets**
The movement in the fair value of plan assets over the year is as follows:

| | **Pension Plans 2012** | **Other Post-Retirement Benefits 2012** | Pension Plans 2011 | Other Post-Retirement Benefits 2011 |
|---|---|---|---|---|
| Balance at January 1 | **$ 227** | **$ -** | $ 227 | $ - |
| Expected return on plan assets | **15** | **-** | 16 | - |
| Actuarial gains (losses) | **14** | **-** | (3) | - |
| Company contributions | **17** | **2** | 9 | 1 |
| Settlements | **(34)** | **-** | - | - |
| Benefits paid | **(32)** | **(2)** | (22) | (1) |
| Balance at December 31 | **$ 207** | **$ -** | $ 227 | $ - |

| As at December 31, 2012 | | | |
|---|---|---|---|
| | Target [1] | Actual | Actual |
| Composition of plan assets [2] | | | |
| Equity securities | **52%** | **52%** | **$ 108** |
| Fixed income securities | **48%** | **48%** | **99** |
| | **100%** | **100%** | **$ 207** |

[1] Based on the weighted average target for all defined benefit plans.
[2] Holdings in equity and fixed income securities consist of Level 1 and Level 2 assets within the fair value hierarchy.

**Expected Future Benefit Payments**

| For the years ending December 31 | Pension Plans | Other Post-Retirement Benefits |
|---|---|---|
| 2013 | $ 22 | $ 2 |
| 2014 | 22 | 1 |
| 2015 | 22 | 1 |
| 2016 | 21 | 1 |
| 2017 | 21 | 1 |
| 2018 – 2022 | 102 | 3 |

**34 > CONTINGENCIES**
Certain conditions may exist as of the date the financial statements are issued that 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.

**A) Litigation and Claims**
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.

Cortez Hills Complaint
On November 12, 2008, the United States Bureau of Land Management (the "BLM") issued a Record of Decision approving the Cortez Hills Expansion Project. On November 20, 2008, the TeMoak Shoshone Tribe, the East Fork Band Council of the TeMoak Shoshone Tribe and the Timbisha Shoshone Tribe, the Western Shoshone Defense Project, and Great Basin Resource Watch filed a lawsuit against the United States seeking to enjoin the majority of the activities comprising the Project on various grounds.

In December 2009, on appeal from a decision denying certain of the plaintiffs' claims, the Ninth Circuit issued an opinion in which it held that the plaintiffs were likely to succeed on two of their claims and ordered that a supplemental Environmental Impact Statement ("EIS") be prepared by Barrick. On March 15, 2011, the BLM issued its record of decision that approved the supplemental EIS. On January 3, 2012, the District Court issued a decision granting summary judgment in favor of Barrick and the BLM on all remaining issues. The plaintiffs have appealed this decision.

Marinduque Complaint
Placer Dome Inc. was named the sole defendant in a Complaint filed in October 2005 by the Provincial Government of Marinduque, an island province of the

Philippines (“Province”), with the District Court in Clark County, Nevada. The Complaint asserted that Placer Dome Inc. was 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 Inc. indirectly owned a minority shareholding of 39.9% in Marcopper until the divestiture of its shareholding in 1997. The Province sought “to recover damages for injuries to the natural, ecological and wildlife resources within its territory”. In addition, the Province sought compensation for the costs of restoring the environment, an order directing Placer Dome Inc. 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 addressed 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. In October 2010, the Nevada state court issued an order granting the Company’s motion to dismiss the action on the grounds of forum non conveniens. The Province has appealed the Court’s dismissal order to the Nevada Supreme Court. The Company intends to continue to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

Calancan Bay (Philippines) Complaint
In July 2004, a complaint was filed against Marcopper and Placer Dome Inc. 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$1 billion.

In April 2008, Placer Dome Inc. made a special appearance by counsel to move to dismiss the complaint for lack of personal jurisdiction and on other grounds. The plaintiffs have opposed the motion to dismiss. In October 2008, the plaintiffs filed a motion challenging Placer Dome Inc.’ s legal capacity to participate in the proceedings in light of its alleged “acquisition” by the Company. Placer Dome Inc. opposed this motion. In January 2009, Marcopper filed an entry of appearance in the action and in March 2012 filed a motion to dismiss the action on various grounds. The plaintiffs have opposed the motion to dismiss. It is not known when the motions will be decided by the Court. The Company intends to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

Perilla Complaint
In 2009, Barrick Gold Inc. and Placer Dome Inc. were purportedly served in Ontario with a complaint filed in November 2008 in the Regional Trial Court of Boac, on the Philippine island of Marinduque, on behalf of two named individuals and purportedly on behalf of the approximately 200,000 residents of Marinduque. The complaint alleges injury to the economy and the ecology of Marinduque as a result of the discharge of mine tailings from the Marcopper mine into Calancan Bay, the Boac River, and the Mogpog River. The plaintiffs are claiming for abatement of a public nuisance allegedly caused by the tailings discharge and for nominal damages for an alleged violation of their constitutional right to a balanced and healthful ecology. In June 2010, Barrick Gold Inc. and Placer Dome Inc. filed a motion to have the Court resolve their unresolved motions to dismiss before considering the plaintiffs’ motion to admit an amended complaint and also filed an opposition to the plaintiffs’ motion to admit on the same basis. It is not known when these motions or the outstanding motions to dismiss will be decided by the Court. The Company intends to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

Writ of Kalikasan
On February 25, 2011 a Petition for the Issuance of a Writ of Kalikasan with Prayer for Temporary Environmental Protection Order was filed in the Supreme Court of the Republic of the Philippines in Eliza M. Hernandez, Mamerto M. Lanete and Godofredo L. Manoy versus Placer Dome Inc. and Barrick Gold Corporation (the “Petition”). On March 8, 2011, the Supreme Court issued an En Banc Resolution and Writ of Kalikasan and directed service of summons on Placer Dome Inc. and the Company, ordered Placer Dome Inc. and the Company to make a verified return of the Writ with ten (10) days of service and referred the case to the Court of Appeal for hearing. The Petition alleges that Placer Dome Inc. violated the petitioners’ constitutional right to a balanced and healthful ecology as a result of, among other things, the discharge of tailings into Calancan Bay, the 1993 Maguila-Guila dam break, the 1996 Boac river tailings spill and failure of Marcopper to properly decommission the Marcopper mine. The petitioners have pleaded that the Company is liable for the alleged actions and omissions of Placer Dome Inc. which was a minority indirect shareholder of Marcopper at all relevant times and is seeking orders requiring the Company to environmentally remediate the areas in and around the mine site that are alleged to have sustained environmental impacts. The petitioners purported to serve the Company

on March 25, 2011. On March 31, 2011, the Company filed an Urgent Motion For Ruling on Jurisdiction with the Supreme Court challenging the constitutionality of the Rules of Procedure in Environmental Cases (the "Environmental Rules") pursuant to which the Petition was filed, as well as the jurisdiction of the Court over the Company. On November 23, 2011, the Company's counsel received a Motion for Intervention, dated November 18, 2011, filed with the Supreme Court, in which two local governments, or "baranguays" (Baranguay San Antonio and Baranguay Lobo), seek intervenor status in the proceedings with the intention of seeking a dismissal of the proceedings. No decision has as yet been issued with respect to the Urgent Motion for Ruling on Jurisdiction, the Motion for Intervention, or certain other matters before the Court. The Company intends to continue to defend the action vigorously. No amounts have been accrued for any potential loss under this matter.

Reko Diq Arbitration

On February 15, 2011, Tethyan Copper Company Pakistan (Private) Limited ("TCCP") (the local operating subsidiary of Tethyan Copper Company ("TCC")) submitted to the Government of the Province of Balochistan (the "GOB") an application for a mining lease in respect of the Reko Diq project in Pakistan. Barrick currently indirectly holds 50% of the shares of TCC, with Antofagasta Plc ("Antofagasta") indirectly holding the other 50%.

TCC believes that, under the Chagai Hills Joint Venture Agreement (the "CHEJVA") between TCC and the GOB, as well as under the 2002 Balochistan Mineral Rules, TCCP was legally entitled to the mining lease subject only to "routine" government requirements. On November 15, 2011, the GOB notified TCCP of the rejection of TCCP's application for the mining lease. On November 28, 2011, TCC filed two requests for international arbitration: one against the Government of Pakistan ("GOP") with the International Centre for Settlement of Investment Disputes ("ICSID') asserting breaches of the Bilateral Investment Treaty ("BIT") between Australia (where TCC is incorporated) and Pakistan, and another against the GOB with the International Chamber of Commerce ("ICC"), asserting breaches of the CHEJVA. In December 2012, the ICSID tribunal declined to issue provisional measures to prevent the GOP from disposing of or encumbering any rights TCC may have to the property until the arbitration is concluded, but advised that it expected that neither the GOP nor the GOB would involve third parties nor conduct further work beyond the limited amount the GOP had disclosed, and imposed certain obligations on the GOP to report to the tribunal if its intentions changed. A hearing was held on the same issue before the ICC tribunal, which has not yet issued its decision. The GOP filed jurisdictional objections before ICSID on the grounds that the BIT should not apply, which were not accepted. The GOP and GOB have renewed their objections in light of the Pakistani Constitutional Litigation (below). A merits hearing in the ICSID matter has been scheduled for December 2013, and a merits hearing in the ICC matter is tentatively set for March 2014. Issues related to damages in both proceedings have been bifurcated until after rulings on the merits.

Pakistani Constitutional Litigation

In November 2006, a Constitutional Petition was filed in the High Court of Balochistan by three Pakistani citizens against: Barrick, the GOB and the GOP, the Balochistan Development Authority ("BDA"), TCCP, Antofagasta, Muslim Lakhani and BHP (Pakistan) Pvt Limited ("BHP"). The Petition alleged, among other things, that the entry by the BDA into the 1993 Joint Venture Agreement ("JVA") with BHP to facilitate the exploration of the Reko Diq area and the grant of related exploration licenses were illegal and that the subsequent transfer of the interests of BHP in the JVA and the licenses to TCC was also illegal and should therefore be set aside. In June 2007, the High Court of Balochistan dismissed the Petition against Barrick and the other respondents in its entirety. In August 2007, the petitioners filed a Civil Petition for Leave to Appeal in the Supreme Court of Pakistan. On May 25, 2011, the Supreme Court ruled, among other things, that the GOB should proceed to expeditiously decide TCCP's application for the grant of a mining lease, transparently and fairly in accordance with laws and applicable rules. The Supreme Court also ruled that the petitions before the Court would remain pending.

In early 2012, the Supreme Court resumed hearing various petitions relating to TCC and the Reko Diq project, including applications seeking to have the CHEJVA declared invalid and applications seeking an order staying the ICSID and ICC arbitrations. In January 2013, the Supreme Court ruled that the GOB exceeded its authority in entering into the CHEJVA, and that the contract was invalid. The GOP and the GOB have indicated that they will argue that this ruling deprives the tribunals of jurisdiction, which TCC will oppose vigorously.

Argentine Glacier Legislation and Constitutional Litigation

On September 30, 2010, the National Law on Minimum Requirements for the Protection of Glaciers was enacted in Argentina, and came into force in early November 2010. The federal law bans new mining exploration and exploitation activities on glaciers and in the "peri-glacial" environment, and subjects ongoing mining activities to an environmental audit. If such audit identifies significant

impacts on glaciers and peri-glacial environment, the relevant authority is empowered to take action, which according to the legislation could include the suspension or relocation of the activity. In the case of the Veladero mine and the Pascua-Lama project, the competent authority is the Province of San Juan. In late January 2013, the Province announced that it had completed the required environmental audit, which concluded that Veladero and Pascua-Lama do not impact glaciers or peri-glaciers.

In November 2010, the Federal Court in the Province of San Juan granted injunctions, based on the unconstitutionality of the federal law, suspending its application in the Province and, in particular, to Veladero and Pascua-Lama. The National Supreme Court of Justice of Argentina (the "Supreme Court") issued a decision determining that this case falls within its jurisdiction. The National State filed a remedy for revocation of the decision of the Federal Court in the Province of San Juan to grant injunctions suspending the application of the federal law in the Province of San Juan. On July 3, 2012, the Supreme Court overturned the injunctions. The Supreme Court has not yet ruled on the constitutionality of the federal law. No amounts have been accrued for any potential loss under this matter.

*Pascua-Lama Constitutional Protection Actions*
On September 28, 2012, a constitutional rights protection action was filed in the Court of Appeals of Copiapo, Chile by representatives of four Diaguita indigenous communities against Compania Minera Nevada ("CMN"), Barrick's Chilean subsidiary that holds the Chilean portion of the Pascua-Lama Project (the "Project"), and the Environmental Evaluation Commission ("EEC") of the III Region of Atacama, Chile, the regulatory body with oversight authority over the Project.

On October 22, 2012, a second constitutional rights protection action was filed in the Court of Appeals of Copiapo, Chile by a representative of a Diaguita indigenous community and certain other individuals against CMN and the EEC.

The plaintiffs in the actions allege that the construction of the Project affects their constitutional rights to life and to live in an environment free of contamination. The actions allege certain non-compliances with the Project's environmental approval in Chile, including the carrying out of pre-stripping activities allegedly prior to full completion and operation of the acid rock drainage water management and treatment system and alleged impacts on the Toro 1, Toro 2 and Esperanza glaciers.

The plaintiffs assert that the alleged non-compliances with the environmental approval, together with the lack of inspections, sanctions and injunctions on the part of the regulatory bodies, have resulted in negative impacts on water sources and contamination, or at least the risk of contamination, of the Estrecho and Huasco rivers.

The relief sought in the actions is the suspension of the construction of the Project in Chile until all environmental obligations are fulfilled. At the time of filing of the first action, the plaintiffs sought the immediate granting of a preliminary injunction to halt pre-stripping activities. The preliminary injunction request was not granted. However, both cases have been admitted for review by the Court. No amounts have been accrued for any potential losses related to these actions.

**B) Other Contingencies**
*Pascua-Lama*
During the fourth quarter of 2012, after observing increased dust in the open pit area, exacerbated by stronger than normal winds, the Pascua-Lama project voluntarily halted pre-stripping activities in order to implement additional dust mitigation and control measures. Regulatory authorities in Chile subsequently issued an order to suspend pre-stripping activities until dust-related health and safety concerns are addressed. The project is strengthening dust mitigation and control measures, including enhanced tunnel ventilation, revised blasting fragmentation, use of more robust protective equipment and a robust dust monitoring system. Further restrictions may be placed on the project due to the need to repair and improve certain aspects of the water management system in Chile. Pre-stripping is unlikely to recommence until matters related to dust and water management are resolved. To date, the suspension of pre-stripping has not altered the Company's target of first production in the second half of 2014. However, the outcomes of the regulatory processes related to dust and water management, and of the constitutional rights protection actions, are uncertain (see "Pascua-Lama Constitutional Protection Actions"). The Company will continue to assess the potential for impacts on the timing of first production.

*Pueblo Viejo*
Certain members of the Dominican Republic ("DR") Congress, including the President of the Chamber of Deputies, have expressed a desire to amend the Special Lease Agreement ("SLA") to accelerate and increase the benefits that the DR will derive from the Pueblo Viejo mine. The SLA, which provides for substantial benefits to the DR, including through royalties and taxes, in addition to the

other indirect benefits derived by the country such as through employment and purchasing of goods and services, was approved by Congress in 2009 and cannot be unilaterally altered. However, the Company, while reserving its rights under the SLA, has engaged in dialogue with representatives of the government with a view to achieving a mutually acceptable outcome. At this time, the outcome of the dialogue is uncertain, but any amendments to the SLA could impact overall project economics.

*Jabal Sayid*

Since the Company acquired its interest in the Jabal Sayid project through its acquisition of Equinox Minerals in 2011, the Deputy Ministry for Mineral Resources ("DMMR"), which oversees the mining license, has questioned whether such change in the indirect ownership of the project, as well as previous changes in ownership, required the prior consent of the DMMR. In December 2012, the DMMR required the project to cease commissioning of the plant using stockpiled ore, citing alleged noncompliances with the mining investment law and the mining license, and in January 2013 required related companies to cease exploration activities, citing noncompliance with the law and the exploration licenses related to the ownership changes. The Company does not believe that such consent was required as a matter of law, but has responded to requests of the DMMR, including through the provision of additional guarantees and undertakings, and expressed its desire to fully satisfy any related requirements of the DMMR.

## SUMMARY GOLD MINERAL RESERVES AND MINERAL RESOURCES [1,2,3]

| For the year ended December 31, 2012 | | 2012 | | | 2011 | | |
|---|---|---|---|---|---|---|---|
| Based on attributable ounces | | Tons (000's) | Grade (oz/ton) | Ounces (000's) | Tons (000's) | Grade (oz/ton) | Ounces (000's) |
| **NORTH AMERICA** | | | | | | | |
| Goldstrike Open Pit | (proven and probable) | **94,541** | **0.094** | **8,933** | **97,325** | **0.096** | **9,342** |
| | (mineral resource) | **3,621** | 0.033 | **118** | **4,612** | 0.032 | **147** |
| Goldstrike Underground | (proven and probable) | **14,632** | **0.233** | **3,405** | **11,895** | **0.255** | **3,035** |
| | (mineral resource) | **6,144** | 0.303 | **1,864** | **6,077** | 0.301 | **1,828** |
| Goldstrike Property Total | (proven and probable) | **109,173** | **0.113** | **12,338** | **109,220** | **0.113** | **12,377** |
| | (mineral resource) | **9,765** | 0.203 | **1,982** | **10,689** | 0.185 | **1,975** |
| Pueblo Viejo (60.00%) | (proven and probable) | **181,788** | **0.083** | **15,008** | **188,729** | **0.080** | **15,173** |
| | (mineral resource) | **133,565** | 0.063 | **8,353** | **120,194** | 0.055 | **6,597** |
| Cortez | (proven and probable) | **306,190** | **0.049** | **15,058** | **306,879** | **0.047** | **14,488** |
| | (mineral resource) | **50,943** | 0.053 | **2,701** | **54,391** | 0.069 | **3,757** |
| Goldrush | (proven and probable) | **-** | - | **-** | **-** | - | **-** |
| | (mineral resource) | **65,914** | 0.127 | **8,367** | **11,221** | 0.113 | **1,273** |
| Bald Mountain | (proven and probable) | **295,559** | **0.017** | **5,161** | **307,162** | **0.017** | **5,102** |
| | (mineral resource) | **125,190** | 0.012 | **1,472** | **123,191** | 0.013 | **1,623** |
| Turquoise Ridge (75.00%) | (proven and probable) | **15,258** | **0.381** | **5,815** | **11,986** | **0.442** | **5,294** |
| | (mineral resource) | **79,690** | 0.120 | **9,552** | **62,394** | 0.122 | **7,641** |
| Round Mountain (50.00%) | (proven and probable) | **70,683** | **0.018** | **1,243** | **82,688** | **0.017** | **1,411** |
| | (mineral resource) | **44,293** | 0.021 | **925** | **83,420** | 0.016 | **1,338** |
| South Arturo (60.00%) | (proven and probable) | **33,770** | **0.042** | **1,421** | **28,237** | **0.050** | **1,398** |
| | (mineral resource) | **16,377** | 0.045 | **731** | **21,482** | 0.039 | **828** |
| Ruby Hill | (proven and probable) | **7,823** | **0.042** | **326** | **16,778** | **0.058** | **978** |
| | (mineral resource) | **172,646** | 0.020 | **3,463** | **107,626** | 0.021 | **2,245** |
| Hemlo | (proven and probable) | **16,424** | **0.070** | **1,150** | **16,620** | **0.069** | **1,139** |
| | (mineral resource) | **55,899** | 0.033 | **1,827** | **4,735** | 0.087 | **410** |
| Marigold Mine (33.33%) | (proven and probable) | **108,257** | **0.015** | **1,640** | **77,285** | **0.015** | **1,194** |
| | (mineral resource) | **16,750** | 0.012 | **207** | **10,977** | 0.012 | **135** |
| Golden Sunlight | (proven and probable) | **6,164** | **0.052** | **318** | **8,932** | **0.055** | **487** |
| | (mineral resource) | **1,715** | 0.032 | **55** | **716** | 0.041 | **29** |
| Donlin Gold (50.00%) | (proven and probable) | **-** | - | **-** | **-** | - | **-** |
| | (mineral resource) | **298,358** | 0.065 | **19,503** | **298,358** | 0.065 | **19,503** |
| **SOUTH AMERICA** | | | | | | | |
| Cerro Casale (75.00%) | (proven and probable) | **990,088** | **0.018** | **17,434** | **990,088** | **0.018** | **17,434** |
| | (mineral resource) | **245,990** | 0.010 | **2,494** | **245,990** | 0.010 | **2,494** |
| Pascua-Lama | (proven and probable) | **424,117** | **0.042** | **17,861** | **424,117** | **0.042** | **17,861** |
| | (mineral resource) | **269,930** | 0.025 | **6,734** | **269,930** | 0.025 | **6,734** |
| Veladero | (proven and probable) | **471,153** | **0.021** | **10,024** | **481,153** | **0.022** | **10,558** |
| | (mineral resource) | **30,186** | 0.013 | **400** | **44,029** | 0.011 | **464** |
| Lagunas Norte | (proven and probable) | **205,008** | **0.028** | **5,828** | **214,418** | **0.029** | **6,151** |
| | (mineral resource) | **39,462** | 0.017 | **669** | **35,164** | 0.014 | **505** |
| Pierina | (proven and probable) | **50,013** | **0.011** | **542** | **67,865** | **0.011** | **771** |
| | (mineral resource) | **2,764** | 0.015 | **41** | **10,243** | 0.013 | **132** |
| **AUSTRALIA PACIFIC** | | | | | | | |
| Porgera (95.00%) | (proven and probable) | **65,476** | **0.095** | **6,221** | **75,372** | **0.084** | **6,366** |
| | (mineral resource) | **30,705** | 0.077 | **2,361** | **27,369** | 0.071 | **1,933** |
| Kalgoorlie (50.00%) | (proven and probable) | **108,253** | **0.039** | **4,195** | **108,843** | **0.040** | **4,394** |
| | (mineral resource) | **21,247** | 0.035 | **737** | **23,211** | 0.033 | **766** |
| Cowal | (proven and probable) | **83,632** | **0.033** | **2,764** | **65,280** | **0.034** | **2,209** |
| | (mineral resource) | **29,322** | 0.035 | **1,034** | **37,191** | 0.032 | **1,187** |
| Plutonic | (proven and probable) | **1,077** | **0.191** | **206** | **2,987** | **0.135** | **402** |
| | (mineral resource) | **2,619** | 0.298 | **781** | **2,451** | 0.275 | **675** |
| Kanowna Belle | (proven and probable) | **4,071** | **0.155** | **632** | **5,861** | **0.142** | **832** |
| | (mineral resource) | **4,827** | 0.127 | **614** | **6,326** | 0.124 | **786** |
| Darlot | (proven and probable) | **2,685** | **0.126** | **338** | **2,805** | **0.127** | **357** |
| | (mineral resource) | **573** | 0.204 | **117** | **1,345** | 0.192 | **258** |
| Granny Smith | (proven and probable) | **34,795** | **0.054** | **1,866** | **4,034** | **0.157** | **635** |
| | (mineral resource) | **5,511** | 0.067 | **368** | **2,507** | 0.166 | **417** |
| Lawlers | (proven and probable) | **2,963** | **0.131** | **387** | **1,669** | **0.140** | **234** |
| | (mineral resource) | **670** | 0.206 | **138** | **977** | 0.289 | **282** |
| Reko Diq (37.50%) [4] | (proven and probable) | **-** | - | **-** | **-** | - | **-** |
| | (mineral resource) | **-** | - | **-** | **1,232,986** | 0.008 | **9,506** |
| **AFRICA** | | | | | | | |
| Bulyanhulu (73.90%) | (proven and probable) | **30,111** | **0.267** | **8,040** | **22,963** | **0.342** | **7,857** |
| | (mineral resource) | **8,694** | 0.282 | **2,453** | **14,472** | 0.154 | **2,230** |
| North Mara (73.90%) | (proven and probable) | **27,865** | **0.080** | **2,226** | **28,997** | **0.089** | **2,575** |
| | (mineral resource) | **15,573** | 0.114 | **1,781** | **13,025** | 0.082 | **1,064** |
| Buzwagi (73.90%) | (proven and probable) | **51,592** | **0.039** | **1,994** | **50,036** | **0.043** | **2,154** |
| | (mineral resource) | **12,116** | 0.030 | **360** | **28,910** | 0.033 | **947** |
| Nyanzaga (73.90%) | (proven and probable) | **-** | - | **-** | **-** | - | **-** |
| | (mineral resource) | **63,672** | 0.042 | **2,681** | **60,186** | 0.043 | **2,572** |
| Tulawaka (51.73%) | (proven and probable) | **24** | **0.458** | **11** | **135** | **0.348** | **47** |
| | (mineral resource) | **540** | 0.193 | **104** | **500** | 0.160 | **80** |
| **OTHER** | (proven and probable) | **26,494** | **0.008** | **201** | **173** | **0.306** | **53** |
| | (mineral resource) | **3,501** | 0.001 | **2** | **37** | 0.351 | **13** |
| **TOTAL** | (proven and probable) | **3,730,506** | **0.038** | **140,248** | **3,701,312** | **0.038** | **139,931** |
| | (mineral resource) | **1,859,007** | 0.045 | **83,007** | **2,966,243** | 0.027 | **80,399** |

[1] Resources which are not reserves do not have demonstrated economic viability.

**[2] See accompanying footnote #1.**

**[3] Measured plus indicated resources**

**[4] See accompanying footnote #2.**

## GOLD MINERAL RESERVES [1]

| As at December 31, 2012 | PROVEN | | | PROBABLE | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|
| Based on attributable ounces | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | **Tons** (000's) | **Grade** (oz/ton) | Contained ozs (000's) |
| **NORTH AMERICA** | | | | | | | | | |
| Goldstrike Open Pit | 61,008 | 0.088 | 5,342 | 33,533 | 0.107 | 3,591 | **94,541** | **0.094** | **8,933** |
| Goldstrike Underground | 4,743 | 0.300 | 1,424 | 9,889 | 0.200 | 1,981 | **14,632** | **0.233** | **3,405** |
| Goldstrike Property Total | 65,751 | 0.103 | 6,766 | 43,422 | 0.128 | 5,572 | 109,173 | 0.113 | 12,338 |
| Pueblo Viejo (60.00%) | 22,954 | 0.102 | 2,333 | 158,834 | 0.080 | 12,675 | **181,788** | **0.083** | **15,008** |
| Cortez | 31,856 | 0.066 | 2,089 | 274,334 | 0.047 | 12,969 | **306,190** | **0.049** | **15,058** |
| Bald Mountain | 82,580 | 0.020 | 1,621 | 212,979 | 0.017 | 3,540 | **295,559** | **0.017** | **5,161** |
| Turquoise Ridge (75.00%) | 6,493 | 0.396 | 2,573 | 8,765 | 0.370 | 3,242 | **15,258** | **0.381** | **5,815** |
| Round Mountain (50.00%) | 22,654 | 0.021 | 472 | 48,029 | 0.016 | 771 | **70,683** | **0.018** | **1,243** |
| South Arturo (60.00%) | - | - | - | 33,770 | 0.042 | 1,421 | **33,770** | **0.042** | **1,421** |
| Ruby Hill | 806 | 0.042 | 34 | 7,017 | 0.042 | 292 | **7,823** | **0.042** | **326** |
| Hemlo | 3,620 | 0.091 | 329 | 12,804 | 0.064 | 821 | **16,424** | **0.070** | **1,150** |
| Marigold Mine (33.33%) | 12,881 | 0.020 | 254 | 95,376 | 0.015 | 1,386 | **108,257** | **0.015** | **1,640** |
| Golden Sunlight | 1,532 | 0.053 | 81 | 4,632 | 0.051 | 237 | **6,164** | **0.052** | **318** |
| **SOUTH AMERICA** | | | | | | | | | |
| Cerro Casale (75.00%) | 189,900 | 0.019 | 3,586 | 800,188 | 0.017 | 13,848 | **990,088** | **0.018** | **17,434** |
| Pascua-Lama | 43,514 | 0.050 | 2,167 | 380,603 | 0.041 | 15,694 | **424,117** | **0.042** | **17,861** |
| Veladero | 33,045 | 0.021 | 704 | 438,108 | 0.021 | 9,320 | **471,153** | **0.021** | **10,024** |
| Lagunas Norte | 16,766 | 0.035 | 592 | 188,242 | 0.028 | 5,236 | **205,008** | **0.028** | **5,828** |
| Pierina | 5,941 | 0.009 | 52 | 44,072 | 0.011 | 490 | **50,013** | **0.011** | **542** |
| **AUSTRALIA PACIFIC** | | | | | | | | | |
| Porgera (95.00%) | 14,027 | 0.124 | 1,733 | 51,449 | 0.087 | 4,488 | **65,476** | **0.095** | **6,221** |
| Kalgoorlie (50.00%) | 69,523 | 0.029 | 2,019 | 38,730 | 0.056 | 2,176 | **108,253** | **0.039** | **4,195** |
| Cowal | 17,587 | 0.024 | 427 | 66,045 | 0.035 | 2,337 | **83,632** | **0.033** | **2,764** |
| Plutonic | 380 | 0.203 | 77 | 697 | 0.185 | 129 | **1,077** | **0.191** | **206** |
| Kanowna Belle | 1,958 | 0.176 | 345 | 2,113 | 0.136 | 287 | **4,071** | **0.155** | **632** |
| Darlot | 643 | 0.121 | 78 | 2,042 | 0.127 | 260 | **2,685** | **0.126** | **338** |
| Granny Smith | 827 | 0.173 | 143 | 33,968 | 0.051 | 1,723 | **34,795** | **0.054** | **1,866** |
| Lawlers | 794 | 0.134 | 106 | 2,169 | 0.130 | 281 | **2,963** | **0.131** | **387** |
| **AFRICA** | | | | | | | | | |
| Bulyanhulu (73.90%) | 674 | 0.292 | 197 | 29,437 | 0.266 | 7,843 | **30,111** | **0.267** | **8,040** |
| North Mara (73.90%) | 9,225 | 0.077 | 706 | 18,640 | 0.082 | 1,520 | **27,865** | **0.080** | **2,226** |
| Buzwagi (73.90%) | 4,786 | 0.032 | 151 | 46,806 | 0.039 | 1,843 | **51,592** | **0.039** | **1,994** |
| Tulawaka (51.73%) | 6 | - | - | 18 | 0.611 | 11 | **24** | **0.458** | **11** |
| **OTHER** | 527 | 0.028 | 15 | 25,967 | 0.007 | 186 | **26,494** | **0.008** | **201** |
| **TOTAL** | **661,250** | **0.045** | **29,650** | **3,069,256** | **0.036** | **110,598** | **3,730,506** | **0.038** | **140,248** |

## COPPER MINERAL RESERVES [1]

| As at December 31, 2012 | PROVEN | | | PROBABLE | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|
| Based on attributable pounds | Tons (000's) | Grade (%) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) |
| **Zaldivar** | 447,548 | 0.538 | 4,812 | 161,167 | 0.525 | 1,691 | **608,715** | **0.534** | **6,503** |
| **Lumwana** | 266,378 | 0.510 | 2,715 | 313,826 | 0.529 | 3,323 | **580,204** | **0.520** | **6,038** |
| **Jabal Sayid** | 484 | 2.273 | 22 | 25,965 | 2.538 | 1,318 | **26,449** | **2.533** | **1,340** |
| **TOTAL** | **714,410** | **0.528** | **7,549** | **500,958** | **0.632** | **6,332** | **1,215,368** | **0.571** | **13,881** |

[1] See accompanying footnote #1.

