

BARRICK GOLD CORP  
Form F-9  
November 09, 2009  
Table of Contents

As filed with the Securities and Exchange Commission on November 6, 2009

Registration No. 333-

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM F-9 and FORM F-4

### REGISTRATION STATEMENT UNDER

### THE SECURITIES ACT OF 1933

**Form F-9**  
**Barrick Gold Corporation**

**Form F-4**  
**Barrick (PD) Australia Finance Pty Ltd**

(ACN 139 909 934)

*(Exact Name of Registrant as Specified in its Charter)*

**Ontario**

**Commonwealth of Australia**

*(Province or Other Jurisdiction of Incorporation or Organization)*

**1040**

**Not Applicable**

*(Primary Standard Industrial Classification Code Number)*

**Not Applicable**

**Not Applicable**

*(I.R.S. Employee Identification No.)*

**Brookfield Place, TD Canada**

**Level 10 2 Mill Street**

**Trust Tower**

**Perth**

**Suite 3700**

**Western Australia**

Edgar Filing: BARRICK GOLD CORP - Form F-9

**161 Bay Street, P.O. Box 212**

**Australia**

**Toronto, Ontario**

**6000**

**Canada M5J 2S1**

**(61-8) 9212-5777**

**(416) 307-7470**

*(Address, including postal code, and telephone number, including area code, of Registrant's principal executive offices)*

**CT Corporation System  
111 Eighth Avenue  
New York, New York 10011  
(212) 894-8700**

**CT Corporation System  
111 Eighth Avenue  
New York, New York 10011  
(212) 894-8700**

*(Name, Address (Including Zip Code) and Telephone Number (Including Area Code) of Agent for Service in the United States)*

*Copies to:*

**Sybil E. Veenman**

**Christopher J. Cummings**

**Kevin Thomson**

**Barrick Gold Corporation**

**Shearman & Sterling LLP**

**Davies Ward Phillips & Vineberg LLP**

**Brookfield Place, TD Canada**

**Commerce Court West**

**P.O. Box 63, 44th Floor**

**Trust Tower**

**Suite 4405, P.O. Box 247**

**1 First Canadian Place**

**Suite 3700**

**Toronto, Ontario M5L 1E8**

**Toronto, Ontario M5X 1B1**

**161 Bay Street, P.O. Box 212**

**(416) 360-8484**

**(416) 863-0900**

**Toronto, Ontario M5J 2S1**

**(416) 307-7470**

Approximate date of commencement of proposed sale of the securities to the public: as soon as practicable after this registration statement becomes effective.

**Form F-9  
Province of Ontario, Canada**

**Form F-4**

*(Principal Jurisdiction Regulating this Form F-9 Offering)*

It is proposed that this filing shall become effective (check appropriate box):

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box, and list the Securities Act registration statement number of the earlier effective registration state for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and

## Edgar Filing: BARRICK GOLD CORP - Form F-9

A. ☐ upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).

list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

B. ☐ at some future date (check appropriate box below):

1. ☐ Pursuant to Rule 467(b) on ( ) at ( ) (designate a time not sooner than seven calendar days after filing).

2. ☐ Pursuant to Rule 467(b) on ( ) at ( ) (designate a time seven calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on ( ).

3. ☐ Pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.

4. ☐ After the filing of the next amendment to this form (if preliminary material is being filed).

If any of the securities being registered on this Form F-9 are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box. ☐

### CALCULATION OF REGISTRATION FEE

| Title of Each Class<br>of Securities to be Registered | Amount to be<br>Registered | Proposed Maximum<br>Offering Price Per Unit<br>(1) | Proposed Maximum<br>Aggregate Offering<br>Price (1) | Amount of<br>Registration<br>Fee (1) |
|-------------------------------------------------------|----------------------------|----------------------------------------------------|-----------------------------------------------------|--------------------------------------|
| 4.950% Notes due 2020                                 | \$400,000,000              | 100%                                               | \$400,000,000                                       | \$22,320                             |
| Guarantee of 4.950% Notes due 2020                    | N/A                        | N/A                                                | N/A                                                 | N/A(2)                               |
| 5.950% Notes due 2039                                 | \$850,000,000              | 100%                                               | \$850,000,000                                       | \$47,430                             |
| Guarantee of 5.950% Notes due 2039                    | N/A                        | N/A                                                | N/A                                                 | N/A(2)                               |
| Total                                                 | \$1,250,000,000            |                                                    | \$1,250,000,000                                     | \$69,750                             |

- (1) The notes being registered are offered (i) in exchange for 4.950% Notes due 2020 and 5.950% Notes due 2039 previously sold in a transaction exempt from registration under the Securities Act of 1933, as amended, and (ii) upon certain resales of the notes by broker-dealers. The registration fee has been computed based on the face value of the notes solely for the purpose of calculating the amount of the registration fee, pursuant to Rule 457 under the Securities Act of 1933.
- (2) In accordance with Rule 457(n), no separate fee for the registration of the guarantees of the 4.950% Notes due 2020 and 5.950% Notes due 2039 of Barrick Gold Corporation, which are being registered concurrently, is payable.  
The Registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registration statement shall become effective as provided in Rule 467 under the Securities Act of 1933 or on such date as the Commission, acting pursuant to Section 8(a) of the Act, may determine.

**Table of Contents**

**PART I**  
**INFORMATION REQUIRED TO BE DELIVERED**  
**TO OFFEREEES OR PURCHASERS**

---

**Table of Contents**

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be exchanged prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

**PRELIMINARY SHORT FORM PROSPECTUS**

**SUBJECT TO COMPLETION, DATED NOVEMBER 6, 2009**

**Barrick (PD) Australia Finance Pty Ltd**

**(ACN 139 909 934)**

**Offer to exchange all outstanding 4.950% Notes due 2020 issued on October 16, 2009 for up to US\$400,000,000  
Aggregate Principal Amount of Registered 4.950% Notes due 2020**

**and**

**Offer to exchange all outstanding 5.950% Notes due 2039 issued on October 16, 2009 for up to US\$850,000,000  
Aggregate Principal Amount of Registered 5.950% Notes due 2039**

**Unconditionally Guaranteed by Barrick Gold Corporation**

**The Initial Notes:**

\$400,000,000 aggregate principal amount of 4.950% Notes due 2020 (the **Initial 2020 Notes**) and \$850,000,000 aggregate principal amount of 5.950% Notes due 2039 (the **Initial 2039 Notes**) were originally issued by Barrick (PD) Australia Finance Pty Ltd (ACN 139 909 934) (**BPDAF**) on October 16, 2009 in a transaction that was exempt from registration under the Securities Act of 1933, as amended (the **Securities Act**), and resold to qualified institutional buyers in reliance on Rule 144A and non-U.S. persons outside the United States in reliance on Regulation S. We refer to the Initial 2020 Notes and the Initial 2039 Notes together as the **Initial Notes**.

**The New Notes:**

The terms of the new 2020 notes (the **New 2020 Notes**) and the new 2039 notes (the **New 2039 Notes**) are identical to the terms of the Initial 2020 Notes and Initial 2039 Notes, respectively, except that the New 2020 Notes and the New 2039 Notes will be registered under the Securities Act, will not contain restrictions on transfer or provisions relating to additional interest, will bear a different CUSIP number from the Initial Notes and will not entitle their holders to registration rights. The New 2020 Notes and the New 2039 Notes will evidence the same continuing indebtedness as the Initial 2020 Notes and the Initial 2039 Notes, respectively. We refer to the New 2020 Notes and the New 2039 Notes together as the **New Notes**. We refer to the Initial 2020 Notes and the New 2020 Notes together as the **2020 Notes**, the Initial 2039 Notes and the New 2039 Notes together as the **2039 Notes**, and the Initial Notes and the New Notes together as the **Notes**.

**All dollar amounts in this prospectus are in United States dollars, unless otherwise indicated. See [Exchange Rate Information](#).**

**See [Risk Factors](#) beginning on page 4 for a discussion of certain risks that you should consider in connection with an investment in the Notes.**

**Exchange Offer:**

## Edgar Filing: BARRICK GOLD CORP - Form F-9

Our offer to exchange Initial 2020 Notes for New 2020 Notes and Initial 2039 Notes for the New 2039 Notes will be open until midnight, New York City time, on \_\_\_\_\_, 2009, unless we extend the offer.

## **Table of Contents**

New Notes of each series will be issued in exchange for an equal principal amount of outstanding Initial Notes of such series accepted in the exchange offer. The exchange offer is not conditioned upon any minimum principal amount of Initial Notes being tendered for exchange. However, the obligation to accept the Initial Notes for exchange pursuant to the exchange offer is subject to certain customary conditions set forth herein. See **Exchange Offer Conditions**.

BPDAF is incorporated under the laws of Australia. Although the issuer described above has appointed Barrick as its agent for service of process in the Province of Ontario it may not be possible for investors to enforce judgments obtained in the Province of Ontario against BPDAF.

**There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under the prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See **Risk Factors** .**

**We are permitted to prepare this prospectus in accordance with Canadian disclosure requirements, which are different than those of the United States.**

**Owning the debt securities may subject you to tax consequences in the United States, Canada and Australia. You should read the tax discussion in this prospectus. This prospectus may not describe these tax consequences fully.**

**Your ability to enforce civil liabilities under United States federal securities laws may be affected adversely because Barrick is incorporated under the laws of the Province of Ontario, Canada, BPDAF is an Australian proprietary limited company, some of the officers and directors of Barrick and BPDAF, and some of the experts named in this prospectus are residents outside of the United States, and a majority of Barrick and BPDAF's assets and assets of those officers, directors and experts are located outside of the United States.**

**The debt securities have not been approved or disapproved by the Ontario Securities Commission, the U.S. Securities and Exchange Commission or any state securities regulator, nor has the Ontario Securities Commission, the U.S. Securities and Exchange Commission or any state securities regulator, passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

**Prospective investors should be aware that, during the period of the exchange offer, the registrant or its affiliates, directly or indirectly, may bid for or make purchases of the debt securities to be distributed or to be exchanged, or certain related debt securities, as permitted by applicable laws or regulations of Canada, or its provinces or territories.**

This prospectus, as it may be amended or supplemented from time to time, may be used by broker-dealers in connection with resales of New Notes received in exchange for Initial Notes, where such Initial Notes were acquired by such broker-dealer as a result of market making or other trading activities.

The date of this prospectus is , 2009.

---

**Table of Contents**

**IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS**

You should rely only on the information contained in this prospectus or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell the debt securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus or in any documented incorporated or deemed to be incorporated by reference in this prospectus is accurate only as of the respective date of the document in which such document appears.

**The New Notes have not been and will not be qualified for public distribution under the securities laws of any province or territory of Canada. The exchange notes are not being offered for sale and may not be offered or sold, directly or indirectly, in Canada or to any resident thereof except in accordance with the securities laws of the provinces and territories of Canada.**

**Barrick presents its financial statement in U.S. dollars and its financial statements are prepared in accordance with United States generally accepted accounting principles ( U.S. GAAP ).** Unless otherwise indicated, financial information in this prospectus has been prepared in accordance with U.S. GAAP and thus may not be comparable to financial data prepared by other Canadian companies.

References to \$ in this prospectus are to U.S. dollars and references to Cdn\$ in this prospectus are to Canadian dollars unless otherwise indicated. See Exchange Rate Information .

**In this prospectus, Barrick Gold Corporation will be referred to as either Barrick or the Guarantor and Barrick (PD) Australia Finance Pty Ltd will be referred to as BPDAF . Unless the context requires otherwise, we , us and our refer to Barrick and its subsidiaries including BPDAF.**

UNDER PRESENT AUSTRALIAN LAW, INTEREST AND OTHER AMOUNTS PAID ON NOTES ISSUED BY BPDAF WILL NOT BE SUBJECT TO AUSTRALIAN INTEREST WITHHOLDING TAX IF THE NOTES ARE ISSUED IN ACCORDANCE WITH CERTAIN PRESCRIBED CONDITIONS SET OUT IN SECTION 128F OF THE INCOME TAX ASSESSMENT ACT 1936 (CTH). ONE OF THOSE CONDITIONS IS THAT BPDAF AS THE REGISTRANT MUST NOT KNOW OR HAVE REASONABLE GROUNDS TO SUSPECT THAT A NOTE, OR AN INTEREST IN A NOTE, WAS BEING, OR WOULD LATER BE, ACQUIRED DIRECTLY OR INDIRECTLY BY OFFSHORE ASSOCIATES (AS DEFINED IN THE SECTION AUSTRALIAN INCOME TAX CONSIDERATIONS ) OF THE REGISTRANT, OTHER THAN IN THE CAPACITY OF A DEALER, MANAGER OR UNDERWRITER IN RELATION TO THE PLACEMENT OF THE RELEVANT NOTES, OR A CLEARING HOUSE, CUSTODIAN, FUNDS MANAGER OR RESPONSIBLE ENTITY OF A REGISTERED SCHEME. SEE THE SECTION AUSTRALIAN INCOME TAX CONSIDERATIONS FOR MORE INFORMATION.

**Table of Contents**

**TABLE OF CONTENTS**

|                                                                                            | <b>Page</b> |
|--------------------------------------------------------------------------------------------|-------------|
| <u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>                                     |             |
| <u>WHERE YOU CAN FIND MORE INFORMATION</u>                                                 | iii         |
| <u>NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>                                           | iv          |
| <u>NOTICE REGARDING PRESENTATION OF OUR MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES</u> | v           |
| <u>EXCHANGE RATE INFORMATION</u>                                                           | v           |
| <u>ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES</u>                                         | v           |
| <u>SUMMARY OF TERMS OF THE EXCHANGE OFFER</u>                                              | vi          |
| <u>RISK FACTORS</u>                                                                        | 1           |
| <u>BARRICK</u>                                                                             | 4           |
| <u>BPDAF</u>                                                                               | 5           |
| <u>EXCHANGE OFFER</u>                                                                      | 5           |
| <u>USE OF PROCEEDS</u>                                                                     | 6           |
| <u>CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES</u>                                     | 12          |
| <u>CONSOLIDATED CAPITALIZATION</u>                                                         | 12          |
| <u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING INFORMATION</u>                | 13          |
| <u>EARNINGS COVERAGE RATIOS</u>                                                            | 14          |
| <u>DESCRIPTION OF THE NOTES</u>                                                            | 15          |
| <u>U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>                                              | 16          |
| <u>CANADIAN FEDERAL INCOME TAX CONSIDERATIONS</u>                                          | 34          |
| <u>AUSTRALIAN INCOME TAX CONSIDERATIONS</u>                                                | 36          |
| <u>PLAN OF DISTRIBUTION</u>                                                                | 37          |
| <u>EXPERTS</u>                                                                             | 39          |
| <u>INTERESTS OF QUALIFIED PERSONS</u>                                                      | 40          |
| Table of Contents                                                                          | 10          |

|                                                                                                                                       |     |
|---------------------------------------------------------------------------------------------------------------------------------------|-----|
| <u>LEGAL MATTERS</u>                                                                                                                  | 40  |
| <u>CONSENT OF PRICEWATERHOUSECOOPERS LLP</u>                                                                                          |     |
|                                                                                                                                       | 42  |
| <u>SCHEDULE A ANNUAL FINANCIAL STATEMENTS OF BARRICK GOLD CORPORATION FOR THE YEAR ENDED<br/>DECEMBER 31, 2008</u>                    |     |
|                                                                                                                                       | A-1 |
| <u>SCHEDULE B INTERIM FINANCIAL STATEMENTS OF BARRICK GOLD CORPORATION FOR THE THREE AND<br/>NINE MONTHS ENDED SEPTEMBER 30, 2009</u> |     |
|                                                                                                                                       | B-1 |

**This prospectus incorporates by reference documents that contain important business and financial information about Barrick and BPDAF that is not included in or delivered with this prospectus. These documents are available without charge to securityholders upon written or oral request to the Secretary of Barrick at Brookfield Place, TD Canada Trust Tower, PO Box 212, Suite 3700, 161 Bay Street, Toronto, Ontario, Canada M5J 2S1 (416) 861-9911. To obtain timely delivery, holders of the Initial Notes must request these documents no later than five business before the expiration date. Unless extended the expiration date is , 2009.**

## Table of Contents

### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada and filed with or furnished to the United States Securities and Exchange Commission (the **Commission**), are specifically incorporated by reference in this prospectus:

- (a) The annual information form of Barrick dated as of March 30, 2009 (the **Annual Information Form**) for the year ended December 31, 2008.
- (b) The annual audited consolidated financial statements of Barrick for the year ended December 31, 2008, including consolidated balance sheets as at December 31, 2008 and December 31, 2007 and the consolidated statements of income, cash flows, shareholders equity and comprehensive income for each of the years in the three-year period ended December 31, 2008 and related notes, together with the auditors' report thereon.
- (c) The management's discussion and analysis of Barrick for the financial year ended December 31, 2008 (the **Annual Management's Discussion and Analysis**).
- (d) The management information circular of Barrick dated March 17, 2009, in connection with the annual meeting of Barrick's shareholders held on April 29, 2009.
- (e) The interim unaudited consolidated financial statements of Barrick for the three and nine months ended September 30, 2009, including consolidated balance sheets as at September 30, 2009 and December 31, 2008 and consolidated statements of income, cash flow, equity and comprehensive income for the three and nine months ended September 30, 2009 and September 30, 2008 and related notes.
- (f) The management's discussion and analysis of Barrick for the three and nine months ended September 30, 2009 (the **Interim Management's Discussion and Analysis**).
- (g) The material change report of Barrick dated March 19, 2009 regarding its entering into an underwriting agreement with certain underwriters for the issuance by Barrick of \$750 million in aggregate principal amount of 6.950% notes due 2019.
- (h) The material change report of Barrick dated September 15, 2009 regarding its entering into an underwriting agreement with certain underwriters for the issuance by Barrick of up to 108,962,500 of its common shares and the planned elimination of Barrick's fixed price (non-participating) gold contracts and a portion of Barrick's floating spot-price (fully-participating) gold contracts.
- (i) The material change report of Barrick dated November 2, 2009 regarding the pricing of \$1.25 billion in debt securities comprising of \$400 million of 4.95% notes due 2020 and \$850 million of 5.95% notes due 2039 issued by BPDFAF and guaranteed by Barrick on October 13, 2009, and the closing of the offering on October 16, 2009.

Any annual information form, annual financial statements (including the auditors' report thereon), interim financial statements, management's discussion and analysis, material change report (excluding any confidential material change reports), business acquisition report or information circular that Barrick files with any securities commission or similar regulatory authority in Canada after the date of this prospectus and prior to the termination of the offering of the New Notes will be incorporated by reference in this prospectus and will automatically update and supersede information contained or incorporated by reference in this prospectus. In addition, any report filed or furnished by Barrick with the Commission pursuant to Section 13(a) or 15(d) of the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**) or

## Edgar Filing: BARRICK GOLD CORP - Form F-9

submitted to the Commission pursuant to Rule 12g3-2(b) under the Exchange Act, subsequent to the date of this prospectus and prior to the termination of the offering of the New Notes to which this prospectus relates, shall be deemed to be incorporated by reference into this prospectus and the registration statement of which the prospectus forms a part, if and to the extent expressly provided in such report.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein or contained in this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent any statement contained herein or in any subsequently filed or furnished document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed to constitute a part hereof except as so modified or superseded. The modifying or superceding statement need not state that it has modified or superceded a prior statement or include any information set forth in the document that it modifies or supercedes. The making of a modifying or superceding**

---

## **Table of Contents**

**statement shall not be deemed an admission for any purpose that the modified or superceded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.**

In compliance with the requirements of the SEC, attached hereto as Schedule A and Schedule B, respectively, are the annual financial statements of Barrick for the year ended December 31, 2008 and the interim financial statements of Barrick for the three and nine months ended September 30, 2009, in each case revised to include an additional note relating to BPDAF.

## **WHERE YOU CAN FIND MORE INFORMATION**

Barrick will provide to each person, including any beneficial owner, to whom this prospectus is delivered, without charge, upon request to the Secretary of Barrick at Brookfield Place, TD Canada Trust Tower, PO Box 212, Suite 3700, 161 Bay Street, Toronto, Ontario, Canada M5J 2S1, (416) 861-9911, copies of the documents incorporated by reference in this prospectus.

Barrick files certain reports with, and furnishes other information to, each of the Commission and the provincial and territorial securities regulatory authorities of Canada. Barrick's Commission file number is 1-9059. Under a multi-jurisdictional disclosure system adopted by the United States and Canada, such reports and other information may be prepared in accordance with the disclosure requirements of the provincial and territorial securities regulatory authorities of Canada, which requirements are different from those of the United States. As a foreign private issuer, Barrick is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements, and Barrick's officers and directors are exempt from the reporting and short swing profit recovery provisions contained in Section 16 of the Exchange Act. Barrick's reports and other information filed with or furnished to the Commission since June 2002 are available, and Barrick's reports and other information filed or furnished in the future with or to the Commission will be available, from the Commission's Electronic Document Gathering and Retrieval System (<http://www.sec.gov>), which is commonly known by the acronym EDGAR, as well as from commercial document retrieval services. You may also read (and by paying a fee, copy) any document Barrick files with or furnishes to the Commission at the Commission's public reference room in Washington, D.C. (100 F Street N.E., Washington, D.C. 20549). Please call the Commission at 1-800-SEC-0330 for more information on the public reference room. You may also inspect Barrick's Commission filings at the NYSE, 20 Broad Street, New York, New York 10005. Barrick's Canadian filings are available on the System for Electronic Document Analysis and Retrieval (SEDAR) over the Internet at [www.sedar.com](http://www.sedar.com).

Barrick has filed with the Commission under the Securities Act, a registration statement on Form F-9/F-4 relating to the securities being offered hereunder and which this prospectus forms a part. This prospectus does not contain all the information set forth in such registration statement, certain items of which are contained in the exhibits to the registration statement as permitted or required by the rules and regulations of the Commission. Items of information omitted from this prospectus but contained in the registration statement will be available on the Commission's website at [www.sec.gov](http://www.sec.gov).

## **NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain information contained or incorporated by reference in this prospectus, including any information as to our strategy, projects, plans or future financial or operating performance and other statements that express our expectations or estimates of future performance, constitute forward-looking statements. All statements, other than statements of historical fact, are forward-looking statements. The words believe, expect, will, anticipate, contemplate, target, plan, continue, budget, may, intend, estimate 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. We caution the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual financial results, performance or achievements to be materially different from our estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to: the impact of global liquidity and credit availability on

**Table of Contents**

the timing of cash flows and the values of assets and liabilities based on projected future cash flows; changes in the worldwide price of gold, copper or certain other commodities (such as silver, fuel and electricity); fluctuations in currency markets; changes in U.S. dollar interest rates or gold lease rates; risks arising from holding derivative instruments; the ability to successfully complete announced transactions and integrate acquired assets; legislative, political or economic developments in the jurisdictions in which we carry on business; operating or technical difficulties in connection with mining or development activities; employee relations; availability and costs associated with mining inputs and labour; the speculative nature of exploration and development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves; changes in costs and estimates associated with our projects; adverse changes in our credit rating, level of indebtedness and liquidity; contests over title to properties, particularly title to undeveloped properties; and the risks involved in the exploration, development and mining business. All of the forward-looking statements made in this prospectus are qualified by these cautionary statements. Specific reference is made to Narrative Description of the Business Mineral Reserves and Mineral Resources and Risk Factors in the Annual Information Form and to the Annual Management's Discussion and Analysis and the Interim Management's Discussion and Analysis, each of which is incorporated by reference herein, and to the section Risk Factors in this prospectus, for a discussion of some of the factors underlying forward-looking statements. Barrick disclaims 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.

**NOTICE REGARDING PRESENTATION****OF OUR MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES**

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

**EXCHANGE RATE INFORMATION**

The following table sets forth, for each of the periods indicated, the period end noon exchange rate, the average noon exchange rate and the high and low noon exchange rates of one United States dollar in exchange for Canadian dollars as reported by the Bank of Canada.

|            | Year ended December 31, |               |               | Nine months ended  |
|------------|-------------------------|---------------|---------------|--------------------|
|            | 2008                    | 2007          | 2006          | September 30, 2009 |
| High       | Cdn.\$ 1.2969           | Cdn.\$ 1.1853 | Cdn.\$ 1.1726 | Cdn.\$ 1.3000      |
| Low        | Cdn.\$ 0.9719           | Cdn.\$ 0.9170 | Cdn.\$ 1.0990 | Cdn.\$ 1.0613      |
| Average    | Cdn.\$ 1.0660           | Cdn.\$ 1.0748 | Cdn.\$ 1.1342 | Cdn.\$ 1.1701      |
| Period End | Cdn.\$ 1.2246           | Cdn.\$ 0.9881 | Cdn.\$ 1.1653 | Cdn.\$ 1.0722      |

The noon exchange rate on November 5, 2009, as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was \$1.00 equals Cdn.\$1.0651.

**Table of Contents**

**ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES**

Barrick is a corporation existing under the laws of the Province of Ontario, Canada. A majority of our assets are located outside of the United States. In addition, some of our directors and officers and most of the experts named in this prospectus and the documents incorporated by reference herein are resident outside the United States, and a majority of their assets are located outside of the United States. As a result, it may be difficult for United States investors to effect service of process within the United States upon those directors, officers or experts who are not residents of the United States, or to realize in the United States upon judgments of courts of the United States predicated upon civil liability of such directors, officers or experts under United States federal securities laws. We have been advised by Davies Ward Phillips & Vineberg LLP, our Canadian counsel, that a judgment of a U.S. court predicated solely upon civil liability provisions of United States federal securities laws would probably be enforceable in Ontario if the U.S. court in which the judgment was obtained had a basis for jurisdiction in the matter that was recognized by an Ontario court for such purposes. We have also been advised by such counsel, however, that there is substantial doubt whether an action could be brought in Ontario in the first instance on the basis of liability predicated solely upon United States federal securities laws.

**Table of Contents**

**SUMMARY OF TERMS OF THE EXCHANGE OFFER**

We are offering to exchange \$400,000,000 aggregate principal amount of Initial 2020 Notes for a like aggregate principal amount of our New 2020 Notes and \$850,000,000 aggregate principal amount of Initial 2039 Notes for a like aggregate principal amount of our New 2039 Notes, evidencing the same continuing indebtedness as the Initial 2020 Notes and the Initial 2039 Notes, respectively. In order to exchange your Initial 2020 Notes and/or your Initial 2039 Notes, you must properly tender them and we must accept your tender. We will exchange all outstanding Initial 2020 Notes and Initial 2039 Notes that are validly tendered and not validly withdrawn.