## GOLD MINERAL RESOURCES (1,2)

| As at December 31, 2012 | MEASURED (M) | | | INDICATED (I) | | | (M) + (I) | INFERRED | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable ounces | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | Contained ozs (000's) | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) |
| **NORTH AMERICA** | | | | | | | | | | |
| Goldstrike Open Pit | 454 | 0.033 | 15 | 3,167 | 0.033 | 103 | **118** | 3,049 | 0.066 | 201 |
| Goldstrike Underground | 1,249 | 0.383 | 478 | 4,895 | 0.283 | 1,386 | **1,864** | 2,387 | 0.265 | 633 |
| Goldstrike Property Total | 1,703 | 0.289 | 493 | 8,062 | 0.185 | 1,489 | 1,982 | 5,436 | 0.153 | 834 |
| Pueblo Viejo (60.00%) | 4,315 | 0.072 | 311 | 129,250 | 0.062 | 8,042 | **8,353** | 10,857 | 0.064 | 690 |
| Cortez | 3,358 | 0.054 | 180 | 47,585 | 0.053 | 2,521 | **2,701** | 25,174 | 0.065 | 1,633 |
| Goldrush | 2,696 | 0.136 | 367 | 63,218 | 0.127 | 8,000 | **8,367** | 43,183 | 0.132 | 5,679 |
| Bald Mountain | 31,189 | 0.012 | 373 | 94,001 | 0.012 | 1,099 | **1,472** | 88,864 | 0.009 | 762 |
| Turquoise Ridge (75.00%) | 10,198 | 0.126 | 1,283 | 69,492 | 0.119 | 8,269 | **9,552** | 38,114 | 0.124 | 4,709 |
| Round Mountain (50.00%) | 11,933 | 0.028 | 331 | 32,360 | 0.018 | 594 | **925** | 21,357 | 0.015 | 310 |
| South Arturo (60.00%) | - | - | - | 16,377 | 0.045 | 731 | **731** | 28,123 | 0.015 | 422 |
| Ruby Hill | 2,341 | 0.025 | 59 | 170,305 | 0.020 | 3,404 | **3,463** | 5,152 | 0.043 | 220 |
| Hemlo | 381 | 0.178 | 68 | 55,519 | 0.032 | 1,760 | **1,828** | 3,126 | 0.119 | 373 |
| Marigold Mine (33.33%) | 581 | 0.014 | 8 | 16,169 | 0.012 | 199 | **207** | 29,853 | 0.012 | 371 |
| Golden Sunlight | 167 | 0.036 | 6 | 1,548 | 0.032 | 49 | **55** | 1,573 | 0.041 | 64 |
| Donlin Gold (50.00%) | 4,261 | 0.073 | 313 | 294,097 | 0.065 | 19,190 | **19,503** | 50,825 | 0.059 | 2,997 |
| **SOUTH AMERICA** | | | | | | | | | | |
| Cerro Casale (75.00%) | 19,356 | 0.008 | 164 | 226,634 | 0.010 | 2,330 | **2,494** | 413,013 | 0.011 | 4,513 |
| Pascua-Lama | 23,420 | 0.031 | 722 | 246,510 | 0.024 | 6,012 | **6,734** | 35,590 | 0.034 | 1,215 |
| Veladero | 3,167 | 0.009 | 30 | 27,019 | 0.014 | 370 | **400** | 66,309 | 0.008 | 526 |
| Lagunas Norte | 849 | 0.020 | 17 | 38,613 | 0.017 | 652 | **669** | 8,896 | 0.015 | 129 |
| Pierina | 201 | 0.015 | 3 | 2,563 | 0.015 | 38 | **41** | 7,487 | 0.009 | 64 |
| **AUSTRALIA PACIFIC** | | | | | | | | | | |
| Porgera (95.00%) | 10,345 | 0.079 | 822 | 20,360 | 0.076 | 1,539 | **2,361** | 29,874 | 0.128 | 3,816 |
| Kalgoorlie (50.00%) | 5,298 | 0.038 | 199 | 15,949 | 0.034 | 538 | **737** | 360 | 0.075 | 27 |
| Cowal | - | - | - | 29,322 | 0.035 | 1,034 | **1,034** | 11,143 | 0.033 | 373 |
| Plutonic | 319 | 0.141 | 45 | 2,300 | 0.320 | 736 | **781** | 2,945 | 0.328 | 966 |
| Kanowna Belle | 1,459 | 0.139 | 203 | 3,368 | 0.122 | 411 | **614** | 2,910 | 0.121 | 352 |
| Darlot | 168 | 0.185 | 31 | 405 | 0.212 | 86 | **117** | 338 | 0.228 | 77 |
| Granny Smith | 134 | 0.216 | 29 | 5,377 | 0.063 | 339 | **368** | 4,750 | 0.204 | 969 |
| Lawlers | - | - | - | 670 | 0.206 | 138 | **138** | 1,025 | 0.187 | 192 |
| **AFRICA** | | | | | | | | | | |
| Bulyanhulu (73.90%) | - | - | - | 8,694 | 0.282 | 2,453 | **2,453** | 6,896 | 0.348 | 2,403 |
| North Mara (73.90%) | 2,468 | 0.120 | 295 | 13,105 | 0.113 | 1,486 | **1,781** | 877 | 0.107 | 94 |
| Buzwagi (73.90%) | 60 | 0.033 | 2 | 12,056 | 0.030 | 358 | **360** | 5,874 | 0.032 | 189 |
| Nyanzaga (73.90%) | - | - | - | 63,672 | 0.042 | 2,681 | **2,681** | 10,592 | 0.056 | 591 |
| Tulawaka (51.73%) | - | - | - | **540** | **0.193** | **104** | **104** | **105** | **0.133** | **14** |
| **OTHER** | - | - | - | **3,501** | **0.001** | **2** | **2** | **780** | **0.022** | **17** |
| **TOTAL** | **140,367** | **0.045** | **6,354** | **1,718,641** | **0.045** | **76,654** | **83,008** | **961,401** | **0.037** | **35,591** |

## COPPER MINERAL RESOURCES (1,2)

| As at December 31, 2012 | MEASURED (M) | | | INDICATED (I) | | | (M) + (I) | INFERRED | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable pounds | Tons (000's) | Grade (%) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) |
| **Zaldivar** | **79,153** | **0.435** | **688** | **46,050** | **0.460** | **424** | **1,112** | 26,089 | **0.556** | 290 |
| **Lumwana** | **105,428** | **0.369** | **778** | **809,871** | **0.512** | **8,287** | **9,065** | 23,938 | **0.363** | 174 |
| **Jabal Sayid** | **-** | | **-** | **3,501** | **1.871** | **131** | **131** | 780 | **2.692** | 42 |
| **TOTAL** | **184,581** | **0.397** | **1,466** | **859,422** | **0.514** | **8,842** | **10,308** | **50,807** | **0.498** | **506** |

(1)Resources which are not reserves do not have demonstrated economic viability.

(2)See accompanying footnote #1.

## CONTAINED SILVER WITHIN REPORTED GOLD RESERVES [1]

| For the year ended Dec. 31, 2012 | IN PROVEN GOLD RESERVES | | | IN PROBABLE GOLD RESERVES | | | TOTAL | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable ounces | Tons (000s) | Grade (oz/ton) | Contained ozs (000s) | Tons (000s) | Grade (oz/ton) | Contained ozs (000s) | **Tons** (000s) | **Grade** (oz/ton) | **Contained ozs** (000s) | **Process recovery %** |
| **NORTH AMERICA** | | | | | | | | | | |
| **Pueblo Viejo (60.00%)** | 22,954 | 0.75 | 17,179 | 158,834 | 0.48 | 76,619 | 181,788 | 0.52 | 93,798 | **87.2%** |
| **SOUTH AMERICA** | | | | | | | | | | |
| Cerro Casale (75.00%) | 189,900 | 0.06 | 10,565 | 800,188 | 0.04 | 33,451 | **990,088** | **0.04** | **44,016** | **69.0%** |
| Pascua-Lama | 43,514 | 1.73 | 75,454 | 380,603 | 1.58 | 600,795 | **424,117** | **1.59** | **676,249** | **81.6%** |
| Lagunas Norte | 16,766 | 0.12 | 1,947 | 188,242 | 0.11 | 21,546 | **205,008** | **0.11** | **23,493** | **19.1%** |
| Veladero | 33,045 | 0.28 | 9,172 | 438,108 | 0.41 | 179,720 | **471,153** | **0.40** | **188,892** | **5.9%** |
| Pierina | 5,941 | 0.66 | 3,915 | 44,072 | 0.32 | 14,279 | **50,013** | **0.36** | **18,194** | **26.9%** |
| **AFRICA** | | | | | | | | | | |
| Bulyanhulu (73.90%) | 674 | 0.20 | 134 | 29,437 | 0.23 | 6,904 | **30,111** | 0.23 | **7,038** | **67.2%** |
| **TOTAL** | **312,794** | **0.38** | **118,366** | **2,039,484** | **0.46** | **933,314** | **2,352,278** | **0.45** | **1,051,680** | **65.5%** |

[1] Silver is accounted for as a by-product credit against reported or projected gold production costs.

## CONTAINED COPPER WITHIN REPORTED GOLD RESERVES [1]

| For the year ended Dec. 31, 2012 | IN PROVEN GOLD RESERVES | | | IN PROBABLE GOLD RESERVES | | | TOTAL | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable pounds | Tons (000s) | Grade (%) | Contained lbs (millions) | Tons (000s) | Grade (%) | Contained lbs (millions) | **Tons** (000s) | Grade (%) | Contained lbs (millions) | **Process recovery %** |
| **NORTH AMERICA** | | | | | | | | | | |
| Pueblo Viejo (60.00%) | 22,954 | 0.081 | 37.0 | 158,834 | 0.098 | 310.5 | **181,788** | 0.096 | **347.5** | **79.0%** |
| **SOUTH AMERICA** | | | | | | | | | | |
| Cerro Casale (75.00%) | 189,900 | 0.190 | 721.3 | 800,188 | 0.226 | 3,613.3 | **990,088** | 0.219 | **4,334.6** | **87.4%** |
| Pascua-Lama | 43,514 | 0.096 | 83.7 | 380,603 | 0.075 | 574.4 | **424,117** | 0.078 | **658.1** | **63.0%** |
| **AFRICA** | | | | | | | | | | |
| Bulyanhulu (73.90%) | 674 | 0.326 | 4.4 | 29,437 | 0.526 | 309.7 | **30,111** | 0.522 | **314.1** | **93.6%** |
| Buzwagi (73.90%) | 4,786 | 0.074 | 7.1 | 46,806 | 0.107 | 99.9 | **51,592** | 0.104 | **107.0** | **70.0%** |
| **TOTAL** | **261,828** | **0.163** | **853.5** | **1,415,868** | **0.173** | **4,907.8** | **1,677,696** | **0.172** | **5,761.3** | **84.2%** |

[1] Copper is accounted for as a by-product credit against reported or projected gold production costs.

## CONTAINED SILVER WITHIN REPORTED GOLD RESOURCES [1]

| For the year ended Dec. 31, 2012 | MEASURED (M) | | | INDICATED (I) | | | **(M) + (I)** | INFERRED | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable ounces | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) | **Ounces** (000's) | Tons (000's) | Grade (oz/ton) | Contained ozs (000's) |
| **NORTH AMERICA** | | | | | | | | | | |
| Pueblo Viejo (60.00%) | 4,315 | 0.44 | 1,913 | 129,250 | 0.34 | 44,566 | **46,479** | **10,857** | 0.42 | **4,535** |
| **SOUTH AMERICA** | | | | | | | | | | |
| Cerro Casale (75.00%) | 19,356 | 0.04 | 720 | 226,634 | 0.03 | 7,257 | **7,977** | **413,013** | 0.03 | **12,594** |
| Pascua-Lama | 23,420 | 0.71 | 16,708 | 246,510 | 0.68 | 168,459 | **185,167** | **35,590** | 0.45 | **16,055** |
| Lagunas Norte | 849 | 0.09 | 76 | 38,613 | 0.06 | 2,370 | **2,446** | **8,896** | 0.04 | **371** |
| Veladero | 3,167 | 0.14 | 429 | 27,019 | 0.39 | 10,454 | **10,883** | **66,309** | 0.34 | **22,478** |
| Pierina | 201 | 0.24 | 49 | 2,563 | 0.22 | 566 | **615** | **7,487** | 0.29 | **2,150** |
| **AFRICA** | | | | | | | | | | |
| Bulyanhulu (73.90%) | - | - | - | 8,694 | 0.24 | 2,066 | **2,066** | **6,648** | 0.30 | **1,979** |
| **TOTAL** | **51,308** | **0.39** | **19,895** | **679,283** | **0.35** | **235,738** | **255,633** | **548,800** | **0.11** | **60,162** |

[1] Resources which are not reserves do not have demonstrated economic viability.

## CONTAINED COPPER WITHIN REPORTED GOLD RESOURCES [1]

| For the year ended Dec. 31, 2012 | IN MEASURED (M) GOLD RESOURCES | | | IN INDICATED (I) GOLD RESOURCES | | | **(M) + (I)** | INFERRED | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable pounds | Tons (000's) | Grade (%) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) |
| **NORTH AMERICA** | | | | | | | | | | |
| Pueblo Viejo (60.00%) | 4,315 | 0.12 | 10.3 | 129,250 | **0.091** | 235.7 | 246.0 | 10,857 | **0.075** | 16.2 |
| **SOUTH AMERICA** | | | | | | | | | | |
| Cerro Casale (75.00%) | 19,356 | **0.126** | 48.7 | 226,634 | **0.161** | 730.5 | 779.2 | 413,013 | **0.191** | 1,580.1 |
| Pascua-Lama | 23,420 | **0.061** | 28.7 | 246,510 | **0.053** | 261.0 | 289.7 | 35,590 | **0.047** | 33.7 |
| **AFRICA** | | | | | | | | | | |
| Buzwagi (73.90%) | 60 | 0.08 | 0.1 | 12,056 | **0.083** | 20.0 | 20.1 | 5,874 | **0.076** | 8.9 |
| **TOTAL** | **47,151** | **0.093** | **87.8** | **614,450** | **0.101** | **1,247.2** | **1,335.0** | **465,334** | **0.176** | **1,638.9** |

[1] Resources which are not reserves do not have demonstrated economic viability.

## NICKEL MINERAL RESOURCES [1]

| For the year ended Dec. 31, 2012 | MEASURED (M) | | | INDICATED (I) | | | **(M) + (I)** | INFERRED | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Based on attributable pounds | Tons (000's) | Grade (%) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) | Contained lbs (millions) | Tons (000's) | Grade (%) | Contained lbs (millions) |
| **AFRICA** | | | | | | | | | | |
| Kabanga (50.00%) | 7,606 | **2.490** | 378.8 | 12,897 | **2.720** | 701.6 | 1,080.4 | 11,464 | **2.600** | 596.1 |

[1] Resources which are not reserves do not have demonstrated economic viability.

1. Mineral reserves (“reserves”) and mineral resources (“resources”) have been calculated as at December 31, 2012 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, approximately 1.98 million ounces of reserves at Pueblo Viejo (Barrick’s 60% interest) is classified as mineralized material. In addition, while the terms “measured”, “indicated” and “inferred” mineral resources are required pursuant to National Instrument 43-101, the U.S. Securities and Exchange Commission does not recognize such terms. Canadian standards differ significantly from the requirements of the U.S. Securities and Exchange Commission, and mineral resource information contained herein is not comparable to similar information regarding mineral reserves disclosed in accordance with the requirements of the U.S. Securities and Exchange Commission. U.S. 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, U.S. investors are cautioned not to assume that any part or all of Barrick’s mineral resources constitute or will be converted into reserves. Calculations have been prepared by employees of Barrick, its joint venture partners or its joint venture operating companies, as applicable, under the supervision of Rick Sims, Senior Director, Resources and Reserves, of Barrick, David Londono, Director, Open Pit Life-of-Mine Business Planning, of Barrick and Steven Haggarty, Senior Director, Metallurgy, of Barrick. Except as noted below, reserves have been calculated using an assumed long-term average gold price of $US 1,500 per ounce, a silver price of $US 28.00 per ounce, a copper price of $US 3.00 per pound and exchange rates of 1.0 $Can/$US and 1.00 $US/$Aus. Reserves at Round Mountain have been calculated using an assumed long-term average gold price of $US 1,200. Reserve calculations incorporate current and/or expected mine plans and cost levels at each property. Varying cut-off grades have been used depending on the mine and type of ore contained in the reserves. Barrick’s normal data verification procedures have been employed in connection with the calculations. Resources as at December 31, 2012 have been estimated using varying cut-off grades, depending on both the type of mine or project, its maturity and ore types at each property. For a breakdown of reserves and resources by category and for a more detailed description of the key assumptions, parameters and methods used in calculating Barrick’s reserves and resources, see Barrick’s most recent Annual Information Form/Form 40-F on file with Canadian provincial securities regulatory authorities and the U.S. Securities and Exchange Commission.

2. In connection with the write-down of the Company’s investment in Tethyan Copper Company (TCC), which holds the Company’s interest in the Reko Diq project, the Company has removed the estimate of mineralized material associated with the Reko Diq project from its statement of resources for 2012. For additional information regarding this matter, see pages 22 and 139 of Barrick’s Year-End Report 2012.

# MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Barrick Gold Corporation ("Barrick", "we", "our" or the "Company"), our operations, financial performance and present and future business environment. This MD&A, which has been prepared as of February 13, 2013, should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2012. Unless otherwise indicated, all amounts are presented in US dollars.

For the purposes of preparing our MD&A, we consider the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. We evaluate materiality with reference to all relevant circumstances, including potential market sensitivity.

Continuous disclosure materials, including our most recent Form 40-F/Annual Information Form, annual MD&A, audited consolidated financial statements, and Notice of Annual Meeting of Shareholders and Proxy Circular will be available on our website at www.barrick.com, on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. For an explanation of terminology unique to the mining industry, readers should refer to the glossary on page 68.

## CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain information contained or incorporated by reference in this MD&A, including any information as to our strategy, projects, plans or future financial or operating performance, constitutes "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intend", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the spot and forward price of gold and copper or certain other commodities (such as silver, diesel fuel and electricity); diminishing quantities or grades of reserves; the impact of inflation; changes in national and local government legislation, taxation, controls, regulations, expropriation or nationalization of property and political or economic developments in Canada, the United States, Dominican Republic, Australia, Papua New Guinea, Chile, Peru, Argentina, Tanzania, Zambia, Saudi Arabia, United Kingdom, Pakistan or Barbados or other countries in which we do or may carry on business in the future; the impact of global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future cash flows; increased costs, delays and technical challenges associated with the construction of capital projects; fluctuations in the currency markets (such as Canadian and Australian dollars, Chilean and Argentinean peso, British pound, Peruvian sol, Zambian kwacha, South African rand, Tanzanian shilling, and Papua New Guinean kina versus the US dollar); changes in US dollar interest 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); risk of loss due to acts of war, terrorism, sabotage and civil disturbances; business opportunities that may be presented to, or pursued by, the Company; our ability to successfully integrate acquisitions or complete divestitures; operating or technical difficulties in connection with mining or development activities; employee relations; availability and increased costs associated with mining inputs and labor; litigation; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits; adverse changes in our credit rating; contests over title to properties, particularly title to undeveloped properties; and the organization of our previously held African gold operations and properties under a separate listed company. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion or copper cathode losses (and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect our actual results and could cause actual

results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. Specific reference is made to the 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 as required by applicable law.

**Changes in Presentation of Non-GAAP Financial Performance Measures**

We use certain non-GAAP financial performance measures in our MD&A. These new measures are intended to provide additional information only and do not have any standardized meaning prescribed by IFRS and should not be considered in isolation or as substitutes for measures of performance prepared in accordance with IFRS. Other companies may calculate these measures differently. For a detailed description of each of the non-GAAP measures used in this MD&A, please see the discussion under "Non-GAAP Financial Performance Measures" beginning on page 60 of our MD&A. In 2012, we added or made changes to the following non-GAAP performance measures:

*Total Cash Costs per pound, C1 Cash Costs per pound and C3 Fully Allocated Costs per pound*
In 2012, we replaced the non-GAAP measure "total cash costs per pound" for our copper business with "C1 cash costs per pound". We believe that this change will enable investors to better understand the performance of our global copper segment in comparison to other copper producers who present results on a similar basis. As part of this change, we also introduced "C3 fully allocated costs per pound". The primary difference between total cash costs and C1 cash costs is that royalties and non-routine charges are excluded from C1 cash costs as they are not direct production costs. C3 fully allocated costs per pound include C1 cash costs, depreciation, royalties, exploration and evaluation expense, administration expense and non-routine charges.

*Adjusted Operating Cash Flow*
In 2012, we have adjusted our operating cash flow to remove the effect of the "settlement of currency contracts". This settlement activity is not reflective of the underlying capacity of our operations to generate operating cash flow on a recurring basis, and therefore this adjustment will result in a more meaningful operating cash flow measure for investors and analysts to evaluate our performance in the period and assess our future operating cash flow generating capability.

*Adjusted EBITDA*
Starting in this MD&A, we are introducing "Adjusted EBITDA" as a non-GAAP measure. We have adjusted our EBITDA to remove the effect of "impairment charges". These charges are not reflective of our ability to generate liquidity by producing operating cash flow and therefore this adjustment will result in a more meaningful valuation measure for investors and analysts to evaluate our performance in the period and assess our future ability to generate liquidity.

*All-in Sustaining Cash Costs per ounce*
Beginning in 2013, we are adopting an all-in sustaining cash costs measure. The Company believes that current operating measures commonly used in the gold industry do not capture all of the sustaining expenditures incurred in order to produce gold, and therefore they do not present a complete picture of a company's operating performance or its ability to generate free cash flow from its current operations. Similarly, they do not reflect all of the expenditures that would be included in the valuation of a gold mining company. For these reasons, the Company is working with the members of the World Gold Council ("WGC") to define an all-in sustaining cash costs measure that better represents the total costs associated with producing gold. We believe this measure will better meet the needs of analysts, investors and other stakeholders of the Company in assessing its operating performance, its ability to generate free cash flow from current operations and its overall value.

The WGC project to define all-in sustaining cash costs is ongoing and a final standard is expected in the middle of 2013. We expect to conform our disclosure of all-in sustaining cash costs to the measure that is ultimately approved by the WGC. Our current definition of all-in sustaining cash costs commences with total cash costs and then adds sustaining capital expenditures, corporate general and administrative costs, mine site exploration and evaluation costs and environmental rehabilitation costs. This measure seeks to represent the total costs of producing gold from current operations, and therefore it does not include capital expenditures attributable to projects or mine expansions, exploration and evaluation costs attributable to growth projects, income tax payments, interest costs or dividend payments. Consequently, this measure is not representative of all of

the Company's cash expenditures. In addition, our calculation of all-in sustaining cash costs does not include depreciation expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Company's overall profitability. All-in sustaining cash costs for 2012 are outlined in the table below:

| ($ per ounce)<br>For the year ended December 31 | **2012** |
|---|---|
| Total cash costs | **$ 584** |
| Minesite sustaining capital expenditures | **155** |
| Mine development expenditures | **114** |
| Corporate administration applicable to gold segments | **51** |
| Exploration and evaluation | **21** |
| Environmental rehabilitation costs | **20** |
| All-in sustaining cash costs | **$ 945** |

Please refer to pages 62 to 64 of this MD&A for a detailed reconciliation of all-in sustaining cash costs.

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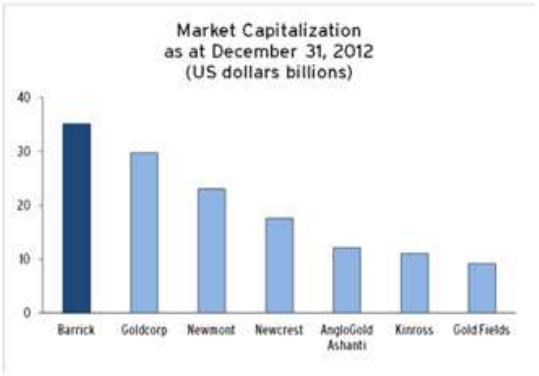
## OVERVIEW

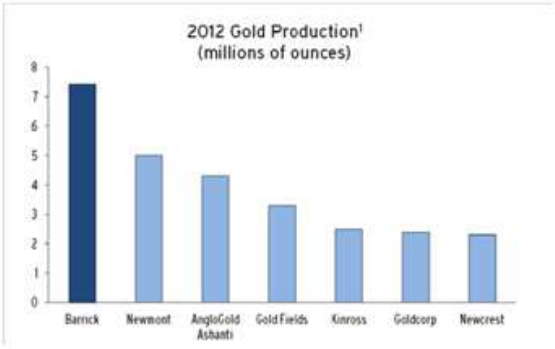
### Our Business and Strategy

*Our Business*

Barrick's vision is to be the world's best gold mining company by operating in a safe, profitable and responsible manner. We sell our production in the world market through the following distribution channels: gold bullion is sold in the gold spot market; gold and copper concentrate is sold to independent smelting companies; and copper cathode is sold to various manufacturers and traders.

Barrick's market capitalization, annual gold production and gold reserves are the largest in the industry. We also produce significant amounts of copper and have significant silver reserves contained within our gold reserves at our Pascua-Lama project. Our large mineral inventory provides significant optionality to metal prices, which supports mine life extension and expansion investment opportunities where the risk-adjusted returns are appropriate.




[1] Based on fiscal 2012 results publically available as of February 13, 2013.

We manage our business through seven primary business units: four regional gold businesses, a global copper business, an oil & gas business and a Capital Projects business. This structure enables each business unit to customize corporate strategies to meet the unique conditions in which they operate.

For gold, we manage our operations using a geographical business unit approach, with producing mines concentrated in three regional business units ("RBUs"): North America, South America and Australia Pacific, each of which is led by its own Regional President. We also hold a 73.9% equity interest in African Barrick Gold plc ("ABG"), a publicly traded company, which includes our previously held African gold mines and exploration properties.

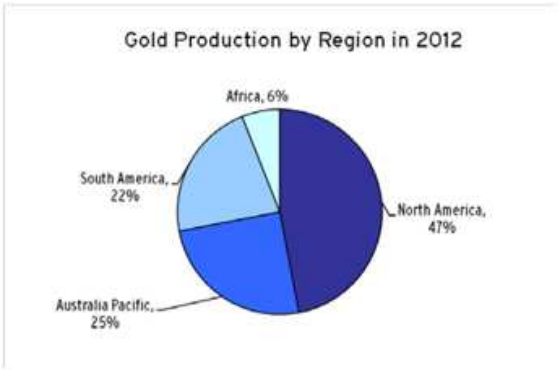
Our Global Copper business unit manages our copper business with a view towards maximizing the value of our copper and non-gold assets. The global copper business unit manages the Zaldívar and Lumwana mines and Jabal Sayid project.

Our oil & gas business, managed by Barrick Energy, provides an economic hedge against our exposure to oil prices and also provides support for energy-saving initiatives undertaken by our other business units. In January 2013, we confirmed that we have commenced a process to potentially divest Barrick Energy as part of our ongoing global portfolio optimization in accordance with our disciplined capital allocation framework.

Our Capital Projects business, distinct from our other business units, focuses on managing feasibility studies and construction of our major capital projects, while our operating business units manage feasibility studies and construction of mine expansion projects at existing operating mines.

Our business unit structure adds value by enabling the realization of operational efficiencies, allocating resources to individual mines/projects more effectively and understanding and better managing the local business environment, including labor, consumable costs and supply and government and community relations.

We have operating mines or projects in Canada, the United States, the Dominican Republic, Australia, Papua New Guinea, Peru, Chile, Argentina, Zambia, Saudi Arabia, Pakistan and Tanzania. The geographic split of gold production for the year ended December 31, 2012 was as follows:




**Our Strategy**

Our actions are driven by our core values reflecting the guiding principles used to run the Company and these values provide the foundation for our strategy. Our core values are:

- Integrity
- Respect and open communication
- Responsibility and accountability
- Teamwork
- Create shareholder value

In 2012, we renewed our focus on maximizing shareholder value and reemphasized our commitment to a disciplined capital allocation framework to guide our decision making. Under this approach, all capital allocation options, which include organic investment in exploration and projects, and acquisitions or divestitures to improve the quality of our portfolio, will be assessed on the basis of maximizing risk-adjusted returns. Our increased emphasis on free cash flow should position the Company, in the future, with the potential to return more capital to shareholders, repay debt, and make additional attractive return investments to upgrade our portfolio. We will seek to optimize the overall returns from our portfolio of assets and projects. Consequently, investments in existing assets that do not generate target returns or long-term free cash flow will be deferred, shelved or divested to improve the overall quality of our portfolio. Our strategy and approach to capital allocation has been summed up as follows:

*Returns will drive production;*

*Production will not drive returns.*

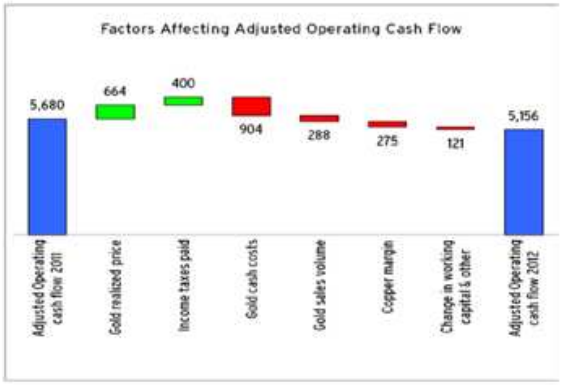
| ($ millions, except where indicated) | For the three months ended December 31 **2012** | 2011 | For the years ended December 31 **2012** | 2011 |
|---|---|---|---|---|
| **Financial Data** | | | | |
| Revenue | **$ 4,189** | $3,761 | **$ 14,547** | $ 14,236 |
| Net earnings/(loss) [1] | **(3,062)** | 959 | **(665)** | 4,484 |
| Per share ("EPS") [2] | **(3.06)** | 0.96 | **(0.66)** | 4.49 |
| Adjusted net earnings [3] | **1,108** | 1,166 | **3,827** | 4,666 |
| Per share ("adjusted EPS") [2,3] | **1.11** | 1.17 | **3.82** | 4.67 |
| EBITDA [3] | **(4,023)** | 1,998 | **987** | 8,376 |
| Adjusted EBITDA [3] | **2,173** | 2,210 | **7,457** | 8,611 |
| Total consolidated project capital expenditures | **697** | 663 | **2,616** | 2,275 |
| Total capital expenditures - expansion, sustaining and mine development | **1000** | 652 | **3,206** | 2,316 |
| Operating cash flow | **1,672** | 1,224 | **5,439** | 5,315 |
| Adjusted operating cash flow [3] | **1,752** | 1,299 | **5,156** | 5,680 |
| Adjusted operating cash flow before working capital changes [3] | **1,696** | 1,405 | **5,392** | 5,819 |
| Free cash flow [3] | **($66)** | $68 | **($838)** | $1,082 |
| Adjusted return on equity [3] | **19%** | 20% | **17%** | 22% |
| **Operating Data** | | | | |
| Gold | | | | |
| Gold produced (000s ounces) [4] | **2,019** | 1,814 | **7,421** | 7,676 |
| Gold sold (000s ounces) | **2,027** | 1,865 | **7,292** | 7,550 |
| Realized price ($ per ounce) [3] | **$ 1,714** | $ 1,664 | **$ 1,669** | $ 1,578 |
| Total cash costs ($ per ounce) [3] | **$ 584** | $ 505 | **$ 584** | $ 460 |
| All-in sustaining cash costs ($ per ounce) [3] | **$ 972** | $ 826 | **$ 945** | $ 752 |
| Copper | | | | |
| Copper produced (millions of pounds) | **130** | 143 | **468** | 451 |
| Copper sold (millions of pounds) | **154** | 135 | **472** | 444 |
| Realized price ($ per pound) [3] | **$ 3.54** | $ 3.69 | **$ 3.57** | $ 3.82 |
| C1 cash costs ($ per pound) [3] | **$ 2.07** | $ 1.96 | **$ 2.17** | $ 1.71 |

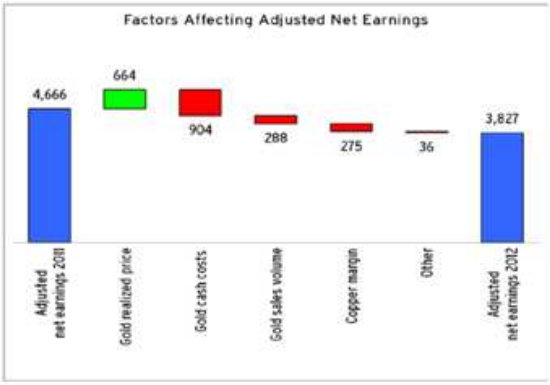
[1] Net earnings represent net income attributable to the equity holders of the Company.
[2] Calculated using weighted average number of shares outstanding under the basic method.
[3] Adjusted net earnings, adjusted EPS, EBITDA, adjusted EBITDA, adjusted operating cash flow, adjusted operating cash flow before working capital changes, free cash flow, adjusted return on equity, realized price, total cash costs, all-in sustaining cash costs and C1 cash costs are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see pages 60 - 67 of this MD&A.
[4] We sold our 20.4% investment in Highland Gold with an effective date of April 26, 2012. Production includes our equity share of gold production at Highland Gold up to that date.