Exchange Offer: We will exchange your Initial 2020 Notes for a like aggregate principal amount of our new 2020 Notes.  
We will exchange your Initial 2039 Notes for a like aggregate principal amount of our New 2039 Notes.

Resale of New Notes: We believe you may offer the New Notes for resale, resell and otherwise transfer them without compliance with the registration or prospectus delivery provisions of the United States Securities Act of 1933, as amended ( "Securities Act" ) if:

- You are acquiring the New Notes in the ordinary course of your business;
- You are not participating, do not intend to participate and have no arrangement or understanding with any person to participate in the distribution of the New Notes issued to you; and
- You are not an affiliate, under Rule 405 of the Securities Act, of ours.

You should read the discussion under the heading "Exchange Offer" for further information regarding the exchange offer and resale of the New Notes.

Registration Rights Agreement: We have undertaken this exchange offer pursuant to the terms of a registration rights agreement entered into with the initial purchasers of the Initial Notes. See "Exchange Offer."

Consequences of Failure to Exchange Initial Notes: You will continue to hold Initial Notes that remain subject to their existing transfer restrictions if:

- You do not tender your Initial Notes; or
- You tender your Initial Notes and they are not accepted for exchange.

Subject to certain limited exceptions, we will have no obligation to register the Initial Notes after we consummate the exchange offer. See "Exchange Offer," "Terms of the Exchange Offer," "Consequences of Failure to Exchange" and "Acceptance of Initial Notes for Exchange; Delivery of New Notes."

## Edgar Filing: BARRICK GOLD CORP - Form F-9

Expiration Date: The expiration date for the exchange offer is midnight, New York City time, on , 2009, unless we extend it, in which case expiration date means the latest date and time to which the exchange offer is extended.

Interest on the New Notes: The New 2020 Notes will accrue interest at a rate of 4.950% per annum from and including the last interest payment date on which interest has been paid on the Initial 2020 Notes or, if no interest has been paid on the Initial 2020 Notes, from the issue date of the Initial 2020 Notes. No additional interest will be paid on Initial 2020 Notes tendered and accepted for exchange.

The New 2039 Notes will accrue interest at a rate of 5.950% per annum from and including the last interest payment date on which interest has been paid on the Initial 2039 Notes or, if no interest has been paid on the Initial 2039 Notes, from the issue date of the Initial 2039 Notes. No additional interest will be paid on Initial 2039 Notes tendered and accepted for exchange.

## **Table of Contents**

|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conditions to the Exchange Offer:                      | The exchange offer is subject to certain customary conditions, which we may waive. See Exchange Offer Terms of the Exchange Offer Conditions.                                                                                                                                                                                                                                                                                                                                                                                                     |
| Procedures for Tendering Initial Notes:                | If you wish to accept the exchange offer, you must submit the required documentation and effect a tender of Initial Notes pursuant to the procedures for book-entry transfer (or other applicable procedures), all in accordance with the instructions described in this prospectus and in the relevant letter of transmittal. See Exchange Offer Terms of the Exchange Offer Procedures for Tendering, Book Entry Transfer, Exchanging Book-Entry Notes and - Guaranteed Delivery Procedures.                                                    |
| Guaranteed Delivery Procedures:                        | If you wish to tender your Initial Notes, but cannot properly do so prior to the expiration date, you may tender your Initial Notes in accordance with the guaranteed delivery procedures described in Exchange Offer Terms of the Exchange Offer Guaranteed Delivery Procedures.                                                                                                                                                                                                                                                                 |
| Withdrawal Rights:                                     | Tenders of Initial Notes may be withdrawn at any time prior to midnight, New York City time, on the expiration date. To withdraw a tender of Initial Notes, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth in the letter of transmittal prior to midnight, New York City time, on the expiration date.                                                                                                                                                                  |
| Acceptance of Initial Notes and Delivery of New Notes: | Subject to certain conditions, any and all Initial Notes that are validly tendered in the exchange offer prior to midnight, New York City time, on the expiration date will be accepted for exchange. The New Notes issued pursuant to the exchange offer will be delivered promptly following the expiration date. See Exchange Offer Terms of the Exchange Offer.                                                                                                                                                                               |
| U.S. Federal Income Tax Considerations:                | The exchange of the Initial Notes for the New Notes will not constitute a taxable exchange for U.S. federal income tax purposes. See U.S. Federal Income Tax Considerations.                                                                                                                                                                                                                                                                                                                                                                      |
| Use of Proceeds:                                       | We will not receive any proceeds from the exchange offer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Exchange Agent:                                        | The Bank of New York Mellon is serving as the exchange agent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Summary of Terms of the New Notes:                     | <p>The terms of the New Notes of each series are identical to the terms of the Initial Notes of such series except that the New Notes:</p> <ul style="list-style-type: none"> <li>· will be registered under the Securities Act, and therefore will not contain restrictions on transfer;</li> <li>· will not contain provisions relating to additional interest;</li> <li>· will bear a different CUSIP number from the Initial Notes of the respective series; and</li> <li>· will not entitle their holders to registration rights.</li> </ul> |

## Edgar Filing: BARRICK GOLD CORP - Form F-9

Issuer: Barrick (PD) Australia Finance Pty Ltd (ACN 139 909 934)

Notes Offered: \$400,000,000 aggregate principal amount of 4.950% notes due 2020.  
\$850,000,000 aggregate principal amount of 5.950% notes due 2039.

Interest Rate: The 2020 Notes will bear interest at the rate of 4.950% per annum.  
The 2039 Notes will bear interest at the rate of 5.950% per annum.

## **Table of Contents**

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest Payment Dates:      | Payable semi-annually in arrears on January 15 and July 15 of each year for the 2020 Notes, commencing January 15, 2010.<br>Payable semi-annually in arrears on April 15 and October 15 of each year for the 2039 Notes, commencing April 15, 2010.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Maturity Date:               | The 2020 Notes will mature on January 15, 2020.<br>The 2039 Notes will mature on October 15, 2039.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Ranking:                     | The Notes will be unsecured, unsubordinated obligations of BPDAF and will rank equally with BPDAF's other unsecured, unsubordinated obligations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Guarantees:                  | The Notes will be unconditionally and irrevocably guaranteed by Barrick, which guarantees will be unsecured, unsubordinated obligations of Barrick and will rank equally with Barrick's other unsecured, unsubordinated obligations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Optional and Tax Redemption: | BPDAF may redeem each series of the Notes, in whole or from time to time in part, on any date, at the prices described in this prospectus. See <a href="#">Description of the Notes</a> <a href="#">Optional Redemption</a> .<br>Any series of the Notes may also be redeemed, in whole but not in part, under certain circumstances relating to changes in applicable tax laws as described under <a href="#">Description of the Notes</a> <a href="#">Tax Redemption</a> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Change of Control:           | Upon the occurrence of both (i) a change of control of Barrick and (ii) a downgrade within a specified period of a series of the Notes below an investment grade rating by each of Moody's Investors Service Inc. and Standard & Poor's Ratings Services, BPDAF will be required to make an offer to purchase such series of Notes at a price equal to 101% of the principal amount plus accrued and unpaid interest to, but not including, the date of repurchase. See <a href="#">Description of the Notes</a> <a href="#">Change of Control Repurchase Event</a> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Additional Amounts:          | All payments made by BPDAF with respect to any series of the Notes or Barrick with respect to the guarantees will be made without withholding or deduction for Australian or Canadian taxes, respectively, unless required to be withheld or deducted by applicable law or by the interpretation or administration thereof. Subject to the exceptions and limitations set forth in this prospectus, if BPDAF or Barrick is required to withhold or deduct for Australian or Canadian taxes with respect to a payment to the holders of any series of the Notes, BPDAF or Barrick will pay to any holder of such Notes that is a non-resident of Australia or Canada, as the case may be, such additional amounts as may be necessary so that the net payment received by each holder on the Notes after such withholding or deduction will not be less than the amount such holder would have received if such Australian or Canadian taxes had not been withheld or deducted. See <a href="#">Description of the Notes</a> <a href="#">Payment of Additional Amounts</a> . |
| Form:                        | Each series of the Notes will be represented by one or more fully registered global notes deposited in book-entry form with, or on behalf of, The Depository Trust Company, and registered in the name of its nominee. See <a href="#">Description of the Notes</a> <a href="#">Global Securities and Book-Entry System</a> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Governing Law:               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

## Edgar Filing: BARRICK GOLD CORP - Form F-9

The Indenture (as defined below) and the Notes will be governed by and construed in accordance with the laws of the State of New York.

Risk Factors:

Investing in the Notes involves risks. See **Risk Factors** beginning on page [5] of this prospectus.

## **Table of Contents**

### **RISK FACTORS**

*In deciding whether to exchange the Initial Notes for New Notes, you should carefully consider the risks and uncertainties described below and under the heading Risk Factors in Barrick's Annual Information Form, which is incorporated by reference herein. These risks and uncertainties are not the only ones facing Barrick and BPDFAF. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any such risks actually occur, our business, financial condition and operating results could be materially harmed.*

#### **Bankruptcy, liquidation or reorganization of Barrick's subsidiaries**

Barrick conducts a substantial portion of its operations through subsidiaries. Barrick's guarantees of the Notes will be obligations exclusively of Barrick. Barrick's subsidiaries will not guarantee or otherwise be responsible for the payment of principal or interest or other payments required to be made by Barrick under Barrick's guarantees of the Notes. Accordingly, Barrick's guarantees of the Notes will effectively be subordinated to all existing and future liabilities (including trade payables and indebtedness) of such subsidiaries (except to the extent that BPDFAF is responsible for making payments on the Notes). In the event of an insolvency, liquidation or other reorganization of any such subsidiaries, Barrick's creditors (including the holders of Barrick's guarantees of the Notes) will have no right to proceed against the assets of such subsidiaries (except to the extent that holders of Notes have a right to proceed against BPDFAF). Creditors of such subsidiaries would generally be entitled to payment in full from such assets before any assets are made available for distribution to Barrick.

#### **Credit ratings may change, adversely affecting the market value of the Notes and our cost of capital**

There is no assurance that the credit ratings assigned to a particular series of Notes or Barrick will remain in effect for any given period of time or that any such rating will not be revised or withdrawn entirely by a rating agency. Real or anticipated changes in credit ratings assigned to a particular series of Notes will generally affect the market price of such Notes. In addition, real or anticipated changes in our credit ratings may also affect the cost at which we can access the capital markets.

#### **Changes in interest rates may cause the value of the Notes to decline**

Prevailing interest rates will affect the market price or value of the Notes. The market price or value of any particular series of Notes may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

#### **We may issue additional Notes**

Under the terms of the indenture governing the Notes, we may, from time to time, without notice to, or the consent of, the holders of the Notes of a particular series, reopen such series and issue additional notes of that series, which notes will be equal in rank to the Notes of that series in all respects (or in all respects except for the issue price, the payment of interest accruing prior to the issue date of the new notes of such series and/or the first payment of interest following the issue date of the new notes of such series) so that the new notes of such series may be consolidated with and form a single series with, and have the same terms as to status, redemption or otherwise as, the Notes of such series offered under this prospectus.

#### **We may be unable to purchase the Notes upon a change of control repurchase event**

If we experience a change of control and a particular series of the Notes experiences a specified credit rating decline, we will be required to offer to purchase such Notes for cash at a price equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to the date of purchase in order to avoid an event of default under the Indenture. See Description of the Notes Change of Control Repurchase Event. A change of control may also require us to make an offer to purchase certain of our other indebtedness and give rise to the early termination of our primary bank credit facility. In the event of a change of control and a specified credit rating decline relating to our debt, we may not have sufficient funds to purchase all of the affected indebtedness and to repay the amounts owing under our primary bank credit facility.

## **Table of Contents**

**There can be no assurance that a trading market for the Notes will develop or as to the liquidity of any trading market that might develop for the Notes.**

There is no established trading market for the Notes and we do not intend to have the Notes listed on any securities exchange. In addition, the liquidity of the trading market in the Notes and the market price quoted for the Notes may be adversely affected by, among other things, changes in the overall market for debt securities and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, you cannot be sure that an active trading market will develop for the Notes or as to the liquidity of any trading market that may develop.

## **BARRICK**

### **Overview**

We are a leading international gold company. Barrick entered the gold mining industry in 1983 and is now the largest gold mining company in the world in terms of production, reserves and market capitalization. We have operating mines and projects in Canada, the United States, Dominican Republic, Australia, Papua New Guinea, Peru, Chile, Argentina, Pakistan, Russia, South Africa and Tanzania. Our principal products and sources of earnings are gold and copper.

Barrick is a corporation governed by the *Business Corporations Act* (Ontario) resulting from the amalgamation, effective July 14, 1984 under the laws of the Province of Ontario, of Camflo Mines Limited, Bob-Clare Investments Limited and the former Barrick Resources Corporation. By articles of amendment effective December 9, 1985, Barrick changed its name to American Barrick Resources Corporation. Effective January 1, 1995, as a result of an amalgamation with a wholly-owned subsidiary, Barrick changed its name from American Barrick Resources Corporation to Barrick Gold Corporation. In connection with its acquisition of Placer Dome Inc., Barrick amalgamated with Placer Dome Inc. pursuant to articles of amalgamation dated May 9, 2006. On January 1, 2009, Barrick amalgamated with its wholly-owned subsidiary, Arizona Star Resource Corp. Barrick's head and registered office is located at Brookfield Place, TD Canada Trust Tower, 161 Bay Street, Suite 3700, Toronto, Ontario, M5J 2S1. Barrick's telephone number is (416) 861-9911.

## **BPDAF**

BPDAF is an Australian proprietary limited company formed in October 2009 and is a wholly-owned indirect subsidiary of Barrick. BPDAF's primary purpose is the financing of other subsidiaries or affiliates of Barrick. BPDAF does not plan to have other operations and BPDAF has no assets, operations, revenues or cash flows other than those which are related to the issuance, administration and repayment of debt securities guaranteed by Barrick. BPDAF does not intend to make available publicly or to its securityholders annual or other reports or other separate continuous disclosure information. BPDAF's principal executive office is located at Level 10 2 Mill Street, Perth, Western Australia, Australia 6000. BPDAF's telephone number is (61-8) 9212-5777.

---

**Table of Contents**

**EXCHANGE OFFER**

**Terms of the Exchange Offer**

***General***

In connection with the issuance of the Initial Notes, we entered into an exchange and registration rights agreement, dated October 16, 2009, with the initial purchasers of the Initial Notes. The following contains a summary of the provisions of the exchange and registration rights agreement. It does not contain all of the information that may be important to an investor in the Notes. We refer you to the exchange and registration rights agreement, which has been filed as an exhibit to the registration statement of which this prospectus forms a part.

Under the exchange and registration rights agreement, we agreed to file under the Securities Act on or prior to 90 days after the closing of the offering of the Initial Notes and use our commercially reasonable efforts to cause to become effective under the Securities Act on or prior to 270 days after the closing of the offering of the Initial Notes, the registration statement of which this prospectus is a part with respect to a registered offer to exchange the Initial Notes of each series for New Notes of the respective series. We will keep the exchange offer open for at least 20 business days (or longer if required by law) after the date notice of the exchange offer is mailed to holders of the Initial Notes.

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, all Initial Notes validly tendered and not withdrawn prior to midnight, New York City time, on the expiration date will be accepted for exchange. New Notes of each series will be issued in exchange for an equal principal amount of outstanding Initial Notes of the respective series accepted in the exchange offer. This prospectus, together with the letter of transmittal, is being sent to all holders as of the date of this prospectus. The exchange offer is not conditioned upon any minimum principal amount of Initial Notes being tendered for exchange. However, the obligation to accept Initial Notes for exchange pursuant to the exchange offer is subject to certain customary conditions as set forth herein under **Conditions**.

Initial Notes shall be deemed to have been accepted as validly tendered when, as and if we have given oral or written notice thereof to The Bank of New York Mellon, the exchange agent. The exchange agent will act as agent for the tendering holders of Initial Notes for the purposes of receiving the New Notes and delivering New Notes to such holders.

Based on interpretations by the Staff of the Commission as set forth in no-action letters issued to third parties (including Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley & Co. Incorporated (available June 5, 1991), K-III Communications Corporation (available May 14, 1993) and Shearman & Sterling (available July 2, 1993), we believe that the New Notes issued pursuant to the exchange offer may be offered for resale, resold and otherwise transferred by any holder thereof (other than any such holder that is a broker-dealer or an affiliate of us within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

- such New Notes are acquired in the ordinary course of business;
- at the time of the commencement of the exchange offer such holder has no arrangement or understanding with any person to participate in a distribution of such New Notes; and
- such holder is not engaged in, and does not intend to engage in, a distribution of such New Notes.

We have not sought, and do not intend to seek, a no-action letter from the Commission with respect to the effects of the exchange offer, and we cannot assure you that the Staff would make a similar determination with respect to the New Notes as it has in such no-action letters.

By tendering Initial Notes in exchange for New Notes and executing the letter of transmittal, each holder will represent to us that:

- any New Notes to be received by it will be acquired in the ordinary course of business;

## Edgar Filing: BARRICK GOLD CORP - Form F-9

- it has no arrangements or understandings with any person to participate in the distribution of the Initial Notes or New Notes within the meaning of the Securities Act; and
- it is not our affiliate, as defined in Rule 405 under the Securities Act.

## **Table of Contents**

If such holder is a broker-dealer, it will also be required to represent that the Initial Notes were acquired as a result of market-making activities or other trading activities and that it will deliver a prospectus in connection with any resale of New Notes. See Plan of Distribution. Each holder, whether or not it is a broker-dealer, shall also represent that it is not acting on behalf of any person that could not truthfully make any of the foregoing representations contained in this paragraph. If a holder of Initial Notes is unable to make the foregoing representations, such holder may not rely on the applicable interpretations of the Staff of the Commission and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any secondary resale transaction unless such sale is made pursuant to an exemption from such requirements.

Each broker-dealer that receives New Notes for its own account in exchange for Initial Notes where such Initial Notes were acquired by such broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act and that it has not entered into any arrangement or understanding with us or an affiliate of ours to distribute the New Notes in connection with any resale of such New Notes. See Plan of Distribution.

Upon consummation of the exchange offer, any Initial Notes not tendered will remain outstanding and continue to accrue interest but, subject to certain limited exceptions, holders of Initial Notes who do not exchange their Initial Notes for New Notes in the exchange offer will no longer be entitled to registration rights or the payment of additional interest. In addition, such holders will not be able to offer or sell their Initial Notes, unless such Initial Notes are subsequently registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Subject to limited exceptions, we will have no obligation to effect a subsequent registration of the Initial Notes.

### ***Expiration Date; Extensions; Amendments; Termination***

The expiration date shall be \_\_\_\_\_, 2009 unless we, in our sole discretion, extend the exchange offer, in which case the expiration date shall be the latest date to which the exchange offer is extended.

To extend the expiration date, we will notify the exchange agent of any extension by oral or written notice and will notify the holders of Initial Notes by means of a press release or other public announcement prior to 9:00 A.M., New York City time, on the next business day after the previously scheduled expiration date. Such announcement will state that we are extending the exchange offer for a specified period of time.

We reserve the right:

- to delay acceptance of any Initial Notes, to extend the exchange offer or to terminate the exchange offer and not permit acceptance of Initial Notes not previously accepted if any of the conditions set forth under \_\_\_\_\_ Conditions shall have occurred and shall not have been waived prior to the expiration date, by giving oral or written notice of such delay, extension or termination to the exchange agent; or
- to amend the terms of the exchange offer in any manner deemed by us to be advantageous to the holders of the Initial Notes.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice to the exchange agent. If the exchange offer is amended in a manner determined by us to constitute a material change, we will promptly disclose such amendment in a manner reasonably calculated to inform the holders of the Initial Notes of such amendment. In addition, if we amend or terminate the exchange offer, we will promptly file a post-effective amendment to the registration statement of which this prospectus forms a part.

Without limiting the manner in which we may choose to make public announcement of any delay, extension, amendment or termination of the exchange offer, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement, other than by making a timely release to an appropriate news agency.

### ***Interest on the New Notes***

The New 2020 Notes will accrue interest at the rate of 4.950% per annum from and including the last interest payment date on which interest was paid on the Initial 2020 Note surrendered in exchange therefor or, if no interest has been



## **Table of Contents**

paid on such Initial 2020 Note, from the issue date of such Initial 2020 Note; provided, that if an Initial 2020 Note is surrendered for exchange on or after a record date for an interest payment date that will occur on or after the date of such exchange and as to which interest will be paid, interest on the New 2020 Note received in exchange therefor will accrue from the date of such interest payment date. Interest on the New 2020 Notes is payable on January 15 and July 15, beginning on January 15, 2010. No additional interest will be paid on Initial 2020 Notes tendered and accepted for exchange.

The New 2039 Notes will accrue interest at the rate of 5.950% per annum from and including the last interest payment date on which interest was paid on the Initial 2039 Note surrendered in exchange therefor or, if no interest has been paid on such Initial 2039 Note, from the issue date of such Initial 2039 Note; provided, that if an Initial 2039 Note is surrendered for exchange on or after a record date for an interest payment date that will occur on or after the date of such exchange and as to which interest will be paid, interest on the New 2039 Note received in exchange therefor will accrue from the date of such interest payment date. Interest on the New 2039 Notes is payable on April 15 and October 15, beginning on April 15, 2010. No additional interest will be paid on Initial 2039 Notes tendered and accepted for exchange.

### ***Procedures for Tendering***

To tender in the exchange offer, a holder must complete, sign and date the applicable letter of transmittal or a facsimile thereof, have the signatures thereon guaranteed if required by the letter of transmittal, and mail, or otherwise deliver such letter of transmittal or such facsimile, together with any other required documents, to the exchange agent prior to midnight, New York City time, on the expiration date. In addition, either:

- certificates of such Initial Notes must be received by the exchange agent along with the applicable letter of transmittal;
- a timely confirmation of a book-entry transfer of such Initial Notes, if such procedure is available, into the exchange agent's account at the book-entry transfer facility, The Depository Trust Company, pursuant to the procedure for book-entry transfer described below, must be received by the exchange agent prior to the expiration date with the applicable letter of transmittal; or
- the holder must comply with the guaranteed delivery procedures described below.

The method of delivery of Initial Notes, letter of transmittal and all other required documents is at the election and risk of the holders. If such delivery is by mail, it is recommended that registered mail, properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to assure timely delivery. No Initial Notes, letters of transmittal or other required documents should be sent to us. Delivery of all Initial Notes, if applicable, letters of transmittal and other documents must be made to the exchange agent at its address set forth in the letter of transmittal. Holders may also request their respective brokers, dealers, commercial banks, trust companies or nominees to effect such tender for such holders.

The tender by a holder of Initial Notes will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth herein and in the applicable letter of transmittal. Any beneficial owner whose Initial Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered holder promptly and instruct such registered holder to tender on its behalf.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by any member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc., a commercial bank or trust company having an office or correspondent in the United States or an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act or an eligible institution unless the Initial Notes tendered pursuant thereto are tendered (1) by a registered holder of Initial Notes who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal or (2) for the account of an eligible institution.

If a letter of transmittal is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such person should so indicate when signing and, unless waived by us, evidence satisfactory to us of their authority to so act must be submitted with such letter of transmittal.



## **Table of Contents**

All questions as to the validity, form, eligibility, time of receipt and withdrawal of the tendered Initial Notes will be determined by us in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject any and all Initial Notes not properly tendered or any Initial Notes which, if accepted, would, in the opinion of counsel for us, be unlawful. We also reserve the absolute right to waive any irregularities or conditions of tender as to particular Initial Notes. We will not waive any condition of the exchange offer with respect to an individual holder unless we waive that condition for all holders. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Initial Notes must be cured within such time as we shall determine. Neither we, the exchange agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of Initial Notes, nor shall any of them incur any liability for failure to give such notification. Tenders of Initial Notes will not be deemed to have been made until such irregularities have been cured or waived. Any Initial Note received by the exchange agent that is not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost to such holder by the exchange agent, unless otherwise provided in the letter of transmittal, promptly following the expiration date.

In addition, we reserve the right, in our sole discretion, subject to the provisions of the indenture pursuant to which the Notes are issued:

- to purchase or make offers for any Initial Notes that remain outstanding subsequent to the expiration date or, as described under Conditions, to terminate the exchange offer,
- to redeem Initial Notes as a whole, or in part, at any time and from time to time, as described under Description of the Notes Redemption Optional Redemption, and
- to the extent permitted under applicable law, to purchase Initial Notes in the open market, in privately negotiated transactions or otherwise.

The terms of any such purchases or offers could differ from the terms of the exchange offer.

Each broker-dealer that receives New Notes for its own account in exchange for Initial Notes where such Initial Notes were acquired by such broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act and that it has not entered into any arrangement or understanding with us, or an affiliate of ours, to distribute the New Notes in connection with any resale of such New Notes. See Plan of Distribution.

### ***Acceptance of Initial Notes for Exchange; Delivery of New Notes***

Upon satisfaction or waiver of all of the conditions to the exchange offer, all Initial Notes properly tendered will be accepted promptly after the expiration date and the New Notes will be issued promptly after acceptance of the Initial Notes. See Conditions. For purposes of the exchange offer, Initial Notes shall be deemed to have been accepted as validly tendered for exchange when, as and if we have given oral or written notice thereof to the exchange agent.

For each Initial Note of any series accepted for exchange, the holder of such Initial Note will receive a New Note of the respective series having a principal amount equal to that of the surrendered Initial Note.

In all cases, issuance of New Notes for Initial Notes that are accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of:

- certificates for such Initial Notes, or a timely book-entry confirmation of such Initial Notes, into the exchange agent's account at the applicable book entry transfer facility,
- a properly completed and duly executed letter of transmittal, and

- all other required documents.

If any tendered Initial Notes are not accepted for any reason described in the terms and conditions of the exchange offer, such unaccepted or such non-exchanged Initial Notes will be returned promptly without expense to the tendering holder thereof (if in certificated form), or credited to an account maintained with such book-entry transfer facility after the expiration or termination of the exchange offer.

## **Table of Contents**

### ***Book-Entry Transfer***

The exchange agent has established an account with respect to the Initial Notes at the book-entry transfer facility for purposes of the exchange offer. Any financial institution that is a participant in the book-entry transfer facility's systems may make book-entry delivery of Initial Notes by causing the book-entry transfer facility to transfer such Initial Notes into the exchange agent's account at the book-entry transfer facility in accordance with such book-entry transfer facility's procedures for transfer. However, although delivery of Initial Notes may be effected through book-entry transfer at the book-entry transfer facility, the letter of transmittal or facsimile thereof with any required signature guarantees and any other required documents must, in any case, be transmitted to and received by the exchange agent at the address set forth in the letter of transmittal on or prior to the expiration date or the guaranteed delivery procedures described below must be complied with.