**Key Highlights:**

- Net losses for 2012 were $665 million, compared to net earnings in the prior year of $4.5 billion. The decrease reflects the impact of impairment charges of $4.4 billion (net of tax effects), which includes $3.8 billion in after-tax impairment charges attributable to our copper business, primarily due to asset impairment charges at Lumwana, higher gold and copper cost of sales, lower gold sales volumes and lower realized copper prices, partially offset by higher realized gold prices and higher copper sales volumes as well as lower income tax expense. Adjusted net earnings for 2012 were $3,827 million, down 18% over the prior year. The decrease primarily reflects higher gold and copper cost of sales, lower gold sales volumes and lower realized copper prices, partially offset by higher realized gold prices, higher copper sales volumes and lower income tax expense.

- Gold production for 2012 was 7.4 million ounces, down slightly from the prior year, due to lower production in South America, Australia Pacific and ABG, partially offset by increased production in North America. Total cash costs for 2012 were $584 per ounce, up 27% over the prior year. The increase reflects higher direct mining costs, particularly higher labor, energy, maintenance and consumable costs, as well as the impact of lower production levels in South America, our lowest cost producer, which resulted in higher consolidated unit production costs.
- Copper production for 2012 was 468 million pounds, up 4% over the prior year, primarily due to the inclusion of a full year production from Lumwana, compared to only seven months in the comparable prior year period, partially offset by lower production at Zaldívar. Copper C1 cash costs for 2012 were $2.17 per pound, up 27% over the prior year. The increase reflects higher unit production costs at Lumwana.
- Significant adjusting items (net of tax effects) in 2012 include: impairment charges of $4.4 billion, which includes $3.8 billion in after-tax impairment charges attributable to our copper business, primarily due to asset impairment charges at Lumwana - refer to discussion about Lumwana in the Key Business Developments section of this MD&A on page 20 for further details; asset impairment charges on various properties in our oil & gas business unit ($155 million); asset impairment charges on an exploration property in Papua New Guinea ($141 million); write-down of our investment in Reko Diq ($120 million - refer to the discussion regarding Reko Diq on page 22 of this MD&A for more information); and a write-down of our investment in Highland Gold ($84 million), partially offset by $83 million in tax adjustments not related to current period earnings and $37 million in unrealized gains on non-hedge derivative instruments.
- Operating cash flow for 2012 was $5,439 million, up 2% over the prior year. The increase in operating cash flow primarily reflects a decrease in income tax payments of $509 million, $385 million in net proceeds related to the settlement of a portion of our Australian dollar hedge positions and a decrease in net working capital outflows, partially offset by lower net earnings. Adjusted operating cash flow for 2012 was $5,156 million, down 9% over the prior year. Adjusted operating cash flow was affected by the same factors as operating cash flow and removes the impact of the Australian dollar hedge settlement and non-recurring tax payments of $52 million.
- Capital expenditures were $6,369 million, up 28% over the prior year. Capital expenditures attributable to Barrick for 2012 were $5,994 million, up 30% over the prior year. The increase reflects higher project capital expenditures and an increase in minesite expansion and mine development expenditures.
- Free cash flow for 2012 decreased by $1,920 million over the prior year, primarily reflecting lower adjusted operating cash flow and higher capital expenditures.
- In first quarter 2012, our Board of Directors authorized a quarterly dividend of 20 cents per share, which equates to 80 cents per share on an annualized basis and represents a 33% increase from the previous quarterly dividend of 15 cents per share. Over the last six years, Barrick has had a consistent track record of returning capital to shareholders, increasing its dividends by more than 260%. The amount and timing of any dividends is within the discretion of our Board of Directors. The Board of Directors reviews the dividend policy quarterly based on our current and projected liquidity profile.



**Key Business Developments**

*Lumwana*

We have prepared a new life-of-mine (LOM) plan for Lumwana, which reflects information obtained from the exploration and infill drilling program that was completed late in the fourth quarter of 2012. The purpose of the drilling program was to better define the limits of mineralization and develop an updated, more comprehensive block model of the ore body for mine planning purposes. After this drilling was completed, the ore body did not meet our economic expectations. While the drilling increased reserves and defined significant additional mineralization, some at higher grades, much of it was deep and would require a significant amount of waste stripping, which makes it uneconomic based on our expected operating costs and current market copper prices. At higher copper prices, however, much of this copper will be economic and come into reserves and resources.

The new LOM plan also reflects revised operating and sustaining capital costs after results of the drill program were incorporated into a new block model for the life-of-mine plan. The revised LOM cost estimates - under present copper price assumptions - reduced expected copper production and, in turn, profitability over the mine life. As a result, we have recorded an after-tax asset impairment charge of $3.0 billion for Lumwana in the fourth quarter. We also recorded a goodwill impairment of $0.8 billion for the copper business unit for a total charge of $3.8 billion. We continue to progress a number of key initiatives to lower costs, including improvements to operating systems and processes, and a full transition to an owner maintained operation. A focus on higher utilization and productivity of the mining fleet has also been identified as one of the major opportunities to improve value. Until we can improve mining costs, and/or copper prices increase, the expansion opportunity to increase the throughput capacity of the processing plant does not meet our investment criteria. The Company will only invest capital if it generates acceptable rates of return suitable to the size of the capital investment. We will not invest capital simply to increase production.

*Pascua-Lama*

Pascua-Lama is a world-class resource with nearly 18 million ounces of proven and probable gold reserves, 676 million ounces of silver contained within the gold reserves, and a mine life of 25 years. It is expected to produce an average of 800,000-850,000 ounces of gold and 35 million ounces of silver in its first full five years of operation at all-in sustaining cash costs of $50-$200 per ounce [1] and total cash costs of $0 to negative $150 per ounce [1]. Including depreciation of mine construction capital, costs are expected to be $550-$700 per ounce [2].

During the fourth quarter, the cost estimate and schedule for the project was finalized. Expected total mine construction capital remains unchanged in the range of $8.0 to $8.5 billion, and includes a contingency of 15-20 percent of remaining capital. First gold production continues to be targeted for the second half of 2014. Incentives for both Fluor and Techint, our Engineering, Procurement, and Construction Management ("EPCM") partners, are based on the completion of the project in line with this estimate and schedule.

As of December 31, 2012, approximately $4.2 billion had been spent and construction was approximately 40 percent complete, largely in line with plan. The four kilometer long tunnel which conveys the ore from Chile to Argentina was approximately 70 percent complete. Construction of the primary crusher in Chile commenced in January 2013 and in Argentina, construction of the process plant facility advanced with approximately 60 percent of structural steel erected.

In September and October 2012, two constitutional rights protection actions were filed in Chile by representatives of an indigenous community and certain other individuals, seeking the suspension of construction of the Chilean portion of the Pascua-Lama project due to alleged non-compliance with the requirements of the project's Chilean environmental approval. Both cases have been admitted for review by the Court, with the first action proceeding towards a hearing. We intend to vigorously defend these actions.

During the fourth quarter of 2012, considerably stronger than normal winds contributed to increased dust in the open pit area. We immediately voluntarily halted pre-stripping activities in order to implement additional dust mitigation and control measures. Subsequently, regulatory authorities in Chile issued an order to suspend pre-stripping until such dust-related concerns are addressed. The project is strengthening dust mitigation and control measures, including enhanced tunnel ventilation, revised blasting fragmentation, use of more robust protective equipment and a dust monitoring

[1] Based on first full five year average gold, silver and WTI oil price assumptions of $1,700/oz, $30/oz and $90/bbl, respectively, and assuming a Chilean peso assumption of 475:1. Does not include escalation for future inflation.

[2] Based on first full five year average and includes mine construction capital of $8-$8.5 billion.

system. Restrictions may also be placed on the project due to the need to repair and improve certain aspects of the water management system in Chile.

Pre-stripping is unlikely to recommence until matters related to dust and water management are resolved. To date, the suspension of pre-stripping has not altered our target of first production in the second half of 2014. However, the outcomes of the regulatory processes, and of constitutional rights protection actions, are uncertain. We will continue to assess the potential for impacts on the timing of first gold production.

*Pueblo Viejo*

In the fourth quarter, pre-commercial production from the new Pueblo Viejo mine was 65,000 ounces (Barrick's 60 percent share), while plant commissioning advanced. In January 2013, the mine achieved commercial production. Modifications to one of the four autoclaves were carried out in December 2012 to implement design improvements and allow for higher throughputs, and are expected to be completed on the remaining three autoclaves in the first half of 2013. For 2013, Barrick's share of production from Pueblo Viejo is anticipated to be 500,000-650,000 ounces at all-in sustaining cash costs of $525-$575 per ounce [3] and total cash cost of $375-$425 per ounce [3] . The mine is expected to ramp up to full capacity in the second half of the year. Barrick's share of average annual gold production in the first full five years of operation is anticipated to be 625,000-675,000 ounces at all-in sustaining cash costs of $500-$600 per ounce [4] , total cash costs of $300-$350 per ounce [3] . Including depreciation of mine construction capital, costs are expected to be $650-$750 per ounce [5] . A 215 MW dual fuel power plant at an estimated cost of approximately $180 million (Barrick's 60 percent share) is expected to commence operations in 2013 utilizing heavy fuel oil, but have the ability to subsequently transition to lower cost liquid natural gas.

Certain members of the Dominican Republic ("DR") congress, including the President of the Chamber of Deputies, have expressed a desire to amend the Special Lease Agreement ("SLA") to accelerate and increase the benefits that the DR will derive from the Pueblo Viejo mine. The SLA, which provides for substantial benefits to the DR, including royalties, taxes, in addition to the other benefits such as employment and purchasing of goods and services, was approved by Congress in 2009 and cannot be unilaterally altered. However, the Company, while reserving its rights under the SLA, has engaged in dialogue with representatives of the government with a view to achieving a mutually acceptable outcome. At this time, the outcome of the dialogue is uncertain, but any amendments to the SLA could impact the overall economics.

*Jabal Sayid*

Construction of the processing infrastructure for the Jabal Sayid copper mine in Saudi Arabia was completed in third quarter 2012, but commissioning was delayed when the company received notification from the HCIS ministry that the mine site was not in compliance with the recently introduced safety and security standards. Following receipt of the notification, all explosives were removed from the site and a dedicated EPCM team has been working towards, and making progress towards, achieving full compliance with these standards in a process that is expected to take until 2014 and cost approximately $100 million. In the meantime, the number of employees at site has been reduced to minimize holding costs and management is using 2013 to complete a hauling/hoisting optimization study with the goal of improving LOM cash flow from the mine when it comes into production in 2014.

Once Jabal Sayid comes into production, the average annual copper output in concentrate is expected to be 100-130 million pounds at C1 cash costs of $1.50 - $1.70 per pound [6] in its first full five years of operation.

Since the Company acquired its interest in the Jabal Sayid project through its acquisition of Equinox Minerals in 2011, the Deputy Ministry for Mineral Resources (DMMR), which oversees the mining license, has questioned whether such change in the indirect ownership of the project, as well as previous changes in ownership, required the prior consent of DMMR. In December 2012, DMMR required the project to cease commissioning of the plant using stockpiled ore, citing alleged noncompliances with the mining investment law and the mining license, and, in January 2013, required related companies to cease exploration activities, citing noncompliance with the law and the exploration licenses related to the ownership changes. The Company does not believe that such consent was required as a matter of law, but has responded to requests of DMMR, including through the provision of additional guarantees and undertakings, and stated its firm desire to fully satisfy any related requirements of DMMR.

[3] Actual results will vary depending on how the ramp-up progresses.
[4] Based on first full five year average and gold and WTI oil price assumptions of $1,700/oz and $90/bbl, respectively. Does not include escalation for future inflation.
[5] Based on first full five year average and includes mine construction capital of $3.7 billion.
[6] Does not include escalation for future inflation.

*Reko Diq*

In fourth quarter 2012, we recorded a write-down of $120 million related to our investment in Tethyan Copper Company ("TCC"), which holds our interest in the Reko Diq project, due to political, legal, and regulatory uncertainties, particularly in regard to Pakistan and the Province of Balochistan. This write-down has been taken without prejudice to the legal remedies that may be obtained through the ongoing arbitration proceedings brought by TCC against the Government of Pakistan with the International Centre for Settlement of Investment Disputes asserting breaches of the Bilateral Investment Treaty between Australia (where TCC is incorporated) and Pakistan, and another against the Province of Balochistan with the International Chamber of Commerce asserting breaches of the joint venture agreement between TCC and Balochistan.

*Other developments*

In January 2013, we confirmed that we have commenced a process to potentially divest Barrick Energy as part of our ongoing global portfolio optimization in accordance with our disciplined capital allocation framework.

In January 2013, we also announced that we are no longer in discussions with China National Gold regarding the possible sale of our 73.9% equity interest in ABG.

**Outlook for 2013**

*2013 Guidance Summary*

| | **2012 Actual** | 2013 Guidance |
|---|---|---|
| Gold production and costs | | |
| Production (millions of ounces) [1] | **7.4** | 7.0 - 7.4 |
| Cost of sales [2] | **6,210** | 6,700 - 7,000 |
| Gold unit production costs | | |
| All-in sustaining cash costs ($ per ounce) [3] | **945** | 1,000 - 1,100 |
| Total cash costs ($ per ounce) [4] | **584** | 610 - 660 |
| Depreciation ($ per ounce) [5] | **191** | 210 - 220 |
| Copper production and costs | | |
| Production (millions of pounds) | **468** | 480 - 540 |
| Cost of sales [6] | **1,279** | 1,200 - 1,400 |
| Copper unit production costs | | |
| C1 cash costs ($ per pound) | **2.17** | 2.10 - 2.30 |
| Depreciation ($ per pound) | **0.46** | 0.30 - 0.40 |
| C3 fully allocated costs ($ per pound) | **2.97** | 2.60 - 2.85 |
| Exploration and evaluation expense | **429** | 280 - 300 |
| Exploration | **293** | 220 - 230 |
| Evaluation | **136** | 60 - 70 |
| Corporate administration | **195** | 160 - 180 |
| Other Expense [7] | **633** | 420 - 440 |
| Finance costs | **177** | 425 - 450 |
| Capitalized interest | **547** | 380 - 400 |
| Capital expenditures: | | |
| Minesite sustaining | **1,281** | 1,000 - 1,100 |
| Mine development | **1,071** | 1,200 - 1,300 |
| Minesite expansion | **612** | 800 - 900 |
| Projects - initial capital | **2,353** | 2,400 - 2,600 |
| Projects - infrastructure | **130** | 300 - 400 |
| Total capital expenditures | **5,447** | 5,700 - 6,300 |
| Effective income tax rate | **32%** | 30% |
| **Key Assumptions** | | |
| Gold Price ($/ounce) | | $1,700 |
| Copper Price ($/pound) | | $3.50 |
| Silver Price ($/ounce) | | $32 |
| Oil Price ($/barrel) | | $90 |
| AUD Exchange Rate | | $1.00 |
| CLP Exchange Rate | | 475 |

[1] Guidance for gold production reflects Barrick's equity share of production from ABG (73.9%) and Pueblo Viejo (60%).

[2] Cost of sales applicable to gold includes depreciation expense and cost of sales applicable to the non-controlling equity interests in ABG and Pueblo Viejo. Cost of sales guidance does not include proceeds from by-product metal sales or the net contribution from Barrick Energy, whereas guidance for total cash costs does reflect these items.

[3] Beginning in 2013, we are adopting an all-in sustaining cash costs measure that better reflects the full cost of producing gold from our current operations (see page 62 of this MD&A for further details).

[4] 2013E total cash costs reflects an amendment to our accounting policy on production phase stripping costs as a result of the implementation of IFRIC 20 (see page 54 of the MD&A for further details.) The implementation of IFRIC 20 will result in an increase in the amount of stripping costs that are capitalized (as mine development) and a corresponding decrease in total cash costs. Our 2012 total cash costs, restated for the change in accounting policy, are estimated to be about $560 per ounce and mine development expenditures were higher by about $430 million. Total cash costs includes expected

proceeds of approximately $306 million (2012: $140 million) from the sale of by-product metals and the net contribution of approximately $105 million from Barrick Energy (2012: $90 million).

5 Includes depreciation expense related to Barrick Energy.

6 Cost of sales applicable to copper includes depreciation expense.

7 Other expense includes RBU segment administration costs of $180-$200 million (2012: $222 million). Other expense is expected to be lower in 2013 as 2012 costs include adjusted items of approximately $118 million in adjusting items that we excluded from our definition of adjusted net earnings, primarily due to amounts attributable to foreign currency translation losses on working capital balances and the effect of discount rate changes on environmental provisions at closed sites.

*2013 Guidance Analysis*

**Production**

We prepare estimates of future production based on mine plans that reflect the expected method by which we will mine reserves at each site. Actual gold and copper production may vary from these estimates due to a number of operational factors, including whether the volume and/or grade of ore mined differs from estimates, which could occur because of changing mining rates, ore dilution, varying metallurgical and other ore characteristics, and/or short-term mining conditions that require different sequential development of ore bodies or mining in different areas of the mine. Certain non-operating factors may also cause actual production to vary from guidance, including litigation, regulatory and political risk, the regulatory environment and the impact of global economic conditions. Mining rates are also impacted by various risks and hazards inherent at each operation, including natural phenomena, such as inclement weather conditions, floods and earthquakes, geotechnical and unexpected civil disturbances, labor shortages or strikes.

We expect 2013 gold production to be about 7.0 to 7.4 million ounces. Our gold production mix is expected to change as a result of higher production in North America, which is offset by lower production in South America. The production mix within North America is also expected to change due to the ramp-up of Pueblo Viejo to full production in the second half of 2013, partially offset by reduced production from Goldstrike and Cortez. At Goldstrike, lower production is attributable to lower grade and lower tons processed, primarily due to reduced autoclave capacity due to construction activity related to the thiosulfate project (refer to page 39 for further details regarding this project). At Cortez, lower production is expected due to lower average head grades and a change in the mix of ore processed to more heap leach tons, which have lower recovery rates.

South American production is expected to be lower than 2012 levels, primarily due to lower production at Veladero and Lagunas Norte. At Veladero, lower production is a result of mining less ore tons at lower average grades and an increase in waste tons mined as a result of a higher stripping ratio in 2013. At Lagunas Norte, lower production is due to lower average ore grades and lower expected recovery rates as a result of the mining of a higher percentage of sulfide ore. Production at Australia Pacific is expected to be consistent with 2012 levels and production at ABG is expected to be slightly lower than 2012, primarily due to lower than expected ore tons mined at Bulyanhulu combined with the expected closure of Tulawaka in the second quarter.

Copper production is expected to increase from 468 million pounds in 2012 to about 480 to 540 million pounds in 2013, due to higher production from Lumwana. Higher production at Lumwana is expected as a result of the processing of more tons at higher average ore grades. The increase in tons processed reflects higher plant throughput in 2013 as a result of a larger fleet and improved utilization and availability of equipment. Production at Zaldívar is expected to remain at levels similar to 2012.

**Revenues**

Revenues include consolidated sales of gold, copper, oil and metal by-products. Revenues from oil and metal by-products are reflected in our guidance for total cash costs. Revenues from gold and copper reported in 2013 will reflect the sale of production at market gold and copper prices and the impact of our copper collar contracts, where we have put in place floor protection on approximately 50% of our expected copper production in 2013 at an average floor price of $3.50 per pound. In addition, we have sold an equal amount of call options at an average price of $4.25 per pound. Barrick does not provide guidance on 2013 gold and copper prices, but we have assumed a gold price of $1,700 per ounce and a copper price of $3.50 per pound for the purpose of preparing our internal plans.

**Cost of Sales, Total Cash Costs and All-in Sustaining Cash Costs**

We prepare estimates of cost of sales, total cash costs and all-in sustaining cash costs based on expected costs associated with mine plans that reflect the expected method by which we will mine reserves at each site. Cost of sales, total cash costs and all-in sustaining cash costs per ounce/pound are also affected by ore metallurgy that impacts gold and copper recovery rates, labor costs, the cost of mining supplies and services, foreign currency exchange rates and stripping costs incurred during the production phase of the mine. In the normal course of our operations, we attempt to manage each of these risks to

mitigate, where possible, the effect they have on our operating results.

Cost of sales applicable to gold is expected to be in the range of $6.7 to $7.0 billion, compared to $6.2 billion in 2012. The increase is primarily due to the commencement of operations at Pueblo Viejo, combined with higher direct mining costs, particularly higher labor, power, energy, maintenance and consumable costs, due to an increase in total tons mined and processed in 2013 compared to the prior year.

Total cash costs are expected to be in the range of $610 to $660 per ounce, up from $584 per ounce in 2012. The increase in total cash costs is primarily due to the impact of an increase in tons mined and processed in order to offset the impact of lower ore grades on production levels, particularly in North America and South America. Higher tonnage production in 2013 requires increased amounts of labor, power, energy and maintenance and consumables compared to the prior year. Other cost pressures include the increase in our effective Australian dollar hedge rates from 2012 to 2013.

Beginning in 2013, we are adopting an all-in sustaining cash costs measure that better reflects the full cost of producing gold from our current operations. All-in sustaining cash costs are expected to be in the range of $1,000 - $1,100 per ounce for gold, up from $945 per ounce in 2012. The increase principally reflects the increase in total cash costs per ounce sold from $584 per ounce to our expected range of $610 - $660 per ounce. For comparison purposes, we have provided our all-in sustaining cash costs figure for 2012 in the table below:

| ($ per ounce)<br>For the year ended December 31 | **2012** |
|---|---|
| Total cash costs | **$584** |
| Minesite sustaining capital expenditures | **155** |
| Mine development expenditures | **114** |
| Corporate administration applicable to gold segments | **51** |
| Exploration and evaluation | **21** |
| Environmental rehabilitation costs | **20** |
| All-in sustaining cash costs | **$945** |

Cost of sales applicable to copper is expected to be in the range of $1,200 to $1,400 million, compared to $1,279 million in the prior year. The increase primarily reflects the increase in expected production levels. C1 cash costs are expected to be in the range of $2.10 to $2.30 per pound for copper, as compared to C1 cash costs of $2.17 per pound in 2012. C3 cash costs are expected to be in the range of $2.60 - $2.85 as compared to C3 costs of $2.97 per pound in 2012.

**Exploration and Evaluation**
We expect to expense approximately $280 to $300 million of Exploration and Evaluation (E&E) expenditures in 2013. Costs primarily reflect ongoing programs at Cortez, Cerro Casale, Veladero, and Jabal Sayid.

**Finance Costs**
Finance costs primarily represent interest expense on long-term debt. We expect higher finance costs in 2013, primarily due to lower capitalized interest at Pueblo Viejo following commencement of commercial production in 2013, and at Lumwana as a result of the deferral of the expansion plan.

**Capital Expenditures**
Total capital expenditures for 2013 are expected to be in the range of $5.7 to $6.3 billion, compared to $5.4 billion in 2012. The expected increase is primarily related to an amendment to our accounting policy on production phase stripping costs as a result of the implementation of IFRIC 20 in 2013. The adoption of IFRIC 20 will result in an increase in capitalized stripping costs (2012: estimated to be about $430 million). In addition, capital expenditures were about $300 million less than expected in 2012 due to timing delays with respect to the completion of certain projects and initiatives, which have resulted in a shift in the outlays into 2013. Excluding the impact of the change in accounting policy and the timing impact of the deferral of some 2012 expenditures, expected capital expenditures in 2013 are in line with our budgeted 2012 levels. Increases in project expenditures and mine expansion expenditures are expected to be offset by a decrease in sustaining expenditures, which reflects our ongoing cost reduction efforts.

*Minesite Sustaining*
Sustaining capital expenditures are expected to decrease from 2012 expenditure levels of $1,281 million to about $1,000 to $1,100 million, mainly due to the completion of various projects in North America in 2012 related to infrastructure and tailings facility construction, mainly at Cortez, partially offset by the inclusion of a full year of sustaining capital expenditures at Pueblo Viejo.

*Mine development*
Mine development capital expenditures include capitalized waste stripping costs at our open pit mines, underground mine development and exploration and evaluation expenditures that meet our criteria for capitalization. In 2013, mine development expenditures are expected to be in the range of $1,200 million to

$1,300 million, up from $1,071 million in 2012. This increase is primarily due to the change in our accounting policy on production phase stripping costs. Capitalized stripping and underground development expenditures in 2013 are largely attributable to significant waste stripping activity at Bald Mountain, Cortez, Goldstrike, Porgera, Veladero and Cowal.

*Minesite Expansion*
The expected increase in expansion capital relates to various projects to increase production compared to current LOM levels at Goldstrike and Turquoise Ridge in North America, Lagunas Norte in South America and at ABG's Bulyanhulu mine. Minesite expansion expenditures also include capitalized expenditures related to the Goldrush project that were expensed in 2012.

**Project Capital Expenditures**

| ($ millions) | 2012 Actual | 2013 Guidance |
|---|---|---|
| Projects - initial capital | | |
| Pascua-Lama | $1,809 | $2,200 - $2,400 |
| Pueblo Viejo (60% basis) | 367 | ~$40 |
| Cerro Casale (75% basis) | 32 | ~$20 |
| Jabal Sayid | 145 | ~100 |
| | $2,353 | $2,400 - $2,600 |
| Projects - infrastructure | | |
| Pascua-Lama | $8 | $250 - $325 |
| Pueblo Viejo (60% basis) | 122 | $50 - $75 |
| | $130 | $300 - $400 |

*Projects - Initial Capital*
Projects - initial capital expenditures reflect capital expenditures related to the initial construction of the project. The initial capital reflects the amounts included in our estimate of initial construction costs that we provide external guidance on. It reflects all of the expenditures required to bring the project into operation and achieve commercial production levels. In 2013 we expect our share of initial capital costs on our projects to be in the range of $2,400 to $2,600 million, in line with capital costs of $2,353 million in 2012. This reflects an increase in the construction activity at Pascua-Lama, partly offset by lower project capital expenditures at Pueblo Viejo following the commencement of commercial production in early 2013.

*Projects - Infrastructure*
Projects - infrastructure capital expenditures reflect expenditures on mine site infrastructure that were not included in the initial construction budget of the project. These expenditures are not necessary to achieve initial commercial production but are required to support the long-term sustainability of the operation. In 2013, these expenditures include the completion of the dual fuel power plant at Pueblo Viejo, as well as expenditures at Pascua-Lama related to the second primary crusher and other site infrastructure. The Pascua-Lama expenditures were originally expected to be incurred after the start-up of commercial production, but have now been advanced in order to take advantage of construction synergies.

**Income Taxes**
Our underlying expected effective tax rate of 30% excludes the impact of currency translation gains/losses and changes in the recognition of deferred tax assets.

Based on our current outlook assumptions, cash tax payments in 2013 are expected to be consistent with 2012. Cash tax payments in 2013 are expected to be the highest in the second quarter due to the settlement of some 2012 liabilities and operating cash flow will be reduced accordingly.

**Outlook Assumptions and Economic Sensitivity Analysis**

| | 2013 Guidance Assumption | Hypothetical Change | Impact on Total Cash Costs | Impact on EBITDA (millions) |
|---|---|---|---|---|
| Gold revenue | $1,700/oz[1] | $50/oz | n/a | $350 - $370 |
| Copper revenue [2] | $3.50/lb[1] | + $0.25/lb | n/a | $120 - $130 |
| | $3.50/lb[1] | - $0.25/lb | n/a | $60 - $70 |
| Gold total cash costs | | | | |
| Gold price effect on royalties | $1,700/oz | $50/oz | $1.30/oz | $10 |
| WTI crude oil price [3] | $90/bbl | $10/bbl | $1.25/oz | $9 |
| Australian dollar exchange rate [3] | 1 : 1 | 10% | $11/oz | $80 |
| Copper C1 cash costs | | | | |
| WTI crude oil price [3] | $90/bbl | $10/bbl | $- | $1 |
| Chilean peso exchange rate [3] | 475 : 1 | 10% | $- | $- |

[1] We have assumed a gold price of $1,700 per ounce and copper price of $3.50/lb, which are in line with current market prices.
[2] Utilizing option collar strategies, the Company has protected the downside on approximately 50 percent of its expected 2013 copper production at an average price of $3.50 per pound and can participate on the same amount up to an average price of $4.25 per pound.
[3] Due to hedging activities we are largely protected against changes in these factors.

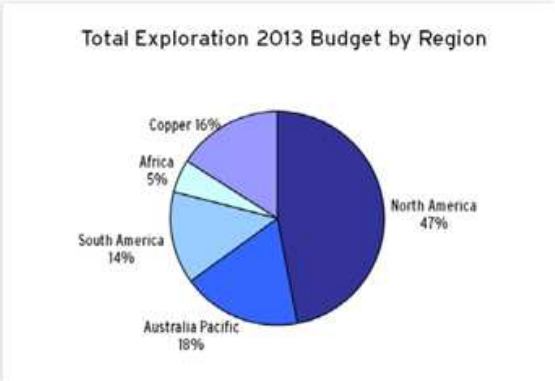
**Exploration and Mineral Reserves and Mineral Resources Update [7]**

*Exploration*

Barrick's exploration strategy is aligned with its business objectives. It involves having a balanced approach to increasing profitable production through acquisitions, project development and new discoveries. It employs a three-fold approach:

1. Looking for the next flagship deposit - we have a measured and disciplined approach to monitoring and exploring for flagship deposits with the potential to materially grow our production profile;
2. Replacing and adding resources at existing operations and development projects - we add value by aggressively exploring around our existing operations where we can quickly monetize the ounces we find; and
3. Working closely with Corporate Development - to help identify the best assets with early opportunity and upside potential.

The 2013 exploration budget guidance is $400 to $440 [8] million, of which approximately 45 percent will be capitalized. While this represents a reduction from 2012, it is focused on quality, priority projects and is in line with our disciplined capital allocation approach. It is still a substantial budget and supports a strong pipeline of projects, and is weighted towards near-term resource additions and conversion at our existing mines where we believe there is excellent potential to make new discoveries and to expand reserves and resources. The budget also provides support for earlier stage exploration in our operating districts and a smaller percentage of the budget is directed at emerging areas in order to generate quality projects for future years. North America will be allocated approximately 50 percent of the budget, the majority of which is targeted for Nevada. Australia Pacific will receive about 18 percent of the budget, copper will be allocated about 16 percent and South America about 14 percent, with the balance going to ABG.