### ***Exchanging Book-Entry Notes***

The exchange agent and the book-entry transfer facility have confirmed that any financial institution that is a participant in the book-entry transfer facility may utilize the book-entry transfer facility Automated Tender Offer Program, or ATOP, procedures to tender Initial Notes.

Any participant in the book-entry transfer facility may make book-entry delivery of Initial Notes by causing the book-entry transfer facility to transfer such Initial Notes into the exchange agent's account in accordance with the book-entry transfer facility's ATOP procedures for transfer. However, the exchange for the Initial Notes so tendered will only be made after a book-entry confirmation of the book-entry transfer of Initial Notes into the exchange agent's account and timely receipt by the exchange agent of an agent's message and any other documents required by the letter of transmittal. The term "agent's message" means a message, transmitted by the book-entry transfer facility and received by the exchange agent and forming part of a book-entry confirmation, which states that the book-entry transfer facility has received an express acknowledgment from a participant tendering Initial Notes that are the subject of such book-entry confirmation, that such participant has received and agrees to be bound by the terms of the letter of transmittal and that we may enforce such agreement against such participant.

### ***Guaranteed Delivery Procedures***

If the procedures for book-entry transfer cannot be completed on a timely basis, a tender may be effected if:

- the tender is made through an eligible institution;
- prior to the expiration date, the exchange agent receives by facsimile transmission, mail or hand delivery from such eligible institution a properly completed and duly executed letter of transmittal and notice of guaranteed delivery, substantially in the form provided by us, which:
  - (1) sets forth the name and address of the holder of Initial Notes and identifies the Initial Notes tendered, including the principal amount of such Initial Notes;
  - (2) states that the tender is being made thereby; and
  - (3) guarantees that within three New York Stock Exchange, or NYSE, trading days after the date of execution of the notice of guaranteed delivery, the certificates for all physically tendered Initial Notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and any other documents required by the letter transmittal will be deposited by the eligible institution with the exchange agent; and
- the certificates for all physically tendered Initial Notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and all other documents required by the letter of transmittal are received by the exchange agent within three NYSE trading days after the date of execution of the notice of guaranteed delivery.

***Withdrawal of Tenders***

Tenders of Initial Notes may be withdrawn at any time prior to midnight, New York City time, on the expiration date.

---

## **Table of Contents**

For a withdrawal to be effective, a written notice of withdrawal must be received by the exchange agent prior to midnight, New York City time, on the expiration date at the address set forth in the letter of transmittal. Any such notice of withdrawal must:

- specify the name of the person having tendered the Initial Notes to be withdrawn;
- identify the Initial Notes to be withdrawn, including the principal amount of such Initial Notes;
- in the case of Initial Notes tendered by book-entry transfer, specify the number of the account at the book-entry transfer facility from which the Initial Notes were tendered and specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn Initial Notes and otherwise comply with the procedures of such facility;
- contain a statement that such holder is withdrawing its election to have such Initial Notes exchanged;
- be signed by the holder in the same manner as the original signature on the letter of transmittal by which such Initial Notes were tendered including any required signature guarantees, or be accompanied by documents of transfer to have the trustees with respect to the Initial Notes in the name of the person withdrawing the tender; and
- specify the name in which such Initial Notes are registered, if different from the person who tendered such Initial Notes.

All questions as to the validity, form, eligibility and time of receipt of such notice will be determined by us, which determination shall be final and binding on all parties. Any Initial Notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Any Initial Notes which have been tendered for exchange but which are not exchanged for any reason will be returned to the tendering holder thereof without cost to such holder, in the case of physically tendered Initial Notes, or credited to an account maintained with the book-entry transfer facility for the Initial Notes promptly after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn Initial Notes may be re-tendered by following one of the procedures described under **Procedures for Tendering** and **Book-Entry Transfer** above at any time on or prior to midnight, New York City time, on the expiration date.

### ***Conditions***

Notwithstanding any other provision of the exchange offer, we shall not be required to accept for exchange, or to issue New Notes in exchange for, any Initial Notes and may terminate or amend the exchange offer if at any time prior to midnight, New York City time, on the expiration date, we determine in our reasonable judgment that the exchange offer violates applicable law, any applicable interpretation of the Staff of the Commission or any order of any governmental agency or court of competent jurisdiction.

The foregoing conditions are for our sole benefit and may be asserted by us, regardless of the circumstances giving rise to any such condition, or may be waived by us, in whole or in part, at any time and from time to time in our reasonable discretion. All such conditions must be satisfied or waived by us, as applicable, at or before the expiration of the exchange offer.

In addition, we will not accept for exchange any Initial Notes tendered, and no New Notes will be issued in exchange for any such Initial Notes, if at such time any stop order shall be threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939, as amended. We are required to use our commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest practicable date.

### ***Exchange Agent***

The Bank of New York Mellon has been appointed as exchange agent for the exchange offer. Questions and requests for assistance and requests for additional copies of this prospectus, or of the letter of transmittal, should be directed to the exchange agent as provided in the letter of transmittal.



**Table of Contents*****Fees and Expenses***

The expenses of soliciting tenders pursuant to the exchange offer will be borne by us. The principal solicitation for tenders pursuant to the exchange offer is being made by mail; however, additional solicitations may be made by telegraph, telephone, telecopy or in person by our officers and regular employees.

We will not make any payments to brokers, dealers or other persons soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its reasonable out-of-pocket expenses in connection therewith. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the prospectus and related documents to the beneficial owners of the Initial Notes, and in handling or forwarding tenders for exchange.

The expenses to be incurred by us in connection with the exchange offer will be paid by us, including fees and expenses of the exchange agent and trustee and accounting, legal, printing and related fees and expenses.

We will pay all transfer taxes, if any, applicable to the exchange of Initial Notes pursuant to the exchange offer. If, however, New Notes or Initial Notes for principal amounts not tendered or accepted for exchange are to be registered or issued in the name of any person other than the registered holder of the Initial Notes tendered, or if tendered Initial Notes are registered in the name of any person other than the person signing the letter of transmittal, or if a transfer tax is imposed for any reason other than the exchange of Initial Notes pursuant to the exchange offer, then the amount of any such transfer taxes imposed on the registered holder or any other persons will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

***Consequences of Failure to Exchange***

Holders of Initial Notes who do not exchange their Initial Notes for New Notes pursuant to the exchange offer will continue to be subject to the restrictions on transfer of such Initial Notes as set forth in the legend thereon as a consequence of the issuance of the Initial Notes pursuant to exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Initial Notes may not be offered, sold or otherwise transferred, except in compliance with the registration requirements of the Securities Act, pursuant to an exemption from registration under the Securities Act or in a transaction not subject to the registration requirements of the Securities Act, and in compliance with applicable state securities laws. We do not currently anticipate that we will register the Initial Notes under the Securities Act. To the extent that Initial Notes are tendered and accepted in the exchange offer, the trading market for untendered and tendered but unaccepted Initial Notes could be adversely affected.

**USE OF PROCEEDS**

We will not receive any proceeds from the exchange offer. In consideration for issuing New Notes, we will receive in exchange Initial Notes of like principal amount, the terms of which are identical in all material respects to the New Notes. Initial Notes surrendered in exchange for New Notes will be retired and cancelled and cannot be reissued. Accordingly, issuance of the New Notes will not result in any increase in our indebtedness and will evidence the same continuing indebtedness as the Initial Notes. We have agreed to bear all fees and expenses related to the exchange offer. No underwriter is being used in connection with the exchange offer.

**CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES**

Barrick's unaudited ratio of earnings to fixed charges for the periods indicated below was as follows:

|                                    | 2004 | 2005 | 2006 | 2007 | 2008 | Nine-Months<br>Period Ended<br>September 30, 2009 |
|------------------------------------|------|------|------|------|------|---------------------------------------------------|
| Ratio of earnings to fixed charges | 1x   | 4x   | 7x   | 7x   | 6x   | (18)x <sup>(1)</sup>                              |

Notes:

- (1) Earnings for the nine-months period ended September 30, 2009 reflect a charge of \$5.7 billion reflecting a change in accounting treatment following Barrick's decision to eliminate all of its fixed priced (non-participating) gold contracts and a portion of its floating spot price (fully participating) gold contracts. For additional information, see Barrick's Interim Management's Discussion and Analysis.

**Table of Contents****CONSOLIDATED CAPITALIZATION**

The following table sets forth the cash and cash equivalents and the consolidated capitalization of Barrick as at September 30, 2009, the date of Barrick's most recently filed financial statements. The table should be read in conjunction with the audited consolidated financial statements of Barrick as at and for the year ended December 31, 2008, including the notes thereto, the interim unaudited consolidated financial statements of Barrick for the three and nine months ended September 30, 2009, including the notes thereto, the management's discussion and analysis of Barrick for the financial year ended December 31, 2008 and the management's discussion and analysis of Barrick for the three and nine months ended September 30, 2009.

| <b>(In millions)</b>                                                                                   | <b>As at September 30, 2009</b> |
|--------------------------------------------------------------------------------------------------------|---------------------------------|
| Cash and cash equivalents                                                                              | \$ 6,531                        |
| Gold Sales Contracts liability                                                                         | \$ 5,692                        |
| Long term debt <sup>(1)</sup>                                                                          | \$ 5,060                        |
| Equity                                                                                                 |                                 |
| Capital stock (common shares authorized: unlimited; outstanding as at September 30, 2009: 982,956,358) | 17,343                          |
| Retained earnings (deficit)                                                                            | (2,400)                         |
| Accumulated other comprehensive loss                                                                   | 37                              |
| Total shareholders' equity                                                                             | 14,980                          |
| Total capitalization <sup>(2)</sup>                                                                    | \$ 20,040                       |

Notes:

- (1) Long-term debt excludes the current portion of long-term debt, asset retirement obligations, deferred income tax liabilities and other liabilities and includes capital leases. Refer to note 16b to Barrick's interim unaudited consolidated financial statements for the three and nine months ended September 30, 2009 and note 20b to Barrick's comparative audited consolidated financial statements for the year ended December 31, 2008 for more information regarding Barrick's long-term debt.
- (2) Total capitalization is long-term debt plus total shareholders' equity.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING INFORMATION**

The following table sets forth selected historical consolidated financial and operating information of Barrick prepared in accordance with U.S. GAAP (other than in the case of operating statistics). Such data should be read in conjunction with the audited consolidated financial statements of Barrick as at and for the year ended December 31, 2008, including the notes thereto, the interim unaudited consolidated financial statements of Barrick for the three and nine months ended September 30, 2009, including the notes thereto, the management's discussion and analysis of Barrick for the financial year ended December 31, 2008 and the management's discussion and analysis of Barrick for the three and nine months ended September 30, 2009, which are incorporated by reference in this prospectus.

|                                                                           | Nine Months Ended<br>September 30                          |          | Year Ended December 31 |          |          |
|---------------------------------------------------------------------------|------------------------------------------------------------|----------|------------------------|----------|----------|
|                                                                           | 2009                                                       | 2008     | 2008                   | 2007     | 2006     |
|                                                                           | (in millions, except percentages and operating statistics) |          |                        |          |          |
|                                                                           | (unaudited)                                                |          |                        |          |          |
| Operating Results                                                         |                                                            |          |                        |          |          |
| Gold sales                                                                | \$ 5,157                                                   | \$ 4,885 | \$ 6,656               | \$ 5,027 | \$ 4,493 |
| Copper sales                                                              | 757                                                        | 907      | 1,228                  | 1,305    | 1,137    |
| Cost of sales <sup>(2)</sup>                                              | 2,901                                                      | 2,685    | 3,876                  | 3,144    | 2,710    |
| Amortization                                                              | 810                                                        | 767      | 990                    | 1,004    | 735      |
| Net income (loss) <sup>(1)</sup>                                          | (4,487)                                                    | 1,253    | 785                    | 1,119    | 1,506    |
| Net cash provided by operating activities                                 | 1,978                                                      | 1,767    | 2,206                  | 1,732    | 2,122    |
| Financial Position                                                        |                                                            |          |                        |          |          |
| Cash and equivalents                                                      | \$ 6,531                                                   | \$ 1,746 | \$ 1,437               | \$ 2,207 | \$ 3,043 |
| Total assets                                                              | 30,277                                                     | 24,360   | 24,161                 | 21,951   | 21,510   |
| Long-term debt <sup>(3)</sup>                                             | 5,060                                                      | 4,382    | 4,350                  | 3,153    | 3,244    |
| Total shareholders' equity                                                | 14,980                                                     | 16,160   | 15,277                 | 15,256   | 14,199   |
| Long-term debt to total shareholders' equity <sup>(3)(4)</sup>            | 33.8%                                                      | 27.1%    | 28.5%                  | 20.7%    | 22.8%    |
| Long-term debt to total capitalization <sup>(3)(5)(6)</sup>               | 25.3%                                                      | 21.3%    | 22.2%                  | 17.1%    | 18.6%    |
| Operating Statistics                                                      |                                                            |          |                        |          |          |
| (unaudited)                                                               |                                                            |          |                        |          |          |
| Gold production (thousands of ounces) <sup>(7)</sup>                      | 5,525                                                      | 5,545    | 7,657                  | 8,060    | 8,643    |
| Average realized gold price per ounce <sup>(9)</sup>                      | \$ 940                                                     | \$ 899   | \$ 872                 | \$ 621   | \$ 545   |
| Gold reserves: proven and probable (millions of ounces) <sup>(7)(8)</sup> | N/A                                                        | N/A      | 138,506                | 124,588  | 123,066  |
| Copper production (millions of pounds)                                    | 295                                                        | 260      | 370                    | 402      | 367      |
| Average realized copper price per pound <sup>(9)</sup>                    | \$ 3.03                                                    | \$ 3.56  | \$ 3.39                | \$ 3.22  | \$ 3.06  |
| Copper reserves: proven and probable (millions of pounds) <sup>(8)</sup>  | N/A                                                        | N/A      | 6,392                  | 6,203    | 6,006    |

Notes:

- (1) Net income (loss) for the nine-months period ended September 30, 2009 reflects a charge of \$5.7 billion reflecting a change in accounting treatment following Barrick's decision to eliminate all of its fixed priced (non-participating) gold contracts and a portion of its floating spot price (fully participating) gold contracts. For additional information, see Barrick's Interim Management's Discussion and Analysis.
- (2) Exclusive of amortization. Cost of sales includes all costs that are capitalized to inventory, except for amortization of property, plant and equipment. The amount of amortization from operating segments excluded from cost of sales was \$722 million in the nine months ended September 30, 2009; \$707 million in the nine months ended September 30, 2008; \$971 million in 2008; \$984 million in 2007; and \$716 million in 2006.
- (3) Long-term debt excludes the current portion of long-term debt, asset retirement obligations, deferred income tax liabilities and other liabilities and includes capital leases. Refer to note 16b to Barrick's unaudited comparative consolidated financial statements for the nine months ended September 30, 2009 and note 20b to Barrick's audited comparative consolidated financial statements for the year ended December 31, 2008 for more information regarding Barrick's long-term debt.
- (4) Equals long-term debt divided by shareholders' equity.
- (5) Total capitalization is long-term debt plus shareholders' equity.
- (6) Equals long-term debt divided by total capitalization.

## Edgar Filing: BARRICK GOLD CORP - Form F-9

- (7) Barrick's share.
- (8) Mineral reserves and mineral resources have been calculated as at December 31, 2008 in accordance with NI 43-101 as required by Canadian securities regulatory authorities. For United States reporting purposes, Industry Guide 7 (under the Exchange Act), as interpreted by Staff of the Commission, applies different standards in order to classify mineralization as a reserve. Accordingly, for U.S. reporting purposes, the mineralization at Cerro Casale is classified as mineralized material and approximately 600,000 ounces of mineralization for Pueblo Viejo (Barrick's 60% interest) classified as reserves under NI 43-101 are classified as mineralized material. 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 Commission.
- (9) Average realized gold price per ounce and average realized copper price per pound are non-GAAP measures. Non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. A reconciliation of sales to realized price per ounce / per pound is included in the table below. For further information on non-GAAP measures used by Barrick, please see our Interim Management's Discussion and Analysis and Annual Management's Discussion and Analysis, each incorporated by reference herein.

**Table of Contents****Reconciliation of Sales to Realized Price Per Ounce/Per Pound**

|                                                           | For the years ended December 31                                              |              |          |          |                |          |
|-----------------------------------------------------------|------------------------------------------------------------------------------|--------------|----------|----------|----------------|----------|
|                                                           | 2008                                                                         | Gold<br>2007 | 2006     | 2008     | Copper<br>2007 | 2006     |
|                                                           | (\$ millions, except ounces/pounds sold and per ounce/pound data in dollars) |              |          |          |                |          |
| Sales                                                     | \$ 6,656                                                                     | \$ 5,027     | \$ 4,493 | \$ 1,228 | \$ 1,305       | \$ 1,137 |
| Sales attributable to non-controlling interests           | (56)                                                                         | (38)         | 52       |          |                |          |
| Unrealized non-edge gold/copper derivative (gains) losses | 2                                                                            | (2)          | 7        | (23)     | (26)           | 13       |
| Unrealized mark to market provisional price adjustments   | (1)                                                                          | (2)          | 1        | 38       | 10             |          |
| Export duties                                             | 23                                                                           | 15           | 16       |          |                |          |
| Sales as adjusted                                         | \$ 6,624                                                                     | \$ 5,000     | \$ 4,569 | \$ 1,243 | \$ 1,289       | \$ 1,150 |
| Ounces (000 s) /pounds sold (millions)                    | 7,595                                                                        | 8,055        | 8,390    | 367      | 401            | 376      |
| Realized gold/copper price per ounce/pound                | \$ 872                                                                       | \$ 621       | \$ 545   | \$ 3.39  | \$ 3.22        | \$ 3.06  |

|                                                           | For the Nine Months Ended<br>September 30                                    |          |                |         |
|-----------------------------------------------------------|------------------------------------------------------------------------------|----------|----------------|---------|
|                                                           | Gold<br>2009                                                                 | 2008     | Copper<br>2009 | 2008    |
|                                                           | (\$ millions, except ounces/pounds sold and per ounce/pound data in dollars) |          |                |         |
| Sales                                                     | \$ 5,157                                                                     | \$ 4,885 | \$ 757         | \$ 907  |
| Sales attributable to non-controlling interests           | (20)                                                                         | (49)     |                |         |
| Unrealized non-edge gold/copper derivative (gains) losses |                                                                              | 2        | 37             | 24      |
| Unrealized mark to market provisional price adjustments   | (2)                                                                          |          |                |         |
| Export duties                                             | 16                                                                           | 20       |                |         |
| Sales as adjusted                                         | \$ 5,151                                                                     | \$ 4,858 | \$ 794         | \$ 931  |
| Ounces (000 s) /pounds sold (millions)                    | 5,480                                                                        | 5,404    | 262            | 262     |
| Realized gold/copper price per ounce/pound                | \$ 940                                                                       | \$ 899   | \$ 3.03        | \$ 3.56 |

**EARNINGS COVERAGE**

This pro forma coverage information for the 12 months ended December 31, 2008 and the 12 months ended September 30, 2009 is included in accordance with Canadian disclosure requirements. The coverages have been calculated using financial information prepared in accordance with U.S. GAAP. The coverages provided below are calculated to reflect the offering of New Notes under this prospectus in exchange for the Initial Notes as discussed under "Use of Proceeds", and also include required adjustments for all issuances and repayments of long-term debt since December 31, 2008 and servicing costs incurred in relation thereto. Specifically, our pro forma earnings coverage calculations for the 12 months ended December 31, 2008 have been adjusted for the effect of this offering of New Notes in exchange for the Initial Notes, the issuance of \$750 million of debt securities in March 2009, the repayment of certain debt and the retirement and cancellation of the Initial Notes, as if such offering, issuance and retirement and cancellation had occurred on the first day of the applicable period. Our pro forma earnings coverage calculations for the 12 months ended September 30, 2009 have been similarly adjusted.

Our pro forma interest requirements on our consolidated long-term debt would have been \$365 million for the 12 months ended December 31, 2008 (including amounts capitalized during the period). Our earnings before interest expense and income taxes for the 12 months ended December 31, 2008 were \$1,396 million, which is 3.8 times our pro forma interest requirements for this period.

## Edgar Filing: BARRICK GOLD CORP - Form F-9

Our pro forma interest requirements on our consolidated long-term debt would have been \$430 million for the 12 months ended September 30, 2009 (including amounts capitalized during the period). Our earnings before interest expense and income taxes for the 12 months ended September 30, 2009 were a loss of \$4,955 million which is negative 10.2 times our pro forma interest requirements for this period. Earnings for the 12 months ended September 30, 2009 reflect a charge of \$5.7 billion reflecting a change in accounting treatment following Barrick's decision to eliminate all of its fixed priced (non-participating) gold contracts and a portion of its floating spot price (fully participating) gold contracts. For additional information, see Barrick's Interim Management's Discussion and Analysis.

## Table of Contents

### DESCRIPTION OF THE NOTES

The following description of the particular terms of the Notes does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Notes and the Indenture (as defined below), including the definition of certain terms contained therein. In this section, the term **Barrick** refers only to Barrick Gold Corporation without any of its subsidiaries and the term **BPDAF** refers only to Barrick (PD) Australia Finance Pty Ltd without any of its subsidiaries. In addition, in this section only, each of the terms **we**, **us**, or **our** refers only to Barrick in the case of the Guarantees (as defined below), and only to BPDAF in the case of the Notes, and the term **issuer** refers only to BPDAF or Barrick in the case of the Notes or related Guarantees issued by BPDAF or Barrick, respectively.

The Initial 2020 Notes and the Initial 2039 Notes were each a separate series of debt securities issued, and the New 2020 Notes and the New 2039 Notes will each be a separate series of debt securities to be issued, under an indenture (the **Indenture**) among BPDAF, Barrick and The Bank of New York Mellon (formerly The Bank of New York), as trustee (the **Trustee**), dated as of October 16, 2009.

The following summary highlights some of the provisions of the Indenture, and may not contain all of the information that is important to you. The Indenture has been filed as an exhibit to the registration statement of which this prospectus forms a part.

#### General

The Initial 2020 Notes were initially issued in an aggregate principal amount of \$400,000,000. The 2020 Notes are unsecured, unsubordinated obligations of BPDAF and will mature on January 15, 2020. The Initial 2039 Notes were initially issued in an aggregate principal amount of \$850,000,000. The 2039 Notes are unsecured, unsubordinated obligations of BPDAF and will mature on October 15, 2039. The Notes will be unconditionally and irrevocably guaranteed by Barrick, which guarantees will be unsecured, unsubordinated obligations of Barrick. The Initial 2020 Notes and New 2020 Notes will bear interest at the rate of 4.950% per annum from and including October 16, 2009 or from and including the most recent interest payment date to which interest has been paid or provided for, payable semi-annually in arrears on January 15 and July 15 of each year, commencing January 15, 2010, to the persons in whose names the Initial 2020 Notes and the New 2020 Notes are registered at the close of business on the preceding January 1 or July 1, as the case may be. The Initial 2039 Notes and the New 2039 Notes will bear interest at the rate of 5.950% per annum from and including October 16, 2009 or from and including the most recent interest payment date to which interest has been paid or provided for, payable semi-annually in arrears on April 15 and October 15 of each year, commencing April 15, 2010, to the persons in whose names the Initial 2039 Notes and the New 2039 Notes are registered at the close of business on the preceding April 1 or October 1, as the case may be.

Payment of the principal of, premium, if any, and interest on, the Notes will be made in United States dollars. The Notes will trade in the Same-Day Funds Settlement System of The Depository Trust Company (the **Depository**), and secondary market trading activity in the Notes will therefore be required by the Depository to settle in immediately available funds. The Depository is the financial institution that acts as the sole direct holder of the Global Securities (as defined below). Any person wishing to own Notes issued in the form of Global Securities must do so indirectly by virtue of an account with a broker, bank or other financial institution that, in turn, has an account with the Depository.

Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months. Principal of, premium, if any, and interest on, the Notes will be payable, and the Notes may be presented for registration of transfer and exchange, at the office or agency of BPDAF, maintained for such purpose in the Borough of Manhattan, The City of New York, which initially shall be the office of the Trustee, 101 Barclay Street, 4E, New York, New York 10286.

The Notes will not be entitled to the benefit of a sinking fund and will not be subject to repurchase by BPDAF at the option of the holders thereof prior to maturity except as described below under **Change of Control Repurchase Event**.

The Notes will be issued in fully registered form without coupons in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As described below under **Global Securities and Book-Entry System**, the Notes will be issued in book-entry form and will be evidenced by one or more global securities with respect to each series of the Notes. Subject to the terms of the Indenture, no service charge will be made for any registration of transfer or exchange or redemption of Notes, except for certain taxes or other governmental charges that may be imposed with any registration of transfer or exchange. We have appointed the Trustee as security registrar.

## **Table of Contents**

Each of BPDAF and Barrick may issue debt securities and incur additional indebtedness other than through the offering of debt securities under the Indenture.

The term **Securities** as used under this caption refers to all securities (other than Guarantees) issued under the Indenture, including the Notes, and the term **Guarantees** as used under this caption refers to the guarantees issued by Barrick of such Securities, including the guarantees of the Notes. The Guarantees of the Notes will guarantee the payment of the principal of, premium, if any, and interest on the Notes and any Additional Amounts payable with respect to such Notes when they become due and payable, whether at the stated maturity thereof, by declaration of acceleration or otherwise.

### **Reopening of the Notes**

BPDAF may, from time to time, without notice to, or the consent of, the holders of the Notes of any series, create and issue additional notes under the Indenture equal in rank to the Notes of such series in all respects (or in all respects except for the issue price, the payment of interest accruing prior to the issue date of the new notes of such series and/or the first payment of interest following the issue date of the new notes of such series) so that the new notes of such series may be consolidated with and form a single series with, and have the same terms as to status, redemption and otherwise as, the Notes of such series.