[7] For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 142 to 147 of this Financial Report.
[8] Barrick's exploration programs are designed and conducted under the supervision of Robert Krcmarov, Senior Vice President, Global Exploration of Barrick.

Our key exploration efforts in 2013 are focused on Goldrush and the Cortez District, which are described below in further detail.

*Goldrush and Cortez District*
In Nevada, drilling in 2012 doubled and upgraded the resource base at Goldrush. The updated measured and indicated resource of 8.4 million ounces represents more than a 500 percent increase from 2011. Additionally, there are 5.7 million ounces in the inferred category. The footprint of the deposit has more than doubled to greater than seven kilometers, and the system still remains open in multiple directions. As this project advances through prefeasibility, a number of development options are being considered, including open pit mining, underground mining, or a combination of both. In addition, shallow mineralization has been encountered to the west, and high grade mineralization has been encountered to the north, which provides flexibility on mining and development options.

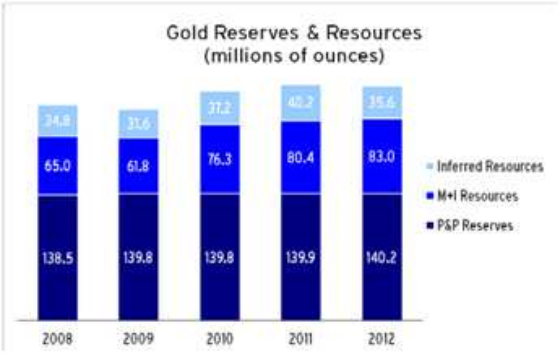
The greater Cortez area contains substantial district-scale opportunities, including a new parallel exploration trend identified to the west of Goldrush, and the northern, eastern and southern extensions of the Goldrush system. Exploration drilling programs will be focused on growing and upgrading the resource base, delineating the extent of the system and exploring the potential for extensions to the north and south. In addition, the potential of the newly identified parallel trend to the west will be assessed. A scoping study has been recently completed, and a prefeasibility study is underway parallel with continuing exploration work and technical studies. This district is a cornerstone of Barrick's current and future success and is located in a mining area well provided with significant infrastructure and expertise.

*Mineral Reserves and Mineral Resources update* [9]
We replaced proven and probable gold reserves for the seventh straight year to an industry-leading 140.2 million ounces [10] at the end of 2012, based on a $1,500 [11] per ounce gold price. The increase primarily reflects reserve additions at Cortez, Granny Smith, Goldstrike, Cowal and Turquoise Ridge partially offset by a decrease in Ruby Hill, North Mara and Pierina. Contained silver within reported gold reserves is 1 billion ounces.

Measured and indicated gold mineral resources increased by 3% to 83.0 million ounces and inferred gold mineral resources decreased by 11% to 35.6 million ounces based on an assumed gold price of $1,650 per ounce.

Proven and probable copper reserves increased by 1.2 billion pounds to 13.9 billion pounds, based on a $3.00 per pound copper price. Measured and indicated copper resources decreased by 33% to 10.3 billion pounds and inferred copper resources decreased by 97% to 0.5 billion pounds based on a $3.50 per pound copper price, due to the exclusion of Reko Diq from our 2012 resources.

Replacing gold and copper reserves depleted by production year over year is necessary in order to maintain production levels over the long term. If depletion of reserves exceeds discoveries over the long term, then we may not be able to sustain gold and copper production levels. Reserves can be replaced by expanding known ore bodies, acquiring mines or properties or discovering new deposits. Once a site with gold or copper mineralization is discovered, it takes many years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves and to permit and construct mining and processing facilities.




[9] For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 142 to 147 of this Financial Report.
[10] 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 the Staff of the SEC, applies different standards in order to classify mineralization as a reserve. Accordingly, for U.S. reporting purposes, approximately 1.98 million ounces of reserves at Pueblo Viejo (Barrick's 60% interest) is classified as mineralized material. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 142 to 147 of Barrick's 2012 Year-End Report.
[11] Reserves at Round Mountain have been calculated using a long-term average gold price of $1,200 per ounce.

**Enterprise Risk Management Approach**

We believe that an enterprise-wide approach to risk management allows us to efficiently and effectively consolidate risks so that they can be prioritized and addressed at the appropriate level with optimal resources. Consequently, we have established an enterprise risk management ("ERM") process for identifying, evaluating and managing company-wide risks. While risk is an inherent component of our business, we believe that effective risk management can enhance our ability to deliver on our overall vision and meet our strategic objectives. The key objectives of our ERM program are:

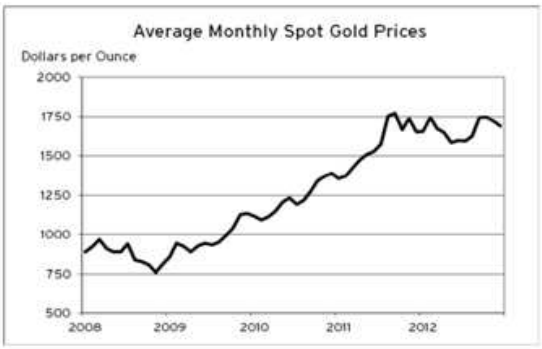
- Adopt appropriate processes to identify and effectively manage risk company-wide;
- Ensure that leadership at all levels of the organization understand their risks;
- Facilitate the integration of mitigation strategies for the top priority risks into the company strategy and business plans; and
- Provide regular updates on the mitigation strategies for the top priority enterprise risks to the senior leadership team ("SLT").

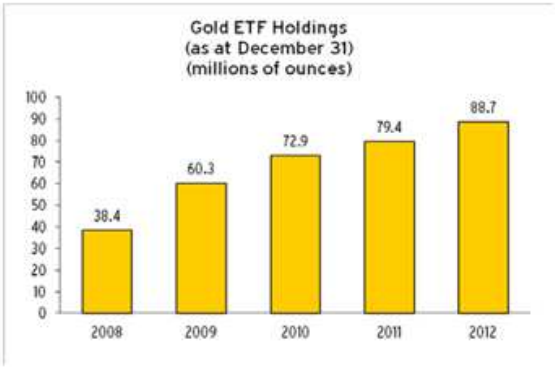
We have provided a description of some of the key risks facing the Company throughout this MD&A. For a complete discussion of the most significant risks, see "Risk Factors" in our most recent Form 40-F/Annual Information Form on file with the SEC and Canadian provincial securities regulatory authorities.

**Market Overview**

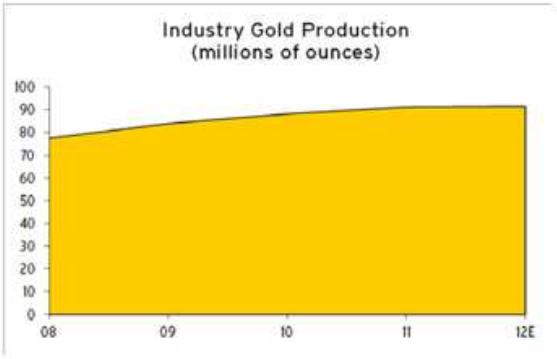
*Gold and Copper*

The market prices of gold and copper are the primary drivers of our profitability and our ability to generate free cash flow for our shareholders. The prices of gold and copper 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. Gold price volatility remained high in 2012, with the price ranging from $1,527 per ounce to $1,796 per ounce. The average market price for the year of $1,669 per ounce was an all-time record high and represented an increase of 6% over 2011. Gold has continued to attract investor interest through its role as a safe haven investment, store of value and alternative to fiat currency due to concerns over global economic growth, geopolitical issues, sovereign debt and deficit levels, bank stability, future inflation prospects, and continuing accommodative monetary policies put in place by many of the world's central banks. In particular, the current monetary policies of the US Federal Reserve have a significant impact on the price of gold. In 2012, it announced that it would purchase $40 billion per month of agency mortgage-backed securities and $45 billion per month of longer-term Treasury securities in order to support a stronger economic recovery until the outlook for the labor market improves substantially. The continuing uncertain macroeconomic environment and loose monetary policies, together with the limited choice of alternative safe haven investments, is supportive of continued strong investment demand. Throughout 2012, we have continued to see increased interest in holding gold as an investment. This was evidenced by the growth in Exchange Traded Funds ("ETFs"), which increased by 10 million ounces to a total of 89 million ounces, as well as the worldwide demand for physical gold in forms such as bars and coins. Physical demand for gold for jewelry and other uses also remains a significant driver of the overall gold market. A continuation of these trends is supportive of higher gold prices.



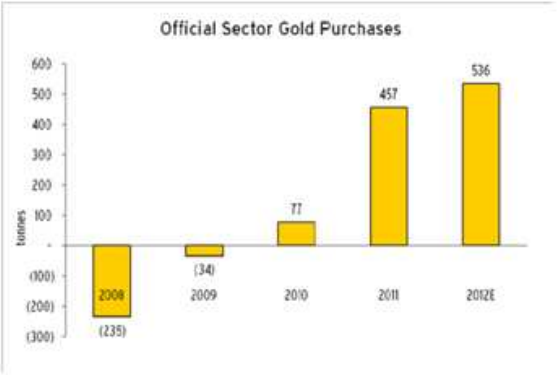

Source: UBS




Source: Thomson Reuters GFMS

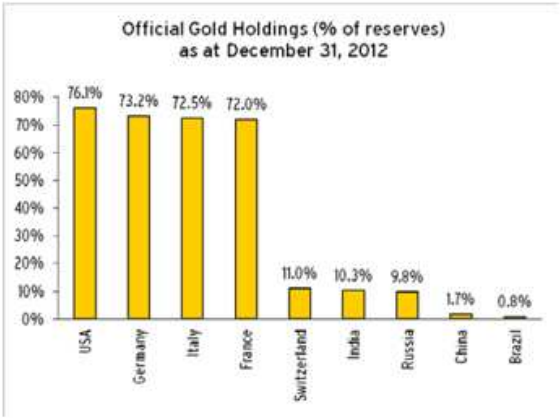
Gold prices also continue to be influenced by long-term trends in global gold mine production and the impact of central bank gold activities. Gold production has increased in recent years with the extension of the lives of older mines due to the rising gold price. The time requirement to bring projects to the production stage and the increasing costs and risks of building a mine, including concerns of resource nationalism and lengthened permitting processes, are expected to slow the pace of new production in future years.

In the third year of the Central Bank Gold Agreement ("CBGA"), which ended in September 2012, the signatory members sold 6 tonnes of gold, or less than 2% of the maximum agreed amount. In addition, for the third consecutive year, global central banks were net buyers of gold in 2012, with the central banks of Turkey, Russia, the Philippines, Kazakhstan, Brazil, Mexico and South Korea, among others, adding to their gold reserves.




Source: World Gold Council and Thomson Reuters GFMS

The reserve gold holdings as a percentage of total reserves of emerging market countries, such as the BRIC countries (Brazil, Russia, India, and China), are significantly lower than other developed countries. The central banks of these developing economies hold a significant portion of their reserves in US dollar government assets and, as they identify a need to diversify their portfolio and reduce their exposure to the US dollar, we believe that gold will be one of the main beneficiaries. In conjunction with the very low amount of gold sold under the CBGA quota, which is expected to continue in the current year of the agreement, the net purchases of gold by global central banks provide a strong indication that gold is viewed as a reserve asset and a de facto currency.




Source: World Gold Council

During 2012, London Metals Exchange ("LME") copper prices traded in a range of $3.27 to $3.98 per pound, averaged $3.61 per pound, and closed the year at $3.59 per pound. Copper's strength lies mainly in strong physical demand from emerging markets, especially China, which has resulted in a physical deficit in recent years. In addition, there has been significant investor interest in base metals with strong forward-looking supply/demand fundamentals. Copper prices should continue to be influenced by demand from Asia, global economic growth, the limited availability of scrap metal and production levels of mines and smelters in the future.

Utilizing option collar strategies, including positions added subsequent to year end, the Company has protected the downside on approximately 50% of our expected 2013 copper production at an average floor price of $3.50 per pound and can participate on the same amount up to an average price of $4.25 per pound. Our realized price on all 2013 copper production is expected to be reduced by approximately $0.04 per

pound as a result of the net premium paid on option hedging strategies. Our remaining copper production is subject to market prices.

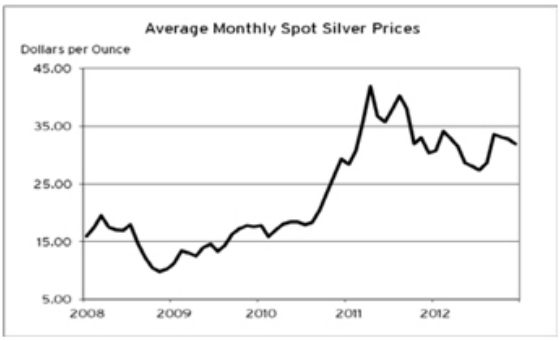

*Silver*

Silver traded in a wide range of $26.16 per ounce to $37.48 per ounce in 2012, averaged $31.15 per ounce and closed the year at $29.95 per ounce. The physical silver market is currently in surplus, but investor interest continues to be price supportive and continuing global economic growth is expected to improve industrial demand.

Silver prices do not significantly impact our current operating earnings, cash flows or gold total cash costs. Silver prices do have a significant impact on the estimated fair value and the overall economics (including the estimated rate of return we expect to earn on our invested capital) for our Pascua-Lama project, which is currently in the construction phase. In the first five full years of production, Pascua-Lama is expected to produce an average of 35 million ounces of silver per annum.

In 2009, we entered into a transaction with Silver Wheaton Corp. ("Silver Wheaton") whereby we sold 25% of the life of mine Pascua-Lama silver production from the later of January 1, 2014 or completion of project construction, and 100% of silver production from the Lagunas Norte, Pierina and Veladero mines until that time. Silver Wheaton has made up-front payments totaling $625 million. Silver Wheaton will also make ongoing payments of $3.90 per ounce in cash (subject to a 1% annual inflation adjustment starting three years after completing construction at Pascua-Lama) for each ounce of silver delivered under the agreement.

Utilizing option collar strategies, we have hedge protection on a total of 65 million ounces of expected silver production from 2013 to 2018, inclusive, with an average floor price of $23 per ounce and an average ceiling price of $53 per ounce. We have paid a net premium of approximately $0.60 per ounce for these strategies.




*Currency Exchange Rates*

The results of our mining operations outside of the United States are affected by US dollar exchange rates. The largest single exposure we have is to the Australian dollar : US dollar exchange rate. We also have exposure to the Canadian dollar through a combination of Canadian mine operating costs and corporate administration costs and exposure to the Chilean peso as a result of the construction of our Pascua-Lama project and Chilean mine operating costs. In addition, we have exposure to the Papua New Guinea kina, Peruvian sol, Zambian kwacha, Tanzanian shilling and Argentinean peso through mine operating and capital costs.

Fluctuations in the US dollar increase the volatility of our costs reported in US dollars, subject to protection that we have put in place through our currency hedging program. Australia, Canada and Chile each continue to emerge from the global economic crisis better than many other OECD countries. As a result, the Australian dollar, Canadian dollar and Chilean peso traded at historically strong levels during the year against the currencies of larger developed economies, including the US dollar and Euro. In 2012, the Australian dollar traded in a range of $0.96 to $1.09 against the US dollar, while the US dollar against the Canadian dollar and Chilean peso yielded ranges of $0.96 to $1.04 and CLP467 to CLP523, respectively.

About 60% of our consolidated production costs are denominated in US dollars and are not exposed to fluctuations in US dollar exchange rates. For the remaining portion, our currency hedge position allows for more accurate forecasting of our anticipated expenditures in US dollar terms and mitigates our exposure to volatility in the US dollar. Our currency hedge position has provided benefits to us in the form of

hedge gains recorded within our operating costs when contract exchange rates are compared to prevailing market exchange rates as follows: 2012 - $336 million; 2011 - $344 million; and 2010 - $145 million. As a result of the gains from our currency hedging program, total cash costs were reduced by $46 per ounce in 2012. Also for 2012, we recorded currency hedge gains in our corporate administration costs of $20 million (2011 - $24 million and 2010 - $33 million) and capitalized additional currency hedge gains of $13 million (2011 - $64 million and 2010 - $13 million).

Our average hedge rates vary depending on when the contracts were put in place. We have hedged AUD $340 million, CAD $424 million and CLP 356 billion in 2013 for expected Australian, Canadian and Chilean operating costs, including sustaining and eligible project capital expenditures and Canadian corporate administrative costs at average rates of $0.96, $1.02 and 514, respectively. During 2012, with the Australian dollar trading at historically elevated levels against the US dollar, and based on our currency outlook, the Company opportunistically unwound approximately AUD $2.6 billion of our Australian dollar hedges at an average spot rate of 1.05. We realized net cash proceeds of approximately $0.5 billion upon the settlement of these contracts. The corresponding accounting gains are recognized in the consolidated statement of income based on the original hedge contract maturity dates, which range until 2014, with remaining locked-in gains of approximately $280 million and $109 million, positively impacting our total reported cash costs in 2013 and 2014, respectively. However, we now have greater exposure to fluctuations in the price of the Australian dollar, which will have a negative impact on our reported total cash costs should the Australian dollar strengthen and a positive impact should the Australian dollar weaken. For 2013, every $0.01 movement in the Australian dollar will have an impact of approximately $2 per ounce on our consolidated total cash costs. Assuming December 31, 2012 market exchange rate curves and year-end spot price levels of AUD $1.04 against the US dollar and $0.99 and CLP479 for the US dollar against the Canadian dollar and Chilean peso, respectively, we expect to record gains of approximately $270 million against operating costs in 2013, primarily related to previously unwound Australian dollar hedges, or about $37 per ounce based on total forecasted 2013 production. Additionally, we expect to record gains of approximately $15 million against administrative costs, $25 million against capital expenditures and a further $30 million of non-hedge gains. Beyond 2013, we have hedge protection in place for about AUD $1.5 billion at an average rate of $0.92 and about CLP 356 billion at an average rate of 510 between 2014 and 2016. Further information on our currency hedge positions is included in note 23 to the consolidated financial statements.

**AUD Currency Contracts**

| | Contracts (AUD millions) | Effective Average Hedge Rate (AUDUSD) | % of Total Expected AUD Exposure [2] Hedged | % of Expected Operating Cost Exposure Hedged | Crystallized OCI [1] (USD millions) |
|---|---|---|---|---|---|
| 2013 | 340 | 0.96 | 19% | 24% | 280 |
| 2014 | 338 | 0.92 | 18% | 23% | 109 |
| 2015 | 707 | 0.92 | 42% | 51% | - |
| 2016 | 480 | 0.90 | 30% | 37% | - |

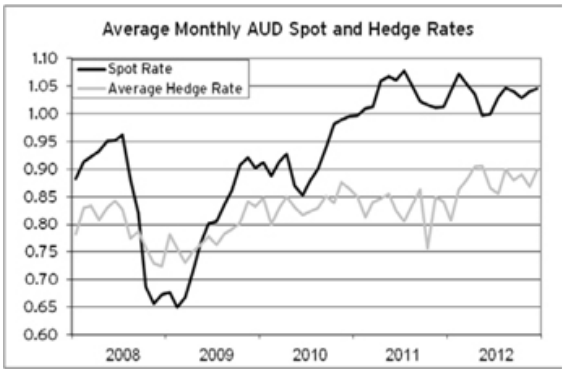
**CAD Currency Contracts**

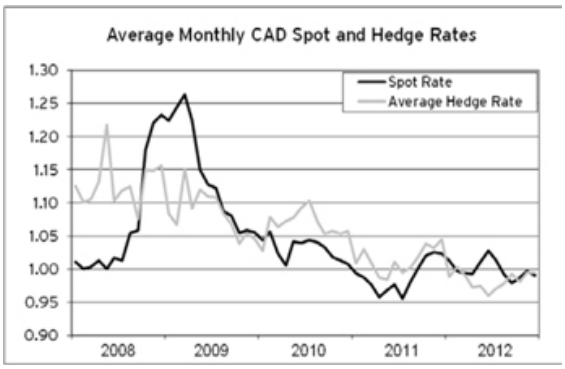
| | Contracts (CAD millions) [3] | Effective Average Hedge Rate (USDCAD) | % of Total Expected CAD Exposure [2] Hedged | % of Expected Operating Cost Exposure Hedged |
|---|---|---|---|---|
| 2013 | 424 | 1.02 | 89% | 100% |
| 2014 | 96 | 1.00 | 19% | 22% |

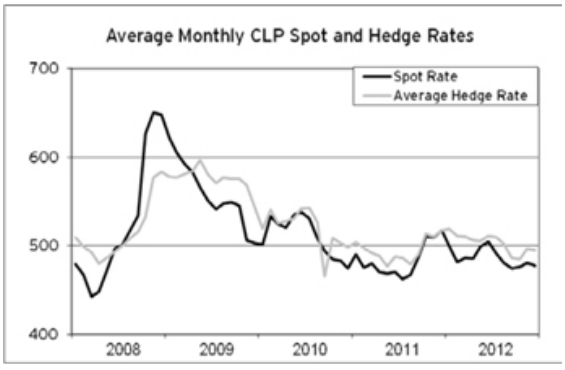
**CLP Currency Contracts**

| | Contracts (CLP millions) [4] | Effective Average Hedge Rate (USDCLP) | % of Total Expected CLP Exposure [2] Hedged | % of Expected Operating Cost Exposure Hedged |
|---|---|---|---|---|
| 2013 | 356,175 | 514 | 100% | 100% |
| 2014 | 287,016 | 509 | 84% | 100% |
| 2015 | 78,000 | 513 | 29% | 43% |

1 $280 million will be recognized in earnings in 2013 and $109 million in 2014.
2 Includes all forecasted operating, administrative, sustaining and eligible project capital expenditures.
3 Includes $208 million CAD contracts with a cap and floor of $1.00 and $1.08, respectively.
4 Includes CLP 383,558 million collar contracts that are an economic hedge of operating, administrative and capital expenditures at various South American sites and at our Pascua-Lama project with a cap and floor of 514 and 572, respectively.




*Fuel*

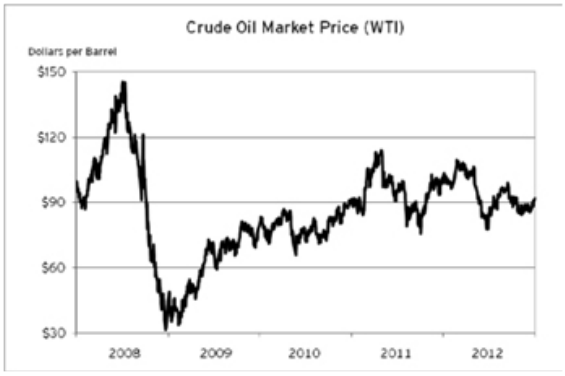
For 2012, the price of West Texas Intermediate ("WTI") crude oil traded between $77 and $111 per barrel, averaged $94 per barrel and closed the year at $92 per barrel. Concerns over global economic growth, supply and transportation issues and geopolitical tensions in certain oil producing regions combined to create volatility in the price of oil during the year.

On average we consume approximately 5 million barrels of diesel fuel annually across all our operating mines. Diesel fuel is refined from crude oil and is therefore subject to the same price volatility affecting crude oil prices. Therefore, volatility in crude prices has a significant direct and indirect impact on our production costs. To mitigate this volatility, we employ a strategy of combining the use of financial contracts and our production from Barrick Energy to effectively hedge our exposure to oil prices. We currently have financial contracts in place totaling 4.8 million barrels over the next three years, representing approximately 30% of our total estimated direct consumption. In 2012, we recorded hedge gains in earnings of $24 million on our fuel hedge positions (2011: $48 million gain and 2010: $26 million loss). Assuming market rates at the December 31, 2012 level of $92 per barrel, we expect to realize hedge gains of approximately $20 million in 2013 from our financial fuel contracts.

**Financial Fuel Hedge Summary**

| | Barrels [1] (thousands) | Average Price | % of Expected Exposure |
|---|---|---|---|
| 2013 | 2,354 | $ 91 | 41% |
| 2014 | 1,500 | 95 | 28% |
| 2015 | 960 | 92 | 21% |
| | 4,814 | $ 93 | 31% |

[1] Refers to contracts for a combination of WTI, BRENT and WTI-to-BRENT swaps. As a result, our average price on hedged barrels for 2013 - 2015 is $89 per barrel on a WTI-equivalent basis.




*US Dollar Interest Rates*

Beginning in 2008, in response to the contraction of global credit markets and in an effort to spur economic activity and avoid potential deflation, the US Federal Reserve reduced its benchmark rate to between 0% and 0.25% . The benchmark was kept at this level through 2012. In December 2012, the Federal Open Market Committee of the US Federal Reserve released a statement on monetary policy noting that the current

0% to 0.25% range for the benchmark rate would remain appropriate at least as long as the US unemployment rate remains above 6.5%, projected inflation remains below 2.5% and longer-term inflation expectations continue to be well anchored. In addition, we expect the US Federal Reserve to continue to use monetary policy initiatives, such as purchases of agency-backed mortgage securities and longer-term Treasury securities, in an effort to keep long-term interest rates low and increase employment. We expect such initiatives to be followed by incremental increases to short-term rates once economic conditions and credit markets normalize.

At present, our interest rate exposure mainly relates to interest receipts on our cash balances ($2.1 billion at December 31, 2012); the mark-to-market value of derivative instruments; the fair value and ongoing payments under US dollar interest-rate swaps; and to the interest payments on our variable-rate debt ($2.3 billion at December 31, 2012). Currently, the amount of interest expense recorded in our consolidated statement of income is not materially impacted by changes in interest rates, because the majority of debt was issued at fixed interest rates. The relative amounts of variable-rate financial assets and liabilities may change in the future, depending on the amount of operating cash flow we generate, as well as the level of capital expenditures and our ability to borrow on favorable terms using fixed rate debt instruments.

**Revenue** [1]

($ millions, except per ounce/pound data in dollars)

| For the years ended December 31 | **2012** | 2011 | 2010 |
|---|---|---|---|
| Gold | | | |
| Revenue | | | |
| 000s oz sold | **7,292** | 7,550 | 7,742 |
| $ millions sold [2] | **$ 12,564** | $ 12,255 | $ 9,722 |
| Market price [3] | **1,669** | 1,572 | 1,225 |
| Realized price [3,4] | **$ 1,669** | $ 1,578 | $ 1,228 |
| Copper | | | |
| Revenue | | | |
| millions lbs sold | **472** | 444 | 391 |
| $ millions sold [2] | **$ 1,689** | $ 1,646 | $ 1,277 |
| Market price [3] | **3.61** | 4.00 | 3.42 |
| Realized price [3,4] | **3.57** | 3.82 | 3.41 |
| Oil & gas sales | **153** | 177 | 123 |
| Other metal sales | **$ 141** | $ 158 | $ 135 |

[1] The amounts presented in this table include the results of discontinued operations.
[2] Represents revenues on a 100% consolidated basis.
[3] Per ounce/pound weighted average.
[4] Realized price is a non-GAAP financial performance measure with no standard meaning under IFRS. For further information and a detailed reconciliation, please see pages 66 - 67 of this MD&A.

In 2012, gold and copper revenues totaled $12,564 million and $1,689 million, respectively, both up 3% compared to the prior year, primarily due to higher realized gold prices and higher copper sales volumes, partially offset by lower gold sales volumes and lower realized copper prices.

Realized gold prices of $1,669 per ounce in 2012 were up $91 per ounce, or 6%, compared to the prior year, reflecting the increase in market gold prices, which averaged $1,669 per ounce in 2012, compared to $1,572 per ounce in 2011. Realized copper prices were 7% lower than the prior year, primarily due a to 10% decrease in market copper prices.

**Production Costs** [1]

($ millions, except per ounce/pound data in dollars)

| For the years ended December 31 | **2012** | 2011 | 2010 |
|---|---|---|---|
| Cost of sales | | | |
| Direct mining cost | **$ 5,558** | $ 4,486 | $ 3,643 |
| Depreciation | **1,722** | 1,419 | 1,212 |
| Royalty expense | **374** | 335 | 276 |
| Cost of sales - gold | **6,210** | 5,169 | 4,610 |
| Total cash costs [2,3] | **584** | 460 | 409 |
| All-in sustaining cash costs [2,3] | **945** | 752 | 649 |
| Cost of sales - copper | **1,279** | 915 | 407 |
| C1 cash costs [2,3] | **$ 2.17** | $ 1.71 | $ 1.08 |

[1] The amounts presented in this table include the results of discontinued operations.
[2] Per ounce/pound weighted average.
[3] Total cash cost, all-in sustaining cash costs, C1 cash costs are non-GAAP financial performance measures with no standard meaning under IFRS. For further information and a detailed reconciliation, please see pages 62 - 65 of this MD&A.

Cost of sales applicable to gold was $6.2 billion in 2012, up 20%, compared to the prior year. The increase reflects higher direct mining costs, particularly higher labor, energy, maintenance and consumable costs.

Total cash costs were $584 per ounce in 2012, up 27% compared to the $460 per ounce recorded in the prior year. The increase reflects the same factors impacting cost of sales applicable to gold, as well as the impact of lower production levels in South America, our lowest-cost RBU, which resulted in higher consolidated unit production costs. For the year, total cash costs per ounce were at the high end of our revised 2012 guidance range of $575 to $585 per ounce, mainly as a result of changes in our production mix.

Cost of sales applicable to copper was $1,279 million, including depreciation expense of $231 million in 2012, up 40% compared to the $915 million, including depreciation expense of $170 million, recorded in the prior year. The increase reflects the impact of including production from Lumwana beginning on June 1, 2011, and higher direct mining costs at Zaldívar, primarily due to higher power and sulfuric acid prices.

Copper C1 cash costs were $2.17 per pound in 2012, up 27% compared to $1.71 per pound in 2011 and within our most recent 2012 guidance range of $2.10 to $2.30 per pound. The increase reflects the higher direct production costs and the impact of including higher cost production from Lumwana for a full year in 2012.

**Corporate Administration**

($ millions)

| For the years ended December 31 | **2012** | 2011 | 2010 |
|---|---|---|---|
| Corporate administration expense | **$ 195** | $ 166 | $ 156 |

Corporate administration costs were $195 million in 2012, up 17%, compared to the prior year.

**Other Expense/Other Income**

($ millions)

| For the years ended December 31 | **2012** | 2011 | 2010 |
|---|---|---|---|
| Operating segment administration [1] | **$ 222** | $ 201 | $ 183 |
| Corporate social responsibility | **83** | 55 | 25 |
| Changes in estimate of rehabilitation costs at closed mines | **39** | 79 | 41 |
| World Gold Council fees | **14** | 9 | 16 |
| Currency translation losses [2] | **73** | 22 | 26 |
| Pension and other post-retirement benefit expense | **-** | 4 | 6 |
| Severance and other restructuring costs | **19** | 6 | 16 |
| Equinox acquisition costs | **-** | 39 | - |
| Other expensed items | **183** | 161 | 142 |
| Total other expense | **$ 633** | $ 576 | $ 455 |
| Total other income | **$ 69** | $ 248 | $ 116 |

[1] Relates to general and administrative costs incurred at business unit offices.
[2] Amounts attributable to currency translation losses on working capital balances.

Other expense was $633 million in 2012, up 10%, compared to the $576 million recorded in the prior year. The increase is primarily due to higher RBU general and administrative costs, higher corporate social responsibility costs, higher severance costs, partially offset by $39 million in acquisition-related costs for the Equinox transaction incurred in 2011.