### **Optional Redemption**

BPDAF may redeem the Notes of any series issued by it, in whole or from time to time in part, on any date (each, a **redemption date** ) at a redemption price equal to the greater of

- (1) 100% of the principal amount of the Notes of the series to be redeemed; and
- (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes of the series to be redeemed (exclusive of interest accrued to the applicable redemption date) discounted to such redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus 30 basis points, plus, in the case of both clauses (1) and (2) above, accrued and unpaid interest on the principal amount of the Notes of the series being redeemed to, but not including, such redemption date. Notwithstanding the foregoing, installments of interest on Notes of the series being redeemed that are due and payable on interest payment dates falling on or prior to the relevant redemption date will be payable to the holders of such Notes registered as such at the close of business on the relevant record dates according to their terms and the provisions of the Indenture.

In connection with such optional redemption, the following defined terms apply:

**Comparable Treasury Issue** means, with respect to any redemption date for the Notes of any series, the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the Notes of the series to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes of the series to be redeemed.

**Comparable Treasury Price** means, with respect to any redemption date for the Notes of any series, (a) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, (b) if BPDAF obtains fewer than four but more than one such Reference Treasury Dealer Quotations for such redemption date, the average of all such quotations or (c) if BPDAF obtains only one such Reference Treasury Dealer Quotation for such redemption date, that Reference Treasury Dealer Quotation.

**Final Maturity Date** means January 15, 2020 in respect of the 2020 Notes and October 15, 2039 in respect of the 2039 Notes.

**Independent Investment Banker** means, with respect to any redemption date for the Notes of any series, the Reference Treasury Dealer appointed by BPDAF.



## **Table of Contents**

**Reference Treasury Dealer** means, with respect to any redemption date for the Notes of any series, (a) each of Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and UBS Securities LLC and their respective successors or, in each case, one of their respective affiliates which is a Primary Treasury Dealer (as defined below); provided, however, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the United States (a Primary Treasury Dealer), BPDAF shall substitute therefor another Primary Treasury Dealer; and (b) one other Primary Treasury Dealer selected by BPDAF.

**Reference Treasury Dealer Quotations** means, with respect to each Reference Treasury Dealer and any redemption date for the Notes of any series, the average, as determined by BPDAF, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to BPDAF by such Reference Treasury Dealer at 5:00 p.m. New York City time on the third Business Day preceding such redemption date.

**Treasury Rate** means, with respect to any redemption date for the Notes of any series,

- (1) the yield, under the heading that represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15 (519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Final Maturity Date for the Notes of such series, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or
- (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Treasury Rate shall be calculated on the third Business Day preceding the applicable redemption date. As used in the immediately preceding sentence and in the definition of Reference Treasury Dealer Quotations above, the term **Business Day** means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to close.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of the Notes to be redeemed at such holder's registered address. If less than all the Notes of a series are to be redeemed at the option of BPDAF, the Trustee will select, by lot or in such manner as it deems fair and appropriate, the Notes of such series (or portions thereof) to be redeemed.

Unless BPDAF defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes or any portion thereof called for redemption on such redemption date.

BPDAF will have the right to purchase Notes of any series in the market, by private contract or by tender at any time at any price.

### **Change of Control Repurchase Event**

If a change of control repurchase event occurs in respect of a particular series of Notes, unless BPDAF has exercised its right to redeem such series of Notes as described above under Optional Redemption or below under Tax Redemption, BPDAF will be required to make an offer to each holder of such Notes to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof) of that holder's Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of the Notes repurchased plus any accrued and unpaid interest on the Notes repurchased to, but not including, the date of repurchase. Within 30 days following any change of control repurchase event or, at BPDAF's option, prior to any change of control, but after the public announcement of the proposed change of control, BPDAF will mail a notice to each holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the change of control repurchase event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, other than as may be required by law. The notice shall, if



## **Table of Contents**

mailed prior to the date of consummation of the change of control, state that the offer to purchase is conditioned on a change of control repurchase event occurring on or prior to the payment date specified in the notice. Holders of Notes electing to have their Notes purchased pursuant to a change of control repurchase event offer will be required to surrender their Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, to the paying agent at the address specified in the notice, or transfer their Notes to the paying agent by book-entry transfer pursuant to the applicable procedures of the paying agent, prior to the close of business on the third business day prior to the repurchase payment date. BPDAF will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a change of control repurchase event. To the extent that the provisions of any applicable securities or corporate laws or regulations conflict with the change of control repurchase event provisions of the Notes, BPDAF will comply with the applicable securities or corporate laws and regulations and will not be deemed to have breached its obligations under the change of control repurchase event provisions of the Notes by virtue of such conflict.

On the repurchase date following a change of control repurchase event, BPDAF will, to the extent lawful:

- (1) accept for payment all Notes or portions of the Notes properly tendered pursuant to BPDAF's offer;
- (2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all the Notes or portions of the Notes properly tendered; and
- (3) deliver or cause to be delivered to the Trustee the Notes properly accepted, together with an officers' certificate stating the aggregate principal amount of Notes being purchased by BPDAF.

The paying agent will promptly mail to each holder of Notes properly tendered the purchase price for the Notes (or make payment through the Depositary), and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of any Notes surrendered; provided that each new Note will be in a minimum principal amount of \$2,000 and integral multiples of \$1,000 in excess thereof.

BPDAF will not be required to make an offer to repurchase the Notes upon a change of control repurchase event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by BPDAF and such third party purchases all Notes properly tendered and not withdrawn under its offer.

For purposes of the foregoing discussion of a repurchase at the option of holders, the following definitions are applicable:

**change of control** means the occurrence of any of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation, plan of arrangement or consolidation), in one or a series of related transactions, of all or substantially all of the assets of Barrick and its subsidiaries taken as a whole to any person (as that term is used in Section 13(d)(3) of the Exchange Act) other than to Barrick or one of its subsidiaries;
- (2) the consummation of any transaction (including, without limitation, any merger, amalgamation, plan of arrangement or consolidation) the result of which is that any person (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a subsidiary of Barrick) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the combined voting power of Barrick's voting stock or other voting stock into which Barrick's voting stock is reclassified, consolidated, exchanged or changed measured by voting power rather than number of shares;
- (3)

## Edgar Filing: BARRICK GOLD CORP - Form F-9

Barrick consolidates with, or merges or amalgamates with or into, or enters into a plan of arrangement with, any person (as that term is used in Section 13(d)(3) of the Exchange Act), or any person consolidates with, or merges with or into, Barrick, in any such event pursuant to a transaction in which any of the outstanding voting stock of Barrick or such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the voting stock of Barrick outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the voting stock of the surviving person or any direct or indirect parent company of the surviving person immediately after giving effect to such transaction;

## Table of Contents

(4) the first day on which the majority of the members of the board of directors of Barrick cease to be continuing directors; or

(5) the adoption of a plan relating to the liquidation or dissolution of Barrick.

Notwithstanding the foregoing, a transaction will not be deemed to involve a change of control if (1) Barrick becomes a direct or indirect wholly-owned subsidiary of a holding company and (2)(A) the direct or indirect holders of the voting stock of such holding company immediately following that transaction are substantially the same as the holders of Barrick's voting stock immediately prior to that transaction or (B) immediately following that transaction, no person (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the voting stock of such holding company.

The definition of change of control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of Barrick's and its subsidiaries' properties or assets taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require BPDaf to repurchase such holder's Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of Barrick's and its subsidiaries' assets taken as a whole to another person or group may be uncertain.

**change of control repurchase event** means the applicable series of Notes ceases to be rated investment grade by each of the rating agencies on any date during the 60-day period (which period shall be extended so long as the rating of the applicable series of Notes is under publicly announced consideration for a possible downgrade by any of the rating agencies) (the **trigger period**) after the earlier of (1) the occurrence of a change of control; and (2) public notice of the intention by Barrick to effect a change of control. Notwithstanding the foregoing, a change of control repurchase event will be deemed not to have occurred in connection with any particular change of control unless and until such change of control has actually been consummated.

**continuing director** means, as of any date of determination, any member of the board of directors of Barrick who:

(1) was a member of such board of directors on the date of the closing of this offering; or

(2) was nominated for election, elected or appointed to such board of directors with the approval of a majority of the continuing directors who were members of such board of directors at the time of such nomination, election or appointment (either by a specific vote or by approval of Barrick's proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

**investment grade** means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's); a rating of BBB- or better by S&P (or its equivalent under any successor rating categories of S&P); and the equivalent investment grade credit rating from any additional rating agency or rating agencies selected by Barrick as a replacement rating agency or replacement ratings agencies.

**Moody's** means Moody's Investors Service Inc., a subsidiary of Moody's Corporation, and its successors.

**rating agency** means each of Moody's and S&P; provided, that if either Moody's or S&P ceases to rate the applicable series of Notes or fails to make a rating of the applicable series of Notes publicly available for reasons outside of Barrick's control, Barrick may select (as certified by a resolution of Barrick's board of directors) a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, as a replacement agency for Moody's or S&P, or both of them, as the case may be.

**S&P** means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

**voting stock** of any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date means the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

## **Table of Contents**

The change of control repurchase event feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of Barrick and, thus, the removal of incumbent management. Subject to the limitations discussed below, Barrick could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a change of control repurchase event under the Notes, but that could increase the amount of indebtedness outstanding at such time or otherwise affect Barrick's capital structure or credit ratings on the Notes. Restrictions on Barrick's ability to incur liens are contained in the covenants as described under **Certain Covenants** **Limitation on Liens**.

BPDAF and/or Barrick may not have sufficient funds to repurchase all the Notes upon a change of control repurchase event.

### **Certain Covenants**

#### ***Limitation on Liens***

Barrick will not, and will not permit any Restricted Subsidiary to, create, incur or assume any Lien (except for Permitted Liens) on any Principal Assets securing payment of Indebtedness of Barrick or any of its Subsidiaries unless the Securities (together with, at Barrick's option, any other obligations that are not subordinate in right of payment to the Securities) are secured equally and ratably with (or prior to) any and all obligations secured or to be secured by any such Lien and for so long as such obligations are so secured. For greater certainty, the following do not constitute Liens securing payment of Indebtedness:

- all rights reserved to or vested in any Governmental Authority by the terms of any lease, license, franchise, grant or permit held by Barrick or any Restricted Subsidiary, or by any statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof or to distrain against or to obtain a charge on any property or assets of Barrick or any Restricted Subsidiary in the event of failure to make any such annual or other periodic payment;
- any Lien upon any Principal Asset in favor of any party to a joint development or operating agreement or any similar person paying all or part of the expenses of developing or conducting operations for the recovery, storage, treatment, transportation or sale of the mineral resources of the Principal Asset (or property or assets with which it is united) that secures the payment to such person of Barrick's or any Restricted Subsidiary's proportionate part of such development or operating expenses;
- any acquisition by Barrick or by any Restricted Subsidiary of any Principal Asset subject to any reservation or exception under the terms of which any vendor, lessor or assignor creates, reserves or excepts or has created, reserved or excepted an interest in precious metals or any other mineral or timber in place or the proceeds thereof; and
- any conveyance or assignment whereby Barrick or any Restricted Subsidiary conveys or assigns to any Person or Persons an interest in precious metals or any other mineral or timber in place or the proceeds thereof.

This covenant applies to Barrick and its Restricted Subsidiaries, which term does not include Subsidiaries of Barrick that maintain a substantial portion of their fixed assets outside of Canada or the United States.

#### ***Consolidation, Amalgamation and Merger***

Neither BPDAF nor Barrick may consolidate or amalgamate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any other Person unless:

## **Table of Contents**

- in a transaction in which BPDAF or Barrick does not survive or continue in existence or in which BPDAF or Barrick transfers or leases its properties and assets substantially as an entirety to any other Person, the successor entity is a corporation, partnership or trust organized under the laws of Canada or any province or territory of Canada or the United States, any state thereof or the District of Columbia or under the laws of Australia or any state or territory of Australia or, if such transaction would not impair (as determined by the Board of Directors of Barrick by resolution) the rights of the holders of the Notes or the related Guarantees, in any other country, provided that if such successor entity is organized under the laws of a jurisdiction other than Canada or any province or territory of Canada, or the United States, any state thereof or the District of Columbia or under the laws of Australia or any state or territory of Australia, the successor entity assumes by a supplemental indenture the obligations of BPDAF or Barrick, as the case may be, under the Notes, the related Guarantees and the Indenture to pay Additional Amounts, adding the name of such successor jurisdiction in addition to Canada or Australia, as applicable, in each place that Canada or Australia appears in **Payment of Additional Amounts** below and adding references to the provinces, territories, states or other applicable political subdivisions of such successor jurisdiction in addition to references to the provinces and territories of Canada or to the states and territories of Australia appearing in **Payment of Additional Amounts** ;
- the surviving entity shall expressly assume by a supplemental indenture the obligations of BPDAF in respect of the Notes, and in the case of Barrick, the related Guarantees and the performance and observance of every covenant of the Indenture to be performed or observed by BPDAF or Barrick, as the case may be;
- immediately before and after giving effect to any such transaction, no Event of Default or event that after notice or passage of time or both would be an Event of Default shall have occurred and be continuing; and
- if, as a result of any such transaction, any Principal Assets would become subject to a Lien, then, unless such Lien could be created pursuant to the Indenture provisions described under **Limitation on Liens** above without equally securing the Securities, Barrick, prior to or simultaneously with such transaction, shall have caused the Securities to be secured equally with or prior to the indebtedness secured by such Lien.

### **Certain Definitions Applicable to Covenants**

**Consolidated Net Tangible Assets** means, at a particular date, the aggregate amount of assets (less applicable reserves and other properly deductible items) shown on the most recent consolidated financial statements of Barrick filed with or furnished to the Commission by Barrick (or, in the event that Barrick is not required by law or pursuant to the Indenture to file reports with the Commission, as set forth on the most recent consolidated financial statements provided to the Trustee) less (a) all current liabilities (excluding any portion constituting Funded Debt); (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles (excluding from intangibles, for greater certainty, mineral rights, interests in mineral properties, deferred mining, acquisition, exploration and stripping costs and deferred charges relating to hedging agreements); and (c) appropriate adjustments on account of minority interests of other persons holding shares of any of the Subsidiaries, all as set forth on the most recent balance sheet of Barrick and its consolidated Subsidiaries filed with or furnished to the Commission by Barrick (or, in the event that Barrick is not required by law or pursuant to the Indenture to file reports with filed with or furnished to the Commission, as set forth on the most recent consolidated financial statements provided to the Trustee) (but in any event, as of a date within 150 days of the date of determination) and computed in accordance with the accounting principles used in Barrick's annual financial statements contained in Barrick's annual report delivered to its shareholders in respect of the fiscal year immediately prior to the date of such computation; which, on the date of this prospectus, were U.S. GAAP; provided that in no event shall any amount be deducted in respect of unrealized mark-to-market adjustments (whether positive or negative and whether or not reflected in Barrick's consolidated financial statements) relating to hedging and other financial risk management activities of Barrick or any of its Subsidiaries (including, without limitation, commodity, interest rate and foreign exchange trading and sales agreements).

**Financial Instrument Obligations** means obligations arising under:

- interest rate swap agreements, forward rate agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into by a Person relating to interest rates or pursuant to which the price, value or amount payable thereunder is dependent or based upon interest rates in effect from time to time or fluctuations in interest rates occurring from time to time;



## **Table of Contents**

- currency swap agreements, cross-currency agreements, forward agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into by a Person relating to currency exchange rates or pursuant to which the price, value or amount payable thereunder is dependent or based upon currency exchange rates in effect from time to time or fluctuations in currency exchange rates occurring from time to time; and
- commodity swap, hedging or sales agreements, floor, cap or collar agreements, commodity futures or options or other similar agreements or arrangements, or any combination thereof, entered into by a Person relating to one or more commodities or pursuant to which the price, value or amount payable thereunder is dependent or based upon the price of one or more commodities in effect from time to time or fluctuations in the price of one or more commodities occurring from time to time.

**Funded Debt** as applied to any Person, means all indebtedness of such Person maturing after, or renewable or extendable at the option of such Person beyond, 12 months from the date of determination.

**Governmental Authority** means any nation or government, any state, province, territory or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

**Indebtedness** means obligations for money borrowed whether or not evidenced by notes, bonds, debentures or other similar evidences of indebtedness.

**Lien** means any mortgage, lien, pledge, charge, security interest or encumbrance of any kind created, incurred or assumed in order to secure payment of Indebtedness.

**Non-Recourse Debt** means Indebtedness to finance the creation, development, construction or acquisition of properties or assets and any increases in or extensions, renewals or refinancings of such Indebtedness, provided that the recourse of the lender thereof (including any agent, trustee, receiver or other Person acting on behalf of such entity) in respect of such Indebtedness is limited in all circumstances to the properties or assets created, developed, constructed or acquired in respect of which such Indebtedness has been incurred, to the capital stock and debt securities of the Restricted Subsidiary that acquires or owns such properties or assets and to the receivables, inventory, equipment, chattels, contracts, intangibles and other assets, rights or collateral connected with the properties or assets created, developed, constructed or acquired and to which such lender has recourse.

**North American Subsidiary** means any Subsidiary that maintains a substantial portion of its fixed assets within Canada or the United States.

**Permitted Liens** means:

- Liens existing on the date of the Indenture, or arising thereafter pursuant to contractual commitments entered into prior to such date;
- Liens securing the Securities;
- Liens incidental to the conduct of the business of Barrick or any Restricted Subsidiary or the ownership of their assets that, in the aggregate, do not materially impair the operation of the business of Barrick and its Subsidiaries taken as a whole, including, without limitation, any such Liens created pursuant to joint development agreements and leases, subleases, royalties or other similar rights granted to or reserved by others;
- Purchase Money Mortgages;
- any Lien on any Principal Asset existing at the time Barrick or any Restricted Subsidiary acquires the Principal Asset (or any business entity then owning the Principal Asset) whether or not assumed by Barrick or such Restricted Subsidiary and whether or not such Lien was given to secure the payment of the purchase price of the Principal Asset (or any entity then owning the Principal

Asset), provided that no such Lien shall extend to any other Principal Asset;

- any Lien to secure Indebtedness owing to Barrick or to another Subsidiary;

## **Table of Contents**

- Liens on the assets of a corporation existing at the time the corporation is liquidated or merged into, or amalgamated or consolidated with, Barrick or any Restricted Subsidiary or at the time of the sale, lease or other disposition to Barrick or any Restricted Subsidiary of the properties of such corporation as, or substantially as, an entirety;
- any attachment or judgment Lien provided that (i) the execution or enforcement of the judgment it secures is effectively stayed and the judgment is being contested in good faith, (ii) the judgment it secures is discharged within 60 days after the later of the entering of such judgment or the expiration of any applicable stay, or (iii) the payment of the judgment secured is covered in full (subject to a customary deductible) by insurance;
- any Lien in connection with Indebtedness which by its terms is Non-Recourse Debt;
- any Lien for taxes, assessments or governmental charges or levies (a) that are not yet due and delinquent or (b) the validity of which is being contested in good faith;
- any Lien of materialmen, mechanics, carriers, workmen, repairmen, landlords or other similar Liens, or deposits to obtain the release of these Liens;
- any Lien (a) to secure public or statutory obligations (including reclamation and closure bonds and similar obligations), (b) to secure payment of workmen's compensation, employment insurance or other forms of governmental insurance or benefits, (c) to secure performance in connection with tenders, leases of real property, environmental, land use or other governmental or regulatory permits, bids or contracts or (d) to secure (or in lieu of) surety or appeal bonds, and Liens made in the ordinary course of business for similar purposes;
- any Lien granted in the ordinary course of business in connection with Financial Instrument Obligations;
- any Lien created for the sole purpose of renewing or refunding any of the Liens described in the list above, provided that the Indebtedness secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such renewal or refunding, and that such renewal or refunding Lien shall be limited to all or any part of the same property which secured the Lien renewed or refunded; and
- any Lien not otherwise permitted under the list above, provided that the aggregate principal amount of Indebtedness secured by all such Liens would not then exceed 10% of Consolidated Net Tangible Assets.

**Person** means an individual, partnership, corporation, business trust, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

**Principal Asset** means (i) any real property interest (all such interests forming an integral part of a single development or operation being considered as one interest), including any mining claims and leases, and any plants, buildings or other improvements thereon, and any part thereof, located in Canada or the United States that is held by Barrick or any Restricted Subsidiary and has a net book value, on the date as of which the determination is being made, exceeding 5% of Consolidated Net Tangible Assets (other than any such interest that the Board of Directors of Barrick determines by resolution is not material to the business of Barrick and its Subsidiaries taken as a whole) or (ii) any of the capital stock or debt securities issued by any Restricted Subsidiary.

**Purchase Money Mortgage** means any Lien on any Principal Asset (or the capital stock or debt securities of any Restricted Subsidiary that acquires or owns any Principal Asset) incurred in connection with the acquisition of that Principal Asset or the construction or repair of any

## Edgar Filing: BARRICK GOLD CORP - Form F-9

fixed improvements on that Principal Asset (or in connection with financing the costs of acquisition of that Principal Asset or the construction or repair of improvements on that Principal Asset) provided that the principal amount of Indebtedness secured by any such Lien shall at no time exceed 100% of the original cost to Barrick or any Restricted Subsidiary of the Principal Asset or such construction or repairs.

**Restricted Subsidiary** means any North American Subsidiary that owns or leases a Principal Asset referred to in clause (i) of the definition of Principal Asset or is engaged primarily in the business of owning or holding capital stock of one or more Restricted Subsidiaries. Restricted Subsidiary, however, does not include (1) any Subsidiary whose primary business consists of (A) financing operations in connection with leasing and conditional sale transactions on behalf of Barrick and its Subsidiaries, (B) purchasing accounts receivable or making loans secured by accounts receivable or inventory or (C) being a finance company or (2) any Subsidiary which the Board of Directors of Barrick has determined by resolution does not maintain a substantial portion of its fixed assets within Canada or the United States.

## **Table of Contents**

**Subsidiary** means (i) a corporation more than 50% of the outstanding Voting Stock of which at the time of determination is owned, directly or indirectly, by Barrick or by one or more Subsidiaries of Barrick and the votes carried by such Voting Stock are sufficient, if exercised, to elect a majority of the board of directors of the corporation or (ii) any other Person (other than a corporation) in which at the time of determination Barrick or one or more Subsidiaries of Barrick, directly or indirectly, has or have at least a majority ownership and power to direct the policies, management and affairs of the Person.

**Voting Stock** means securities or other ownership interests of a corporation, partnership or other entity having by the terms thereof ordinary voting power to vote in the election of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (without regard to the occurrence of any contingency).

### **Payment of Additional Amounts**

All payments made by or on behalf of BPDAF or Barrick under or with respect to the Notes or the related Guarantees will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (i) in the case of payments by or on behalf of BPDAF, imposed or levied by or on behalf of the Government of Australia or any political subdivision thereof or by any authority or agency therein or thereof having power to tax (hereinafter **Australian Taxes**) and (ii) in the case of payments by or on behalf of Barrick, imposed or levied by or on behalf of the Government of Canada or any province or territory thereof or by any authority or agency therein or thereof having power to tax (hereafter **Canadian Taxes**), unless BPDAF or Barrick, as the case may be, is required to withhold or deduct Australian Taxes or Canadian Taxes by law or by the interpretation or administration thereof. If BPDAF or Barrick is so required to withhold or deduct any amount for or on account of Australian Taxes or Canadian Taxes from any payment made under or with respect to the Notes or the related Guarantees which is imposed by or on behalf of the Government of Australia or the Government of Canada on any interest paid under the Notes, BPDAF or Barrick, as the case may be, will pay to each holder of such Notes such additional amounts ( **Additional Amounts** ) as may be necessary so that the net amount received by each such holder after such withholding or deduction (and after deducting any Australian Taxes or Canadian Taxes on such Additional Amounts) will not be less than the amount such holder would have received if such Australian Taxes or Canadian Taxes had not been withheld or deducted, except as described below. However, no Additional Amounts will be payable with respect to a payment made to a holder of Notes (such holder, an **Excluded Holder** ) in respect of the beneficial owner thereof:

- with which BPDAF or Barrick, as the case may be, does not deal at arm's length (for the purposes of the *Income Tax Act* (Canada)) at the time of the making of such payment;
- which is subject to such Australian Taxes or Canadian Taxes by reason of the holder of Notes being a resident, domiciliary or national of, engaged in business or maintaining a permanent establishment or other physical presence in or otherwise having some connection with Australia or any state thereof or with Canada or any province or territory thereof otherwise than by the mere holding of the Notes or the receipt of payments thereunder;
- which is subject to such Australian Taxes or Canadian Taxes by reason of the holder of Notes' failure to comply with any certification, identification, documentation or other reporting requirements if compliance is required by law, regulation, administrative practice or an applicable treaty as a precondition to exemption from, or a reduction in the rate of deduction or withholding of, such Australian Taxes or Canadian Taxes (provided that BPDAF or Barrick advises the Trustee and the holders of the Notes then outstanding of any change in such requirements);
- which is a fiduciary or partnership or Person other than the sole beneficial owner of such payment to the extent that the Australian Taxes or Canadian Taxes would not have been imposed on such payment had such holder been the sole beneficial owner of such Notes; or
- where the Australian Taxes are imposed because a holder of Notes has not supplied an appropriate tax file number, Australian Business Number or other number or exemption details.

BPDAF or Barrick, as the case may be, will also:

- make such withholding or deduction; and

## **Table of Contents**

· remit the full amount deducted or withheld to the relevant authority in accordance with applicable law.

BPDAF or Barrick, as the case may be, will furnish to the holders of the Notes, within 60 days after the date the payment of any Australian Taxes or Canadian Taxes is due pursuant to applicable law, certified copies of tax receipts or other documents evidencing such payment by such person, or if no tax receipt is issued by the relevant taxing authority, other documents informing the holders of the Notes that such payment has been made.

BPDAF or Barrick, as the case may be, will indemnify and hold harmless each holder of Notes (other than an Excluded Holder) from and against, and upon written request reimburse each such holder for the amount (excluding any Additional Amounts that have previously been paid by BPDAF or Barrick with respect thereto) of:

- any Australian Taxes or Canadian Taxes so levied or imposed and paid by such holder as a result of payments made under or with respect to the Notes or the related Guarantees;
- any liability (including penalties, interest and expenses) arising therefrom or with respect thereto; and
- any Australian Taxes or Canadian Taxes imposed with respect to any reimbursement under the preceding two bullet points, but excluding any such Australian Taxes or Canadian Taxes on such holder's net income.

In any event, no Additional Amounts or indemnity amounts will be payable on account of any Australian Taxes under the provisions described above in respect of any Note in excess of the Additional Amounts and the indemnity amounts which would be required if, at all relevant times, the holder of such Note were a resident of the United States and a qualifying person and/or financial institution for purposes of The Convention Between the Government of the United States of America and the Government of Australia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (1982), as amended, including any protocols thereto. In addition, no Additional Amounts or indemnity amounts will be payable on account of any Canadian Taxes under the provisions described above in respect of any Note in excess of the Additional Amounts and the indemnity amounts which would be required if, at all relevant times, the holder of such Note were a resident of the United States and a qualifying person and/or a financial institution for purposes of the Canada-U.S. Income Tax Convention (1980), as amended, including any protocols thereto. As a result of the limitation on the payment of Additional Amounts and indemnity amounts discussed in the preceding two sentences, the Additional Amounts or indemnity amounts received by certain holders of Notes will be less than the amount of Australian Taxes or Canadian Taxes withheld or deducted or the amount of Australian Taxes (and related amounts) or Canadian Taxes (and related amounts) levied or imposed giving rise to the obligation to pay the indemnity amounts, as the case may be, and, accordingly, the net amount received by such holders of Notes will be less than the amount such holders would have received had there been no such withholding or deduction in respect of Australian Taxes or Canadian Taxes or had such Australian Taxes (and related amounts) or Canadian Taxes (and related amounts) not been levied or imposed.

Wherever in the Indenture there is mentioned, in any context, the payment of principal, premium, if any, interest, if any, or any other amount payable under or with respect to a Security or a Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

## **Tax Redemption**

BPDAF may redeem the Notes of any series at any time, in whole but not in part, at a redemption price equal to the principal amount thereof together with accrued and unpaid interest to the date fixed for redemption (provided that installments of interest on such Notes that are due and payable on interest payment dates falling on or prior to the relevant redemption date will be payable to the holders of such Notes registered as such at the close of business on the relevant record dates according to their terms and the provisions of the Indenture), upon the giving of a notice as described below, if:

- as a result of any change (including any announced prospective change) in or amendment to the laws (or any regulations or rulings promulgated thereunder) of Australia or Canada (or the jurisdiction of organization of the successor to BPDAF or of Barrick) or of any political subdivision or taxing authority thereof or therein affecting taxation, or any change in official position regarding the application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), which

change or amendment is announced or becomes effective on or after October 13, 2009, and which in a written opinion to BPDFAF or

## **Table of Contents**

Barrick of legal counsel of recognized standing has resulted or will result (assuming, in the case of any announced prospective change, that such announced change will become effective as of the date specified in such announcement and in the form announced) in BPDAF or Barrick becoming obligated to pay, on the next succeeding date on which interest is due, Additional Amounts with respect to any Note of such series or the related Guarantee as described under **Payment of Additional Amounts** ; or

· on or after October 13, 2009, any action has been taken by any taxing authority of, or any decision has been rendered by a court of competent jurisdiction in, Australia or Canada (or the jurisdiction of organization of the successor to BPDAF or of Barrick) or any political subdivision or taxing authority thereof or therein, including any of those actions specified in the paragraph immediately above, whether or not such action was taken or decision was rendered with respect to BPDAF or Barrick, or any change, amendment, application or interpretation shall be officially proposed, which, in any such case, in the written opinion to BPDAF or Barrick, of legal counsel of recognized standing, will result (assuming, in the case of any announced prospective change, that such announced change will become effective as of the date specified in such announcement and in the form announced) in BPDAF or Barrick, becoming obligated to pay, on the next succeeding date on which interest is due, Additional Amounts with respect to any Note of such series or the related Guarantee;

and, in any such case, BPDAF or Barrick (or its successor) in its business judgment, determines that such obligation cannot be avoided by the use of reasonable measures available to it (or its successor).

In the event that BPDAF or Barrick elects to redeem the Notes of any series pursuant to the provisions set forth in the preceding paragraph, it shall deliver to the Trustee a certificate, signed by an authorized officer, stating that it is entitled to redeem such Notes pursuant to their terms.

Notice of intention to redeem such Notes will be given not more than 60 nor less than 30 days prior to the date fixed for redemption and will specify the date fixed for redemption.

## **Events of Default**

The term **Event of Default** with respect to Securities of any series means any of the following:

- (a) default in the payment of the principal of (or any premium on) any Security of that series at its maturity;
- (b) default in the payment of any interest on any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days;
- (c) default in the deposit of any sinking fund payment when the same becomes due by the terms of the Securities of that series;
- (d) default in the performance, or breach, of any other covenant or agreement of BPDAF or Barrick in the Indenture in respect of the Securities of that series (other than a covenant or agreement for which default or breach is specifically dealt with elsewhere in the Indenture), where such default or breach continues for a period of 90 days after written notice to BPDAF and Barrick by the Trustee or the holders of at least 25% in principal amount of all outstanding Securities affected thereby;
- (e) failure to pay when due, after the expiration of any applicable grace period, any portion of the principal of, or involuntary acceleration of the maturity (which acceleration is not rescinded or annulled within 10 days) of, Indebtedness of BPDAF or Barrick having an aggregate principal amount outstanding in excess of the greater of (i) \$150,000,000 and (ii) 5% of Consolidated Net Tangible Assets;
- (f) certain events of bankruptcy, insolvency or reorganization; or

- (g) any other Events of Default provided with respect to the Securities of that series.

## **Table of Contents**

If an Event of Default described in clause (a), (b) or (c) above occurs and is continuing with respect to Securities of any series, then the Trustee or the holders of not less than 25% in principal amount of the outstanding Securities of that series may require the principal amount (or, if the Securities of that series are original issue discount securities or indexed securities, such portion of the principal amount as may be specified in the terms of that series) of all the outstanding Securities of that series and any accrued but unpaid interest on such Securities be paid immediately. If an Event of Default described in clause (d) or (g) above occurs and is continuing with respect to Securities of one or more series, then the Trustee or the holders of not less than 25% in principal amount of the outstanding Securities of all series affected thereby (as one class) may require the principal amount (or, if any of the Securities of such affected series are original issue discount securities or indexed securities, such portion of the principal amount as may be specified in the terms of such affected series) of all the outstanding Securities of such affected series and any accrued but unpaid interest on such Securities be paid immediately. If an Event of Default described in clause (e) or (f) above occurs and is continuing, then the Trustee or the holders of not less than 25% in principal amount of all outstanding Securities (as a class) may require the principal amount (or, if the Securities or any series are original issue discount securities or indexed securities, such portion of the principal amount as may be specified in the terms of that series) of all the outstanding Securities and any accrued but unpaid interest on such Securities be paid immediately. However, at any time after a declaration of acceleration with respect to Securities of any series (or of all series, as the case may be) has been made and before a judgment or decree for payment of the money due has been obtained, the holders of a majority in principal amount of the outstanding Securities of such series (or of all series, as the case may be), by written notice to BPDAF and the Trustee, may, under certain circumstances, rescind and annul such acceleration.

Except during default, the Trustee is not obligated to exercise any of its rights and powers under the Indenture at the request or direction of any of the holders, unless the holders have offered to the Trustee reasonable indemnity. If the holders provide reasonable indemnity, the holders of a majority in principal amount of the outstanding Securities of all series affected by an Event of Default may, subject to certain limitations, direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of all series affected by such Event of Default.

No holder of a Security of any series will have any right to institute any proceedings, unless:

- such holder has previously given to the Trustee written notice of a continuing Event of Default with respect to the Securities of that series;
- the holders of at least 25% in principal amount of the outstanding Securities of all series affected by such Event of Default have made written request and have offered reasonable indemnity to the Trustee to institute such proceedings as trustee; and
- the Trustee has failed to institute such proceeding, and has not received from the holders of a majority in the aggregate principal amount of outstanding Securities of all series affected by such Event of Default a direction inconsistent with such request, within 60 days after such notice, request and offer.

However, these limitations do not apply to a suit instituted by the holder of a Security for the enforcement of payment of principal of or interest on such Security on or after the applicable due date of such payment.

Each of BPDAF and Barrick will be required to furnish to the Trustee annually an officers' certificate as to the performance of certain of its obligations under the Indenture and as to any default in such performance.

## **Defeasance**

When we use the term "defeasance", we mean discharge from some or all of our obligations under the Indenture with respect to Notes of a particular series. If BPDAF or Barrick deposits with the Trustee sufficient cash or government securities to pay the principal, interest, any premium and any other sums due to the stated maturity or a redemption date of the Notes of a particular series, then at its option:

- each of BPDAF and Barrick will each be discharged from its obligations with respect to the Notes of such series with certain exceptions, such as the obligation to pay Additional Amounts, and the holders of the Notes of the affected series will not be entitled to the benefits of the Indenture except for registration of transfer and exchange of Notes and replacement of lost, stolen or mutilated

Notes and certain other limited rights. Such holders may look only to such deposited funds or obligations for payment; or

## **Table of Contents**

- BPDAF and Barrick will no longer be under any obligation to comply with the Limitation on Liens covenant, the Consolidation, Amalgamation and Merger covenant and certain other covenants under the Indenture, and certain Events of Default will no longer apply to them.

To exercise defeasance BPDAF or Barrick also must deliver to the Trustee:

- an opinion of U.S. counsel to the effect that the deposit and related defeasance would not cause the holders of the Notes of the applicable series to recognize income, gain or loss for U.S. federal income tax purposes and that holders of the Notes of that series will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;
- an opinion of Canadian counsel or a ruling from Canada Revenue Agency that there would be no such recognition of income, gain or loss for Canadian federal or provincial tax purposes and that holders of the Notes of such series will be subject to Canadian federal and provincial income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred; and
- an opinion of Australian counsel or a tax ruling from the Australian Taxation Office to the effect that the deposit and related defeasance would not cause the holders of the Notes to recognize income or a gain or loss for Australian tax purposes and that holders of the Notes will be subject to Australian income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred.

In addition, no Event of Default with respect to the Notes of the applicable series can have occurred, Barrick cannot be an insolvent person under the Bankruptcy and Insolvency Act (Canada) and BPDAF cannot be an insolvent person under the relevant legislation applicable to it. In order for U.S. counsel to deliver the opinion that would allow each of BPDAF and Barrick to be discharged from all of its obligations under the Notes of any series, BPDAF or Barrick must have received from, or there must have been published by, the Internal Revenue Service a ruling, or there must have been a change in law so that the deposit and defeasance would not cause holders of the Notes of such series to recognize income, gain or loss for U.S. federal income tax purposes and so that such holders would be subject to U.S. federal income tax on the same amounts, in the same manner and at the same time as would have been the case if such defeasance had not occurred.

## **Modifications and Waivers**

We may modify or amend the Indenture with the consent of the holders of a majority in aggregate principal amount of the outstanding Securities of all series affected by such modification or amendment; provided, however, that we must receive consent from the holder of each outstanding Security of such affected series to:

- change the stated maturity of the principal of, or interest on, such outstanding Security;
- reduce the principal amount of or interest on such outstanding Security;
- reduce the amount of the principal payable upon the acceleration of the maturity of an outstanding original issue discount security;
- change the place or currency of payments on such outstanding Security;
- impair the right to institute suit for the enforcement of any payment on or with respect to such outstanding Security;

## Edgar Filing: BARRICK GOLD CORP - Form F-9

- reduce the percentage in principal amount of outstanding Securities of such series, from which the consent of holders is required to modify or amend the Indenture or waive compliance with certain provisions of the Indenture or waive certain defaults; or
- modify any provisions of the Indenture relating to modifying or amending the Indenture or waiving past defaults or covenants except as otherwise specified.

The holders of a majority in principal amount of Securities of any series may waive our compliance with certain restrictive provisions of the Indenture with respect to such series. The holders of a majority in principal amount of outstanding Securities of all series with respect to which an Event of Default has occurred may waive any past default under the Indenture, except a default in the payment of the principal of or interest on any Security or in respect of any item listed above.

## **Table of Contents**

The Indenture or the Securities may be amended or supplemented, without the consent of any holder of such Securities, in order to, among other things, cure any ambiguity or inconsistency or to make any change, in any case, that does not have a materially adverse effect on the rights of any holder of such Securities.

### **Consent to Jurisdiction and Service**

Under the Indenture, each of BPDAF and Barrick has irrevocably appointed CT Corporation System, 111 Eighth Avenue, 13th Floor, New York, New York 10011 as its agent for service of process in any suit, action or proceeding arising out of or relating to the Indenture, the Notes and the related Guarantees and for actions brought under federal or state securities laws brought in any federal or state court located in The City of New York, and has submitted to such non-exclusive jurisdiction.

### **Governing Law**

The Indenture, the Notes and the related Guarantees will be governed by and construed in accordance with the laws of the State of New York.

### **Enforceability of Judgments**

Since many of Barrick's assets are outside the United States, any judgment obtained in the United States against Barrick, including judgments with respect to payments under the Guarantees, may not be collectible within the United States.

Barrick has been informed by its Canadian counsel, Davies Ward Phillips & Vineberg LLP, that a court of competent jurisdiction in the Province of Ontario (an **Ontario Court**) would give a judgment in Canadian dollars at an exchange rate determined in accordance with the Courts of Justice Act (Ontario) based upon a final and conclusive *in personam* judgment of a U.S. federal or New York state court located in the State of New York (**New York Court**) for a sum certain obtained against Barrick with respect to a claim pursuant to the Indenture or the Guarantees without reconsideration of the merits, if:

- the New York Court rendering such judgment had jurisdiction over Barrick, as recognized by the courts of the Province of Ontario for purposes of enforcement of foreign judgments (and submission by Barrick in the Indenture to the non-exclusive jurisdiction of the New York Court will be sufficient for the purpose);
  - such judgment was: (a) not obtained by fraud or in any manner contrary to the principles of natural justice; (b) not for a claim based on any laws of the United States or the State of New York or any other jurisdiction other than the Province of Ontario which an Ontario Court would characterize under the laws of the Province of Ontario as revenue, expropriatory, penal or other public laws; (c) not contrary to public policy, as such term is interpreted under the laws of the Province of Ontario or contrary to any order made by the Attorney General of Canada under the *Foreign Extraterritorial Measures Act* (Canada) or by the Competition Tribunal under the *Competition Act* (Canada) in respect of certain judgments referred to therein; and (d) subsisting and unsatisfied and not impeachable as void or voidable under New York law; and
  - an action to enforce the judgment is commenced in the Ontario Court within any applicable limitation period;
- provided that:
- such Ontario Court has discretion to stay or decline to hear an action on such judgment if the judgment is under appeal, or there is another subsisting judgment in Ontario, New York or any other jurisdiction relating to the same cause of action as such judgment;
  - an action in Ontario on such judgment may be affected by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally; and

- no new admissible evidence relevant to the action is discovered prior to the rendering of the judgment by an Ontario court.

## Table of Contents

Barrick has been advised by its Canadian counsel that there is some doubt as to the enforceability in Canada, against Barrick, or against any of their respective directors, officers and experts who are not residents of the United States, by a court in original actions or in actions to enforce judgments of United States courts, of civil liabilities predicated solely upon the United States federal securities laws.

Barrick has been informed by its Australian counsel, Clayton Utz, that there is no statutory recognition under laws of New South Wales or the Australian Capital Territory or under the federal laws of the Commonwealth of Australia (the **Australian Jurisdiction**) of a judgment obtained in the courts of the State of New York. No regulations have been made under the Foreign Judgments Act 1991 (Cth) (the **Foreign Judgments Act**) to extend that Act's recognition and enforcement of civil money judgments of courts of the United States of America.

Any final, conclusive and unsatisfied judgment *in personam* (that is, that imposes a personal obligation on the defendant) of a New York Court which has jurisdiction as determined under the rules of private international law of the applicable Australian Jurisdiction, where that judgment is for a definite sum of money (not being a sum in respect of taxes or in respect of a fine or other penalty), is enforceable by the judgment creditor against the judgment debtor by action in any of the courts of New South Wales, the Australian Capital Territory or the Commonwealth of Australia (the **Australian Courts**) without a re-examination of the merits of the issues determined by the proceedings in the New York Court unless:

- (i) the proceedings in the New York Court involved a denial of the principles of natural justice recognized by the Australian Courts;
- (ii) the judgment is contrary to the public policy of an Australian Jurisdiction;
- (iii) the judgment was obtained by fraud (particularly where that allegation of fraud was not and could not have been raised before the New York Court);
- (iv) there has been a prior judgment in another court between the same parties concerning the same issues as are dealt with in the foreign judgment; or
- (v) a declaration or order under the Foreign Proceedings (Excess of Jurisdiction) Act 1984 (Cth) made by the Australian Attorney General applies to the judgment.

A decision of a New York Court will be final and conclusive even if it is subject to appeal to a higher court, though in those circumstances the Australian Courts will have discretion to stay the proceedings for enforcement.

To enable enforcement in the Australian Courts of a judgment of any New York Court obtained in a currency other than Australian dollars, the amount of that judgment may have to be converted into Australian dollars on the basis of the rate of exchange prevailing at the date of judgment.

## **Entire Agreement**

The Indenture and the Notes will constitute the entire agreement between us, the Trustee and holders of Notes pertaining to the Notes. No implied covenant, agreement, representation or warranty will be read into the Indenture against us, including any covenant, agreement, representation or warranty pertaining to the protection of the reasonable expectations of holders of Notes. For purposes of any rights or remedies under the *Business Corporations Act* (Ontario) that holders of Notes or the Trustee may assert or employ, any of our acts or omissions that does not constitute a default in the performance, or breach, of our covenants and agreements in the Indenture will be deemed conclusively to be fair and reasonable insofar as the interests of holders of Notes are concerned and in accordance with the reasonable expectations of holders of Notes pertaining to the Notes. For greater certainty, representations, warranties and statements made by us or on our behalf (whether orally or in writing and whether in connection with the issue of the Notes or thereafter) will not give rise to, or form the basis of, any reasonable expectations of holders of Notes pertaining to the Notes for purposes of any rights or remedies under the *Business Corporations Act* (Ontario) that holders of Notes or the Trustee may assert or employ. Neither the Indenture nor the Notes may be supplemented, amended or modified, directly or indirectly, except by one or more supplemental indentures entered into pursuant to the applicable provisions of the Indenture.

## Edgar Filing: BARRICK GOLD CORP - Form F-9

The above provisions are intended to preclude holders of Notes from making assertions that we have obligations to them which extend beyond our covenants and agreements in the Indenture, or that an act or omission on our part

## **Table of Contents**

which does not constitute a default in the performance, or breach, of our covenants and agreements in the Indenture, is nevertheless inconsistent with their reasonable expectations or otherwise unfair or unreasonable insofar as holders' interests are concerned.

### **The Trustee**

The Trustee under the Indenture is The Bank of New York Mellon (formerly The Bank of New York). Barrick has agreed to provide to the Trustee (i) annual reports containing audited financial statements and (ii) quarterly reports for the first three quarters of each fiscal year containing unaudited financial information.

### **Global Securities and Book-Entry System**

The New Notes will be represented by one or more certificates in registered global form without interest coupons (the **Global Securities**) and will be deposited with the Trustee as custodian for the Depositary and registered in the name of the Depositary or its nominee.

Except as described below under **Special Situations When a Global Security Will be Terminated**, owners of beneficial interests in the Notes will not be entitled to receive Notes in definitive form and will not be considered holders of Notes under the Indenture.

### ***The Depositary***

The Depositary has advised BPDFAF and Barrick as follows:

The Depositary is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The Depositary holds and provides asset servicing for securities that the Depositary's participants (**Direct Participants**) deposit with the Depositary. The Depositary also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. The Depositary is a wholly-owned subsidiary of The Depositary Trust & Clearing Corporation (**DTCC**). DTCC, in turn, is owned by a number of Direct Participants of the Depositary and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, and EMCC, respectively, also are subsidiaries of DTCC), as well as by the NYSE Euronext and the Financial Industry Regulatory Authority, Inc. access to the Depositary's system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**). The Depositary's Rules applicable to its participants are on file with the Commission.

Purchases of Notes under the Depositary's system must be made by or through Direct Participants, which will receive a credit for such Notes on the Depositary's records. The ownership interest of each actual purchaser of Notes represented by the Global Securities (a **Beneficial Owner**), is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from the Depositary of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Global Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Notes in definitive form representing their ownership interests therein, except in the limited circumstances described under **Special Situations When a Global Security Will be Terminated**.

To facilitate subsequent transfers, the Global Securities deposited with the Depositary will be registered in the name of the Depositary's partnership nominee, Cede & Co. The deposit of the Global Securities with the Depositary and their registration in the name of Cede & Co. does not effect any change in beneficial ownership. The Depositary

## Table of Contents

has no knowledge of the actual Beneficial Owners of the Global Securities representing the Notes. The Depositary's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by the Depositary to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Notes of a particular series are being redeemed, the Depositary's practice is to determine by lot the amount of the interest of each Direct Participant in the Notes of the series to be redeemed.

Neither the Depositary nor Cede & Co. will consent or vote with respect to the Global Securities representing the Notes of any series unless authorized by a Direct Participant in accordance with the Depositary's procedures. Under its usual procedures, the Depositary mails an omnibus proxy (an **Omnibus Proxy**) to BPDAF as soon as possible after the applicable record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes of the applicable series are credited on the applicable record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Global Securities representing the Notes will be made to the Depositary. The Depositary's practice is to credit Direct Participants' accounts on the applicable payment date in accordance with their respective holdings shown on the Depositary's records unless the Depositary has reason to believe that it will not receive payment on such date. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the account of customers in bearer form or registered in street name, and will be the responsibility of such participants and not of the Depositary, the Trustee, BPDAF or Barrick, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. is the responsibility of BPDAF, disbursement of such payments to Direct Participants shall be the responsibility of the Depositary, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants. None of BPDAF, Barrick or the Trustee will have any responsibility or liability for the disbursements of payments in respect of ownership interests in the Notes by the Depositary or the Direct or Indirect Participants or for maintaining or reviewing any records of the Depositary or the Direct or Indirect Participants relating to ownership interests in the Notes or the disbursement of payments in respect thereof.

The information in this section concerning the Depositary and the Depositary's system has been obtained from sources that BPDAF and Barrick believe to be reliable, but is subject to any changes to the arrangements between BPDAF and the Depositary and any changes to such procedures that may be instituted unilaterally by the Depositary.

### *Special Investor Considerations for Global Securities*

Our obligations, as well as the obligations of the Trustee and those of any third parties employed by us or the Trustee, run only to persons who are registered as holders of Notes. For example, once we make payment to the registered holder, we have no further responsibility for the payment even if that holder is legally required to pass the payment along to you but does not do so. As an indirect holder, an investor's rights relating to a Global Security will be governed by the account rules of the investor's financial institution and of the Depositary, as well as general laws relating to debt securities transfers.

An investor should be aware that when Notes are issued in the form of Global Securities:

- the investor cannot have Notes registered in his or her own name;
- the investor cannot receive physical certificates for his or her interest in the Notes;
- the investor must look to his or her own bank or brokerage firm for payments on the Notes and protection of his or her legal rights relating to the Notes;



---

**Table of Contents**

- the investor may not be able to sell interests in the Notes to some insurance companies and other institutions that are required by law to hold the physical certificates of Notes that they own;
- the Depositary's policies will govern payments, transfers, exchange and other matters relating to the investor's interest in the Global Security. We and the Trustee have no responsibility for any aspect of the Depositary's actions or for its records of ownership interest in the Global Security. We and the Trustee also do not supervise the Depositary in any way; and
- the Depositary will usually require that interests in a Global Security be purchased or sold within its system using same-day funds.

***Special Situations When a Global Security Will be Terminated***

In a few special situations described below, a Global Security will terminate and interests in it will be exchanged for physical certificates representing Notes. After that exchange, an investor may choose whether to hold Notes directly or indirectly through an account at its bank or brokerage firm. Investors must consult their own banks or brokers to find out how to have their interests in Notes transferred into their own names, so that they will be direct holders.

The special situations for termination of a Global Security are:

- when the Depositary notifies us that it is unwilling, unable or no longer qualified to continue as Depositary (unless a replacement Depositary is named); and
- when and if we decide to terminate a Global Security.

When a Global Security terminates, the Depositary (and not BPDAF, Barrick or the Trustee) is responsible for deciding the names of the institutions that will be the initial direct holders.

**U.S. FEDERAL INCOME TAX CONSIDERATIONS**

**ANY DISCUSSION OF TAX ISSUES SET FORTH IN THIS OFFERING CIRCULAR WAS WRITTEN IN CONNECTION WITH THE PROMOTION AND MARKETING OF THE TRANSACTIONS DESCRIBED IN THE OFFERING CIRCULAR. SUCH DISCUSSION WAS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING ANY TAX PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON. EACH INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

The following summary discusses certain material U.S. federal income tax consequences to U.S. Holders (as defined below) relating to the purchase, ownership, and disposition of the Notes. This summary deals only with Notes held as capital assets (generally, assets held for investment) and is applicable only to initial purchasers of the Notes who purchase the Notes in this offering at their respective issue prices. The following discussion does not deal with the U.S. federal income tax consequences to any particular investor or to persons in special tax situations such as:

- banks, insurance companies, trusts and financial institutions;
- broker-dealers;
- U.S. expatriates;

## Edgar Filing: BARRICK GOLD CORP - Form F-9

- traders that elect to mark-to-market their Notes;
- tax-exempt entities;
- mutual funds;
- U.S. Holders whose functional currency is not the U.S. dollar;
- persons liable for alternative minimum tax; or
- persons holding Notes as part of a straddle, hedging, conversion or integrated transaction.

The discussion below is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended (the **Code** ), and U.S. Treasury regulations, rulings and judicial decisions as of the date hereof. Those authorities may be

## **Table of Contents**

changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. There can be no assurance that the U.S. Internal Revenue Service (the **IRS**) will not challenge one or more of the tax consequences discussed herein.

A U.S. Holder that is considering the purchase of Notes should consult its own tax advisors concerning the U.S. federal, state and local income tax and other U.S. federal tax consequences to it and any consequences arising under the laws of any other taxing jurisdiction.

For purposes of this summary, a U.S. Holder is a beneficial owner of Notes that is:

- a citizen or individual resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate that is subject to U.S. federal income tax without regard to its source; or
- a trust if (i) a U.S. court is able to exercise supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership, or other entity treated as a partnership for U.S. federal income tax purposes, holds Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding Notes should consult its own tax advisors regarding the U.S. federal tax consequences relating to the purchase, ownership and disposition of the Notes.