**Exploration and Evaluation**

($ millions)

| For the years ended December 31 | **2012** | 2011 | 2010 |
|---|---|---|---|
| Exploration: | | | |
| Minesite programs | **$ 82** | $ 72 | $ 51 |
| Global programs | **211** | 145 | 103 |
| Evaluation costs | **136** | 129 | 75 |
| Exploration and evaluation expense | **$ 429** | $ 346 | $ 229 |

Exploration and evaluation expense was $429 million in 2012, up 24% compared to $346 million in 2011. The increase is primarily due to increased minesite and global exploration costs and an increase in evaluation expenditures. Minesite exploration expenditures increased primarily due to increased exploration activities at Cowal, Kanowna, Zaldívar and Granny Smith. Exploration expenditures for the global programs increased due to programs at Goldrush, Lumwana and Cerro Casale. The evaluation expenditures increase relates to the preparation of scoping studies at Goldrush.

**Capital Expenditures [1]**

($ millions)

| For the years ended December 31 | **2012** | 2011 | 2010 |
|---|---|---|---|
| Total project capital expenditures [2] | **$ 2,616** | $ 2,275 | $ 1,792 |
| minesite expansion | **816** | 494 | 251 |
| minesite sustaining | **1,319** | 980 | 865 |
| mine development | **1,071** | 842 | 595 |
| Capitalized interest | **547** | 382 | 275 |
| Total consolidated capital expenditures | **6,369** | 4,973 | 3,778 |
| Capital expenditures attributable to non-controlling interests [3] | **375** | 375 | 407 |
| Total capital expenditures attributable to Barrick | **$ 5,994** | $ 4,598 | $ 3,371 |

[1] These amounts are presented on a cash basis consistent with the amounts presented on the consolidated statement of cash flows.
[2] On an accrual basis, our share of project capital expenditures is $2,885 million including capitalized interest.
[3] Amount reflects our partner's share of expenditures at the Pueblo Viejo and Cerro Casale project on a cash basis.

Capital expenditures were $6,369 million in 2012, an increase of $1,396 million, or 28%, compared to 2011. The increase is primarily due to an increase in project capital expenditures at Pascua-Lama and Jabal Sayid, partially offset by lower spend at Pueblo Viejo, and an increase in minesite expansion, minesite sustaining and mine development expenditures.

**Finance Cost/Finance Income**

($ millions)

| For the years ended December 31 | **2012** | 2011 | 2010 |
|---|---|---|---|
| Interest incurred | **$ 690** | $ 555 | $ 425 |
| Interest capitalized | **(567)** | (408) | (285) |
| Finance charges [1] | **-** | - | 19 |
| Accretion | **54** | 52 | 21 |
| Finance cost | **$ 177** | $ 199 | $ 180 |
| Finance income | **$ 11** | $ 13 | $ 14 |

[1] These amounts represent accrued financing charges on the remaining settlement obligation to close out gold sales contracts.

Finance costs incurred in 2012 were $177 million, compared to $199 million in the prior year. Interest costs incurred were $690 million, up 24% compared to the $555 million in the prior year. The increase in interest costs incurred primarily relates to interest incurred on debt issued and credit facilities drawn on to finance the Equinox acquisition in the second quarter 2011. Interest capitalized increased in 2012 compared to the prior year, primarily due to the increase in the carrying value of our Pueblo Viejo and Pascua-Lama projects due to ongoing construction activity. Interest capitalization at Pueblo Viejo ceased in January 2013 as the mine has achieved commercial production.

**Impairment Charges**

($ millions)

| For the years ended December 31 | **2012** | 2011 | 2010 |
|---|---|---|---|
| Lumwana | **$ 3,016** | - | - |
| Copper goodwill | **798** | - | - |
| Barrick Energy | **155** | 37 | - |
| Reko Diq | **120** | - | - |
| PV power assets | **21** | 39 | - |
| Saudi Exploration | **23** | - | - |
| Kainantu | **141** | - | - |
| Highland | **84** | - | (84) |
| Available for sale investments | **40** | 85 | - |
| Miscellaneous | **27** | 4 | 11 |
| Total after-tax impairment charges | **$ 4,425** | $ 165 | ($73) |
| Related income tax effects and NCI | **$ 2,045** | $ 70 | - |
| Total impairment charges/(reversals) | **$ 6,470** | $ 235 | ($73) |

After-tax impairment charges were $4.4 billion, compared to $165 million in 2011. The amount for 2012 primarily includes asset impairment charges at Lumwana ($3.0 billion), impairment charges relating to goodwill of our global copper business unit ($798 million), asset impairment charges on various properties in our oil & gas business ($155 million), asset impairment charges on an exploration property in Papua New Guinea ($141 million), the write-down of our investment in TCC, which holds our interest in the Reko Diq project ($120 million), a write-down of our investment in Highland Gold ($84 million) and write-downs on our available-for-sale investments ($40 million). In 2011, the impairment charges related to write-downs on our available-for-sale investments ($85 million), asset impairment charges on various properties in our oil & gas business ($37 million) and a write-down on certain power-related assets at our Pueblo Viejo project ($39 million).

*Income Tax*

(Percentages)

| For the years ended December 31 | **2012** | 2011 | 2010 |
|---|---|---|---|
| Effective (tax recovery) tax expense rate on ordinary (loss) income | **(32%)** | 33% | 31% |
| Impact of : | | | |
| Net currency translation losses on deferred tax balances | **5%** | - | - |
| Tax rate changes | **(2%)** | - | - |
| Amendment in Australia | **(6%)** | - | (1%) |
| Foreign income tax assessment | **(2%)** | - | - |
| Functional currency changes | **2%** | - | - |
| Dividend withholding tax | **-** | 1% | 1% |
| Adjustments in respect of prior years | **2%** | - | - |
| Impairments | **7%** | - | - |
| Actual effective (tax recovery) tax expense rate | **(26%)** | 34% | 31% |

Our effective tax rate on ordinary loss or income decreased from 33% to 32% in 2012, primarily due to the impact of changes in the mix of production and in the mix of taxable income in the various tax jurisdictions where we operate. The more significant items impacting income tax expense in 2012 and 2011 include the following:

*Currency Translation*

Deferred tax balances are subject to remeasurement for changes in currency exchange rates each period. The most significant balances are Argentinean deferred tax liabilities with a carrying amount of approximately $300 million. In 2012, tax expense of $46 million primarily arose from translation losses due to the weakening of the Argentinean peso against the US dollar. In 2011 the appreciation of the Papua New Guinea kina against the US dollar, and the weakening of the Argentinean peso against the US dollar resulted in net translation gains totalling $32 million. These losses and gains are included within deferred tax expense/recovery.

*Tax Rate Changes*

In second quarter 2012, a tax rate change was enacted in the province of Ontario, Canada, resulting in a deferred tax recovery of $11 million.

In third quarter 2012, a tax rate change was enacted in Chile, resulting in current tax expense of $4 million and deferred tax recovery of $15 million.

*Amendment in Australia*

In fourth quarter 2012, amendments were made to prior year tax returns for one of our Australian consolidated tax groups, based on updated tax pool amounts from the time of the consolidation election. These amendments resulted in a current tax recovery of $44 million, and a deferred tax recovery of $14 million.

*Foreign Income Tax Assessment*
In second quarter 2012, a foreign income tax assessment was received which resulted in a current tax recovery of $19 million.

*Functional Currency Changes*
In fourth quarter 2012, we received approval to prepare certain of our Papua New Guinea tax returns using US dollar functional currency effective January 1, 2012. This approval resulted in a one-time deferred tax expense of $16 million. Going forward, the material Papua New Guinea tax return will now be filed using a US dollar functional currency.

In 2011, we filed an election in Australia to prepare certain of our Australian tax returns using US dollar functional currency effective January 1, 2011. This election resulted in a one-time deferred tax benefit of $4 million. Going forward, all material Australian tax returns will now be filed using a US dollar functional currency.

*Dividend Withholding Tax*
In 2011, we recorded an $87 million dollar dividend withholding current tax expense in respect of funds repatriated from foreign subsidiaries.

*Peruvian Tax Court Decision*
On September 30, 2004, the Tax Court of Peru issued a decision in our favor in the matter of our appeal of a 2002 income tax assessment for an amount of $32 million, excluding interest and penalties. The assessment mainly related to the validity of a revaluation of the Pierina mining concession, which affected its tax basis for the years 1999 and 2000. The full life of mine effect on current and deferred income tax liabilities totalling $141 million was fully recorded at December 31, 2002, as well as other related costs of about $21 million.

In January 2005, we received written confirmation that there would be no appeal of the September 30, 2004 Tax Court of Peru decision. In December 2004, we recorded a $141 million reduction in current and deferred income tax liabilities and a $21 million reduction in other accrued costs. The confirmation concluded the administrative and judicial appeals process with resolution in Barrick's favor.

Notwithstanding the favorable Tax Court decision we received in 2004 on the 1999 to 2000 revaluation matter, in an audit concluded in 2005, The Tax Administration in Peru ("SUNAT") reassessed us on the same issue for tax years 2001 to 2003. On October 19, 2007, SUNAT confirmed their reassessment. We filed an appeal to the Tax Court of Peru within the statutory period.

The Tax Court decision was rendered on August 15, 2011. The Tax Court ruled in our favor on substantially all material issues. However, based on the Tax Court decision, the timing of certain deductions would differ from the position taken on filing. As a result, we would incur interest and penalties in some years and earn refund interest income in other years. SUNAT initially assessed us $100 million for this matter. However, after appeal, on February 27, 2012 an agreed amount of $52 million was paid in respect of the 2001 and 2003 taxation years. In addition, we have claimed or will claim tax refunds for the 2006 to 2009 taxation years. Reflecting what we believe is the probable amount, we recorded a current tax expense of $39 million in 2011 in respect of this matter.

On November 15, 2011, we appealed the Tax Court decision to the Judicial Court with respect to the timing of certain deductions for the Pierina mining concession. SUNAT also appealed the Tax Court decision to the Judicial Court.

**Operational Overview** [1]

| | Gold | | | | Copper | | | |
|---|---|---|---|---|---|---|---|---|
| For the years ended December 31 | **2012** | 2011 | % Change | 2010 | **2012** | 2011 | % Change | 2010 |
| Production (000s oz/millions lbs) [2] | **7,421** | 7,676 | (3%) | 7,765 | **468** | 451 | 4% | 368 |
| Ore tons mined (millions) | **163** | 151 | 8% | 155 | **63** | 50 | 26% | 48 |
| Waste tons mined (millions) | **526** | 569 | (8%) | 539 | **139** | 90 | 54% | 24 |
| Total tons mined (millions) | **689** | 720 | (4%) | 694 | **202** | 140 | 44% | 72 |
| Ore tons processed (millions) | **150** | 162 | (7%) | 145 | **71** | 63 | 13% | 46 |
| Average grade (ozs per ton/percent) | **0.057** | 0.056 | 2% | 0.063 | **0.52** | 0.54 | (4%) | 0.60 |

[1] The amounts presented in this table include the results of discontinued operations.
[2] Reflects our equity share of production.

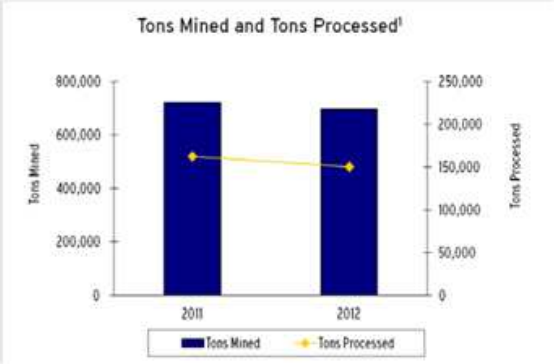
Gold production in 2012 was slightly lower than the prior year, due to lower production in South America, Australia and ABG, partially offset by higher production in North America. Production of 7.4 million ounces was in line with our most recent guidance range of 7.3 to 7.5 million ounces, and within our original guidance range of 7.3 to 7.8 million ounces.

Copper production in 2012 was 4% higher than the prior year, primarily due to the inclusion of production from Lumwana which was acquired as part of the Equinox transaction on June 1, 2011. Production of 468 million pounds was above our most recent guidance of approximately 450 million pounds, primarily due to higher than expected ore grades at Lumwana in the fourth quarter 2012.

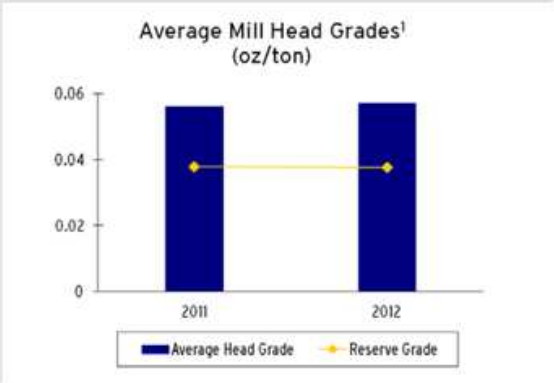
*Tons Mined and Tons Processed - Gold*
Total tons mined decreased in 2012 by 4%, and tons processed decreased by 7%, compared to the prior year. The decreases in tons mined were primarily due to decreased mining activity at Pierina, Golden Sunlight, and Goldstrike, partially offset by increased mining activity at Pueblo Viejo, Round Mountain and Buzwagi. The decrease in ore tons processed was primarily due to decreases at Pierina, Veladero and Round Mountain, partially offset by an increase at Bald Mountain and Ruby Hill. Higher tons were mined and processed at Bald Mountain as a result of a mine expansion which was completed towards the end of 2011.

*Average Mill Head Grades - Gold*
Average mill head grades increased by approximately 2% in 2012 compared to the prior year, primarily due to higher ore grades from Golden Sunlight, Cortez and Turquoise Ridge, partially offset by lower grades processed at Ruby Hill, Tulawaka and Buzwagi. In general, reserve grades have been trending downwards in recent years, partly as a result of rising gold prices which make it economic to process lower grade material.

*Tons Mined and Tons Processed - Copper*
Total tons mined increased in 2012 by 44%, and tons processed increased by 13%, compared to the prior year. The increases are primarily due to an increase in tons mined and tons processed at Lumwana.




[1] All amounts presented are based on equity production.




[1] All amounts presented based on equity production. Average mill head grades are expressed as the number of ounces of gold contained in a ton of ore processed. Reserve grade represents expected grade over the life of the mine and is calculated based on reserves reported at the end of the immediately preceding year.

**Review of Operating Segments Performance**
Barrick's business is organized into seven primary business units: four regional gold businesses, a global copper business, an oil & gas business, and a Capital Projects business. Barrick's Chief Operating Decision Maker reviews the operating results, assesses performance and makes capital allocation decisions for each of these business operations at a business unit level. Therefore, these business units are operating segments for financial reporting purposes. Segment performance is evaluated based on a number of measures including operating income before tax, production levels and unit production costs. Our business unit structure adds value by enabling the realization of operational efficiencies, allocating resources to individual mines/projects more effectively and understanding and managing the local business environment, including labor, consumable costs and supply and government and community relations. Income tax, corporate administration, finance income and

costs, impairment charges and reversals, investment write-downs and gains/losses on non-hedge derivatives are managed on a consolidated basis and are therefore not reflected in segment income.

*North America*
**Summary of Financial and Operating Data**

| For the years ended December 31 | **2012** | 2011 | % Change | 2010 |
|---|---|---|---|---|
| Total tons mined (millions) | **408** | 410 | - | 396 |
| Ore tons processed (millions) | **60** | 61 | (2%) | 44 |
| Average grade (ozs/ton) | **0.067** | 0.065 | 3% | 0.084 |
| Gold produced (000s/oz) | **3,493** | 3,382 | 3% | 3,110 |
| Cost of sales ($ millions) | **$ 2,335** | $ 1,924 | 21% | $ 1,812 |
| Total cash costs (per oz) [1] | **$500** | $ 426 | 17% | $ 429 |
| Segment income ($ millions) [2] | **$ 3,250** | $ 3,157 | 3% | $ 1,837 |
| Segment EBITDA ($ millions) [1] | **$ 3,862** | $ 3,648 | 6% | $ 2,317 |
| Capital expenditures ($ millions) [3] | **$ 1,251** | $ 854 | 46% | $ 603 |

[1] Total cash costs and EBITDA are non-GAAP financial performance measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see pages 62-66 of this MD&A.
[2] Segment income excludes income taxes.
[3] Amounts presented represent our share of expenditures for minesite expansion, minesite sustaining as well as mine development on a cash basis excluding capitalized interest.

Segment income for 2012 was $3,250 million, an increase of 3% over the prior year. The increase was primarily the result of a higher realized gold price and increased gold sales volume.

Gold production of 3.49 million ounces for 2012 was 3% higher than the prior year, and was within our most recent regional guidance range of 3.425 to 3.55 million ounces. Higher production was mainly due to increased production at Goldstrike, Bald Mountain and Golden Sunlight, as well as the start of production at Pueblo Viejo. These increases were partially offset by lower production at Ruby Hill, Cortez, and Hemlo.

Production at Goldstrike increased by 8% over 2011, mainly as a result of higher process throughput with an additional mill running at the autoclave facility. Construction of the thiosulfate technology project, including the retrofitting of the existing plant, as well as new installations, continued during the quarter. This project allows for continued production from the autoclaves, which were originally expected to cease operations in 2012, and brings forward production of about 3.5 million ounces in the mine plan. First gold production is expected mid-2014, with an average annual contribution of about 350 to 400 thousand ounces over the first full five years. Re-estimation of the project costs now that detailed engineering has advanced has changed the expected project cost to about $450 million compared to our previous expected project cost of about $350 million. The cost increases are primarily in the piping, structural, mechanical and electrical areas.

At Bald Mountain, production for the year was up by 73%, mainly as a result of a higher ratio of ore tons to total tons mined due to mine sequencing, as well as higher gold recovery from the leach pad. Production at Golden Sunlight increased by 58% over 2011, primarily due to the processing of higher grade ore compared to the prior year. Production at Pueblo Viejo commenced with first gold in August and added 67,000 ounces to the North America Region in 2012. Pueblo Viejo achieved commercial production in the first quarter 2013 and all pre-commercial production revenue will be offset against initial capital. At Ruby Hill, production was down by 68%, primarily as a result of the processing mix, with more lower grade, run of mine heap leach ore and less refractory ore processed in 2012 compared to the prior year. At Cortez, production for the year was down 4% from 2011 primarily due to a change in the mix of ore types processed, partially offset by a slightly higher overall head grade. Production at Hemlo decreased by 9%, primarily as a result of lower average head grades as the mine matures.

Cost of sales for 2012 increased by 21% over the prior year, primarily as a result of higher direct mining costs at Goldstrike, Cortez, and Bald Mountain, which was driven primarily by higher labor costs due to staff increases and higher average wage rates, and higher depreciation expense due to new capital assets put into service. In addition to the increase in direct mining costs, cost of sales was negatively impacted by a decrease in capitalized production phase stripping costs at Goldstrike, Cortez, Bald Mountain, and Ruby Hill. Total cash costs per ounce were $500, as compared to $426 in 2011, and were in line with our most recent regional guidance range of $475 to $525 per ounce. Total cash costs were higher in 2012 due to the increase in cost of sales, partially offset by the impact of the increase in production on unit costs.

In 2012, capital expenditures increased by 46% over the prior year, reflecting higher expansionary capital expenditures at Goldstrike, haul truck purchases and tailings expansion work at Cortez, purchase of a shovel and drill at Bald Mountain, and miscellaneous other sustaining capital expenditures across the region. These increases were partially offset by decreased capitalized stripping expenditures at Goldstrike, Cortez, Bald Mountain, and Ruby Hill.

In 2013, we expect gold production to be in the range of 3.55 to 3.70 million ounces. Production mix within North America is expected to change due to the ramp up of Pueblo Viejo to full production by the second half of 2013 and increased production at Ruby Hill as it moves from waste stripping to ore production. These increases will be partially offset by reduced production from Goldstrike, Cortez, and Bald Mountain. At Goldstrike, less material will be processed through the autoclaves until the thiosulfate project is completed. At Cortez, lower production is expected due to lower grades and a change in the mix of ore processed to more heap leach tons with lower recoveries. Bald Mountain production will decrease due to the impact of increased waste stripping on the availability of ore. All-in sustaining cash costs are expected to be $820-$870 per ounce and total cash costs are expected to be $495 to $545 per ounce. Cash costs will be positively impacted by lower cost ounces from Pueblo Viejo, offset by the impact of higher labor, energy and consumable costs due to an expected increase in mining activity.

*South America*

**Summary of Financial and Operating Data**

| For the years ended December 31 | **2012** | 2011 | % Change | 2010 |
|---|---|---|---|---|
| Total tons mined (millions) | **138** | 162 | (15%) | 145 |
| Ore tons processed (millions) | **57** | 69 | (17%) | 67 |
| Average grade (ozs/ton) | **0.033** | 0.035 | (6%) | 0.039 |
| Gold produced (000s/oz) | **1,631** | 1,872 | (13%) | 2,120 |
| Cost of sales ($ millions) | **$ 1,088** | $ 905 | 20% | $ 702 |
| Total cash costs (per oz) [1] | **$ 467** | $ 358 | 30% | $ 208 |
| Segment income ($ millions) [2] | **$ 1,464** | $ 1,906 | (23%) | $ 1,782 |
| Segment EBITDA ($ millions) [1] | **$ 1,771** | $ 2,121 | (17%) | $ 1,996 |
| Capital expenditures ($ millions) [3] | **$ 359** | $ 298 | 20% | $ 293 |

[1] Total cash costs and EBITDA are non-GAAP financial performance measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see pages 62-66 of this MD&A.
[2] Segment income excludes income taxes.
[3] Amounts presented represent expenditures for minesite expansion, minesite sustaining as well as mine development on a cash basis excluding capitalized interest.

Segment income for 2012 was $1,464 million, a decrease of 23% over the prior year. The decrease was primarily as a result of lower sales volumes and higher total cash costs, partially offset by a higher realized gold price.

Gold production of 1.63 million ounces for 2012 was 13% lower than in the prior year, but was at the upper end of our regional guidance range of 1.55 to 1.65 million ounces. The decrease in production compared to the prior year reflects lower production levels across all of our mines, particularly at Veladero. Production at Veladero decreased by 20% over 2011, primarily as a result of lower grade and fewer tons mined and crushed due to equipment availability issues.

In 2012, cost of sales increased by 20% over the prior year, primarily due to inflationary pressures on direct mining costs, with higher prices of consumables, general inflation in Argentina, particularly for labor and locally sourced purchases, and a strengthening Peruvian sol, partially offset by increased capitalized stripping costs at Veladero and the impact of lower sales volume.

Total cash costs of $467 per ounce were within our original regional guidance range of $430 to $480 per ounce. The increase in total cash costs over the prior year was mainly due to increases in cost of sales and the impact of lower production levels on unit costs.

In 2012, capital expenditures increased by 20% over the prior year, reflecting increased expansion capital at Lagunas Norte for the new leach pad and CIC plant, and increased capitalized stripping costs at Veladero, partially offset by reduced sustaining capital expenditures at Veladero and Lagunas Norte.

In 2013, we expect gold production to be in the range of 1.25 to 1.35 million ounces. Production is expected to be lower than 2012 with an increase in tons placed on the leach pads at all mines offset by the impact of lower average head grades. All-in sustaining cash costs are expected to be $875-$925 per ounce. Total gold cash costs are expected to be in the range of $550 to $600 per ounce compared to $467 per ounce in 2012. Total cash costs per ounce are expected to be higher in 2013 due to the impact of higher tonnage production, which requires increased usage of equipment and consumables. Additionally, we expect a strengthening currency in Peru and continued inflation in Argentina to be only partially offset by currency devaluation.

*Australia Pacific*
**Summary of Financial and Operating Data [1]**

| For the years ended December 31 | **2012** | 2011 | % Change | 2010 |
|---|---|---|---|---|
| Total tons mined (millions) | **104** | 112 | (7%) | 118 |
| Ore tons processed (millions) | **27** | 26 | 4% | 27 |
| Average grade (ozs/ton) | **0.078** | 0.083 | (6%) | 0.082 |
| Gold produced (000s/oz) | **1,822** | 1,879 | (3%) | 1,939 |
| Cost of sales ($ millions) | **$ 1,964** | $ 1,611 | 22% | $ 1,480 |
| Total cash costs (per oz) [2] | **$ 803** | $ 621 | 29% | $ 576 |
| Segment income ($ millions) [3] | **$ 1,121** | $ 1,369 | (18%) | $ 831 |
| Segment EBITDA ($ millions) [2] | **$ 1,446** | $ 1,687 | (14%) | $ 1,096 |
| Capital expenditures ($ millions) [4] | **$ 524** | $ 463 | 13% | $ 381 |

[1] The amounts presented in this table include the results of discontinued operations.
[2] Total cash costs and EBITDA are non-GAAP financial performance measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see pages 62-66 of this MD&A.
[3] Segment income excludes income taxes.
[4] Amounts presented represent expenditures for minesite expansion, minesite sustaining as well as mine development on a cash basis excluding capitalized interest.

Segment income for 2012 was $1,121 million, a decrease of 18% over the prior year. The decrease was primarily the result of higher total cash costs, lower sales volumes, partially offset by higher average realized gold prices.

Gold production of 1.82 million ounces for 2012 was 3% lower than the prior year, and was in line with our most recent guidance of about 1.8 million ounces. Lower production was mainly due to decreased production at Kalgoorlie and Porgera, partially offset by higher production at our Yilgarn South sites.

Production at Kalgoorlie decreased by 18% over 2011, as a result of lower grade ore from the open pit. At Porgera, production for the year was down by 13% due to pit wall remediation activities, which prevented us from mining in higher grade zones of the pit, power supply interruptions, labor issues and a decrease in underground mining activity. Production at Yilgarn South increased by 22% over 2011, due to increased tons mined and processed at Lawlers and Granny Smith, higher head grade at Lawlers and improved throughput rates at Darlot.

In 2012, cost of sales increased by 22% over the prior year, reflecting higher direct mining costs, particularly for labor, freight, Porgera power costs and diesel. The increase in direct mining costs was partially offset by an increase in capitalized stripping at Kalgoorlie and Porgera.

Total cash costs per ounce were up 29% to $803 per ounce over the prior year, due to higher cost of sales combined with the impact of lower production levels on unit production costs. Total cash costs were slightly above our recent guidance range of about $800 per ounce.

In 2012, capital expenditures increased by 13% over the prior year, reflecting an increase in capitalized stripping costs at Kalgoorlie and Porgera, and an increase in sustaining capital at Granny Smith and Cowal, partially offset by lower underground development expenditures at Granny Smith, Kanowna and Plutonic, and lower capitalized stripping costs at Cowal.

In 2013, we expect gold production to be in the range of 1.7 to 1.85 million ounces. Higher production is expected at Porgera following the completion of remediation activities that will allow full access to the underground. This is expected to be offset by lower production at Kanowna due to a change in mine sequencing and seismicity issues. All-in sustaining cash costs are expected to be $1,200-$1,300 per ounce. Total gold cash costs are expected to be $880 to $950 per ounce compared to $803 per ounce in 2012. This increase is primarily due to lower production at Kanowna due to a change in mine sequencing, higher costs at Porgera as well as higher labor costs in general and the impact of an increase in our effective Australian dollar hedge rates from 2012 to 2013.

*African Barrick Gold*

100% basis

| For the years ended December 31 | **2012** | 2011 | % Change | 2010 |
|---|---|---|---|---|
| Total tons mined (millions) | **53** | **50** | 6% | 44 |
| Ore tons processed (millions) | **8** | **8** | - | 8 |
| Average grade (ozs/ton) | **0.081** | **0.096** | (16%) | 0.094 |
| Gold produced (000s/oz) | **627** | **689** | (9%) | 701 |
| Cost of sales ($ millions) | **$799** | **$700** | 14% | $590 |
| Total cash costs (per oz) [2] | **$949** | **$692** | 37% | $570 |
| Segment income ($ millions) [3] | **$164** | **$397** | (59%) | $315 |
| Segment EBITDA ($ millions) [2] | **$330** | **$538** | (39%) | $429 |
| Capital expenditures ($ millions) [4] | **$305** | **$284** | 7% | $225 |

73.9% basis [1]

| For the years ended December 31 | **2012** | 2011 | % Change | 2010 |
|---|---|---|---|---|
| Total tons mined (millions) | **39** | **37** | 5% | 35 |
| Ore tons processed (millions) | **6** | **6** | - | 7 |
| Average grade (ozs/ton) | **0.081** | **0.096** | (16%) | 0.094 |
| Gold produced (000s/oz) | **463** | **509** | (9%) | 564 |
| Cost of sales ($ millions) | **$590** | **$517** | 14% | $474 |
| Total cash costs (per oz) [2] | **$949** | **$692** | 37% | $570 |
| Segment income ($ millions) [3] | **$121** | **$293** | (59%) | $250 |
| Segment EBITDA ($ millions) [2] | **$244** | **$398** | (39%) | $342 |
| Capital expenditures ($ millions) [4] | **$225** | **$210** | 7% | $176 |

[1] These amounts represent our equity share of results. The dilution of our ownership interest in ABG to approximately 73.9% impacts our operating statistics from second quarter 2010 onwards.
[2] Total cash costs and EBITDA are non-GAAP financial performance measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see pages 62-66 of this MD&A.
[3] Segment income excludes income taxes.
[4] Amounts presented represent expenditures for minesite expansion, minesite sustaining as well as mine development on a cash basis excluding capitalized interest.

Segment income for 2012, on a 100% basis, was $164 million, a decrease of 59% over the prior year. The decrease was primarily a result of higher cost of sales, lower sales volumes, partially offset by higher realized gold prices.

Barrick's equity interest in 2012 production was 0.463 million ounces, slightly lower than the most recent regional guidance of 0.500 to 0.535 million ounces. Lower than originally expected production in 2012 was due to decreases in production at Buzwagi, Tulawaka and Bulyanhulu, partially offset by higher production at North Mara. The decrease at Buzwagi was due to a significant waste stripping campaign, which resulted in the processing of an increased quantity of lower grade stockpiles. The decrease at Tulawaka was mainly as a result of lower mill throughput due to a switch to batch milling due to the decline in mining rates and ore stockpile levels, as Tulawaka nears the end of its economic life. At Bulyanhulu, production for the year was down by 10%, primarily as a result of mining equipment availability and labor issues which had a negative impact on tons mined compared to the prior year. Production at North Mara increased by 13% over 2011 mainly as a result of the processing of higher grade ore.

In 2012, cost of sales, on a 100% basis, increased by 14% over 2011, primarily due to higher direct mining costs, which is largely due to inflationary pressures reflected in increased labor, consumables, general administration and maintenance costs, as well as increased energy costs due to the requirement to self-generate more power in 2012, which is higher cost than the power drawn from the grid. Compared to 2011, 2012 total cash costs per ounce were $949, up 37%, and within our regional guidance range of $900 to $950 per ounce. The increase in total cash costs reflects the increase in direct mining costs and the impact of lower production levels on unit production costs.

In 2012, capital expenditures, on a 100% basis, were higher by 7% over 2011 primarily due to higher underground development expenditures at Bulyanhulu, primarily due to increased sustaining capital and capitalized development.

In 2013, we expect equity gold production, reflecting our 73.9% ownership of ABG, to be in the range of .400 to .450 million ounces, which is slightly lower than 2012. The decrease in production is primarily due to lower production at Bulyanhulu as a result of lower ore tons mined due to labor issues and Tulawaka due to its expected closure in the first half of 2013. All-in sustaining cash costs are expected to be $1,550- $1,600 per ounce and total gold cash costs are expected to be $925 to $975 per ounce.