### ***The Exchange Offer***

The exchange of the Initial Notes for the New Notes pursuant to the terms set forth in this prospectus will not constitute a taxable exchange for U.S. federal income tax purposes. Consequently, a U.S. Holder will not recognize gain or loss upon receipt of the New Notes, and ownership of the Initial Notes. For purposes of determining gain or loss upon the subsequent sale or exchange of the New Notes, a U.S. Holder's basis in the New Notes should be the same as such holder's basis in the Initial Notes exchanged. A U.S. Holder's holding period for the New Notes should include the holding period for the Initial Notes exchanged. The issue price and other U.S. federal income tax characteristics of the New Notes should be identical to the issue price and other U.S. federal income tax characteristics of the Initial Notes exchanged.

### ***Additional Payments***

In certain circumstances, we may be obligated to pay amounts in excess of stated interest or principal on the Notes. The obligation to make these payments may implicate the provisions of the U.S. Treasury regulations relating to contingent payment debt instruments. We believe that the likelihood that we will be obligated to make any such payments is remote. Therefore, we do not intend to treat the potential payment of these amounts as subjecting the Notes to the contingent payment debt instrument rules. Our determination that this contingency is remote is binding on a U.S. Holder unless such U.S. Holder discloses its contrary position in the manner required by applicable U.S. Treasury regulations. Our determination is not, however, binding on the IRS, and if the IRS were to challenge this determination, the tax consequences to a U.S. Holder could differ from those discussed herein. The remainder of this disclosure assumes that the Notes will not be treated as contingent payment debt instruments.

### ***Interest on the Notes***

Interest on the Notes generally will be taxable to a U.S. Holder as ordinary income at the time that such interest is paid or accrued, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes. Interest on the Notes will constitute income from sources outside the United States and generally will be passive category income or, in certain circumstances, general category income, which are treated separately from other income for U.S. foreign tax credit purposes. Due to the complexity of the U.S. foreign tax credit rules, U.S. Holders should consult their own tax advisors with respect to the application of the U.S. foreign tax credit rules to their particular circumstances.



## **Table of Contents**

### ***Sale, Exchange, Redemption or Other Disposition of the Notes***

A U.S. Holder generally will recognize gain or loss upon the sale, exchange, redemption or other disposition of a Note in an amount equal to the difference, if any, between the amount realized upon the sale, exchange, redemption or other disposition (reduced by any amounts attributable to accrued but unpaid interest, which will be taxable as interest in the manner described above under *Interest on the Notes* ) and such U.S. Holder's adjusted tax basis in the Note. Any gain or loss that a U.S. Holder recognizes on a disposition of a Note will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has held such Note for more than one year. Long-term capital gain of U.S. Holders is currently eligible for reduced rates of taxation. Such gain or loss generally will be treated as income or loss from within the United States for U.S. foreign tax credit purposes. A U.S. Holder's ability to deduct capital losses may be limited.

### ***Information Reporting and Backup Withholding***

In general, information reporting requirements will apply to certain payments of principal and interest on the Notes and the proceeds of the sale, exchange, redemption or other disposition of a Note, unless a U.S. Holder is an exempt recipient (such as a corporation). Backup withholding will generally apply to such payments if a U.S. Holder fails to provide a correct taxpayer identification number or certification of exempt status on Form W-9 or a substitute document, and/or fails to otherwise comply with the backup withholding requirements, or if the IRS notifies a payor that the U.S. Holder has underreported interest or dividend income.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is furnished to the IRS in a timely manner.

## **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable to a holder of Notes who acquires New Notes under this prospectus and who, at all relevant times, for purposes of the *Income Tax Act* (Canada) (the **Tax Act** ) and any applicable income tax treaty or convention, is not, and is not deemed to be, a resident of Canada, deals with BPDFAF and Barrick at arm's length, and does not use or hold and is not deemed to use or hold the Notes in a business carried on in Canada (a **Non-resident Holder** ). Special rules, which are not discussed in this summary, may apply to a non-resident that is an authorized foreign bank or an insurer carrying on business in Canada and elsewhere.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and the administrative practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not anticipate any changes in law or administrative practice whether by legislative, regulatory, governmental, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Non-resident Holder, and no representation with respect to the income tax consequences to any particular Non-resident Holder is made. Consequently, purchasers of Notes should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of Notes, having regard to such prospective purchaser's own particular circumstances.**

The New Notes will not differ materially in kind or extent from the Initial Notes for which they are exchanged and will evidence the same continuing indebtedness as the Initial Notes, and the exchange was contemplated in the terms of the Initial Notes. Accordingly, the exchange of Initial Notes for New Notes pursuant to the terms set forth in this prospectus should not constitute a disposition and should not give rise to a capital gain or a capital loss for purposes of the Tax Act.

Under the Tax Act, interest, discount, principal and any premium paid or credited by BPDFAF on the Notes, or by Barrick under the Guarantees, to a Non-resident Holder, and the proceeds received by a Non-resident Holder on

## **Table of Contents**

disposition of Notes, including redemption, will be exempt from Canadian withholding tax. No other taxes on income (or gains) will be payable under the Tax Act by a Non-resident Holder on interest, discount, principal and any premium or on the proceeds received by a Non-resident Holder on the disposition of a Note including on redemption and payment on maturity.

### **AUSTRALIAN INCOME TAX CONSIDERATIONS**

The following summary is general in nature only and is not intended to constitute a complete analysis of all potential Australian tax consequences relating to the acquisition, ownership and disposal of the Notes. It is a summary of the Australian interest withholding tax treatment at the date of this Offering Circular of payments of interest on the Notes to non-residents of Australia for tax purposes and certain other matters. It should not be treated as taxation advice. It is not exhaustive, and in particular, does not deal with the position of all classes of holders of Notes. Prospective holders of Notes who are in any doubt as to their tax positions should consult their professional advisers concerning the consequences of an investment in the Notes in their particular circumstances.

#### **Australian withholding tax**

The following summary of Australian interest withholding tax laws is relevant where the Notes qualify as debt instruments for Australian tax purposes, which provisions are expected to apply to all relevant securities.

Broadly, BPDAF as the issuer is required to deduct Australian interest withholding tax (at the rate of 10%) from payments of interest (as defined in the Income Tax Assessment Act 1936 of Australia ( Australian Tax Act )) that is payable on the Notes to non-residents of Australia (other than non-residents deriving the interest in carrying on a business in Australia at or through a permanent establishment in Australia) or to residents of Australia in carrying on a business outside Australia at or through a permanent establishment outside Australia.

However, pursuant to section 128F of the Australian Tax Act, an exemption from Australian interest withholding tax is available in respect of interest paid to a non-resident of Australia for tax purposes under any Notes, if the following conditions are met:

- (a) BPDAF is a company and a resident of Australia when it issues the relevant Notes and when interest (as defined in section 128A(1AB)) is paid;
- (b) the relevant Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test. The first public offer test is satisfied if there are offers of the relevant Notes to 10 or more persons, each of whom is carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets and was not known, or suspected by BPDAF, to be an associate of each other;
- (c) BPDAF does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes or interests in the relevant Notes were being, or would later be, acquired, directly or indirectly, by an Offshore Associate of BPDAF (other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme); and
- (d) at the time of the payment of interest, BPDAF does not know, or have reasonable grounds to suspect, that the payee is an Offshore Associate of BPDAF (other than an Offshore Associate who receives the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme).

For these purposes, an Offshore Associate means an associate (as defined in section 128F(9) of the Australian Tax Act) of BPDAF, where the associate is either:

- (e) a non-resident of Australia that does not acquire Notes or an interest in Notes in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or

- (f) a resident of Australia that acquires Notes or an interest in Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

## **Table of Contents**

Under section 128F(9), *associate* is defined broadly to include entities that are sufficiently influenced by , or whose majority voting interests are held by, BPDAF (i.e. controlled entities of BPDAF), any entities that sufficiently influence , or hold the majority voting interests in, BPDAF (i.e. controlling or parent companies of BPDAF), and any trusts under which BPDAF, its controlled entities, or its controlling entities, may benefit.

Under present circumstances, this means that Offshore Associates of BPDAF may include not only the immediate parent company of BPDAF, being Barrick (PD) Australia Limited, but also its ultimate controlling parent company, being Barrick, any controlled entities of Barrick and any trusts under which Barrick (PD) Australia Limited and/or Barrick benefit. Any investor who believes that it may be affiliated with or related to any of the above-mentioned entities or who believes it may otherwise be an Offshore Associate of BPDAF, should make appropriate enquiries before investing in any Notes and should not acquire any Notes if it is an Offshore Associate, unless an exception applies.

BPDAF issued the Initial Notes in a manner that was intended to satisfy the requirements of section 128F of the Australian Tax Act. Any New Notes that may be issued in exchange for any Initial Notes upon the acceptance of an exchange offer pursuant to the terms set forth in this prospectus would be as contemplated in, and be in accordance with, the terms of the initial offer of the Initial Notes and the exchange and registration rights agreement dated 16 October 2009 as entered into with the initial purchasers of the Initial Notes. We will not receive any proceeds from the exchange offer. The issue of any New Notes would be issued as evidence of the same continuing indebtedness of BPDAF and would not constitute the creation of new indebtedness. Accordingly, the section 128F exemption from Australian interest withholding tax should continue to apply to the payment of any interest in respect of the Initial Notes and any New Notes which are exchanged for those Initial Notes.

The Australian government has also signed a number of new or amended double tax conventions ( *New Treaties* ) with certain countries including the United States of America, the United Kingdom, Norway, Finland, the Republic of France, Japan, the Republic of South Africa and New Zealand ( *Specified Countries* ). The New Treaties, once in force (see below), may apply to interest derived by a resident of a Specified Country in relation to a Note issued by BPDAF.

The New Treaties effectively prevent withholding tax applying to interest derived by:

- (a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
  - (b) certain unrelated banks, and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country,
- by reducing the interest withholding tax rate to zero.

Under the New Treaties back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in interest withholding tax and the anti-avoidance provisions in the Australian Tax Act can apply. Additionally, under the New Treaty for the United States, interest determined by reference to the profits of BPDAF or one of its associated enterprises will not obtain the benefit of reduction in interest withholding tax.

Further, under the New Treaty for Japan, interest derived by the Japan Bank for International Cooperation or the Nippon Export and Investment Insurance will have a nil rate of withholding tax.

With the exception of the New Treaty for France and the New Treaty for New Zealand, all other New Treaties are currently in effect. The New Treaty for France will apply to interest paid on or after 1 January 2010. The New Treaty for New Zealand is yet to enter into force.

If a holder of a Note issued by BPDAF is an Australian resident or a non-resident that holds a Note at or through a permanent establishment in Australia, withholding for tax of 46.5% must be deducted, unless the holder of that Note supplies BPDAF with its Australian Business Number or Tax File Number or proof of an appropriate exemption to quote such numbers.

## **Table of Contents**

If BPDAF should at any time be compelled by law to deduct or withhold an amount in respect of any withholding taxes, BPDAF shall, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of the relevant Notes after such deduction or withholding shall equal the respective amounts which would have been receivable had no such deduction or withholding been required.

### **Taxation of gains and other issues**

BPDAF has been advised that under Australian laws as presently in effect:

- (a) assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to an issue of Notes, payment of principal and interest to a holder of such Notes, who is a non-resident of Australia, and who, during the taxable year, has not engaged in trade or business at or through a permanent establishment in Australia, will not be subject to the Australian income taxes;
- (b) a holder of the Notes, who is a non-resident of Australia will not be subject to Australian income tax on gains realised during that year on a sale or redemption of such Notes, provided:
  - (i) such gains do not have an Australian source; or
  - (ii) where the non-resident holder is located in a country with which Australia has concluded a double tax treaty, those Notes are not held, and the sale and disposal of those Notes do not occur, as part of a business carried on, at or through a permanent establishment in Australia.

A gain arising on the sale of such Notes by a non-resident holder to another non-Australian resident holder where such Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia should not be regarded as having an Australian source;

In any event, the exchange of Initial Notes for New Notes pursuant to the terms set forth in this prospectus should not constitute a disposition and should not give rise to a capital gain or loss for the purposes of the Australian Tax Act.

- (c) there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for withholding tax purposes (which portion is not covered by the exemption in section 128F of the Australian Tax Act) when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on trade or business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on trade or business at or through a permanent establishment in Australia;
- (d) no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; and
- (e) no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue of any Notes or the transfer of any Notes.

### **PLAN OF DISTRIBUTION**

Each broker-dealer that receives New Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Initial Notes where the Initial Notes were acquired as

## Edgar Filing: BARRICK GOLD CORP - Form F-9

a result of market-making activities or other trading activities. We have agreed that, upon the earlier of the expiration of 180 days after the exchange offer or such time as such broker-dealers no longer own any Initial Notes, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

We will not receive any proceeds from any sale of New Notes by broker-dealers. New Notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the New Notes or a combination of those methods of resale, at market prices prevailing at the time of resale, at prices related to prevailing market prices or negotiated prices. Any resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any of the New Notes. Any broker-dealer that resells New Notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of the New Notes

## **Table of Contents**

may be deemed to be an underwriter within the meaning of the Securities Act and any profit on any resale of New Notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act.

For a period of 180 days after the expiration date of the exchange offer or such time as the broker-dealers no longer own any Initial Notes, whichever is shorter, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that is entitled to use such documents that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer other than commissions or concessions of any brokers or dealers and will indemnify the holders of the Notes (including any broker-dealers against certain liabilities, including liabilities under the Securities Act.

## **EXPERTS**

The annual audited consolidated financial statements incorporated by reference in this prospectus have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, Chartered Accountants, given on the authority of that firm as experts in auditing and accounting.

## **INTERESTS OF QUALIFIED PERSONS**

Each of Ivan Mullany, Rick Allan, Rick Sims and Robert Krcmarov is a person who has prepared or supervised or reviewed the preparation of information upon which certain scientific and technical information relating to our mineral properties contained or incorporated by reference in this prospectus is based. Each of such persons is an officer or employee of Barrick and/or an officer, director or employee of one or more of its associates or affiliates. None of such persons 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 of such persons owns beneficially, directly or indirectly, less than 1% of any outstanding class of securities of Barrick.

## **LEGAL MATTERS**

Certain legal matters relating to United States law will be passed upon for BPDAF and Barrick by Shearman & Sterling LLP. Certain legal matters relating to Canadian law will be passed upon for BPDAF and Barrick by Davies Ward Phillips & Vineberg LLP. Certain legal matters relating to Australian law will be passed upon for BPDAF and Barrick by Clayton Utz.

## **DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT**

The following documents have been filed with the Commission as part of the registration statement of which this prospectus is a part:

- The documents listed as being incorporated by reference in this prospectus under the heading Documents Incorporated by Reference ;
- The purchase agreement relating to the Initial Notes;

**Table of Contents**

- The certificate of incorporation of BPDAF;
- The bylaws of BPDAF;
- The indenture relating to the Notes;
- The exchange and registration rights agreement relating to the Initial Notes;
- Opinions and consents of counsel;
- Consent of accountants;
- Powers of attorney (included on the signature pages of the registration statement);
- The statements of eligibility of the trustee on Form T-1;
- The form of letter of transmittal; and
- The form of notice of guaranteed delivery.

**Table of Contents**

**CONSENT OF PRICEWATERHOUSECOOPERS LLP**

We have read the preliminary short form prospectus (the "Prospectus") of Barrick (PD) Australia Finance Pty Ltd ("BPDAF") dated November 6, 2009 relating to the offer to exchange outstanding debt securities of BPDAF. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report dated February 19, 2009 to the shareholders of Barrick Gold Corporation ("Barrick") on the consolidated balance sheets of Barrick as at December 31, 2008 and December 31, 2007 and the consolidated statements of income, cash flow, shareholders' equity and comprehensive income for each of the years in the three-year period ended December 31, 2008 prepared in accordance with United States generally accepted accounting principles. We also consent to the reference to us under the heading "Experts" in such Prospectus.

We also consent to the use in the Prospectus of our report to the directors of Barrick on the consolidated balance sheets of Barrick as at December 31, 2008 and December 31, 2007 and the consolidated statements of income, cash flow, shareholders' equity and comprehensive income for each of the years in the three-year period ended December 31, 2008. Our report is dated February 19, 2009 (except as to note 30 which is as of November 6, 2009).

/s/ PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accounts

Toronto, Canada

November 6, 2009

**Table of Contents**

**SCHEDULE A**

**ANNUAL FINANCIAL STATEMENTS OF BARRICK GOLD CORPORATION**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

A-1

**Table of Contents**

**Independent Auditors' Report**

**To the Directors of**

**Barrick Gold Corporation**

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

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and December 31, 2007 and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2008 in accordance with accounting principles generally accepted in the United States of America.

**Chartered Accountants, Licensed Public Accountants**

Toronto, Canada

February 19, 2009

except for note 30 which is as of November 6, 2009

**Table of Contents****CONSOLIDATED STATEMENTS OF INCOME****Barrick Gold Corporation****For the years ended December 31 (in millions of United States dollars, except per share data)**

|                                                                              | <b>2008</b>     | <b>2007</b>     | <b>2006</b>     |
|------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| <b>Sales</b> (notes 4 and 5)                                                 | <b>\$ 7,913</b> | <b>\$ 6,332</b> | <b>\$ 5,630</b> |
| <b>Costs and expenses</b>                                                    |                 |                 |                 |
| Cost of sales (notes 4 and 6) <sup>(1)</sup>                                 | <b>3,876</b>    | 3,144           | 2,710           |
| Amortization and accretion (notes 4 and 15)                                  | <b>1,033</b>    | 1,054           | 774             |
| Corporate administration                                                     | <b>155</b>      | 155             | 142             |
| Exploration (notes 4 and 7)                                                  | <b>216</b>      | 179             | 171             |
| Project development expense (note 7)                                         | <b>242</b>      | 188             | 119             |
| Other expense (note 8a)                                                      | <b>295</b>      | 205             | 212             |
| Impairment charges (note 8b)                                                 | <b>749</b>      | 42              | 17              |
|                                                                              | <b>6,566</b>    | 4,967           | 4,145           |
| Interest income                                                              | <b>39</b>       | 141             | 110             |
| Interest expense (note 20b)                                                  | <b>(21)</b>     | (113)           | (126)           |
| Other income (note 8c)                                                       | <b>291</b>      | 110             | 97              |
| Write-down of investments (note 8b)                                          | <b>(205)</b>    | (23)            | (6)             |
|                                                                              | <b>104</b>      | 115             | 75              |
| <b>Income from continuing operations before income taxes and other items</b> | <b>1,451</b>    | 1,480           | 1,560           |
| Income tax expense (note 9)                                                  | <b>(590)</b>    | (341)           | (348)           |
| Non-controlling interests (note 2b)                                          | <b>(12)</b>     | 14              | 1               |
| Loss from equity investees (note 12)                                         | <b>(64)</b>     | (43)            | (4)             |
| <b>Income from continuing operations</b>                                     | <b>785</b>      | 1,110           | 1,209           |
| Income from discontinued operations (note 3)                                 |                 | 9               | 297             |
| <b>Net income for the year</b>                                               | <b>\$ 785</b>   | <b>\$ 1,119</b> | <b>\$ 1,506</b> |
| <b>Earnings per share data</b> (note 10)                                     |                 |                 |                 |
| Income from continuing operations                                            |                 |                 |                 |
| Basic                                                                        | <b>\$ 0.90</b>  | \$ 1.28         | \$ 1.44         |
| Diluted                                                                      | <b>\$ 0.89</b>  | \$ 1.27         | \$ 1.42         |
| Net income                                                                   |                 |                 |                 |
| Basic                                                                        | <b>\$ 0.90</b>  | \$ 1.29         | \$ 1.79         |
| Diluted                                                                      | <b>\$ 0.89</b>  | \$ 1.28         | \$ 1.77         |

(1) Exclusive of amortization.

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

**Table of Contents****CONSOLIDATED STATEMENTS OF CASH FLOW****Barrick Gold Corporation****For the years ended December 31 (in millions of United States dollars)**

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

|                                                       |                 |                 |                 |
|-------------------------------------------------------|-----------------|-----------------|-----------------|
| <b>Cash and equivalents at end of year</b> (note 20a) | <b>\$ 1,437</b> | <b>\$ 2,207</b> | <b>\$ 3,043</b> |
|-------------------------------------------------------|-----------------|-----------------|-----------------|

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

A-4

**Table of Contents****CONSOLIDATED BALANCE SHEETS****Barrick Gold Corporation**

| <b>At December 31 (in millions of United States dollars)</b> | <b>2008</b>      | <b>2007</b>      |
|--------------------------------------------------------------|------------------|------------------|
| <b>Assets</b>                                                |                  |                  |
| Current assets                                               |                  |                  |
| Cash and equivalents (note 20a)                              | \$ 1,437         | \$ 2,207         |
| Accounts receivable (note 14)                                | 197              | 256              |
| Inventories (note 13)                                        | 1,309            | 1,129            |
| Other current assets (note 14)                               | 1,169            | 707              |
|                                                              | 4,112            | 4,299            |
| Non-current assets                                           |                  |                  |
| Investments (note 12)                                        | 1,145            | 1,227            |
| Property, plant and equipment (note 15)                      | 11,547           | 8,585            |
| Goodwill (note 17)                                           | 5,280            | 5,847            |
| Intangible assets (note 16)                                  | 75               | 68               |
| Deferred income tax assets (note 24)                         | 869              | 722              |
| Other assets (note 18)                                       | 1,133            | 1,203            |
| <b>Total assets</b>                                          | <b>\$ 24,161</b> | <b>\$ 21,951</b> |
| <b>Liabilities and Shareholders' Equity</b>                  |                  |                  |
| Current liabilities                                          |                  |                  |
| Accounts payable                                             | \$ 970           | \$ 808           |
| Short-term debt (note 20b)                                   | 206              | 233              |
| Other current liabilities (note 19)                          | 668              | 255              |
|                                                              | 1,844            | 1,296            |
| Non-current liabilities                                      |                  |                  |
| Long-term debt (note 20b)                                    | 4,350            | 3,153            |
| Asset retirement obligations (note 22)                       | 973              | 892              |
| Deferred income tax liabilities (note 24)                    | 754              | 841              |
| Other liabilities (note 23)                                  | 781              | 431              |
| <b>Total liabilities</b>                                     | <b>8,702</b>     | <b>6,613</b>     |
| <b>Non-controlling interests</b>                             | <b>182</b>       | <b>82</b>        |
| <b>Shareholders' equity</b>                                  |                  |                  |
| Capital stock (note 25)                                      | 13,372           | 13,273           |
| Retained earnings                                            | 2,261            | 1,832            |
| Accumulated other comprehensive income (loss) (note 26)      | (356)            | 151              |
| <b>Total shareholders' equity</b>                            | <b>15,277</b>    | <b>15,256</b>    |
| Contingencies and commitments (notes 15 and 29)              |                  |                  |
| <b>Total liabilities and shareholders' equity</b>            | <b>\$ 24,161</b> | <b>\$ 21,951</b> |

Edgar Filing: BARRICK GOLD CORP - Form F-9

Signed on behalf of the Board,

Aaron Regent, Director

Steven J. Shapiro, Director

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

A-5

**Table of Contents****CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY****Barrick Gold Corporation**

| For the years ended December 31 (in millions of United States dollars) | 2008             | 2007             | 2006             |
|------------------------------------------------------------------------|------------------|------------------|------------------|
| <b>Common shares (number in millions)</b>                              |                  |                  |                  |
| At January 1                                                           | 870              | 864              | 538              |
| Issued on exercise of stock options (note 27a)                         | 3                | 6                | 3                |
| Issued on acquisition of Placer Dome (note 3f)                         |                  |                  | 323              |
| At December 31                                                         | 873              | 870              | 864              |
| <b>Common shares</b>                                                   |                  |                  |                  |
| At January 1                                                           | \$ 13,273        | \$ 13,106        | \$ 4,222         |
| Issued on exercise of stock options (note 27a)                         | 74               | 142              | 74               |
| Issued on acquisition of Placer Dome (note 3f)                         |                  |                  | 8,761            |
| Options issued on acquisition of Placer Dome (note 3f)                 |                  |                  | 22               |
| Recognition of stock option expense (note 27a)                         | 25               | 25               | 27               |
| At December 31                                                         | 13,372           | 13,273           | 13,106           |
| <b>Retained earnings (deficit)</b>                                     |                  |                  |                  |
| At January 1                                                           | 1,832            | 974              | (341)            |
| Net income                                                             | 785              | 1,119            | 1,506            |
| Dividends (note 25a)                                                   | (349)            | (261)            | (191)            |
| Repurchase of preferred shares of a subsidiary                         | (7)              |                  |                  |
| At December 31                                                         | 2,261            | 1,832            | 974              |
| Accumulated other comprehensive income (loss) (note 26)                | (356)            | 151              | 119              |
| <b>Total shareholders' equity at December 31</b>                       | <b>\$ 15,277</b> | <b>\$ 15,256</b> | <b>\$ 14,199</b> |

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****Barrick Gold Corporation**

| For the years ended December 31 (in millions of United States dollars) | 2008          | 2007            | 2006            |
|------------------------------------------------------------------------|---------------|-----------------|-----------------|
| Net income                                                             | \$ 785        | \$ 1,119        | \$ 1,506        |
| Other comprehensive income (loss), net of tax (note 26)                | (507)         | 32              | 150             |
| <b>Comprehensive income</b>                                            | <b>\$ 278</b> | <b>\$ 1,151</b> | <b>\$ 1,656</b> |

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

**Table of Contents**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**1 n Nature of Operations**

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

**2 n Significant Accounting Policies**

**a) Basis of Preparation**

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

**b) Principles of Consolidation**

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

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

**Table of Contents**

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

**Consolidation Method at December 31, 2008**

|                                     | Entity type at<br>December 31, 2008 | Economic Interest at<br>December 31, 2008 <sup>(1)</sup> | Method        |
|-------------------------------------|-------------------------------------|----------------------------------------------------------|---------------|
| <b>North America</b>                |                                     |                                                          |               |
| Round Mountain Mine                 | Unincorporated JV                   | 50%                                                      | Pro Rata      |
| Hemlo Property Mine                 | Unincorporated JV                   | 50%                                                      | Pro Rata      |
| Marigold Mine                       | Unincorporated JV                   | 33%                                                      | Pro Rata      |
| Turquoise Ridge Mine                | Unincorporated JV                   | 75%                                                      | Pro Rata      |
| Pueblo Viejo Project <sup>(2)</sup> | VIE                                 | 60%                                                      | Consolidation |
| Donlin Creek Project                | VIE                                 | 50%                                                      | Equity Method |
| <b>South America</b>                |                                     |                                                          |               |
| Cerro Casale Project                | VIE                                 | 51%                                                      | Equity Method |
| <b>Australia</b>                    |                                     |                                                          |               |
| Kalgoorlie Mine                     | Unincorporated JV                   | 50%                                                      | Pro Rata      |
| Porgera Mine <sup>(3)</sup>         | Unincorporated JV                   | 95%                                                      | Pro Rata      |
| Reko Diq Project <sup>(4)</sup>     | VIE                                 | 37.5%                                                    | Equity Method |
| <b>Africa</b>                       |                                     |                                                          |               |
| Tulawaka Mine                       | Unincorporated JV                   | 70%                                                      | Consolidation |
| Kabanga Project <sup>(5)</sup>      | VIE                                 | 50%                                                      | Equity Method |
| Sedibelo Project <sup>(6)</sup>     | VIE                                 | 10%                                                      | Consolidation |
| <b>Russia</b>                       |                                     |                                                          |               |
| Fedorova Project <sup>(7)</sup>     | VIE                                 | 50%                                                      | Consolidation |

(1) Unless otherwise noted, all of our joint ventures are funded by distributions made by their partners in proportion to their economic interest.