*Capital Projects*
**Summary of Financial and Operating Data**

| ($ millions) | | | | |
|---|---|---|---|---|
| For the years ended December 31 | **2012** | 2011 | % Change | 2010 |
| Total E&E expenses [1] | **$ 27** | $ 40 | (33%) | $ 32 |
| Segment income (loss) | **(119)** | (161) | (26%) | (18) |
| Segment EBITDA [2] | **(113)** | (151) | (25%) | (15) |
| Capital expenditures [3] | | | | |
| Pascua-Lama | **1,817** | 1,191 | 53% | 724 |
| Pueblo Viejo | **367** | 521 | (30%) | 592 |
| Cerro Casale | **32** | 83 | (61%) | 50 |
| Cortez Hills | **-** | - | - | 19 |
| Equity investees | **15** | 20 | (25%) | 13 |
| Total capital expenditures | **$ 2,231** | $ 1,815 | 23% | $ 1,410 |
| Currency hedge impact (gain) / loss [4] | **(23)** | (11) | 109% | (4) |
| Adjusted capital expenditures | **2,208** | 1,804 | 22% | 1,406 |
| Capital commitments [5] | **$ 1,800** | $ 1,338 | 35% | $ 1,253 |

[1] Amounts presented represent our share of E&E expense.
[2] EBITDA is a non-GAAP financial performance measure with no standardized definition under IFRS. For further information and a detailed reconciliation, please see page 65 of this MD&A.
[3] Amounts presented represent our share of capital expenditures on a cash basis.
[4] Amounts presented include impacts of our hedge and non-hedge contracts for pre-production capital at our Pascua-Lama and Cerro Casale projects.
[5] Capital commitments represent purchase obligations as at December 31 where binding commitments have been entered into for long lead capital items related to construction activities at our projects.

We spent $27 million in E&E expenses (our share) in 2012 as compared to prior year E&E expenses of $40 million primarily due to lower E&E expenses at our Pueblo Viejo project. The increase in capital expenditures primarily relates to increased construction activities at our Pascua-Lama project.

An update on our Pascua-Lama, Jabal Sayid and Pueblo Viejo (which achieved commercial production in January 2013 and is now managed by the North America business unit) projects is provided on pages 20 to 21 of this MD&A. Please find an update on our other significant projects below.

Cerro Casale
At the Cerro Casale project in Chile, approval of the Environmental Impact Assessment ("EIA") was received in January 2013 from the SEA (Servicio de Evaluacion Ambiental), the environmental authorities of northern Chile. Notification of the permit grant on substantially the same terms as the application follows an 18-month permitting evaluation period by the SEA. As we have previously communicated, we are continuing to evaluate options to improve the project's economics and reviewing the project's initial capital outlay. Project scenarios are being prepared as a series of cases for evaluation. Options being evaluated include staged and simplified processing options as well as alternative sources of power supply. Evaluation of further district opportunities will be assessed based on the results of exploration drilling on satellite ore bodies that could potentially be included in the project plan, and pursuing potential synergies relating to infrastructure requirements. We expect to have preliminary exploration drill results completed by the second half of 2013, at which point we will re-evaluate whether the project meets our investment criteria. Further exploration to determine the extended district resource base and studies to define selected project cases would follow this determination. Cerro Casale, on a 100 percent basis, has total proven and probable gold and copper mineral reserves of 23 million ounces of gold and 5.8 billion pounds of copper.

Donlin Gold
At the 50 percent-owned Donlin Gold project in Alaska, the permitting process continued following the submission of the draft Plan of Operations and permit application in third quarter 2012. Formal confirmation was also received that the permit application package was sufficient to initiate the Environmental Impact Statement ("EIS") process and the EIS Notice of Intent was filed in the Federal Register in the fourth quarter by the Army Corps of Engineers, which is the lead agency for the NEPA (National Environmental Policy Act) process. Donlin Gold contains a large, long life mineral resource in a stable jurisdiction and is significantly leveraged to the price of gold, and therefore represents a valuable long-term opportunity for the Company. We will maintain and enhance the option value of this project by advancing the permitting process, at reasonable costs, which will take a number of years. During this time, we will monitor the attractiveness of the project and evaluate alternatives to improve the economics with the objective of defining a project that satisfies our investment criteria. This will provide the Company with the option to make a construction decision in the future should investment conditions warrant.

Kabanga
At the 50 percent-owned Kabanga nickel project in Tanzania, the EIS was submitted to the National Environment Management Council ("NEMC") in the first quarter 2012, and a response was provided in the fourth quarter 2012 to the comments received from the NEMC. The draft Mine Development Agreement ("MDA") has been lodged with the Ministry of Energy and Minerals, and additional supporting documentation was delivered ahead of planned discussions in the first half of 2013.

Applications for mineral rights on seven regional properties were granted, with prospecting licenses to be issued. The resettlement working group completed a census survey in the fourth quarter as part of the resettlement action plan to engage those families that will need to relocate. A detailed resettlement execution plan is being developed. Efforts will continue to be focused on obtaining approval of the EIS and granting of the Environmental Certificate, negotiating the MDA with the Tanzanian government, pursuing the receipt of a Special Mining License, and finalization and approval of the feasibility study.

Kabanga has a total estimated measured and indicated resource of 37.2 million tonnes grading 2.63% nickel and an inferred resource of 21 million tonnes grading 2.6% nickel. Contingent upon the results of the feasibility study and government infrastructure improvement projects, it is expected that the operation may be capable of producing more than 40,000 tonnes per year of nickel-in-concentrate at full production.

*Global Copper*

**Summary of Financial and Operating Data**

| For the years ended December 31 | **2012** | 2011 | % Change | 2010 |
|---|---|---|---|---|
| Copper produced (millions of lbs) | **468** | 451 | 4% | 368 |
| Cost of sales ($ millions) | **$ 1,279** | $ 915 | 40% | $ 407 |
| C1 cash costs (per lb) [1] | **$ 2.17** | $ 1.71 | 27% | $ 1.08 |
| C3 fully allocated costs (per lb) [1] | **$ 2.97** | $ 2.30 | 29% | $ 1.38 |
| Segment income ($ millions) [2] | **$ 330** | $ 655 | (50%) | $ 607 |
| Segment EBITDA ($ millions) [1] | **$ 564** | $ 827 | (32%) | $ 697 |
| Capital expenditures ($ millions) [3] | **$ 631** | $ 333 | 89% | $ 55 |

[1] C1 cash costs, C3 fully allocated costs and EBITDA are non-GAAP financial performance measures with no standardized definition under IFRS. For further information and a detailed reconciliation, please see pages 62- 66 of this MD&A.

[2] Segment income excludes income taxes.

[3] Amounts presented represent expenditures for minesite expansion, minesite sustaining as well mine development on a cash basis excluding capitalized interest.

Segment income for 2012 was $330 million, a decrease of 50% over the prior year. The decrease was the result of lower realized copper prices in 2012 combined with significantly higher costs at Lumwana, partially offset by higher copper sales volumes.

Copper production in 2012 was 468 million pounds, which was 4% higher than the prior year and 4% above our most recent 2012 guidance of about 450 million pounds. The increase in copper production was primarily due to a full year of production from Lumwana in 2012 compared to a partial year in 2011 when it was acquired from Equinox.

In 2012, cost of sales increased by 40% over the prior year, primarily due to the inclusion of Lumwana's cost of sales for the full year in 2012. C1 cash costs in 2012 of $2.17 per pound were in line with our most recent guidance range of $2.10 to $2.30 per pound, and were 27% higher than the prior year due to the impact of the higher unit production costs at Lumwana.

In 2012, capital expenditures increased by 89% as the result of the inclusion of a full year of capital expenditures at Lumwana for the construction of the Chimiwungo crushing and conveying system and the pre-stripping of the Chimiwungo deposit, as well as capital expenditures for the construction of process infrastructure at the new Jabal Sayid mine, which was completed in September 2012.

During the third quarter, Barrick strengthened its Global Copper Business Unit ("GCBU") organization by appointing a new President and senior leadership team to further the corporate objective of maximizing returns and free cash flow from its assets. The changes will further assist in efforts to address the challenges at Lumwana and Jabal Sayid and to evaluate the sulfide expansion opportunity at Zaldívar.

In 2013, we expect copper production in the range of 480 to 540 million pounds at a C1 cash costs of $2.10-2.30 per pound compared with actual production of 468 million pounds at a C1 cash cost of $2.17 per pound in 2012. C3 cash costs are expected to be in the range of $2.60 - $2.85 as compared to C3 costs of $2.97 per pound in 2012. Production at Zaldívar in 2013 is expected to be approximately the same as it was in 2012 at slightly lower C1 cash costs primarily due to a decline in the price of sulphuric acid. Lumwana copper production is expected to increase due to the impact of higher ore grades and higher mill throughput and C1 cash costs are expected to decrease slightly compared to 2012.

## FINANCIAL CONDITION REVIEW

**Summary Balance Sheet and Key Financial Ratios**

($ millions, except ratios and share amounts)

| As at December 31 | **2012** | 2011 |
|---|---|---|
| Total cash and equivalents | **$ 2,093** | $ 2,745 |
| Non-cash working capital | **3,132** | 2,335 |
| Non-current assets | **41,419** | 42,339 |
| Other assets | **638** | 1,465 |
| Total Assets | **$ 47,282** | $ 48,884 |
| Non-current liabilities excluding adjusted debt | **6,527** | 7,557 |
| Adjusted debt [1] | **13,680** | 13,058 |
| Other liabilities | **2,567** | 2,715 |
| Total Liabilities | **$ 22,774** | $ 23,330 |
| Total shareholders' equity | **21,845** | 23,363 |
| Non-controlling interests | **2,663** | 2,191 |
| Total Equity | **$ 24,508** | $ 25,554 |
| Dividends | **$750** | $509 |
| Net debt [1] | **$ 11,599** | $ 10,320 |
| Total common shares outstanding (millions of shares) [2] | **1,001** | 1,000 |
| **Key Financial Ratios:** | | |
| Current ratio [3] | **1.33:1** | 2.25:1 |
| Adjusted debt-to-equity [4] | **0.63:1** | 0.56:1 |
| Net debt-to-equity [5] | **0.53:1** | 0.44:1 |
| Net debt-to-total capitalization [6] | **0.39:1** | 0.33:1 |
| Adjusted return on equity [7] | **17%** | 22% |

[1] Adjusted debt and net debt are non-GAAP financial performance measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see page 67 of this MD&A.
[2] Total common shares outstanding do not include 6.9 million stock options. The increase from December 31, 2011 is due to the exercise of stock options and the conversion of debentures.
[3] Represents current assets divided by current liabilities as at December 31, 2012 and December 31, 2011.
[4] Represents adjusted debt divided by total shareholders' equity as at December 31, 2012 and December 31, 2011.
[5] Represents net debt divided by total shareholders' equity as at December 31, 2012 and December 31, 2011.
[6] Represents net debt divided by capital stock and long-term debt at December 31, 2012 and December 31, 2011.
[7] Represents adjusted net earnings divided by average shareholders' equity as at December 31, 2012 and December 31, 2011.

### Balance Sheet Review

Total assets were $47 billion in 2012, a decrease of $1.6 billion, or 3%, compared to 2011. The decrease primarily reflects asset impairment charges attributable to our copper business unit, partially offset by increases in property, plant and equipment, due to the impact of the significant capital expenditures related to our projects in construction. Our asset base is primarily comprised of non-current assets such as property, plant and equipment and goodwill, reflecting the capital intensive nature of the mining business and our history of growing through acquisitions. Other significant assets include production inventories and cash and equivalents. We typically do not carry a material accounts receivable balance, since only sales of concentrate and copper cathode have a settlement period.

Total liabilities decreased by $0.6 billion or 2% compared to 2011, largely due to a decrease in deferred tax liabilities, partially offset by a net increase in debt of $0.55 billion and an increase in our provision for environmental rehabilitation costs, due to higher estimated costs at a number of our sites and the impact of lower real interest rates on the measurement of the liability.

**Shareholders' Equity**

| As at January 25, 2013 | Number of shares |
|---|---|
| Common shares | 1,001,108,303 |
| Stock options | 6,934,067 |

*Dividend Policy*

In 2012, we increased our annual dividend from $0.60 per common share to $0.80 per common share. This 33% increase in dividends reflects our ability to generate substantial cash flows from our operations in a high gold price environment. The amount and timing of any dividends is within the discretion of our Board of Directors. The Board of Directors reviews the dividend policy quarterly based on our current and projected liquidity profile.

*Comprehensive Income*

Comprehensive income consists of net income or loss, together with certain other economic gains and losses, which, collectively, are described as "other comprehensive income" or "OCI", and excluded from the income statement.

In 2012, other comprehensive income was a loss of $137 million on an after-tax basis consisting primarily of gains of $187 million on hedge contracts designated for future periods, caused primarily by changes in currency exchange rates, copper prices, and fuel prices, offset by reclassification adjustments totaling $427 million for gains on hedge contracts designated for 2012 that were transferred to earnings in 2012 in conjunction with the recognition in expense of the related hedge exposure; $40 million of losses transferred to earnings related to losses recorded on the sale of shares in various investments and losses for impaired investments; $43 million of losses recorded as a result of changes in the fair value of investments held during the year; $35 million in gains for currency translation adjustments on Barrick Energy; $8 million actuarial loss on pension liability and a $79 million gain due to tax recoveries on the overall decrease in OCI.

Included in accumulated other comprehensive income at December 31, 2012 were unrealized pre-tax gains on currency, commodity and interest rate hedge contracts totaling $493 million. The balance primarily relates to currency hedge contracts that are designated against operating costs and capital expenditures, primarily over the next three years and are expected to help protect against the impact of the strengthening in the Australian and Canadian dollar exchange rates against the US dollar. These hedge gains/losses are expected to be recorded in earnings at the same time as the corresponding hedged operating costs/depreciation are recorded in earnings.

**Financial Position and Liquidity**

Our capital structure is comprised of a mix of debt and shareholders' equity. Since the beginning of 2009, we have issued about $9 billion in new debt securities, primarily to finance acquisitions, the buyout of our gold hedge book and capital expenditures for our Pueblo Viejo and Pascua-Lama projects. As a result, our net debt and debt-to-equity ratios have increased significantly over that period.

As at December 31, 2012, net debt was $11.6 billion and our net debt-to-equity ratio and net debt-to-total capitalization ratios were 0.53:1 and 0.39:1, respectively. This compares to net debt as at December 30, 2011 of $10.3 billion, and net debt-to-equity and net debt-to-total capitalization ratios of 0.44:1 and 0.33:1, respectively. The majority of our outstanding long-term debt matures at various dates beyond 2013. (Please see page 51 of this MD&A for a schedule of principal repayments). In January 2012, we entered into a credit facility of $4 billion, which matures in 2018 (the "Third Credit Facility") to replace our $2 billion facility that was scheduled to mature in 2016 (the "Second Credit Facility") and also to augment our overall credit capacity. Coincident with this agreement becoming effective, we drew $1 billion on the Third Credit Facility, paid down the $1 billion outstanding under the Second Credit Facility and then terminated the Second Credit Facility. In April 2012, we issued an aggregate of $2.0 billion in debt securities comprised of $1.25 billion of 3.85% notes due in 2022 and $750 million of 5.25% notes due in 2042. $1.0 billion of the net proceeds from this offering were used to repay existing indebtedness under the Third Credit facility, which was originally drawn upon to partially fund the cost of the Equinox acquisition, with the balance of the proceeds being used to finance the project capital expenditures and for general corporate purposes. Our total scheduled debt repayments through 2014 are $3,027 million.

**Sources and Uses of Net Debt [1]**

($ millions)

| For the years ended December 31 | 2012 | 2011 |
|---|---|---|
| **Operating inflows** | **$ 5,439** | $ 5,315 |
| **Investing activities** | | |
| Capex - minesite sustaining | **$ (1,319)** | $ (980) |
| Capex - mine development | **(1,071)** | (842) |
| Capex - minesite expansion [1] | **(907)** | (544) |
| Capex - projects [1] | **(3,072)** | (2,607) |
| Acquisitions | **(37)** | (7,677) |
| Other | **(115)** | (177) |
| **Total investing outflows** | **$ (6,521)** | $ (12,827) |
| **Financing activities (excluding debt)** | | |
| Dividends | **$ (750)** | $ (509) |
| Funding from non-controlling interests | **505** | 403 |
| Repayment of debt related to acquisitions | **-** | (347) |
| Deposit on silver sales agreement | **137** | 138 |
| Other | **(7)** | (9) |
| **Total financing (outflows) inflows** | **$(115)** | $ (324) |
| **Other movements** | **$(77)** | $(116) |
| **Adjustment for Pueblo Viejo financing (partner's share), net of cash** | **$ (5)** | $ 59 |
| **Net (decrease) increase in net debt** | **$ 1,279** | $ 7,893 |
| **Net debt at beginning of period [2]** | **$ 10,320** | $ 2,427 |
| **Net debt at end of period [2]** | **$ 11,599** | $ 10,320 |

[1] The amounts include capitalized interest of $547 million (2011: $382 million).
[2] Net debt is a non-GAAP financial performance measure with no standardized definition under IFRS. For further information and a detailed reconciliation, please see page 67 of this MD&A.

In third quarter 2012, our credit rating was downgraded to BBB+ from A- by S&P, with a negative outlook, following our announcement of a capital cost increase and delay to production start-up at our Pascua-Lama project. Our credit rating, as established by Moody's, has remained stable throughout this period. Our ability to access unsecured debt markets and the related cost of debt financing is, in part, dependent upon maintaining an acceptable credit rating. We do not expect the change in our credit rating by S&P to adversely affect our ability to access the debt markets, but it could impact funding costs for any new debt financing.

The key factors impacting our financial position, and therefore our credit rating, include the following:

- Our market capitalization and the strength of our balance sheet, including the amount of net debt and our net debt-to-equity ratio;
- Our ability to generate free cash flow from operating activities (refer to the cash flow section on page 47 of this MD&A for a discussion of key factors impacting our cash flow in 2012), including cash generated by operating activities;
- Expected capital expenditure requirements (refer to the outlook section of this MD&A for a discussion of key factors impacting these measures in future periods);
- The price of gold and copper (refer to page 28 for more information); and
- The quantity of our gold and copper reserves (refer to page 26 for more information); and
- Our geo-political risk profile.

At current market gold and copper prices, we expect to generate negative free cash flow in 2013. This is primarily due to expected capital expenditures of about $2.6 billion at our Pascua-Lama project. In addition, we have approximately $1.8 billion in debt maturing in 2013. We expect to meet our financing needs related to these developments by utilizing a number of different options, including the $4.25 billion available under our credit facilities (subject to compliance with covenants and the making of certain representations and warranties, these facilities are available for drawdown as a source of financing), operating cash flow, asset sales and future debt or equity issuances, should the need arise. These alternatives should provide us with the flexibility to fund any potential cash flow shortfall and are continually evaluated to determine the optimal capital structure.

The table below illustrates the impact of changes in gold and copper prices on our earnings and cash flow on an annualized basis, assuming the mid-point of our expected 2013 production levels.

| | Change in price | Annualized approximate impact on adjusted net earnings and operating cash flow |
|---|---|---|
| Gold | **+/- 100/oz** | **+/-$500 million** |
| Copper | **+ $0.50/lb** | **+$ 180 million** |
| Copper | **- $0.50/lb [1]** | **-$100 million** |

[1] Using copper collars, approximately 50% of our expected 2013 production is hedged at a range of $3.50/lb to $4.25/lb.

*Cash and equivalents and cash flow*

Total cash and cash equivalents at the end of 2012 were $2.1 billion [12] . At year end, our cash position consisted of a mix of term deposits, treasury bills and money market investments. Our cash position is primarily denominated in US dollars.

[12] Includes $401 million cash held at ABG, which may not be readily deployed outside ABG.

One of our primary ongoing sources of liquidity is operating cash flow. In 2012, we generated $5.4 billion in operating cash flow, compared to $5.3 billion of operating cash flow in 2011. The increase in operating cash flow primarily reflects a decrease in income tax payments of $509 million and a decrease in net working capital outflows, partially offset by lower net earnings. Adjusted operating cash flow for 2012 was $5,156 million, down 9% over the prior year. Adjusted operating cash flow was affected by the same factors as operating cash flow and removes the impact of the $385 million in net proceeds related to the settlement of a portion of our Australian dollar hedge positions and non-recurring tax payments of $52 million. The most significant driver of the change in operating cash flow is market gold and copper prices. Future changes in those market prices, either favorable or unfavorable, will continue to have a material impact on our cash flow and liquidity. The increase in non-cash working capital primarily relates to an increase in inventories and a decrease in accounts payable and other current liabilities. The increase in inventory is related to an increase in ore in stockpiles of approximately $570 million, principally at Porgera, Cortez and Buzwagi. These increases were partially offset by a decrease at North Mara (refer to the table below for a summary of changes in our non-cash working capital balances).

**Non-Cash Working Capital**

(in $ millions)

| As at December 31 | **2012** | 2011 |
|---|---|---|
| Raw materials | | |
| Ore in stockpiles [1] | **$ 2,160** | $ 1,590 |
| Ore on leach pads | **628** | 582 |
| Mine operating supplies | **1,096** | 885 |
| Work in process | **351** | 377 |
| Finished products | **152** | 217 |
| Other current assets | **124** | 507 |
| Accounts receivable | **449** | 426 |
| VAT and fuel tax receivables [2] | **739** | 466 |
| Accounts payable and other current liabilities | **(2,567)** | (2,715) |
| Non-cash working capital | **$ 3,132** | $ 2,335 |

[1] Includes long-term stockpiles of $1,692 million (2011: $1,153 million).
[2] Includes long-term VAT and fuel tax receivables of $513 million (2011: $272 million).

The principal uses of operating cash flow are to fund our capital expenditures, including construction activities at our advanced projects; acquisitions and dividend payments. However, capital expenditures will be significantly impacted by the timing and expenditure levels relating to other major new mine projects and mine expansions, which are subject to permitting approvals and final construction decisions. A material adverse decline in the market price of gold and/or copper could impact the timing of final construction decisions on these other major new mine projects that are not yet in construction.

In 2012, cash used in investing activities amounted to $6,521 million, a decrease of $6,306 million compared to the prior year, primarily due to the impact of the $7.5 billion acquisition of Equinox in the second quarter of 2011. Capital expenditures were $6,369 million in 2012, an increase of $1,396 million or 28% compared to 2011. The increase is primarily due to an increase in project capital expenditures, primarily due to increased construction activities at Pascua-Lama and Jabal Sayid, partially offset by a decrease at Pueblo Viejo, and an increase in minesite expansion, minesite sustaining and mine development expenditures. Minesite expansion increased primarily due to higher capital expenditures related to expansion projects at Goldstrike, Lumwana and Lagunas Norte. Minesite sustaining capital expenditures were higher, reflecting haul truck purchases and tailings facility construction at Cortez and an increase in sustaining capital at Bald Mountain, Granny Smith and Cowal and at Lumwana. Mine development expenditures were higher, primarily due to increased open pit and underground activities at Kalgoorlie, Bulyanhulu and Lumwana.

**Capital Expenditures** [1]

($ millions)

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| **Capex - gold projects** | | |
| Pascua-Lama | **$ 1,817** | $ 1,191 |
| Pueblo Viejo | **$ 612** | $ 868 |
| Cerro Casale | **$ 42** | $ 111 |
| **Capex - copper projects** | | |
| Jabal Sayid | **$ 145** | $ 105 |
| **Total consolidated project capex** [2] | **$ 2,616** | $ 2,275 |
| **Total capex - minesite expansion** | **$ 816** | $ 494 |
| **Total capex - minesite sustaining** | **$ 1,319** | $ 980 |
| **Total capex - mine development** | **$ 1,071** | $ 842 |
| Capitalized interest | **547** | 382 |
| **Total consolidated capex** | **$ 6,369** | $ 4,973 |
| Capital expenditures attributable to NCI [3] | **375** | 375 |
| Total capex attributable to Barrick | **$ 5,994** | $ 4,598 |
| Total capex - copper | **567** | 263 |
| Total capex - gold | **2,449** | 1,914 |
| Total capex - copper projects [2] | **178** | 123 |
| Total capex - gold projects [2] | **2,640** | 2,109 |
| Total capex - other [4] | **160** | 189 |
| **Total capex attributable to Barrick** | **$ 5,994** | $ 4,598 |

[1] These amounts are presented on a cash basis consistent with the amounts presented on the consolidated statement of cash flows.
[2] On an accrual basis, our share of project capital expenditures is $2,885 million including capitalized interest.
[3] Amount reflects our partner's share of expenditures at the Pueblo Viejo and Cerro Casale project on a cash basis.
[4] These amounts include $130 million of capital expenditures at Barrick Energy (2011: $162 million).

Our ability to access low-cost borrowing allowed us to generate financing cash inflow of $423 million in 2012. Financing activities in 2012 include financing inflows of $2 billion related to the issuance of new debt. These amounts were partially offset by dividend payments of $750 million and debt repayments of $1,462 million. This compares to financing inflows in 2011 of $6,291 million, which primarily includes financing inflows of $4 billion in debt securities and $2.5 billion in proceeds from the drawdown of our lines of credit related to the financing of the acquisition of Equinox. These amounts were partially offset by dividend payments of $509 million and debt repayment of $380 million.

**Financial Instruments**

We use a mixture of cash, long-term debt and shareholders' equity to maintain an efficient capital structure and ensure adequate liquidity exists to meet the cash needs of our business. We use interest rate contracts to mitigate interest rate risk that is implicit in our cash balances and outstanding long-term debt. In the normal course of business, we are inherently exposed to currency and commodity price risk. We use currency and commodity hedging instruments to mitigate these inherent business risks. We also hold certain derivative instruments that do not qualify for hedge accounting treatment. These non-hedge derivatives are described in note 23D to our consolidated financial statements. For a discussion of certain risks and assumptions that relate to the use of derivatives, including market risk, liquidity risk and credit risk, refer to notes 23 and 26 to our consolidated financial statements. For a discussion of the methods used to value financial instruments, as well as any significant assumptions, refer also to note 23 to our consolidated financial statements.

*Counterparty Risk*

Our financial position is also dependent, in part, on our exposure to the risk of counterparty defaults related to the net fair value of our derivative contracts. Counterparty risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. Counterparty risk can be assessed both in terms of credit risk and liquidity risk. For cash and equivalents and accounts receivable, credit risk represents the carrying amount on the balance sheet, net of any overdraft positions.

For derivatives, when the fair value is positive, this creates credit risk. When the fair value of a derivative is negative, we assume no credit risk. However, liquidity risk exists to the extent a counterparty is no longer able to perform in accordance with the terms of the contract due to insolvency. In cases where we have a legally enforceable master netting agreement with a counterparty, credit risk exposure represents the net amount of the positive and negative fair values for similar types of derivatives. For a net negative amount, we regard credit risk as being zero. For a net positive amount, this is a reasonable basis to measure credit risk when there is a legally enforceable master netting agreement. We mitigate credit and liquidity risk by:

- Entering into derivatives with high credit-quality counterparties;
- Limiting the amount of exposure to each counterparty; and
- Monitoring the financial condition of counterparties.

As of December 31, 2012, we had 25 counterparties to our derivative positions. We proactively manage our exposure to individual counterparties in order to mitigate both credit and liquidity risks. For those counterparties with which we hold a net asset position (total balance attributable to the counterparties is $278 million), three

hold greater than 10% of our mark-to-market asset position, with the largest counterparty holding 20%. We have two counterparties with which we are in a net liability position, for a total net liability of $0.2 million.

On an ongoing basis, we monitor our exposures and ensure that none of the counterparties with which we hold outstanding contracts has declared insolvency.

**Summary of Financial Instruments**

As at December 31, 2012

| Financial Instrument | Principal/Notional Amount | | | Associated Risks |
|---|---|---|---|---|
| | | | | • Interest rate |
| Cash and equivalents | | $ 2,093 | million | • Credit |
| | | | | • Credit |
| Accounts receivable | | $ 449 | million | • Market |
| | | | | • Market |
| Available-for-sale securities | | $ 76 | million | • Liquidity |
| Accounts payable | | $ 2,265 | million | • Interest rate |
| Debt | | $ 14,056 | million | • Interest rate |
| Restricted share units | | $ 49 | million | • Market |
| Deferred share units | | $ 7 | million | • Market |
| Derivative instruments - currency contracts | CAD | 520 | million | • Credit |
| | CLP | 721,191 | million | • Market/liquidity |
| | AUD | 2,065 | million | • Interest rate |
| | PGK | 50 | million | |
| | ZAR | 949 | million | |
| Derivative instruments - silver contracts | | 65 | million oz | • Market/liquidity |
| Derivative instruments - copper contracts | | 99 | million lbs | • Credit |
| | | | | • Interest rate |
| Derivative instruments - energy contracts | Diesel | 6 | million bbls | • Market/liquidity |
| | | | | • Credit |
| | | | | • Interest rate |
| Derivative instruments - interest rate contracts | Receive fixed interest rate swaps | $ 200 | million | • Market/liquidity |

**Commitments and Contingencies**

*Capital Expenditures Not Yet Committed*

We expect to incur capital expenditures during the next five years for both projects and producing mines. The projects are at various stages of development, from preliminary exploration or scoping study stage through to the construction execution stage. The ultimate decision to incur capital expenditures at each potential site is subject to positive results which allow the project to advance past decision hurdles. Three projects were at an advanced stage at December 31, 2012, namely Pueblo Viejo, Pascua-Lama and Jabal Sayid (refer to pages 20-21 for further details), with Pueblo Viejo reaching commercial production in January 2013.

**Contractual Obligations and Commitments**

| | Payments due As at December 31, 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| ($ millions) | **2013** | 2014 | 2015 | 2016 | 2017 | 2018 and thereafter | Total |
| Debt [1] | | | | | | | |
| Repayment of principal | **$ 1,810** | $ 1,140 | $ 190 | $ 1,590 | $ 90 | $ 9,051 | $ 13,871 |
| Capital leases | **38** | 39 | 32 | 26 | 21 | 29 | 185 |
| Interest | **629** | 582 | 562 | 537 | 501 | 5,904 | 8,715 |
| Provisions for environmental rehabilitation [2] | **51** | 153 | 109 | 75 | 80 | 2,168 | 2,636 |
| Operating leases | **29** | 21 | 19 | 14 | 13 | 77 | 173 |
| Restricted share units | **28** | 21 | - | - | - | - | 49 |
| Pension benefits and other post-retirement benefits | **24** | 23 | 22 | 22 | 22 | 104 | 217 |
| Derivative liabilities [3] | **10** | 8 | 5 | 2 | 4 | - | 29 |
| Purchase obligations for supplies and consumables [4] | **701** | 303 | 246 | 121 | 119 | 369 | 1,859 |
| Capital commitments [5] | **2,063** | 108 | - | - | - | - | 2,171 |
| Social development costs | **58** | 25 | 23 | 23 | 6 | 60 | 195 |
| Total | **$ 5,441** | $ 2,423 | $ 1,208 | $ 2,410 | $ 856 | $ 17,762 | $ 30,100 |

[1] 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 debt and interest amounts include 100% of the Pueblo Viejo financing, even though we have only guaranteed our 60% share. We are not required to post any collateral under any debt obligations. Projected interest payments on variable rate debt were based on interest rates in effect at December 31, 2012. Interest is calculated on our long-term debt obligations using both fixed and variable rates.

[2] Provisions for Environmental Rehabilitation - Amounts presented in the table represent the undiscounted future payments for the expected cost of provisions for environmental rehabilitation.

[3] Derivative Liabilities - Amounts presented in the table relate to derivative contracts disclosed under note 23 to the consolidated financial statements. Payments related to derivative contracts cannot be reasonably estimated given variable market conditions.

[4] Purchase Obligations for Supplies and Consumables - Includes commitments related to new purchase obligations to secure a supply of acid, tires and cyanide for our production process.

[5] Capital Commitments - Purchase obligations for capital expenditures include only those items where binding commitments have been entered into. Commitments at the end of 2012 mainly relate to construction capital at Pascua-Lama.

*Litigation and Claims*

We are currently subject to various litigation as disclosed in note 34 to the consolidated 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.

## Quarterly Information

| | 2012 | | | | 2011 | | | |
|---|---|---|---|---|---|---|---|---|
| ($ millions, except where indicated) | **Q4** | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Revenues | **$ 4,189** | $3,436 | $3,278 | $3,644 | $3,761 | $3,971 | $3,416 | $3,087 |
| Realized price - gold [1] | **1,714** | 1,655 | 1,608 | 1,691 | 1,664 | 1,743 | 1,513 | 1,389 |
| Realized price - copper [1] | **3.54** | 3.52 | 3.45 | 3.78 | 3.69 | 3.54 | 4.07 | 4.25 |
| Cost of sales | **2,229** | 1,825 | 1,830 | 1,770 | 1,705 | 1,694 | 1,486 | 1,354 |
| Net earnings [2] | **(3,062)** | 618 | 750 | 1,029 | 959 | 1,365 | 1,159 | 1,001 |
| Per share (dollars) [2,3] | **(3.06)** | 0.62 | 0.75 | 1.03 | 0.96 | 1.37 | 1.16 | 1.00 |
| Adjusted net earnings [3,4] | **1,108** | 849 | 784 | 1,086 | 1,166 | 1,379 | 1,117 | 1,004 |
| Per share (dollars) [2,3,4] | **1.11** | 0.85 | 0.78 | 1.09 | 1.17 | 1.38 | 1.12 | 1.01 |
| EBITDA [4] | **(4,023)** | 1,499 | 1,514 | 1,997 | 1,998 | 2,460 | 2,090 | 1,828 |
| Operating cash flow | **1,672** | 1,732 | 763 | 1,272 | 1,224 | 1,902 | 750 | 1,439 |
| Adjusted operating cash flow [4] | **$ 1,752** | $1,267 | $ 763 | $1,374 | $1,299 | $2,004 | $ 938 | $1,439 |

[1] Per ounce/pound weighted average. Realized price is a non-GAAP financial performance measure with no standard meaning under IFRS. For further information and a detailed reconciliation, please see page 66 of this MD&A.
[2] Sum of all the quarters may not add up to the yearly total due to rounding.
[3] Calculated using weighted average number of shares outstanding under the basic method of earnings per share.
[4] Adjusted net earnings, adjusted EPS, EBITDA and adjusted operating cash flow are non-GAAP financial performance measures with no standard meaning under IFRS. For further information and a detailed reconciliation, please see pages 60 - 67 of this MD&A.

Our financial results for the past several quarters reflect a trend of spot gold prices that have fluctuated around historically high levels and increasing gold and copper production costs, mainly caused by inflationary pressures. This has translated into fluctuating net earnings and adjusted operating cash flow levels depending on the gold and copper realized prices and production levels each quarter. The net loss in fourth quarter 2012 reflected impairment charges at Lumwana ($3.0 billion net of tax effects) and impairment charges related to goodwill of our global copper unit ($798 million).

**Fourth Quarter Results**

In fourth quarter 2012, we reported net loss and adjusted net earnings of $3,062 million and $1,108 million, respectively, compared to net earnings and adjusted net earnings of $959 million and $1,166 million, respectively, in fourth quarter 2011.

The decrease in net earnings was largely driven by the impact of impairment charges of $4.2 (net of tax effects) billion including impairment charges of about $3.8 billion attributable to our copper business unit (comprised of $3.0 billion in asset impairment charges at Lumwana and a $798 million goodwill impairment charge - refer to the discussion about Lumwana in the Key Business Developments section of this MD&A on page 20 for further details); asset impairment charges on various properties in our oil & gas business unit ($155 million); write-down of our investment in Reko Diq ($120 million - refer to the discussion regarding Reko Diq on page 22 of this MD&A for more information). It also reflects higher cost of sales applicable to gold and copper and lower realized copper prices, which were partially offset by higher gold and copper sales volumes and higher realized gold prices and lower income tax expense. The decrease in adjusted net earnings reflects the same factors affecting net earnings with the exception of impairment charges.

In fourth quarter 2012, we sold 2.03 million ounces of gold and 154 million pounds of copper, compared to 1.87 million ounces of gold and 135 million pounds of copper in fourth quarter 2011. Revenues in fourth quarter 2012 were higher than the same prior year period reflecting higher market prices for gold and higher gold and copper sales volumes. In fourth quarter 2012, cost of sales was $2,229 million, total cash costs were $584 per ounce and C1 cash costs of $2.07 per pound for copper, an increase of $79 per ounce and $0.11 per pound, respectively, from fourth quarter 2011. Cost of sales was higher, reflecting higher direct mining costs, including higher labor, energy, maintenance and consumable costs. Total cash costs were higher as a result of increased direct mining costs, including higher labor, energy, maintenance and consumable costs. C1 cash costs increased due to higher direct mining costs at Lumwana.

Operating cash flow in fourth quarter 2012 was $1,672 million, up 37% from the prior year period. Adjusted operating cash flow for the fourth quarter was $1,752 million, up 35% from the prior year period. The increase in operating cash flow and adjusted operating cash flow primarily reflects higher realized gold prices, a decrease in income tax payments of $232 million and a decrease in net working capital outflow of $312 million, partially offset by lower net earnings. Adjusted operating cash flow before working capital adjustments was $1,696 million, up $291 million from the prior year period.

## IFRS CRITICAL ACCOUNTING POLICIES AND ACCOUNTING 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 significant accounting policies are disclosed in note 2 of the Financial Statements.

**Future Accounting Policy Changes**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") under the historical cost convention, as modified by revaluation of certain financial assets, derivative contracts and post-retirement assets. The policies applied in the Financial Statements are based on IFRSs in effect as at December 31, 2012. The consolidated financial statements were approved by the Board of Directors on February 13, 2013.

*Financial Instruments*

*IFRS 9 Financial Instruments*

In November 2009, the IASB issued IFRS 9 *Financial Instruments* as the first step in its project to replace IAS 39 *Financial Instruments: Recognition and Measurement* . IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 *Financial Instruments: Disclosures* , including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on the measurement of financial liabilities and derecognition of financial instruments. In December 2011, the IASB issued an amendment that adjusted the mandatory effective date of IFRS 9 from January 1, 2013 to January 1, 2015. We are currently assessing the impact of adopting IFRS 9 on our consolidated financial statements, including the possibility of early adoption.

*IFRS 10 Consolidated Financial Statements*

In May 2011, the IASB issued IFRS 10 *Consolidated Financial Statements* to replace IAS 27 *Consolidated and Separate Financial Statements* and SIC 12 *Consolidation - Special Purpose Entities* . The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power over the investee to direct relevant activities and exposure to variable returns before control is present. IFRS 10 will be applied starting January 1, 2013. We are currently finalizing our assessment of the impact of adopting IFRS 10 on our consolidated financial statements.

*IFRS 11 Joint Arrangements*

In May 2011, the IASB issued IFRS 11 *Joint Arrangements* to replace IAS 31 *Interests in Joint Ventures* . The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties to the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. IFRS 11 will be applied starting January 1, 2013. We are currently finalizing our assessment of the impact of adopting IFRS 11 on our consolidated financial statements.

*IFRS 12 Disclosure of Interests in Other Entities*

In May 2011, the IASB issued IFRS 12 *Disclosure of Interests in Other Entities* to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates and the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured

entities (i.e. special purpose entities). IFRS 12 will be applied starting January 1, 2013. We have completed our assessment and note that additional disclosures will be required in our 2013 annual consolidated financial statements.

*IFRS 13 Fair Value Measurement*
In May 2011, the IASB issued IFRS 13 *Fair Value Measurement* as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. IFRS 13 will be applied starting January 1, 2013. We are currently finalizing our assessment of the impact of adopting IFRS 13 on our consolidated financial statements.

*IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine*
In October 2011, the IASB issued IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* . IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: useable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. IFRIC 20 will be applied starting January 1, 2013. We will amend our accounting policy on production phase stripping costs to require our open pit mines to consider components of the pit in their assessment of whether or not a future benefit has been created by the mining activities in the period. We expect that this will lead to an increase in the amount of stripping costs that are capitalized over the life of an open pit mine. Based on our analysis, we expect that our restated 2012 financial statements will show an increase in PP&E, a decrease in inventory and an increase in net income. The quantum of these changes is currently under review in preparation of our first quarter 2013 reporting.

**Internal Control over Financial Reporting and Disclosure Controls and Procedures**
Management is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure controls and procedures. Internal control over financial reporting is a framework designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. The Company's internal control over financial reporting framework 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 IFRS, 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 consolidated financial statements.

Disclosure controls and procedures form a broader framework designed to ensure that other financial information disclosed publicly fairly presents in all material respects the financial condition, results of operations and cash flows of the Company for the periods presented in this MD&A and Barrick's Annual Report. The Company's disclosure controls and procedures framework includes processes designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to management by others within those entities to allow timely decisions regarding required disclosure.

Together, the internal control over financial reporting and disclosure controls and procedures frameworks provide internal control over financial reporting and disclosure. Due to its inherent limitations, internal control over financial reporting and disclosure may not prevent or detect all misstatements. Further, the effectiveness of internal control is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may change.

As described on page 20 of this report, we have finalized the cost estimate and schedule for the Pascua-Lama project and have strengthened the construction management and owners team oversight on the project. Management will continue to monitor the effectiveness of its internal control over financial reporting and disclosure and may make modifications from time to time as considered necessary or desirable.

The management of Barrick, at the direction of our chief executive officer and chief financial officer, have evaluated the effectiveness of the design and operation of the internal control over financial reporting and disclosure controls and procedures as of the end of the period covered by this report and have concluded that they were effective at a reasonable assurance level.

Barrick's annual management report on internal control over financial reporting and the integrated audit report of Barrick's auditors for the year ended December 31, 2012 will be included in Barrick's 2012 Annual Report and its 2012 Form 40-F/Annual Information Form on file with the US Securities and Exchange Commission ("SEC") and Canadian provincial securities regulatory authorities.

**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.

*Life of mine ("LOM") Estimates Used to Measure Depreciation of Property, Plant and Equipment*

We depreciate our assets over their useful life, or over the remaining life of the mine (if shorter). We use the units-of-production basis ("UOP") to depreciate the mining interest component of PP&E whereby the denominator is the expected mineral production based on our LOM plans. LOM plans are prepared based on estimates of ounces of gold/pounds of copper in proven and probable reserves and the portion of resources considered probable of economic extraction. At the end of each fiscal year, as part of our business cycle, we update our LOM plans and prepare estimates of proven and probable gold and copper mineral reserves as well as measured, indicated and inferred mineral resources for each mineral property. We prospectively revise calculations of depreciation based on these updated LOM plans.

*Provisions for Environmental Rehabilitations ("PERs")*

We have an obligation to reclaim our mining properties after the minerals have been mined from the site, and have estimated the costs necessary to comply with existing reclamation standards. We recognize the fair value of a liability for a PER such as site closure and reclamation costs in the period in which it is incurred if a reasonable estimate of fair value can be made. PER can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation, including compliance with and monitoring of environmental regulations; security and other site-related costs required to perform the rehabilitation work; and operation of equipment designed to reduce or eliminate environmental effects.

Provisions for the cost of each rehabilitation program are recognized at the time that an environmental disturbance occurs or a constructive obligation is determined. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. We record a PER 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 a PER is recorded as an adjustment to the corresponding asset carrying amount and results in a prospective increase in depreciation expense. At closed mines, any adjustment to a PER is recognized as an expense in the consolidated statement of income.

PERs are measured at the expected value of the future cash flows, discounted to their present value using a current, US dollar real risk-free pre-tax discount rate. The expected future cash flows exclude the effect of inflation. The unwinding of the discount, referred to as accretion expense, is included in finance costs and results in an increase in the amount of the provision. Provisions are updated each reporting period for the effect of a change in the discount rate and foreign exchange rate when applicable, and the change in estimate is added or deducted from the related asset and depreciated prospectively over the asset's useful life.

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 a PER is inherently more subjective. Significant judgments and

estimates are made when estimating the fair value of PERs. Expected cash flows relating to PERs could occur over periods of 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 a PER, the fair value of PERs can materially change over time.

The amount of PERs 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 PERs and future earnings in a period of change.

During the year ended December 31, 2012, our PER balance increased by $504 million, primarily due to a decrease in the discount rate used to calculate PER and due to an increase in cost estimates. The offset was recorded as an increase in PP&E for our operations and other expense at our closed sites.

**PERs**

(in $ millions)

| As at December 31 | **2012** | 2011 |
|---|---|---|
| Operating mines | **$ 1,968** | $ 1,608 |
| Closed mines | **386** | 373 |
| Development projects | **211** | 97 |
| Other | **98** | 81 |
| Total | **$ 2,663** | $ 2,159 |

*Accounting for impairment of non-current assets*

**Goodwill impairment test**

In accordance with our accounting policy, goodwill was tested for impairment in the fourth quarter, with our gold segments and capital projects segment being tested at the beginning of the quarter, and our copper and Barrick Energy segments at the end of the quarter. When there is an indicator of impairment of non-current assets within an operating segment containing goodwill, we test the non-current assets for impairment first and recognize any impairment loss on the non-current assets before testing the operating segment containing the goodwill for impairment. The recoverable amount of each operating segment has been determined based on its fair value less cost to sell (FVLCS), which has been determined to be greater than the value in use (VIU) model. For the year ended December 31, 2012, we recorded an impairment of goodwill related to our copper segment of $798 million (2011: nil).

*Gold and Capital Projects*

FVLCS for each of the gold segments and the capital projects segment was determined by calculating the net present value ("NPV") of the future cash flows expected to be generated by the segments. The estimates of future cash flows were derived from the most recent life of mine ("LOM") plans, with mine lives ranging from 2 to 34 years and an average mine life of 14 years, aggregated to the segment level, the level at which goodwill is tested. We have used an estimated long-term gold price of $1,700 per ounce (2011: $1,600 per ounce) to estimate future revenues. The future cash flows for each gold mine/capital project were discounted using a real weighted average cost of capital ranging from 3% to 8% depending on the location and market risk factors for each mine/project, which results in an average weighted cost of capital for the gold segments and capital projects segments of 5% (2011 average real weighted cost of capital of 5%). Gold companies consistently trade at a market capitalization greater than the NPV of their expected cash flows. Market participants describe this as a "NAV multiple", whereby the NAV multiple represents the multiple applied to the NPV to arrive at the trading price. The NAV multiple represents the value of the exploration potential of the mineral property, namely the ability to find and produce more metal than what is currently included in the LOM plan, and the benefit of gold price optionality. As a result, we applied a NAV multiple to the NPV of each ("CGU") within each gold segment and the capital projects segment based on the observable NAV multiples of comparable companies as at the test date. In 2012, the average NAV multiple was approximately 1.2 (2011: 1.2).

*Copper*

For our copper segment, the FVLCS was determined based on the NPV of future cash flows expected to be generated using the most recent LOM plans, with mine lives ranging from 13 to 33 years, aggregated to the segment level. We utilized a long-term risk-adjusted copper price of $3.43 per pound (2011: $3.44 per pound) to estimate future revenues. The risk adjustment to the average long-term copper price was approximately 5.8% (2011: 4.5%.) The expected future cash flows were additionally discounted using rates from 4.5% to 6.5% (2011: 4.5% to 5.5%) to reflect the time value of money and a residual risk factor for cash flow uncertainties not related to metal price. This results in an effective weighted average cost of capital for the copper segment of approximately 7% (2011: 7%.)

We recorded a non-current asset impairment charge of $3.0 billion (after related income tax effects) for the Lumwana CGU in fourth quarter 2012 (see the Non-current asset impairment test section below for further details). After reflecting this charge, we conducted our goodwill impairment test and determined that the carrying value of our copper segment exceeded its FVLCS, and therefore we recorded a goodwill impairment charge of $798 million. The FVLCS of our copper segment was impacted in the current year by increasing unit mining costs, increased operating costs and increased future capital costs.

*Oil & gas*

For our oil & gas segment, the FVLCS was determined based on the NPV of future cash flows expected to be generated from our oil & gas CGUs, aggregated to the segment level. We have estimated future oil prices using the forward curve provided by an independent reserve evaluation firm, with prices starting at $90 per barrel (WTI) (2011: $97 per barrel). The future cash flows were discounted using a real weighted average cost of capital for long life oil & gas assets of 8.5% (2011: 8.5%). In fourth quarter 2012, we recorded a non-current asset impairment charge of $155 million (after related income tax effects) for certain CGUs in this segment (see the Non-current asset impairment test section below for further details). After reflecting these charges, the FVLCS of Barrick Energy exceeds its carrying amount by about $40 million and therefore segment goodwill was recoverable (see the Key assumptions and sensitivities section for further details).

**Non-current asset impairment test**

Non-current assets are tested for impairment when events or changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable amount is calculated using the same FVLCS approach as described above for goodwill. However, the assessment is done at the CGU level, which is the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets.

For the year ended December 31, 2012, we recorded impairment charges of $5.6 billion (pre-tax) (2011: $0.1 billion) for non-current assets, as summarized in the table below:

($ millions)

| For the years ended December 31 | **2012** | 2011 |
|---|---|---|
| Lumwana | **$ 3,016** | $ - |
| Barrick Energy CGUs | **155** | 37 |
| Exploration properties | **164** | - |
| Reko Diq | **120** | - |
| Highland Gold | **84** | - |
| PV power assets | **21** | 39 |
| Tulawaka | **16** | - |
| Other | **11** | 4 |
| Total after-tax non-current asset impairment charges | **$ 3,587** | $ 80 |
| Related income tax effects and NCI | **2,039** | 58 |
| Total impairment charges | **$ 5,626** | $ 138 |

*Lumwana*

We have prepared a new life-of-mine (LOM) plan for Lumwana, which reflects information obtained from the exploration and infill drilling program that was completed late in the fourth quarter of 2012. The purpose of the drilling program was to better define the limits of mineralization and develop an updated, more comprehensive block model of the ore body for mine planning purposes. After this drilling was completed, the ore body did not meet our economic expectations. While the drilling increased reserves and defined significant additional mineralization, some at higher grades, much of it was deep and would require a significant amount of waste stripping, which makes it uneconomic based on our expected operating costs and current market copper prices. At higher copper prices, however, much of this copper will be economic and come into reserves and resources.

The new LOM plan also reflects revised operating and sustaining capital costs after results of the drill program were incorporated into a new block model for the life-of-mine plan. The revised LOM cost estimates – under present copper price assumptions – reduced expected copper production and, in turn, profitability over the mine life. As a result, we have recorded an after-tax asset impairment charge of $3.0 billion for Lumwana in the fourth quarter. We also recorded a goodwill impairment of $0.8 billion for the copper business unit for a total charge of $3.8 billion. We continue to progress a number of key initiatives to lower costs, including improvements to operating systems and processes, and a full transition to an owner maintained operation. A focus on higher utilization and productivity of the mining fleet has also been identified as one of the major opportunities to improve value. Until we can improve

mining costs, and/or copper prices increase, the expansion opportunity to increase the throughput capacity of the processing plant does not meet our investment criteria. The company will only invest capital if it generates acceptable rates of return suitable to the size of the capital investment.

The significant changes in the LOM plan were considered an indicator of impairment, and, accordingly, we performed an impairment assessment for Lumwana as at the end of the year. As a result of this assessment, we have recorded an impairment charge of $3.0 billion, after tax, related to the carrying value of the PP&E at Lumwana in the fourth quarter of 2012.

In fourth quarter 2012, we recorded an after-tax impairment charge of $155 million (2011: $37 million) related to PP&E in certain of our CGUs in our Barrick Energy segment. The impairment charges were primarily as a result of lower WTI prices and a significant increase in the discount of Edmonton par prices, from which Barrick Energy's realized prices are derived, compared to the WTI equivalent prices in the prior year.

In fourth quarter 2012, we also recorded the following after-tax impairment charges: $16 million in PP&E impairment charges related to Tulawaka in our ABG segment, primarily as a result of a decrease in the expected remaining mine life in its most recent LOM plan; $120 million related to our equity method investment in TCC, which holds our interest in the Reko Diq project; and a further $21 million write-down of power-related assets at our Pueblo Viejo project, above the impairment charge recorded in 2011, based on new information with respect to the recoverable amount of these assets received in the fourth quarter of 2012.

Other after-tax impairment charges recorded in 2012 included: $164 million related to exploration properties, included in intangible assets, in Papua New Guinea and Saudi Arabia as a result of our decision to cease exploration activities ($141 million in Papua New Guinea in third quarter 2012 and $23 million in Saudi Arabia in fourth quarter 2012); and $84 million related to our equity method investment in Highland Gold as a result of the disposition of our equity interest in first quarter 2012.

For the year ended December 31, 2011, we recorded after-tax impairment charges of $80 million for non-current assets. The impairment included a $37 million charge at our Barrick Energy segment, primarily due to oil recovery issues at one of our properties. Impairment charges also included a $39 million write-down of power-related assets at our Pueblo Viejo project as a result of a decision to proceed with an alternative long-term power solution.

**Key assumptions and sensitivities**

The key assumptions used in determining the recoverable amount (FVLCS) are related to commodity prices, discount rates, NAV multiples for gold assets, operating costs, exchange rates and capital expenditures. The Company performed a sensitivity analysis on all key assumptions that assumed a negative 10% change for each individual assumption while holding the other assumptions constant and determined that, other than as discussed below, no reasonably possible change in any of the key assumptions would cause the carrying value of our business segments to exceed its recoverable amount for the purposes of the goodwill impairment test or the carrying value of any of our CGUs to exceed its recoverable amount for the purposes of the non-current asset impairment test where an indicator of potential impairment for the non-current asset was noted.

As at December 31, after reflecting the impairments of Lumwana's long-lived assets and the copper segment's goodwill, the recoverable amount of the copper segment is equal to its carrying amount, including goodwill. Therefore any significant negative change in the key assumptions could result in an additional impairment charge to non-current assets of Lumwana and/or copper segment goodwill. As at December 31, 2012, the carrying amount of goodwill for the copper segment is $3.5 billion.

In second quarter 2012 we identified a potential indicator of impairment at our Pascua-Lama project based on the significant increase in the expected construction costs and delay in the expected completion date. We conducted an impairment assessment at that time and determined that the fair value of the project exceeded its carrying value. In fourth quarter 2012, upon completion of the cost estimate, schedule and the associated LOM plan, we updated our assessment and determined that the fair value of the project exceeds its carrying value as at December 31, 2012 by about $1.5 billion. A decrease of about 7% in long-term gold prices, a decrease of about 12% in silver prices, an increase of about 10% in operating costs or an increase of about 15% in the total LOM capital expenditures, would in isolation, cause the estimated recoverable amount to be equal to the carrying value. As at December 31, 2012, the carrying value of Pascua-Lama is $5.24 billion (2011: $3.06 billion).

We also conducted an internal assessment of our Buzwagi mine, in our ABG segment, in fourth quarter

2012 and determined that the fair value of the project exceeds its carrying value by about $165 million. A decrease of about 5% in gold prices or an increase of about 10% in cash operating costs, would in isolation, cause the estimated recoverable amount to be equal to the carrying value. The current carrying value of Buzwagi is $747 million (2011: $634 million). In addition, the recoverable amount of Tulawaka is approximately equal to its carrying amount, and therefore any significant change in the key assumptions could result in additional impairment charges. The current carrying value of Tulawaka is $8 million (2011: $28 million).

As at December 31, an indicator of potential impairment was noted for our Darlot mine, in our Australia Pacific operating segment, in relation to a significant increase in operating costs in its most recent LOM plan. Accordingly, we conducted an impairment assessment and determined that the fair value of the mine exceeds its carrying value as at December 31, 2012 by about $50 million. A decrease of about 15% in gold prices, an increase of about 20% in cash operating costs or an increase of about 15% in the Australian dollar compared to the US dollar would, in isolation, cause the estimated recoverable amount to be equal to the carrying value. The current carrying value of Darlot is $66 million (2011: $90 million). In addition, the recoverable amount of our Kanowna mine is approximately equal to its carrying amount, and therefore any significant change in the key assumptions could result in an impairment charge. The current carrying value of Kanowna is $162 million (2011: $197 million).

As at December 31, the recoverable amounts of certain CGUs within Barrick Energy are approximately equal to their carrying amounts and therefore any significant change in the key assumptions could result in additional impairment charges. The current carrying value of these CGUs is $589 million (2011: $231 million).

*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 consolidated financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period of changes.

**Recognition of Deferred Tax Assets**

Each period, we evaluate the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning activities. Levels of future taxable income are affected by, among other things, market gold prices, and production costs, quantities of proven and probable gold and copper reserves, interest rates and foreign currency exchange rates. If we determine that it is probable (a likelihood of more than 50%) that all or some portion of a deferred tax asset will not be realized, we do not recognize it in our financial statements. Changes in recognition of deferred tax assets are recorded as a component of income tax expense or recovery for each period. The most significant recent trend impacting expected levels of future taxable income and the amount of recognition of deferred tax assets, has been raising market gold prices. A decline in market gold prices could lead to derecognition of deferred tax assets and a corresponding increase in income tax expense.

**Deferred Tax Assets Not Recognized**

($ millions)

| As at December 31 | **2012** | 2011 |
|---|---|---|
| Australia and Papua New Guinea | **$ 181** | $ 122 |
| Canada | **88** | 76 |
| Argentina | **-** | 35 |
| Barbados | **73** | 73 |
| Zambia | **48** | - |
| Tanzania | **43** | 31 |
| Other | **17** | 23 |
| | **$ 450** | $ 360 |

Tanzania and Other: the unrecognized deferred tax assets 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 recognize some or all of the deferred tax assets.

Canada: most of the unrecognized deferred tax assets relate to tax pools which can only be utilized by income from specific sources.

Australia: most of the unrecognized deferred tax assets relate to capital losses that can only be utilized if capital gains are realized.

## NON-GAAP FINANCIAL PERFORMANCE MEASURES [13]

### Adjusted Net Earnings (Adjusted Net Earnings per Share) and Adjusted Return on Equity

Adjusted net earnings is a non-GAAP financial measure which excludes the following from net earnings:

- Significant tax adjustments not related to current period earnings;
- Impairment charges (reversals) related to intangibles, goodwill, property, plant and equipment, and investments;
- Gains/losses and other one-time costs relating to acquisitions/dispositions;
- Foreign currency translation gains/losses;
- Non-recurring restructuring costs;
- Unrealized gains/losses on non-hedge derivative instruments; and
- Change in the measurement of the PER as a result of changes in the discount rates for closed sites.

Management uses this measure internally to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented, and to assist with the planning and forecasting of future operating results. We believe that adjusted net earnings allows investors and analysts to better evaluate the results of the underlying business of the Company. While the adjustments to net earnings in this measure include items that are recurring, management believes that adjusted net earnings is a useful measure of the Company's performance because non-recurring tax adjustments; impairment charges, gains/losses and other one-time costs relating to asset acquisitions/dispositions and business combinations; and non-recurring restructuring charges do not reflect the underlying operating performance of our core mining business and are not necessarily indicative of future operating results.

We also adjust for changes in PER discount rates relating to our closed sites as they are not related to our day-to-day operations and not indicative of underlying results. Furthermore, foreign currency translation gains/losses and unrealized gains/losses from non-hedge derivatives are not necessarily reflective of the underlying operating results for the reporting periods presented.

As noted, the Company uses this measure for its own internal purposes. Management's internal budgets and forecasts and public guidance do not reflect potential impairment charges, potential gains/losses on the acquisition/disposition of assets, foreign currency translation gains/losses, or unrealized gains/losses on non-hedge derivatives. Consequently, the presentation of adjusted net earnings enables investors and analysts to better understand the underlying operating performance of our core mining business through the eyes of Management. Management periodically evaluates the components of adjusted net earnings based on an internal assessment of performance measures that are useful for evaluating the operating performance of our business segments and a review of the non-GAAP measures used by mining industry analysts and other mining companies.

We also present adjusted return on equity as a measure which is calculated by dividing adjusted net earnings by average shareholders' equity. Management believes this to be a useful indicator of the Company's performance. We use adjusted net earnings to calculate the adjusted return on equity as management believes it is a useful measure of the Company's underlying operating performance of our core mining business.

Adjusted net earnings is intended to provide additional information only and does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. The following table reconciles these non-GAAP measures to the most directly comparable IFRS measure.

[13] The amounts presented in the non-GAAP financial performance measure tables include the results of discontinued operations.

**Reconciliation of Net Earnings to Adjusted Net Earnings and Adjusted Return on Equity [1]**

| ($ millions, except per share amounts in dollars) | For the years ended December 31 | | | For the three months ended December 31 | |
|---|---|---|---|---|---|
| | **2012** | 2011 | 2010 | **2012** | 2011 |
| Net earnings/(losses) attributable to equity holders of the Company | **($ 665)** | $ 4,484 | $ 3,582 | **($ 3,062)** | $ 959 |
| Significant tax adjustments not related to current period earnings | **(83)** | 122 | (4) | **(42)** | 86 |
| Impairment charges (reversals) related to intangibles, property, plant and equipment, and investments | **4,425** | 165 | (65) | **4,161** | 153 |
| Acquisition/disposition adjustments [2] | **(13)** | (165) | (62) | **1** | (6) |
| Foreign currency translation (gains)/losses | **125** | (5) | 32 | **97** | 21 |
| Restructuring costs | **-** | 2 | 43 | **-** | - |
| Acquisition related costs [3] | **-** | 97 | - | **-** | (18) |
| Changes in PER discount rate for closed sites | **18** | 32 | - | **-** | 32 |
| Other items | **57** | - | - | **42** | - |
| Unrealized (gains)/losses on non-hedge derivative instruments | **(37)** | (66) | (9) | **(89)** | (61) |
| Adjusted net earnings | **$ 3,827** | $ 4,666 | $ 3,517 | **$ 1,108** | $ 1,166 |
| Net earnings/(losses) per share [4] | **(0.66)** | 4.49 | 3.63 | **(3.06)** | 0.96 |
| Adjusted net earnings per share [4] | **$ 3.82** | $ 4.67 | $ 3.56 | **$ 1.11** | $ 1.17 |
| Average Shareholder's Equity | **$22,604** | $21,418 | $17,352 | **$23,509** | $22,869 |
| Adjusted return on equity [5] | **17%** | 22% | 20% | **19%** | 20% |

[1] Amounts presented in this table are after-tax.
[2] For the three month period ended December 31, 2011, includes gains on sale of assets. For the year ended December 31, 2011, includes gain on sale assets of $188 million, partially offset by a $23 million charge for the recognition of a liability for contingent consideration related to the acquisition of the additional 40% interest in our Cortez property.
[3] Represents expensed transaction costs, fair value inventory purchase adjustments and realized foreign exchange losses relating to our economic hedge of the purchase price related to the Equinox acquisition.
[4] Calculated using weighted average number of shares outstanding under the basic method of earnings per share.
[5] Calculated as annualized adjusted net earnings divided by average shareholders' equity.

**Adjusted Operating Cash Flow, Adjusted Operating Cash Flow before Working Capital Changes and Free Cash Flow**

Adjusted operating cash flow is a non-GAAP financial measure which excludes the effect of elimination of gold sales contracts, the effect of the settlement of currency contracts, the impact of one-time costs and working capital adjustments relating to business combinations.

Management uses adjusted operating cash flow as a measure internally to evaluate the underlying operating cash flow performance of the Company as a whole for the reporting periods presented, and to assist with the planning and forecasting of future operating cash flow. The elimination of gold sales contracts and one-time costs and working capital adjustments relating to business combinations are activities that are not reflective of the underlying capacity of our operations to generate operating cash flow and therefore this adjustment will result in a more meaningful operating cash flow measure for investors and analysts to evaluate our performance in the period and assess our future operating cash flow-generating capability.

Starting in Q1 2012, we have also adjusted our operating cash flow to remove the effect of the settlement of contingent consideration and non-recurring tax payments. This settlement activity and non-recurring tax payments are not reflective of the underlying capacity of our operations to generate operating cash flow on a recurring basis, and therefore these adjustment will result in a more meaningful operating cash flow measure for investors and analysts to evaluate our performance in the period and assess our future operating cash flow-generating capability.