(2) In accordance with the terms of the agreement with our partner, Barrick is responsible for 60% of the funding requirements for the Pueblo Viejo project. We consolidate our interest in Pueblo Viejo and record a non-controlling interest for the 40% that we don't own. In 2008, we recorded project development expenses of \$62 million (2007: \$67 million) (note 7) and a non-controlling interest of \$26 million (2007: \$30 million) (note 2b). At December 31, 2008, the carrying value of our Pueblo Viejo project was \$447 million (2007: \$140 million) (note 15a).

(3) We hold an undivided interest in our share of assets and liabilities at the Porgera mine. In August 2007, we increased our ownership interest from 75% to 95% (note 3d).

(4) We hold a 50% interest in Atacama Copper, which has a 75% interest in the Reko Diq project. We use the equity method to account for our interest in Atacama Copper (note 12).

(5) In accordance with an agreement with our partner, from 2006 until the third quarter of 2008, our partner was responsible for funding 100% of exploration and project expenditures and we did not record any amounts for our economic interest in this period. During the third quarter of 2008, our partner completed the \$145 million spending requirement, and we began funding 50% of the exploration and project expenditures (note 12).

(6) In 2008, we completed a bankable feasibility study (BFS), for which we recorded project development expenses totaling \$17 million (2007: \$22 million). Based on the agreement with our partner, we are responsible for funding 100% of the project expenditures. On completion of the BFS, we earned a 10% interest in the project and have a right to obtain a further 55% interest upon a decision to mine. The first 40% can be purchased for 50% of the combined platinum, palladium, rhodium and gold production at \$12 per ounce. The final 15% can be purchased for \$90 million. If Barrick does not make a decision to mine by May 2009, our partner has the option to acquire our 10% interest at a price based on the BFS costs spent.

(7) In accordance with an agreement with minority shareholders, we have an earn-in option for an additional 30% interest in the entity that owns the rights to the Fedorova project (for a total 80% interest). We are responsible for funding 100% of project expenditures until the BFS is finalized, and therefore a non-controlling interest has not been recorded through December 31, 2008. In 2008, we funded \$24 million of project expenditures (2007: \$18 million).

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

| For the years ended December 31 | 2008     | 2007     | 2006     |
|---------------------------------|----------|----------|----------|
| Revenues                        | \$ 2,031 | \$ 2,076 | \$ 1,776 |
| Costs and expenses              | (1,565)  | (1,665)  | (1,457)  |
| Net income                      | \$ 466   | \$ 411   | \$ 319   |

Edgar Filing: BARRICK GOLD CORP - Form F-9

|                                          |          |          |          |
|------------------------------------------|----------|----------|----------|
| Operating activities <sup>(1)</sup>      | \$ 378   | \$ 147   | \$ 473   |
| Investing activities <sup>(1)</sup>      | \$ (159) | \$ (139) | \$ (284) |
| Financing activities <sup>(1), (2)</sup> | \$ (249) | \$ 81    | \$ (185) |

A-8

**Table of Contents****Balance Sheet Information (100%)**

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

**Non-controlling Interests    Income Statement**

| <b>For the years ended December 31</b> | <b>2008</b>    | <b>2007</b>  | <b>2006</b> |
|----------------------------------------|----------------|--------------|-------------|
| Pueblo Viejo project                   | \$ 26          | \$ 30        | \$ 9        |
| Tulawaka mine                          | (38)           | (16)         | (8)         |
|                                        | <b>\$ (12)</b> | <b>\$ 14</b> | <b>\$ 1</b> |

(1) Net cash inflow (outflow).

(2) Includes cash flows between the joint ventures and joint venture partners.

(3) The decrease in assets in 2008 reflects 100% ownership of Cortez.

**c) Foreign Currency Translation**

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

- n Property, plant and equipment, intangible assets and equity method investments using historical rates;
- n Available-for-sale securities using closing rates with translation gains and losses recorded in other comprehensive income;
- n Asset retirement obligations using historical rates;
- n Deferred tax assets and liabilities using closing rates with translation gains and losses recorded in income tax expense;

## Edgar Filing: BARRICK GOLD CORP - Form F-9

- n Other assets and liabilities using closing rates with translation gains and losses recorded in other income/ expense; and
  - n Income and expenses using average exchange rates, except for expenses that relate to non-monetary assets and liabilities measured at historical rates, which are translated using the same historical rate as the associated non-monetary assets and liabilities.
- The functional currency of our oil and gas operations, ( Barrick Energy ) is the Canadian dollar. We translate balances related to Barrick Energy into US dollars as follows:

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

A-9

## **Table of Contents**

### **d) Use of Estimates**

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

- n The treatment of expenditures at mineral properties prior to when production begins as either an asset or an expense (note 15);
- n Whether tangible and intangible long-lived assets are impaired, and if so, estimates of the fair value of those assets and any corresponding impairment charge (note 15);
- n Our ability to realize deferred income tax assets and amounts recorded for any corresponding valuation allowances and amounts recorded for uncertain tax positions (note 24);
- n The useful lives of tangible and intangible long-lived assets and the measurement of amortization (note 15);
- n The fair value of asset retirement obligations (note 22);
- n Whether to record a liability for loss contingencies and the amount of any liability (notes 15 and 29);
- n The amount of income tax expense (note 9);
- n Allocations of the purchase price in business combinations to assets and liabilities acquired, (notes 3 and 17);
- n Whether any impairments of goodwill have occurred and if so the amounts of impairment charges (note 17);
- n Transfers of value beyond proven and probable reserves to amortized assets (note 15); and
- n Credit risk adjustments to the discount rates in determining the fair value at derivative instruments (notes 20 and 21).

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

### **e) Accounting Changes**

#### **Accounting Changes Implemented in 2008**

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

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

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

**FAS 157, Fair Value Measurements (FAS 157)**

In 2008, we implemented FAS 157 for financial assets and financial liabilities that are measured at fair value on a recurring basis. The primary assets and liabilities that are recognized and disclosed at fair value in accordance with the provisions of FAS 157 are: available-for-sale securities; receivables from provisional copper and gold sales; derivative

## **Table of Contents**

assets and derivative liabilities and held-to-maturity investments. The adoption of FAS 157 has resulted in expanded disclosures about our fair value measurements for financial assets and financial liabilities recognized in our financial statements. However, the adoption of FAS 157 did not have an impact on the measurement of fair value as our valuation methodology for these assets and liabilities is consistent with the fair value framework established by FAS 157. Refer to note 21 of the Consolidated Financial Statements for details of the adoption of FAS 157 and related disclosures.

We have not applied the provisions of FAS 157 to non financial assets and non-financial liabilities as permitted by the delay specified in FSP FAS 157-2. FSP FAS 157-2 delays the effective date of FAS 157 to fiscal years beginning after November 15, 2008, for non-financial assets and liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Therefore, beginning in 2009 we will apply the requirements of FAS 157 to non-financial assets and non-financial liabilities that we periodically measure at fair value under US GAAP, which will principally include: goodwill, tangible and intangible assets measured and recognized at fair value as a result of an impairment assessment; and non-financial assets and non-financial liabilities recognized as a result of a business combination. The application of the provisions of FAS 157 is not expected to have a significant impact on our methodology for measuring the fair value of these assets and liabilities, but will result in expanded disclosures.

### **Changes in Financial Statement Presentation    Accretion Expense**

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

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

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

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

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

### **Accounting Changes Implemented in 2007**

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

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

## **Table of Contents**

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

### **Accounting Changes Implemented in 2006**

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

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

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

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

### **f) Significant Accounting Developments**

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

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

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

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

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

**Table of Contents****FAS 160, Non-controlling Interests in Consolidated Financial Statements (FAS 160)**

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

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

**g) Other Notes to the Financial Statements**

|                                              | <b>Note</b> | <b>Page</b> |
|----------------------------------------------|-------------|-------------|
| Acquisitions and divestitures                | 3           | 92          |
| Segment information                          | 4           | 95          |
| Revenue and gold sales contracts             | 5           | 97          |
| Cost of sales                                | 6           | 99          |
| Exploration and project development expense  | 7           | 100         |
| Other charges                                | 8           | 101         |
| Income tax expense                           | 9           | 102         |
| Earnings per share                           | 10          | 103         |
| Cash flow - other items                      | 11          | 104         |
| Investments                                  | 12          | 105         |
| Inventories                                  | 13          | 108         |
| Accounts receivable and other current assets | 14          | 109         |
| Property, plant and equipment                | 15          | 110         |
| Intangible assets                            | 16          | 113         |
| Goodwill                                     | 17          | 114         |
| Other assets                                 | 18          | 116         |
| Other current liabilities                    | 19          | 116         |
| Financial instruments                        | 20          | 116         |
| Fair value measurements                      | 21          | 126         |
| Asset retirement obligations                 | 22          | 128         |
| Other non-current liabilities                | 23          | 129         |
| Deferred income taxes                        | 24          | 129         |
| Capital stock                                | 25          | 132         |
| Other comprehensive income (loss)            | 26          | 132         |
| Stock-based compensation                     | 27          | 133         |
| Post-retirement benefits                     | 28          | 135         |
| Litigation and claims                        | 29          | 138         |

**Table of Contents****3 n Acquisitions and Divestitures**

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

(1) All amounts represent gross cash paid or received on acquisition or divestiture.

(2) In 2008, we acquired an additional 40% interest in the Storm property from Yamana Gold Inc. for \$29 million, including \$1 million cash acquired, consolidating a 100% ownership interest in Storm. In 2006, we acquired the Grace Property for cash of \$60 million, including cash acquired of \$6 million.

(3) Included within investment sales in the Consolidated Statement of Cash Flow.

(4) Included within Property, Plant and Equipment sales in the Consolidated Statement of Cash flow.

(5) In 2007, we sold the Grace Property, originally acquired in 2006 for cash proceeds of \$54 million. There was no after-tax gain or loss arising on closing.

**a) Acquisition of Barrick Energy Inc. ( Barrick Energy )**

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

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

**Purchase Cost**

Edgar Filing: BARRICK GOLD CORP - Form F-9

|                     |        |
|---------------------|--------|
| Purchase cost       | \$ 377 |
| Less: cash acquired | (41)   |
|                     | \$ 336 |

A-14

**Table of Contents****Preliminary Purchase Price Allocation**

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

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

**b) Acquisition of 40% Interest in Cortez**

In 2008, we completed our acquisition of an additional 40% interest in the Cortez property from Kennecott Explorations (Australia) Ltd. (Kennecott), a subsidiary of Rio Tinto plc, for a total cash consideration of \$1.695 billion. A further \$50 million will be payable if and when we add an additional 12 million ounces of contained gold resources beyond our December 31, 2007 reserve statement for Cortez. This contingent payment will be recognized as an additional cost of the acquisition only if the resource/production targets are met and the amounts become payable as a result. A sliding scale royalty is payable to Kennecott on 40% of all production in excess of 15 million ounces on and after January 1, 2008.

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

**Purchase Cost**

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

**Table of Contents****Summary Purchase Price Allocation**

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

**c) Acquisition of Cerro Casale**

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

**Purchase Cost**

|                     |        |
|---------------------|--------|
| Purchase cost       | \$ 770 |
| Less: cash acquired | (7)    |
|                     | \$ 763 |

**Summary Purchase Price Allocation**

|                                           |        |
|-------------------------------------------|--------|
| Other current assets                      | \$ 1   |
| Equity investment in Cerro Casale project | 770    |
| Total assets                              | 771    |
| Current liabilities                       | 8      |
| Net assets acquired                       | \$ 763 |

**d) Porgera Mine Acquisition**

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

**Purchase Cost**

|                     |        |
|---------------------|--------|
| Purchase cost       | \$ 264 |
| Less: cash acquired | (5)    |
|                     | \$ 259 |

A-16

## Table of Contents

### Summary Purchase Price Allocation

|                               |               |
|-------------------------------|---------------|
| Inventories                   | \$ 17         |
| Other current assets          | 2             |
| Property, plant and equipment | 145           |
| Non-current ore in stockpiles | 60            |
| Deferred income tax assets    | 20            |
| Goodwill                      | 34            |
| <b>Total assets</b>           | <b>278</b>    |
| Current liabilities           | 11            |
| Asset retirement obligations  | 8             |
| <b>Total liabilities</b>      | <b>19</b>     |
| <b>Net assets acquired</b>    | <b>\$ 259</b> |

### e) Kainantu Acquisition

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

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

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

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

|                                                                                         |                  |
|-----------------------------------------------------------------------------------------|------------------|
| Value of 322.8 million Barrick common shares issued at \$27.14 per share <sup>(1)</sup> | \$ 8,761         |
| Value of 2.7 million fully vested stock options                                         | 22               |
| Cash                                                                                    | 1,239            |
| Transaction costs                                                                       | 32               |
| <b>Total purchase cost</b>                                                              | <b>\$ 10,054</b> |

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

A-17

**Table of Contents****Summary Purchase Price Allocation**

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

(1) Cash paid on acquisition of \$160 million, as disclosed in the 2007 Annual Report.

(2) Includes operations that were sold to Goldcorp Inc.

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

**g) Disposition of Royalties**

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

**h) Sale of Paddington Mill**

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



**Table of Contents****i) Discontinued Operations****Results of Discontinued Operations**

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

**South Deep**

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

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

**Operations Sold to Goldcorp**

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

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

**4 n Segment Information**

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



## Table of Contents

### Income Statement Information

| For the years ended December 31 | Sales    |          |          | Segment expenses |          |          | Segment income (loss) <sup>(1),(2)</sup> |          |          |
|---------------------------------|----------|----------|----------|------------------|----------|----------|------------------------------------------|----------|----------|
|                                 | 2008     | 2007     | 2006     | 2008             | 2007     | 2006     | 2008                                     | 2007     | 2006     |
| <b>Gold</b>                     |          |          |          |                  |          |          |                                          |          |          |
| North America                   | \$ 2,627 | \$ 2,001 | \$ 1,791 | \$ 1,517         | \$ 1,178 | \$ 1,039 | \$ 739                                   | \$ 483   | \$ 484   |
| South America                   | 1,833    | 1,306    | 1,131    | 531              | 400      | 305      | 1,127                                    | 664      | 693      |
| Australia Pacific               | 1,658    | 1,292    | 1,144    | 1,051            | 934      | 749      | 342                                      | 108      | 201      |
| Africa                          | 538      | 428      | 427      | 327              | 293      | 226      | 145                                      | 55       | 111      |
| <b>Copper</b>                   |          |          |          |                  |          |          |                                          |          |          |
| South America                   | 1,007    | 1,065    | 955      | 315              | 231      | 282      | 624                                      | 752      | 621      |
| Australia Pacific               | 221      | 240      | 182      | 121              | 108      | 109      | 44                                       | 92       | 55       |
| Capital Projects                |          |          |          |                  |          |          | (254)                                    | (187)    | (111)    |
| Other                           | 29       |          |          | 14               |          |          | 2                                        |          |          |
|                                 | \$ 7,913 | \$ 6,332 | \$ 5,630 | \$ 3,876         | \$ 3,144 | \$ 2,710 | \$ 2,769                                 | \$ 1,967 | \$ 2,054 |

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

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

### Income Statement Information (cont d)

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

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

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

**Table of Contents****Geographic Information**

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

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

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

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

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

**Table of Contents****Asset Information**

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

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

**5 n Revenue and Gold Sales Contracts**

| For the years ended December 31         | 2008     | 2007     | 2006     |
|-----------------------------------------|----------|----------|----------|
| <b>Gold bullion sales<sup>(2)</sup></b> |          |          |          |
| Spot market sales                       | \$ 6,507 | \$ 3,823 | \$ 3,957 |
| Gold sales contracts                    |          | 1,026    | 369      |
|                                         | 6,507    | 4,849    | 4,326    |
| Concentrate sales <sup>(3)</sup>        | 149      | 178      | 167      |
|                                         | \$ 6,656 | \$ 5,027 | \$ 4,493 |
| <b>Copper sales<sup>(1), (4)</sup></b>  |          |          |          |
| Copper cathode sales                    | \$ 1,038 | \$ 1,063 | \$ 937   |
| Concentrate sales                       | 190      | 242      | 200      |
|                                         | \$ 1,228 | \$ 1,305 | \$ 1,137 |
| Oil and gas sales <sup>(5)</sup>        | 29       |          |          |

**\$ 7,913**    \$ 6,332    \$ 5,630

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

A-22

**Table of Contents****Principal Products**

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

**Revenue Recognition**

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

**Gold Bullion Sales**

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

**Gold Sales Contracts**

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

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

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

**Mark-to-Market Value**

| <b>\$ millions</b>           | <b>Total ounces in millions</b> | <b>At Dec. 31, 2008 value<sup>(1)</sup></b> |
|------------------------------|---------------------------------|---------------------------------------------|
| Project Gold Sales Contracts | 9.5                             | \$ (4,865)                                  |

**Table of Contents**

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

**Concentrate Sales**

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

**Copper Cathode Sales**

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

**Provisional Copper and Gold Sales**

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

| <b>At December 31</b> | <b>2008</b>  | <b>2007</b> |
|-----------------------|--------------|-------------|
| Copper                | <b>\$ 80</b> | \$ 142      |
| Gold                  | <b>15</b>    | 9           |

The final price adjustments were as follows:

| <b>For the years ended December 31</b> | <b>2008</b>    | <b>2007</b> | <b>2006</b> |
|----------------------------------------|----------------|-------------|-------------|
| Gain (loss)                            |                |             |             |
| Copper                                 | <b>\$ (31)</b> | \$ (6)      | \$ 9        |
| Gold                                   |                | (1)         | 3           |

**Table of Contents****Oil and Gas Sales**

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

**Cost of Sales**

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

- (1) Cost of goods sold includes charges to reduce the cost of inventory to net realizable value as follows: \$68 million for the year ended December 31, 2008 (2007: \$13 million; 2006: \$28 million). The cost of inventory sold in the period reflects all components capitalized to inventory, except that, for presentation purposes, the component of inventory cost relating to amortization of property, plant and equipment is classified in the income statement under amortization. Some companies present this amount under cost of sales. The amount presented in amortization rather than cost of sales was \$971 million in the year ended December 31, 2008 (2007: \$984 million; 2006: \$716 million).
- (2) We use silver sales contracts to sell a portion of silver produced as a by-product. Silver sales contracts have similar delivery terms and pricing mechanisms as gold sales contracts and accordingly, are accounted for in a manner similar to our gold sales contracts. At December 31, 2008, we had fixed-price commitments to deliver 7.2 million ounces of silver at an average price of \$6.59 per ounce and floating spot price silver sales contracts for 8.9 million ounces over periods primarily of up to 10 years. The mark-to-market on silver sales contracts at December 31, 2008 was negative \$67 million (2007: negative \$111 million; 2006: \$100 million). Refer to note 21 for further information on fair value measurements.

**Royalties**

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

- n Net profits interest (NPI) royalty,
- n Net smelter return sliding scale (NSRSS) royalty,
- n Gross proceeds sliding scale (GPSS) royalty,
- n Gross smelter return (GSR) royalty,
- n Net value (NV) royalty, and a

- n Land tenement (LT) royalty.

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

Royalties applicable to our oil and gas properties include:

- n Crown royalties,

- n Net profits interest (NPI) royalty, and

- n Overriding royalty (ORR).

A-25

## **Table of Contents**

| <b>Producing mines &amp; development projects</b>        | <b>Type of royalty</b>                             |
|----------------------------------------------------------|----------------------------------------------------|
| North America                                            |                                                    |
| Goldstrike                                               | 0% 5% NSR, 0% 6% NPI                               |
| Williams                                                 | 1.5% NSR, 0.75% NV, 1% NV                          |
| David Bell                                               | 3% NSR                                             |
| Round Mountain                                           | 3.53% 6.35% NSRSS                                  |
| Bald Mountain                                            | 3.5% 7% NSRSS                                      |
|                                                          | 2.9% 4% NSR                                        |
|                                                          | 10% NPI                                            |
| Ruby Hill                                                | 3% modified NSR                                    |
| Cortez                                                   | 1.5% GSR                                           |
| Cortez Pipeline/South<br>Pipeline deposit                | 0.4% 9% GSR                                        |
| Cortez portion of Pipeline/<br>South Pipeline deposit    | 5% NV                                              |
| South America                                            |                                                    |
| Veladero                                                 | 3.75% modified NSR                                 |
| Lagunas Norte                                            | 2.51% NSR                                          |
| Australia Pacific                                        |                                                    |
| Porgera                                                  | 2% NSR, 0.25% other                                |
| Queensland & Western Australia production <sup>(1)</sup> | 2.5% 2.7% of gold revenue                          |
| Cowal                                                    | 4% of net gold revenue                             |
| Henty                                                    | 2.6% 12% of gold revenue                           |
| Africa                                                   |                                                    |
| Bulyanhulu                                               | 3% NSR                                             |
| Tulawaka                                                 | 3% NSR                                             |
| North Mara                                               | 3% NSR                                             |
| North Mara Gokona pit                                    | 3% NSR, 1.1% LT                                    |
| Capital Projects                                         |                                                    |
| Donlin Creek Project                                     | 1.5% NSR (first 5 years),<br>4.5% NSR (thereafter) |
| Pascua-Lama Project                                      |                                                    |
| Chile gold production                                    | 1.5% 9.8% GPSS                                     |
| Pascua-Lama Project                                      |                                                    |
| Chile copper production                                  | 2% NSR                                             |
| Pascua-Lama Project                                      |                                                    |
| Argentina production                                     | 3% NSR                                             |
| Pueblo Viejo                                             | 3.2% NSR, 0 25% NPI                                |
| Buzwagi                                                  | 3% 3.1% NSR                                        |
| Other                                                    |                                                    |
| Barrick Energy                                           | 1.1% NPI<br>1.3% ORR<br>21.6% Crown royalty, net   |

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

**Table of Contents****7 n Exploration and Project Development Expense**

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

(1) Represents 100% of project expenditures. We record a non-controlling interest recovery for our partner's share of expenditures within non-controlling interests in the income statement.

(2) Amounts for 2007 include a recovery of \$64 million of cumulative project costs from our partner. See note 12 for further details.

**Accounting Policy for Exploration and Project Expenditures****Exploration Expenditures**

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

Expenditures on exploration activity conducted at greenfield sites are expensed as incurred. Exploratory drilling and related costs are capitalized when incurred at brownfield sites where the activities are directed at obtaining additional information on the ore body that is classified within proven and probable reserves or for the purpose of converting a mineral resource into a proven and probable reserve and, prior to the commencement of the drilling program, we can conclude that it is probable that such a conversion will take place. Our assessment of probability is based on the following factors: results from previous drill programs; results from geological models; results from a mine scoping study confirming economic viability of the resource; and preliminary estimates of mine inventory, ore grade, cash flow and mine life. Costs incurred at brownfield sites that meet the above criteria are capitalized as mine development costs. All other drilling and related exploration costs incurred at these sites are expensed as mine site exploration.

**Project Expenditures**

## Edgar Filing: BARRICK GOLD CORP - Form F-9

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

A-27

**Table of Contents**

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

**8 n Other Charges****a) Other Expense**

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

(1) Relates to costs incurred at regional business unit offices.

(2) In 2008 and 2007, amounts mainly related to community programs in Peru, Argentina and Papua New Guinea. In 2006, amounts mainly related to community programs in Peru.

(3) In 2006, amount relates to change in estimate of the ARO at the Nickel Plate property in British Columbia, Canada.

(4) In 2008, amounts primarily relate to translation losses on working capital balances in Australia and South America.

(5) For the year ended December 31, 2008, \$nil million of pension credit that relates to active employees at producing mines is included in cost of sales (2007: \$nil; 2006: \$4 million) and \$nil million is included in corporate administration (2007: \$nil; 2006: \$2 million).

**Environmental Costs**

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

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

**b) Impairment Charges**

| <b>For the years ended December 31</b> | <b>2008</b>   | <b>2007</b>  | <b>2006</b> |
|----------------------------------------|---------------|--------------|-------------|
| Impairment of goodwill (note 17)       | <b>\$ 678</b> | <b>\$ 42</b> | <b>\$</b>   |

# Edgar Filing: BARRICK GOLD CORP - Form F-9

|                                                    |               |              |              |
|----------------------------------------------------|---------------|--------------|--------------|
| Impairment of long-lived assets <sup>(1)</sup>     | 71            |              | 17           |
|                                                    | <b>\$ 749</b> | <b>\$ 42</b> | <b>\$ 17</b> |
| Write-down of investments (note 12) <sup>(2)</sup> | <b>205</b>    | <b>23</b>    | <b>6</b>     |
|                                                    | <b>\$ 954</b> | <b>\$ 65</b> | <b>\$ 23</b> |

- (1) In 2008, an impairment charge of \$69 million was recorded to reduce the carrying amount to the estimated fair value for Osborne and Marigold. In 2006, the carrying amount of Cuerpo Sur, an extension of Pierina, was tested for impairment on completion of the annual life of mine planning process. An impairment charge of \$17 million was recorded to reduce the carrying amount to the estimated fair value.

A-28

**Table of Contents**

- (2) In 2008, we recorded an impairment charge on our investment in Highland Gold (\$140 million), on Asset-Backed Commercial Paper (\$39 million) and various other investments in junior gold mining companies (\$26 million). In 2007, we recorded an impairment charge on Asset-Backed Commercial Paper of \$20 million.

**c) Other Income**

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

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

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

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

**9 n Income Tax Expense**

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

**Currency Translation**

## Edgar Filing: BARRICK GOLD CORP - Form F-9

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

### **Canadian Tax Rate Changes**

In the second and fourth quarters of 2007 and the second quarter of 2006, federal rate changes were enacted in Canada that lowered the applicable tax rate. The impact of these tax rate changes was to reduce net deferred tax assets

A-29

**Table of Contents**

in Canada by \$64 million in 2007 and \$35 million in 2006 that were recorded as a component of deferred income tax expense. Also in second quarter 2006, on change of tax status of a Canadian subsidiary, we recorded a deferred income tax credit of \$23 million to reflect the impact on the measurement of deferred income tax assets and liabilities.