We also present adjusted operating cash flow before working capital changes as a measure which excludes working capital changes from adjusted operating cash flow. Management uses operating cash flow before working capital changes as a measure internally to evaluate the Company's ability to generate cash flows from its mining operations, before the impact of working capital movements.

Free cash flow is a measure which excludes our share of capital expenditures from adjusted operating cash flow. Management believes this to be a useful indicator of the

Company's ability to operate without reliance on additional borrowing or usage of existing cash.

Adjusted operating cash flow, adjusted operating cash flow before working capital changes and free cash flow are intended to provide additional information only and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. The following table reconciles these non-GAAP measures to the most directly comparable IFRS measure.

**Reconciliation of Adjusted Operating Cash Flow**

| ($ millions) | For the years ended December 31 | | | For the three months ended December 31 | |
|---|---|---|---|---|---|
| | **2012** | 2011 | 2010 | **2012** | 2011 |
| Operating cash flow | **$ 5,439** | $ 5,315 | $ 4,585 | **$ 1,672** | $ 1,224 |
| Elimination of gold sales contracts | **-** | - | 656 | **-** | - |
| Settlement of contingent consideration | **50** | - | - | **-** | - |
| Settlement of currency contracts | **(385)** | - | - | **80** | - |
| Non-recurring tax payments | **52** | - | - | **-** | - |
| Withholding tax payments | - | 161 | - | - | 75 |
| Acquisition costs expensed and related working capital movements | **-** | 204 | - | **-** | - |
| Adjusted operating cash flow | **$ 5,156** | $ 5,680 | $ 5,241 | **$ 1,752** | $ 1,299 |
| Changes in working capital | **236** | 139 | 1 | **(56)** | 106 |
| Adjusted operating cash flow before working capital changes | **$ 5,392** | $ 5,819 | $ 5,242 | **$ 1,696** | $ 1,405 |
| | | | | | |
| Adjusted operating cash flow | **$ 5,156** | $ 5,680 | $ 5,241 | **$ 1,752** | $ 1,299 |
| Capital expenditures - Barrick's share | **(5,994)** | (4,598) | (3,371) | **(1,818)** | (1,231) |
| Free cash flow | **($ 838)** | $ 1,082 | $ 1,870 | **($ 66)** | $ 68 |

**Total Cash Costs per ounce, C1 Cash Costs per pound, C3 Fully Allocated Costs per pound and All-In Sustaining Cash Costs per ounce**

Total cash costs per ounce, C1 cash costs per pound, C3 fully allocated costs per pound and all-in sustaining cash costs per ounce are non-GAAP financial measures. Total cash costs per ounce measure include all costs absorbed into inventory, as well as royalties, and by-product credits, and exclude inventory purchase accounting adjustments, unrealized gains/losses from non-hedge currency and commodity contracts, and depreciation and accretion. Our total cash costs exclude the impact of ore purchase agreements that have economic characteristics similar to a toll milling arrangement, as the cost of producing these ounces is not indicative of our normal production costs. Hence, we remove such costs from total cash costs. These measure also include the gross margin generated by our Barrick Energy business unit, which was acquired to mitigate our exposure to oil prices as a credit against gold production costs. The presentation of these statistics in this manner allows us to monitor and manage those factors that impact production costs on a monthly basis. These measures are calculated by dividing the aggregate of the applicable costs by gold ounces or copper pounds sold. These measures are calculated on a consistent basis for the periods presented.

Starting in Q1 2012, we have replaced the non-GAAP measure "total cash cost per pound" for our copper business with "C1 cash costs per pound". We believe that this change will enable investors to better understand the performance of our global copper segment in comparison to other copper producers who present results on a similar basis. As part of this change, we also introduced "C3 fully allocated costs per pound". The primary difference between total cash costs and C1 cash costs is that royalties and non-routine charges are excluded from C1 cash costs as they are not direct production costs. C3 fully allocated costs per pound include C1 cash costs, depreciation, royalties, exploration and evaluation expense, administration expense and non-routine charges.

Beginning in 2013, we are adopting an "all-in sustaining cash costs per ounce" measure. The Company believes that current operating measures commonly used in the gold industry do not capture all of the sustaining

expenditures incurred in order to produce gold, and therefore they do not present a complete picture of a company's operating performance or its ability to generate free cash flow from its current operations. Similarly, they do not reflect all of the expenditures that would be included in the valuation of a gold mining company. For these reasons, the Company is working with the members of the World Gold Council ("WGC") to define an all-in sustaining cash costs measure that better represents the total costs associated with producing gold. We believe this measure will better meet the needs of analysts, investors and other stakeholders of the Company in assessing its operating performance, its ability to generate free cash flow from current operations and its overall value.

The WGC project to define all-in sustaining cash costs is ongoing and a final standard is expected in the middle of 2013. We expect to conform our disclosure of all-in sustaining cash costs to the measure that is ultimately approved by the WGC. Our current definition of all-in sustaining cash costs commences with total cash costs and then adds sustaining capital expenditures, corporate general and administrative costs, mine site exploration and evaluation costs and environmental rehabilitation costs. This measure seeks to represent the total costs of producing gold from current operations, and therefore it does not include capital expenditures attributable to projects or mine expansions, exploration and evaluation costs attributable to growth projects, income tax payments, interest costs or dividend payments. Consequently, this measure is not representative of all of the Company's cash expenditures. In addition, our calculation of all-in sustaining cash costs does not include depreciation expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Company's overall profitability.

We calculate total cash costs and all-in sustaining cash costs based on our equity interest in production from our mines. 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 attributable to the non-controlling interest. Consequently, our production and total cash costs statistics only reflect our equity share of production.

Total cash cost, C1 cash cost, C3 fully allocated costs and all-in sustaining cash costs are intended to provide additional information only and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. The following tables reconcile these non-GAAP measures to the most directly comparable IFRS measure.

**Total Cash Costs per ounce, All-In Sustaining Cash Costs per ounce, C1 Cash Costs per pound**

| ($ millions) | Gold | | | Copper | | | Oil & Gas | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| For the years ended December 31 | **2012** | 2011 | 2010 | **2012** | 2011 | 2010 | **2012** | 2011 | 2010 | **2012** | 2011 | 2010 |
| Cost of Sales | **$ 6,210** | $ 5,169 | $ 4,610 | **$ 1,279** | $ 915 | $ 407 | **$ 165** | $ 156 | $ 114 | **$ 7,654** | $ 6,240 | $ 5,131 |
| Less: Depreciation | **1,389** | 1,152 | 1,077 | **231** | 170 | 88 | **102** | 97 | 47 | **1,722** | 1,419 | 1,212 |
| Cash costs of sales | **$ 4,821** | $ 4,017 | $ 3,533 | **$ 1,048** | $ 745 | $ 319 | **$ 63** | $ 59 | $ 67 | **$ 5,932** | $ 4,821 | $ 3,919 |

| ($ millions) | Gold | | Copper | | Oil & Gas | | Total | |
|---|---|---|---|---|---|---|---|---|
| For the three months ended December 31 | **2012** | 2011 | **2012** | 2011 | **2012** | 2011 | **2012** | 2011 |
| Cost of Sales | **$ 1,771** | $ 1,384 | **$ 418** | $ 274 | **$ 40** | $ 48 | **$ 2,229** | $ 1,706 |
| Less: Depreciation | **421** | 312 | **66** | 61 | **24** | 29 | **511** | 402 |
| Cash costs of sales | **$ 1,350** | $ 1,072 | **$ 352** | $ 213 | **$ 16** | $ 19 | **$ 1,718** | $ 1,304 |

**Reconciliation of Cost of Sales to Total Cash Costs per ounce**

*Gold*

| | For the years ended December 31 | | | For the three months ended December 31 | |
|---|---|---|---|---|---|
| ($ millions, except per ounce information in dollars) | **2012** | 2011 | 2010 | **2012** | 2011 |
| Cash cost of sales | **$ 4,821** | $ 4,017 | $ 3,533 | **$ 1,350** | $ 1,072 |
| Cost of sales applicable to discontinued operations | **-** | - | 10 | **-** | - |
| Cost of sales applicable to non-controlling interests [1] | **(168)** | (171) | (97) | **(44)** | (45) |
| Cost of sales applicable to ore purchase arrangement | **(161)** | (126) | (104) | **(42)** | (26) |
| Other metal sales | **(139)** | (137) | (120) | **(38)** | (33) |
| Realized non-hedge gains/losses on fuel hedges | **(9)** | (5) | 3 | **(19)** | 1 |
| Treatment and refinement charges [2] | **6** | 8 | 8 | **2** | 1 |
| Impact of Barrick Energy | **(90)** | (118) | (56) | **(25)** | (32) |
| Total cash cost of sales | **$ 4,260** | $ 3,468 | $ 3,177 | **$ 1,184** | $ 938 |
| Ounces sold - consolidated basis (000s ounces) | **7,465** | 7,758 | 7,902 | **2,071** | 1,913 |
| Ounces sold - non-controlling interest (000s ounces) [1] | **(173)** | (208) | (160) | **(44)** | (48) |
| Ounces sold - equity basis (000s ounces) | **7,292** | 7,550 | 7,742 | **2,027** | 1,865 |
| Total cash costs per ounce [3] | **$ 584** | $ 460 | $ 409 | **$584** | $ 505 |

[1] Relates to interest in ABG held by outside shareholders.
[2] In first quarter 2012, we amended the presentation of treatment and refinement charges incurred on concentrate sales in the consolidated financial statements. Previously, these charges were included in cost of sales and they are now deducted from revenues. We have amended this non-GAAP financial performance measure to reflect this change and therefore result in a measure that is consistent with prior periods.
[3] Total cash costs per ounce may not calculate based on amounts presented in this table due to rounding.

**Reconciliation of Total Cash Cost of Sales to All-In Sustaining Cash Costs per ounce**

| | For the years ended December 31 | | | For the three months ended December 31 | |
|---|---|---|---|---|---|
| ($ millions, except per ounce information in dollars) | **2012** | 2011 | 2010 | **2012** | 2011 |
| Total cash cost of sales | **$ 4,260** | $ 3,468 | $ 3,177 | **$ 1,184** | $ 938 |
| General & administrative costs | **373** | 314 | 311 | **111** | 82 |
| Rehabilitation - accretion and amortization | **147** | 134 | 111 | **38** | 40 |
| Mine on-site exploration and evaluation costs | **156** | 136 | 89 | **47** | 38 |
| Mine development expenditures | **833** | 750 | 561 | **233** | 173 |
| Sustaining capital expenditures | **1,129** | 876 | 785 | **356** | 265 |
| All-in sustaining cash costs | **$ 6,898** | $ 5,678 | $ 5,034 | **$ 1,969** | $ 1,536 |
| Ounces sold - consolidated basis (000s ounces) | **7,465** | 7,758 | 7,902 | **2,071** | 1,913 |
| Ounces sold - non-controlling interest (000s ounces) [1] | **(173)** | (208) | (160) | **(44)** | (48) |
| Ounces sold - equity basis (000s ounces) | **7,292** | 7,550 | 7,742 | **2,027** | 1,865 |
| All-in sustaining cash costs per ounce [2] | **$ 945** | $ 752 | $ 649 | **$ 972** | $ 826 |

[1] Relates to interest in ABG held by outside shareholders.
[2] All-in sustaining cash costs per ounce may not calculate based on amounts presented in this table due to rounding.

**Reconciliation of Cost of Sales to C1 Cash Costs per pound**

*Copper*

| | For the years ended December 31 | | | For the three months ended December 31 | |
|---|---|---|---|---|---|
| ($ millions, except per pound information in dollars) | **2012** | 2011 | 2010 | **2012** | 2011 |
| Cost of sales | **$ 1,048** | $ 745 | $ 319 | **$ 352** | $ 213 |
| Cost of sales applicable to discontinued operations | **-** | - | 91 | **-** | - |
| Treatment and refinement charges [1] | **95** | 68 | 23 | **26** | 26 |
| Less: royalties | **(34)** | (17) | (6) | **(11)** | (3) |
| Less: non-routine charges | **(62)** | (34) | - | **(45)** | 29 |
| Other metal sales | **(1)** | (3) | (6) | **-** | - |
| Other | **(22)** | - | - | **(5)** | - |
| **C1 cash cost of sales** | **$ 1,024** | $ 759 | $ 421 | **$ 317** | $ 265 |
| Depreciation/amortization | **231** | 170 | 88 | **66** | 61 |
| Royalties | **34** | 17 | 6 | **11** | 3 |
| Non-routine charges | **62** | 34 | - | **45** | (29) |
| Exploration and evaluation | **14** | 12 | - | **7** | 4 |
| Administration costs | **9** | 22 | 5 | **4** | 12 |
| Other expense (income) | **27** | 9 | 19 | **15** | 19 |
| **C3 fully allocated cost of sales** | **$ 1,401** | $ 1,023 | $ 539 | **$ 465** | $ 335 |
| Pounds sold - consolidated basis (millions pounds) | **472** | 444 | 391 | **154** | 135 |
| **C1 cash cost per pound [2]** | **$ 2.17** | $ 1.71 | $ 1.08 | **$ 2.07** | $ 1.96 |
| **C3 fully allocated cost per pound [2]** | **$ 2.97** | $ 2.30 | $ 1.38 | **$ 3.04** | $ 2.47 |

[1] In first quarter 2012, we amended the presentation of treatment and refinement charges incurred on concentrate sales in the consolidated financial statements. Previously, these charges were included in cost of sales and they are now deducted from revenues. We have amended this non-GAAP financial performance measure to reflect this change and therefore result in a measure that is consistent with prior periods.

[2] C1 cash costs per pound and C3 fully allocated costs per pound may not calculate based on amounts presented in this table due to rounding.

**EBITDA and Adjusted EBITDA**

EBITDA is a non-GAAP financial measure, which excludes the following from net earnings:

- Income tax expense;
- Finance costs;
- Finance income; and
- Depreciation.

Management believes that EBITDA is a valuable indicator of the Company's ability to generate liquidity by producing operating cash flow to: fund working capital needs, service debt obligations, and fund capital expenditures. Management uses EBITDA for this purpose. EBITDA is also frequently used by investors and analysts for valuation purposes whereby EBITDA is multiplied by a factor or "EBITDA multiple" that is based on an observed or inferred relationship between EBITDA and market values to determine the approximate total enterprise value of a company.

Starting in this MD&A, we are introducing "Adjusted EBITDA" as a non-GAAP measure. We have adjusted our EBITDA to remove the effect of "impairment charges". These charges are not reflective of our ability to generate liquidity by producing operating cash flow and therefore this adjustment will result in a more meaningful valuation measure for investors and analysts to evaluate our performance in the period and assess our future ability to generate liquidity.

EBITDA and adjusted EBITDA are intended to provide additional information to investors and analysts and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA and adjusted EBITDA exclude the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA and adjusted EBITDA differently.

The following table provides a reconciliation of EBITDA and adjusted EBITDA to net earnings.

**Reconciliation of Net Earnings to EBITDA**

| ($ millions, except per share amounts in dollars) | For the years ended December 31 | | | For the three months ended December 31 | |
|---|---|---|---|---|---|
| | **2012** | 2011 | 2010 | **2012** | 2011 |
| Net earnings/(loss) | **$ (665)** | $ 4,484 | $ 3,582 | **$ (3,062)** | $ 959 |
| Income tax expense | **(236)** | 2,287 | 1,561 | **(1,514)** | 589 |
| Finance costs | **177** | 199 | 180 | **44** | 51 |
| Finance income | **(11)** | (13) | (14) | **(2)** | (3) |
| Depreciation | **1,722** | 1,419 | 1,212 | **511** | 402 |
| EBITDA | **$ 987** | $ 8,376 | $ 6,521 | **$ (4,023)** | $ 1,998 |
| Impairment charges | **$ 6,470** | $ 235 | ($ 73) | **$ 6,196** | $ 212 |
| Adjusted EBITDA | **$ 7,457** | $ 8,611 | $ 6,448 | **$ 2,173** | $ 2,210 |
| Reported as: | | | | | |
| Gold | | | | | |
| North America | **$ 3,862** | $ 3,648 | $ 2,317 | **$ 1,109** | $ 820 |
| South America | **1,771** | 2,121 | 1,996 | **556** | 662 |
| Australia Pacific | **1,446** | 1,687 | 1,096 | **370** | 462 |
| African Barrick Gold | **330** | 538 | 429 | **75** | 119 |
| Copper | **564** | 827 | 697 | **134** | 188 |
| Capital Projects | **(113)** | (151) | (15) | **(63)** | (99) |
| Barrick Energy | **66** | 49 | 47 | **16** | (22) |
| Other | **(6,939)** | (343) | (46) | **(6,220)** | (132) |
| EBITDA | **$ 987** | $ 8,376 | $ 6,521 | **($ 4,023)** | $ 1,998 |
| Impairment charges | **$ 6,470** | $ 235 | ($ 73) | **$ 6,196** | $ 212 |
| Adjusted EBITDA | **$ 7,457** | $ 8,611 | $ 6,448 | **$ 2,173** | $ 2,210 |

**Realized Prices**

Realized price is a non-GAAP financial measure which excludes from sales:

- Unrealized gains and losses on non-hedge derivative contracts;
- Unrealized mark-to-market gains and losses on provisional pricing from copper and gold sales contracts;
- Sales attributable to ore purchase arrangements; and
- Export duties.

This measure is intended to enable Management to better understand the price realized in each reporting period for gold and copper sales because unrealized mark-to-market value of non-hedge gold and copper derivatives are subject to change each period due to changes in market factors such as market and forward gold and copper prices so that prices ultimately realized may differ from those recorded. The exclusion of such unrealized mark-to-market gains and losses from the presentation of this performance measure enables investors to understand performance based on the realized proceeds of selling gold and copper production.

The gains and losses on non-hedge derivatives and receivable balances relate to instruments/balances that mature in future periods, at which time the gains and losses will become realized. The amounts of these gains and losses reflect fair values based on market valuation assumptions at the end of each period and do not necessarily represent the amounts that will become realized on maturity. We also exclude export duties that are paid upon sale and netted against revenues. We believe this provides investors and analysts with a more accurate measure with which to compare to market gold prices and to assess our gold sales performance. For those reasons, Management believes that this measure provides a more accurate reflection of our past performance and is a better indicator of its expected performance in future periods.

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

**Reconciliation of Sales to Realized Price per ounce/per pound [1]**

| ($ millions, except per ounce/pound information in dollars) | Gold | | | Copper | | |
|---|---|---|---|---|---|---|
| For the years ended December 31 | **2012** | 2011 | 2010 | **2012** | 2011 | 2010 |
| Sales | **$ 12,564** | $ 12,255 | $ 9,679 | **$ 1,689** | $ 1,646 | $ 1,033 |
| Sales applicable to discontinued operations | **-** | - | 43 | **-** | - | 244 |
| Sales applicable to non-controlling interests | **(288)** | (329) | (206) | **-** | - | - |
| Sales attributable to ore purchase agreement | **(174)** | (137) | (111) | **-** | - | - |
| Realized non-hedge gold/copper derivative (losses) gains | **-** | 43 | 26 | **(76)** | (21) | 30 |
| Treatment and refinement charges [1] | 6 | 8 | 8 | 95 | 68 | 23 |
| Unrealized mark-to-market provincial price adjustment | **-** | - | (1) | **-** | - | - |
| Other | - | - | - | (22) | - | - |
| Export duties | 65 | 73 | 68 | - | - | - |
| Revenues - as adjusted | **$ 12,173** | $ 11,913 | $ 9,506 | **$ 1,686** | $ 1,693 | $ 1,330 |
| Ounces/pounds sold (000s ounces/millions pounds) | **7,292** | 7,550 | 7,742 | **472** | 444 | 391 |
| Realized gold/copper price per ounce/pound [2] | **$ 1,669** | $ 1,578 | $ 1,228 | **$ 3.57** | $ 3.82 | $ 3.41 |

[1] In first quarter 2012, we amended the presentation of treatment and refinement charges incurred on concentrate sales in the consolidated financial statements. Previously, these charges were included in cost of sales and they are now deducted from revenues. We have amended this non-GAAP financial performance measure to reflect this change and therefore result in a measure that is consistent with prior periods.
[2] Realized price per ounce/pound may not calculate based on amounts presented in this table due to rounding.

**Adjusted Debt and Net Debt**

Management uses non-GAAP financial measures "adjusted debt" and "net debt" since they are more indicative of how we manage our debt levels internally than the IFRS measure. We believe these measures provide a meaningful measure for investors and analysts to evaluate our overall debt capacity, liquidity and capital structure. Adjusted debt and net debt are intended to provide additional information, do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

We adjust our long-term debt to exclude fair value and other adjustments and our partner's share of project financing to arrive at adjusted debt. We exclude the impact of fair value and other adjustments in order to reflect the actual settlement obligation in relation to the debt instrument. We exclude our partner's shares of project financing, where Barrick has provided a guarantee only for its proportionate share of the debt. We then deduct our cash and equivalents (net of our partner's share of cash held at Pueblo Viejo) to arrive at net debt.

**Adjusted Debt and Net Debt Summary**

| ($ millions)<br>As at December 31 | **2012** | **2011** |
|---|---|---|
| Debt per financial statements | **$ 13,943** | $ 13,369 |
| Fair value and other adjustments [1] | **113** | 65 |
| Pueblo Viejo financing - partner's share [2] | **(376)** | (376) |
| Adjusted debt | **$ 13,680** | $ 13,058 |
| Cash and equivalents | **(2,093)** | (2,745) |
| Cash and equivalents - partner's share at Pueblo Viejo [2] | **12** | 7 |
| Net debt | **$ 11,599** | $ 10,320 |

[1] Other adjustment primarily related to issue costs which have been netted against the debts.
[2] We consolidate 100% of Pueblo Viejo in our financial statements; however we have guaranteed only our 60% share of the $940 million financing received to this point. Therefore, we have removed our partner's share of both the financing and cash and equivalents to ensure comparability.

## GLOSSARY OF TECHNICAL TERMS

**AUTOCLAVE:** Oxidation process in which high temperatures and pressures are applied to convert refractory sulfide mineralization into amenable oxide ore.

**BACKFILL:** Primarily waste sand or rock used to support the roof or walls after removal of ore from a stope.

**BY-PRODUCT:** A secondary metal or mineral product recovered in the milling process such as 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.

**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 ore body 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 ore body, based on reserve calculations.

**HEAP LEACHING:** A process whereby gold/copper 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/copper. The gold/copper-laden solution is then collected for gold/copper recovery.

**HEAP LEACH PAD:** A large impermeable foundation or pad used as a base for ore during heap leaching.

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

**MINERAL RESERVE:** See pages 142 to 147 – Summary Gold/ Copper Mineral Reserves and Mineral Resources.

**MINERAL RESOURCE:** See pages 142 to 147 – Summary Gold/Copper 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 or pound of copper.

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

**Exhibit 99.5**

**CONSENT OF INDEPENDENT AUDITOR**

We hereby consent to the inclusion in the Annual Report on Form 40-F of Barrick Gold Corporation (the Company), and to the incorporation by reference on Form S-8 (File Nos. 333-121500, 333-131715, 333-135769) of the Company, of our report dated February 13, 2013 relating to the Company's 2012 and 2011 consolidated financial statements and the effectiveness of internal control over financial reporting as at December 31, 2012.

/s/ PricewaterhouseCoopers LLP
**Chartered Accountants, Licensed Public Accountants**
Toronto, Ontario

March 28, 2013

**Exhibit 99.6**

**CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jamie C. Sokalsky certify that:

1. I have reviewed this annual report on Form 40-F of Barrick Gold Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 28, 2013

/s/ Jamie C. Sokalsky
Name: Jamie C. Sokalsky
Title: President and Chief Executive Officer

**Exhibit 99.7**

**CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ammar Al-Joundi certify that:

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

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

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

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 28, 2013

/s/ Ammar Al-Joundi
Name: Ammar Al-Joundi
Title: Executive Vice President and Chief Financial Officer

**Exhibit 99.8**

**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, 2012 (the "Report").

I, Jamie C. Sokalsky, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

a) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 28, 2013

/s/ Jamie C. Sokalsky
Name: Jamie C. Sokalsky
Title: President and Chief Executive Officer

**Exhibit 99.9**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ENACTED PURSUANT TO**
**SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002**

Barrick Gold Corporation (the "Company") is filing with the U.S. Securities and Exchange Commission on the date hereof, its annual report on Form 40-F for the fiscal year ended December 31, 2012 (the "Report").

I, Ammar Al-Joundi, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

a) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 28, 2013

/s/ Ammar Al-Joundi
Name: Ammar Al-Joundi
Title: Executive Vice President and Chief Financial Officer

**Exhibit 99.10**

## Dodd-Frank Act Disclosure of Mine Safety and Health Administration Safety Data

Barrick Gold Corporation (" **Barrick** ") is committed to the health and safety of its employees and in providing an incident free workplace. Barrick maintains a comprehensive health and safety program that includes extensive training for all employees and contractors, site inspections, emergency response preparedness, crisis communications training, incident investigation, regulatory compliance training and process auditing.

Barrick's U.S. mining operations are subject to Federal Mine Safety and Health Administration (" **MSHA** ") regulation under the U.S. Federal Mine Safety and Health Act of 1977 (" **FMSH Act** "). MSHA inspects Barrick's mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the FMSH Act. Whenever MSHA issues a citation or order, it also generally proposes a civil penalty, or fine, related to the alleged violation.

The following disclosures are provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (" **Dodd-Frank Act** "), which requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934 that operate mines regulated under the FMSH Act. The disclosures reflect Barrick's U.S. mining operations only as the requirements of the Dodd-Frank Act do not apply to Barrick's mines operated outside the United States.

In addition, as required by the reporting requirements regarding mine safety included in section 1503(a)(2) of the Dodd-Frank Act, for the year ended December 31, 2012, none of the mines operated by Barrick received written notice from MSHA of (a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under section 104(e) of the FMSH Act or (b) the potential to have such a pattern.

The information in the table below reflects citations and orders MSHA issued to Barrick during the year ended December 31, 2012, unless otherwise noted, as reflected in Barrick's records. The data in Barrick's system may not match or reconcile with the data MSHA maintains on its public website. In evaluating this information, consideration should also be given to factors such as: (i) the number of citations and orders may vary depending on the size and operation of the mine, (ii) the number of citations issued may vary from inspector to inspector and mine to mine, and (iii) citations and orders may be contested and appealed, and in that process, may be reduced in severity and amount, and may be dismissed.

| Mine ID Number [1] | Mine or Operating Name | Section 104 (a) Significant and Substantial Citations [2] | Section 104 (b) Orders [3] | Section 104 (d) Citations and Orders [4] | Section 110 (b)(2) Violations [5] | Section 107 (a) Orders [6] | Proposed MSHA Assessments [7] | Fatalities | Pending Legal Action [8] | Legal Action Instituted During 2012 [8] | Legal Action Resolved During 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2601842 | Bald Mountain Mine | 6 | 0 | 0 | 0 | 0 | $ 13,865.00 | 0 | 1 | 1 | 5 |
| 2602300 | Storm Exploration Decline | 0 | 0 | 0 | 0 | 0 | $ 400.00 | 0 | 1 | 1 | 3 |
| 2602246 | Meikle Mine | 39 | 0 | 1 | 0 | 1 | $ 521,969.00 | 0 | 12 | 7 | 6 |
| 2602673 | Roaster Operations | 1 | 0 | 0 | 0 | 0 | $ 5,705.00 | 0 | 1 | 1 | 3 |
| 2602674 | Mill/Autoclave Operations | 11 | 0 | 0 | 0 | 0 | $ 112,417.00 | 0 | 2 | 1 | 0 |
| 2602286 | Turquoise Ridge Mine | 15 | 0 | 0 | 0 | 0 | $ 100,956.00 | 0 | 12 | 6 | 20 |
| 2600827 | Barrick Cortez | 7 | 0 | 0 | 0 | 0 | $ 4,046.00 | 0 | 2 | 1 | 5 |
| 2602573 | Barrick Cortez Underground | 6 | 0 | 0 | 0 | 0 | $ 1,432.00 | 0 | 0 | 1 | 3 |
| 2401417 | Golden Sunlight Mine Inc. | 14 | 0 | 0 | 0 | 0 | $ 18,711.00 | 0 | 0 | 0 | 0 |
| 2602307 | Ruby Hill Mine | 3 | 0 | 0 | 0 | 0 | $ 3,879.00 | 0 | 0 | 0 | 0 |
| 2601089 | Goldstrike Mine | 8 | 0 | 0 | 0 | 0 | $ 44,597.00 | 0 | 0 | 0 | 3 |
| 2602233 | Getchell Underground | 1 | 0 | 0 | 0 | 0 | $ 200.00 | 0 | 0 | 0 | 0 |
| 2602720 | Bazza Underground | 0 | 0 | 0 | 0 | 0 | $ 100.00 | 0 | 0 | 0 | 0 |

(1) MSHA assigns an identification number to each mine or operation and may or may not assign separate identification numbers to related facilities. The information provided in this table is presented by mine identification number.

(2) Represents the total number of citations issued by MSHA for violation of health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.

(3) Represents the total number of orders issued, which represents a failure to abate a citation under section 104(a) within the period prescribed by MSHA. This results in an order of immediate withdrawal from the area of the mine affected by the condition until MSHA determines that the violation has been abated.

(4) Represents the total number of citations and orders issued by MSHA for unwarrantable failure to comply with mandatory health or safety standards. These types of violations could significantly and substantially contribute to a serious injury; however, the conditions do not cause imminent danger (see note 6 below).

(5) Represents the total number of flagrant violations identified.

(6) Represents the total number of imminent danger orders issued under section 107(a) of the FMSH Act. Orders issued under section 107(a) of the FMSH Act require the operator of the mine to cause all persons (except authorized persons) to be withdrawn from the mine until the imminent danger and the conditions that caused such imminent danger cease to exist.

(7) Amounts represent the total dollar value of proposed assessments received from MSHA and do not necessarily relate to the citations or orders issued by MSHA during the period, or to the pending legal actions reported below.

(8) Pending legal actions before the Federal Mine Safety and Health Review Commission (" **Commission** ") as required to be reported by Section 1503(a)(3)of the Dodd-Frank Act. The Commission is an independent adjudicative agency established by the FMSH Act that provides administrative trial and appellate review of legal disputes arising under the FMSH Act. These cases may involve, among other questions, challenges by operators to citations, orders and penalties they have received from MSHA or complaints of discrimination by miners under Section 105 of the FMSH Act. The following provides additional information of the types of proceedings that may be brought before the Commission:

- *Contest Proceedings* — a contest proceeding may be filed with the Commission by an operator to challenge the issuance of a citation or order issued by MSHA;

  17 Contest Proceedings Pending

- *Civil Penalty Proceedings* — a civil penalty proceeding may be filed with the Commission by an operator to challenge a civil penalty MSHA has proposed for a violation contained in a citation or order;

  22 Civil Penalty Proceedings

- *Discrimination Proceedings* — a discrimination proceeding involves a miner's allegation that he or she has suffered adverse employment action because he or she engaged in activity protected under the FMSH Act, such as making a safety complaint;

  1 Discrimination Proceeding

- *Temporary Reinstatement Proceedings* — a temporary reinstatement proceeding involves cases in which a miner has filed a complaint with MSHA stating that he or she has suffered discrimination and the miner has lost his or her position; and

  0 Temporary Reinstatement Proceedings

- *Compensation Proceedings* — a compensation proceeding may be filed with the Commission by miners entitled to compensation when a mine is closed by certain closure orders issued by MSHA. The purpose of the proceeding is to determine the amount of compensation, if any, due to miners idled by the orders.

  0 Compensation Proceedings