**Change in Tax Status in Australia**

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

**Release of Tanzanian Valuation Allowances**

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

**Reconciliation to Canadian Statutory Rate**

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

(1) We are able to claim certain allowances and tax deductions unique to extractive industries that result in a lower effective tax rate.

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

**Table of Contents****10 n Earnings per share**

| For the years ended December 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2008    |         | 2007     |          | 2006     |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|----------|----------|----------|----------|
| (\$ millions, except shares in millions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |         |         |          |          |          |          |
| and per share amounts in dollars)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Basic   | Diluted | Basic    | Diluted  | Basic    | Diluted  |
| Income from continuing operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$ 785  | \$ 785  | \$ 1,110 | \$ 1,110 | \$ 1,209 | \$ 1,209 |
| Plus: interest on convertible debentures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |         | 3       |          | 2        |          | 4        |
| Income available to common shareholders and after assumed conversions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 785     | 788     | 1,110    | 1,112    | 1,209    | 1,213    |
| Income from discontinued operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |         |         | 9        | 9        | 297      | 297      |
| Net income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$ 785  | \$ 788  | \$ 1,119 | \$ 1,121 | \$ 1,506 | \$ 1,510 |
| Weighted average shares outstanding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 872     | 872     | 867      | 867      | 842      | 842      |
| Effect of dilutive securities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |         |          |          |          |          |
| Stock options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         | 4       |          | 3        |          | 4        |
| Convertible debentures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         | 9       |          | 9        |          | 9        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 872     | 885     | 867      | 879      | 842      | 855      |
| Earnings per share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |         |         |          |          |          |          |
| Income from continuing operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$ 0.90 | \$ 0.89 | \$ 1.28  | \$ 1.27  | \$ 1.44  | \$ 1.42  |
| Net income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$ 0.90 | \$ 0.89 | \$ 1.29  | \$ 1.28  | \$ 1.79  | \$ 1.77  |
| Earnings per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if additional common shares are assumed to be issued under securities that entitle their holders to obtain common shares in the future. For stock options, the number of additional shares for inclusion in diluted earnings per share calculations is determined using the treasury stock method. Under this method, stock options, whose exercise price is less than the average market price of our common shares, are assumed to be exercised and the proceeds are used to repurchase common shares at the average market price for the period. The incremental number of common shares issued under stock options and repurchased from proceeds is included in the calculation of diluted earnings per share. For convertible debentures, the number of additional shares for inclusion in diluted earnings per share calculations is determined using the as if converted method. The incremental number of common shares issued is included in the number of weighted average shares outstanding and interest on the convertible debentures is excluded from the calculation of income. |         |         |          |          |          |          |

**Table of Contents****11 n Cash Flow Other Items****a) Operating Cash Flows Other Items**

| <b>For the years ended December 31</b>                              | <b>2008</b>    | <b>2007</b>   | <b>2006</b>    |
|---------------------------------------------------------------------|----------------|---------------|----------------|
| Adjustments for non-cash income statement items:                    |                |               |                |
| Currency translation (gains) losses (notes 8a and 8c)               | \$ 30          | \$ 1          | \$ (2)         |
| Amortization of discount/premium on debt securities (note 20b)      | (7)            | (3)           | (12)           |
| Amortization of debt issue costs (note 20b)                         | 7              | 9             | 12             |
| Stock option expense (note 27a)                                     | 25             | 25            | 27             |
| Equity in investees (note 12)                                       | 64             | 43            | 4              |
| Gain on sale of investments (note 8c)                               | (59)           | (71)          | (6)            |
| Losses on write-down of inventory (note 13)                         | 68             | 13            | 28             |
| Non-controlling interests (note 2b)                                 | 12             | (14)          | (1)            |
| Net change in operating assets and liabilities, excluding inventory | (128)          | (7)           | 51             |
| Revisions to AROs at closed mines (note 22)                         | 9              | 6             | 53             |
| Settlement of AROs (note 22)                                        | (40)           | (33)          | (32)           |
| Non-hedge derivative gold options                                   |                | 30            | 14             |
| Hedge losses on acquired gold hedge position                        | (2)            | 2             | 165            |
| Gain on Highland vend-in (note 8c)                                  |                |               | (51)           |
| Income from discontinued operations                                 |                | (9)           | (297)          |
| <b>Other net operating activities</b>                               | <b>\$ (21)</b> | <b>\$ (8)</b> | <b>\$ (47)</b> |
| Operating cash flow includes payments for:                          |                |               |                |
| Pension plan contributions (note 28a)                               | \$ 47          | \$ 49         | \$ 36          |
| Cash interest paid (note 20b)                                       | \$ 213         | \$ 236        | \$ 211         |

**b) Investing Cash Flows Other Items**

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

**c) Non-Cash Investing and Financing Activities  
Placer Dome Acquisition**

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

# Edgar Filing: BARRICK GOLD CORP - Form F-9

|                                              |           |
|----------------------------------------------|-----------|
| Fair value of assets acquired <sup>(1)</sup> | \$ 15,346 |
| Consideration paid                           | 10,054    |
| Liabilities assumed <sup>(2)</sup>           | \$ 4,830  |

(1) Includes cash of \$1,102 million.

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

## **Vend-in of Assets to Highland Gold ( Highland )**

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

A-32

## Table of Contents

### Sale of South Deep

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

### 12 n Investments

| At December 31                | 2008            | 2007            |
|-------------------------------|-----------------|-----------------|
| Available-for-sale securities | \$ 31           | \$ 96           |
| Held-to-maturity securities   |                 | 46              |
| Other investments             | 29              |                 |
| Equity investments            | 1,085           | 1,085           |
|                               | <b>\$ 1,145</b> | <b>\$ 1,227</b> |

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

### Securities in an unrealized loss position

|                                        |           |            |           |           |
|----------------------------------------|-----------|------------|-----------|-----------|
| Benefit plans <sup>(2)</sup>           |           |            |           |           |
| Fixed-income                           | \$ 2      | \$         | \$ 4      | \$        |
| Equity                                 | 7         | (3)        | 14        | 1         |
| Other equity securities <sup>(3)</sup> | 7         | (2)        | 5         | (1)       |
|                                        | <b>16</b> | <b>(5)</b> | <b>23</b> |           |
|                                        | <b>31</b> | <b>(2)</b> | <b>96</b> | <b>41</b> |

### Held-to-maturity securities

|                                                                        |              |               |               |              |
|------------------------------------------------------------------------|--------------|---------------|---------------|--------------|
| Asset-Backed Commercial Paper                                          |              |               | 46            |              |
| <b>Other investments</b>                                               |              |               |               |              |
| Long-term loan receivable from Yokohama Rubber Co. Ltd. <sup>(4)</sup> | 29           |               |               |              |
|                                                                        | <b>\$ 60</b> | <b>\$ (2)</b> | <b>\$ 142</b> | <b>\$ 41</b> |

(1) Refer to note 21 for further information on the measurement of fair value.

(2) Under various benefit plans for certain former Homestake executives, a portfolio of marketable fixed-income and equity securities are held in a rabbi trust that is used to fund obligations under the plans.

(3) Other equity securities in a loss position consist of investments in various junior mining companies.

(4) The long-term loan receivable is measured at amortized cost.

**Accounting Policy for Available-for-Sale Securities**

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

**Table of Contents**

for an expected recovery of the fair value up to or beyond the carrying amount. We record in earnings any unrealized declines in fair value judged to be other than temporary.

**Available-for-Sale Securities Continuity**

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

**Gold Fields Limited ( Gold Fields )**

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

**NovaGold Resources Inc. ( NovaGold )**

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

**Asset-Backed Commercial Paper ( ABCP )**

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

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

In 2008, we advanced \$35 million ( the loan ) to Yokohama to fund expansion of their production facility and secure a guaranteed supply of OTR tires. Interest on the loan is receivable at a lower than market rate, due to the benefit of the supply agreement, and is compounded annually. The principal amount and accrued interest is to be repaid in full no later than seven years from the initial date of the loan. In the event that Barrick does not satisfy certain minimum monthly purchase commitments, Yokohama has the right to apply the dollar value of the purchase shortfall against the principal balance of the loan.

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



**Table of Contents****Equity Method Investment Continuity**

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

**Accounting Policy for Equity Method Investments**

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

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

**Highland Gold Mining Ltd. ( Highland )**

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

In 2007, Highland announced the issue of 130.1 million new shares for \$400 million, decreasing our ownership stake in Highland to 20.4%. The equity was purchased by Millhouse LLC ( Millhouse ) in two tranches. On completion of the transactions, Millhouse was entitled to appoint 3 of

9 Directors to the Board and the CEO of

A-35

---

**Table of Contents**

Highland who will not serve on the Board. Our ability to appoint Directors has been reduced from 3 to 2. We continue to account for the investment using the equity method of accounting.

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

**Donlin Creek**

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

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

**Atacama Copper Pty Limited ( Atacama Copper )**

In 2006, we acquired a 50% interest in Atacama Copper. The other 50% interest in Atacama Copper is owned by Antofagasta plc. Atacama Copper is responsible for advancing the Reko Diq project.

We determined that we share joint control with Antofagasta, and that Atacama is a VIE. Neither party is the primary beneficiary as we jointly share in the expected earnings or losses of the project. We use the equity method of accounting for our investment.

Our maximum exposure to loss in this entity is limited to our investment in Atacama, which totaled \$157 million as of December 31, 2008, and amounts we will prospectively fund for Atacama's interim exploration program.

**Compañía Minera Casale ( Cerro Casale )**

During 2008, we completed our acquisition of Arizona Star for \$732 million. Arizona Star has an interest in the entity that holds the Cerro Casale deposit. We determined that we share joint control with Kinross and that Cerro Casale is a VIE. Neither party is the primary beneficiary as we jointly share in the expected earnings or losses of the project. We use the equity method of accounting for Arizona Star's investment in Cerro Casale. Our maximum exposure to loss in this entity is limited to our investment in Cerro Casale, which totaled \$815 million as of December 31, 2008.

**Table of Contents****13 n Inventories**

| At December 31                               | Gold            |                 | Copper        |               |
|----------------------------------------------|-----------------|-----------------|---------------|---------------|
|                                              | 2008            | 2007            | 2008          | 2007          |
| Raw materials                                |                 |                 |               |               |
| Ore in stockpiles                            | \$ 825          | \$ 698          | \$ 41         | \$ 63         |
| Ore on leach pads                            | 161             | 149             | 189           | 81            |
| Mine operating supplies                      | 434             | 351             | 34            | 20            |
| Work in process                              | 188             | 109             | 8             | 5             |
| Finished products                            |                 |                 |               |               |
| Gold doré/bullion                            | 65              | 87              |               |               |
| Copper cathode                               |                 |                 | 13            | 9             |
| Copper concentrate                           |                 |                 | 18            | 16            |
| Gold concentrate                             | 21              | 40              |               |               |
|                                              | <b>1,694</b>    | <b>1,434</b>    | <b>303</b>    | <b>194</b>    |
| Non-current ore in stockpiles <sup>(1)</sup> | <b>(595)</b>    | <b>(414)</b>    | <b>(93)</b>   | <b>(85)</b>   |
|                                              | <b>\$ 1,099</b> | <b>\$ 1,020</b> | <b>\$ 210</b> | <b>\$ 109</b> |

(1) Ore that we do not expect to process in the next 12 months is classified within other assets.

**Accounting Policy for Inventory**

Material extracted from our mines is classified as either ore or waste. Ore represents material that, at the time of extraction, we expect to process into a saleable form, and sell at a profit. Ore is recorded as an asset that is classified within inventory as material is extracted from the open pit or underground mine. Ore is accumulated in stockpiles that are subsequently processed into gold/copper in a saleable form under a mine plan that takes into consideration optimal scheduling of production of our reserves, present plant capacity, and the market price of gold/copper. Gold/copper work in process represents gold/copper in the processing circuit that has not completed the production process, and is not yet in a saleable form.

Gold and copper ore contained in stockpiles is measured by estimating the number of tons added and removed from the stockpile, and the associated estimate of gold and copper contained therein (based on assay data) and applying estimated metallurgical recovery rates (based on the expected processing method). Stockpile ore tonnages are verified by periodic surveys. Costs are allocated to ore stockpiles based on quantities of material stockpiled using current mining costs incurred up to the point of stockpiling the ore and including allocations of waste mining costs, overheads, depreciation, depletion and amortization relating to mining operations. As ore is processed, costs are removed based on recoverable quantities of gold and/or copper and each stockpile's average cost per unit. Ore stockpiles are reduced by provisions required to reduce inventory to net realizable value.

We record gold in process, gold doré and gold in concentrate form at average cost, less provisions required to reduce inventory to market value. Average cost is calculated based on the cost of inventory at the beginning of a period, plus the cost of inventory produced in a period. Costs capitalized to in process and finished goods inventory include the cost of stockpiles processed; direct and indirect materials and consumables; direct labor; repairs and maintenance; utilities; amortization of property, plant and equipment; and local mine administrative expenses. Costs are removed from inventory and recorded in cost of sales and amortization expense based on the average cost per ounce of gold in inventory. Mine operating supplies are recorded at the lower of purchase cost and market value.

We record provisions to reduce inventory to net realizable value, to reflect changes in economic factors that impact inventory value or to reflect present intentions for the use of slow moving and obsolete supplies inventory.

For the years ended December 31

2008 2007 2006

|                              |       |       |       |
|------------------------------|-------|-------|-------|
| Inventory impairment charges | \$ 68 | \$ 13 | \$ 28 |
|------------------------------|-------|-------|-------|

A-37

**Table of Contents****Ore on leach pads**

The recovery of gold and copper from certain oxide ores is achieved through the heap leaching process. Our Pierina, Lagunas Norte, Veladero, Cortez, Bald Mountain, Round Mountain, Ruby Hill and Marigold mines all use a heap leaching process for gold and our Zaldívar mine uses a heap leaching process for copper. Under this method, ore is placed on leach pads where it is treated with a chemical solution, which dissolves the gold or copper contained in the ore. The resulting pregnant solution is further processed in a plant where the gold or copper is recovered. For accounting purposes, costs are added to ore on leach pads based on current mining and leaching costs, including applicable depreciation, depletion and amortization relating to mining operations. Costs are removed from ore on leach pads as ounces or pounds are recovered based on the average cost per recoverable ounce of gold or pound of copper on the leach pad.

Estimates of recoverable gold or copper on the leach pads are calculated from the quantities of ore placed on the leach pads (measured tons added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on ore type). In general, leach pads recover between 35% and 95% of the ounces or pounds placed on the pads.

Although the quantities of recoverable gold or copper placed on the leach pads are reconciled by comparing the grades of ore placed on pads to the quantities of gold or copper actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is frequently monitored and estimates are refined based on actual results over time. Historically, our operating results have not been materially impacted by variations between the estimated and actual recoverable quantities of gold or copper on our leach pads. At December 31, 2008, the weighted average cost per recoverable ounce of gold and recoverable pound of copper on leach pads was \$439 per ounce and \$1.07 per pound, respectively (2007: \$287 per ounce of gold and \$0.39 per pound of copper). Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis.

The ultimate recovery of gold or copper from a leach pad will not be known until the leaching process is concluded. Based on current mine plans, we expect to place the last ton of ore on our current leach pads at dates for gold ranging from 2009 to 2024 and for copper ranging from 2014 to 2020. Including the estimated time required for residual leaching, rinsing and reclamation activities, we expect that our leaching operations will terminate within a period of up to six years following the date that the last ton of ore is placed on the leach pad.

The current portion of ore inventory on leach pads is determined based on estimates of the quantities of gold or copper at each balance sheet date that we expect to recover during the next 12 months.

**Ore in Stockpiles**

| At December 31                | 2008          | 2007          | Year <sup>(1)</sup> |
|-------------------------------|---------------|---------------|---------------------|
| <b>Gold</b>                   |               |               |                     |
| Goldstrike                    |               |               |                     |
| Ore that requires roasting    | \$ 375        | \$ 320        | 2034                |
| Ore that requires autoclaving | 47            | 67            | 2010                |
| Kalgoorlie                    | 74            | 75            | 2020                |
| Porgera                       | 113           | 88            | 2022                |
| Cowal                         | 70            | 36            | 2020                |
| Veladero                      | 24            | 23            | 2024                |
| Cortez                        | 54            | 19            | 2012                |
| Turquoise Ridge               | 12            | 15            | 2031                |
| Other                         | 56            | 55            |                     |
| <b>Copper</b>                 |               |               |                     |
| Zaldívar                      | 41            | 63            | 2021                |
|                               | <b>\$ 866</b> | <b>\$ 761</b> |                     |

(1) Year in which we expect to fully process the ore in stockpiles.



**Table of Contents****Purchase Commitments**

At December 31, 2008, we had purchase obligations for supplies and consumables of approximately \$1,164 million.

**14 n Accounts Receivable and Other Current Assets**

| At December 31                        | 2008            | 2007          |
|---------------------------------------|-----------------|---------------|
| Accounts receivable                   |                 |               |
| Amounts due from concentrate sales    | \$ 8            | \$ 19         |
| Amounts due from copper cathode sales | 42              | 89            |
| Other receivables                     | 147             | 148           |
|                                       | <b>\$ 197</b>   | <b>\$ 256</b> |
| Other current assets                  |                 |               |
| Derivative assets (note 20c)          | \$ 817          | \$ 334        |
| Goods and services taxes recoverable  | 153             | 161           |
| Restricted cash                       | 113             | 131           |
| Prepaid expenses                      | 47              | 40            |
| Other                                 | 39              | 41            |
|                                       | <b>\$ 1,169</b> | <b>\$ 707</b> |

**15 n Property, Plant and Equipment**

|                                             | Assets<br>subject to<br>amortization <sup>(1), (2)</sup> | Exploration<br>properties,<br>capital projects<br>and VBPP | Construction<br>in<br>progress <sup>(3)</sup> | Accumulated<br>amortization | Total     |
|---------------------------------------------|----------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------|-----------------------------|-----------|
| At January 1, 2007                          | \$ 13,410                                                | \$ 1,494                                                   | \$ 404                                        | \$ (6,919)                  | \$ 8,389  |
| Additions/disposals                         | 778                                                      | 84                                                         |                                               | 20                          | 882       |
| Acquisitions                                | 145                                                      | 135                                                        |                                               |                             | 280       |
| Capitalized interest                        | 16                                                       | 97                                                         |                                               |                             | 113       |
| Amortization                                |                                                          |                                                            |                                               | (1,004)                     | (1,004)   |
| Reclassification <sup>(4)</sup>             |                                                          | (66)                                                       |                                               |                             | (66)      |
| Transfers between categories <sup>(5)</sup> | 189                                                      | (198)                                                      |                                               |                             | (9)       |
| At January 1, 2008                          | \$ 14,538                                                | \$ 1,546                                                   | \$ 404                                        | \$ (7,903)                  | \$ 8,585  |
| Additions/disposals                         | 611                                                      | 756                                                        | 626                                           | (155)                       | 1,838     |
| Acquisitions                                | 1,609                                                    | 409                                                        |                                               |                             | 2,018     |
| Capitalized interest                        | 57                                                       | 110                                                        |                                               |                             | 167       |
| Amortization                                |                                                          |                                                            |                                               | (990)                       | (990)     |
| Impairments                                 | (71)                                                     |                                                            |                                               |                             | (71)      |
| Transfers between categories <sup>(5)</sup> | 481                                                      | (209)                                                      | (272)                                         |                             |           |
| At December 31, 2008                        | \$ 17,225                                                | \$ 2,612                                                   | \$ 758                                        | \$ (9,048)                  | \$ 11,547 |

(1) Represents capitalized reserve acquisition and development costs and buildings, plant and equipment.

(2) Includes assets under capital leases, leach pads and tailings dams.

## Edgar Filing: BARRICK GOLD CORP - Form F-9

- (3) Includes construction in process for tangible assets at operating mines and deposits on long lead items. Once the asset is available for use, it is transferred to Buildings, plant and equipment and amortized over its estimated useful life.
- (4) Represents the reclassification of Donlin Creek to equity investments.
- (5) Includes construction in process that is transferred to Buildings, plant and equipment as the asset is available for use and Value beyond proven and probable reserves ( VBPP ) that is transferred to capitalized reserve acquisition and development costs, once mineralized material is converted into proven and probable reserves.

A-39

## **Table of Contents**

### **a) Accounting Policy for Property, Plant and Equipment**

#### **Capitalized Reserve Acquisition Costs**

We capitalize the cost of acquisition of land and mineral rights. On acquiring a mineral or petroleum and natural gas property, we estimate the fair value of proven and probable reserves, and we record these amounts as assets at the date of acquisition. When production begins, capitalized reserve acquisition costs are amortized using the units-of-production method, whereby the numerator is the number of ounces of gold/pounds of copper/barrels of oil equivalent (boe) produced and the denominator is the estimated recoverable ounces of gold/pounds of copper/boe contained in proven and probable reserves.

#### **Capitalized Development Costs**

Capitalized development costs include the costs of removing overburden and waste materials at our open pit mining operations prior to the commencement of production; costs incurred to access reserves at our underground mining operations; drilling and related costs incurred that meet the definition of an asset (refer to note 7 for capitalization criteria for drilling and related costs), and qualifying development costs incurred at our petroleum and natural gas properties.

The cost of removing overburden and waste materials to access the ore body at an open pit mine prior to the production phase are referred to as pre-stripping costs. Pre-stripping costs are capitalized during the development of an open pit mine. Where a mine operates several open pits that utilize common processing facilities, we capitalize the pre-stripping costs associated with each pit. The production phase of an open pit mine commences when saleable materials, beyond a de minimus amount, are produced. Stripping costs incurred during the production phase of a mine are variable production costs that are included as a component of inventory to be recognized as a component of cost of sales in the same period as the revenue from the sale of inventory. Capitalized pre-stripping costs are amortized using the units-of-production method, whereby the denominator is the estimated recoverable ounces of gold/pounds of copper in the associated open pit.

At our underground mines, we incur development costs to build new shafts, drifts and ramps that will enable us to physically access ore underground. The time over which we will continue to incur these costs depends on the mine life, which could in some cases be up to 25 years. These underground development costs are capitalized as incurred. Costs incurred and capitalized to enable access to specific ore blocks or areas of the mine, and which only provide an economic benefit over the period of mining that ore block or area, are amortized using the units-of-production method, whereby the denominator is estimated recoverable ounces of gold/pounds of copper contained in proven and probable reserves within that ore block or area. If capitalized underground development costs provide an economic benefit over the entire mine life, the costs are amortized using the units-of-production method, whereby the denominator is the estimated recoverable ounces of gold/pounds of copper contained in total accessible proven and probable reserves.

For our petroleum and natural gas properties, we follow the successful efforts method of accounting, whereby exploration expenditures which are either general in nature or related to an unsuccessful drilling program are written off. Only costs which relate directly to the discovery and development of specific commercial oil and gas reserves are capitalized as development costs and amortized using the units-of-production method, whereby the denominator is the estimated recoverable amount of boe.

#### **Buildings, Plant and Equipment**

We record buildings, plant and equipment at cost, which includes all expenditures incurred to prepare an asset for its intended use. Cost includes the purchase price; brokers' commissions; and installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges. In addition, if the cost of an asset acquired other than through a business combination is different from its tax basis on acquisition, the cost is adjusted to reflect the related future income tax consequences.

We capitalize costs that extend the productive capacity or useful economic life of an asset. Costs incurred that do not extend the productive capacity or useful economic life of an asset are considered repairs and maintenance and expensed as incurred. We amortize the capitalized cost of assets less any estimated residual value, using the straight

**Table of Contents**

line method over the estimated useful economic life of the asset based on their expected use in our business. The longest estimated useful economic life for buildings and equipment at ore processing facilities is 25 years and for mining equipment is 15 years. Depreciation of oil and gas plants and related facilities is calculated using the units-of-production method.

In the normal course of our business, we have entered into certain leasing arrangements whose conditions meet the criteria for the leases to be classified as capital leases. For capital leases, we record an asset and an obligation at an amount equal to the present value at the beginning of the lease term of minimum lease payments over the lease term. In the case of our capital leasing arrangements, there is transfer of ownership of the leased assets to us at the end of the lease term and therefore we amortize these assets on a basis consistent with our other owned assets.

**Exploration Properties and Capital Projects**

The amounts capitalized to exploration and development projects comprise the cost of mineral interests acquired either as individual asset purchases or as part of a business combination. The value of such assets is primarily driven by the nature and amount of mineralized material contained in such properties. Exploration and development stage mineral interests represent interests in properties that contain proven and probable reserves or are believed to potentially contain mineralized material consisting of (i) other mineralized material such as measured, indicated and inferred material within pits; (ii) other mine exploration potential such as inferred material not immediately adjacent to existing reserves and mineralization but located within the immediate mine area; (iii) other mine-related exploration potential that is not part of measured, indicated or inferred material greenfield exploration potential; (v) any acquired right to explore or extract a potential mineral deposit. Amounts capitalized to capital projects include costs associated with the construction of tangible assets, such as processing plants, permanent housing facilities and other tangible infrastructure associated with the project.

**Value Beyond Proven and Probable Reserves ( VBPP )**

On acquisition of mineral property, we prepare an estimate of the fair value of the resources and exploration potential of that property and record this amount as an asset ( VBPP ) as at the date of acquisition. At the time mineralized material is converted into proven and probable reserves, we classify any associated VBPP, which is not subject to amortization, as a component of amounts allocated to proven and probable reserves, which are subject to amortization. As part of our annual business cycle, we prepare estimates of proven and probable gold and copper mineral reserves for each mineral property. The change in reserves, net of production is, among other things, used to determine the amount to be converted from VBPP to proven and probable reserves. For the year ended December 31, 2008, we transferred \$178 million of VBPP to proven and probable reserves (2007: \$54 million). In 2008, we added \$381 million to VBPP on acquiring the additional 40% of Cortez, based on the preliminary purchase price allocation.

**Exploration Properties, Capital Projects and VBPP**

|                                                              | Carrying amount<br>at December 31,<br>2008 | Carrying amount<br>at<br>December 31,<br>2007 |
|--------------------------------------------------------------|--------------------------------------------|-----------------------------------------------|
| Exploration projects and other land positions                |                                            |                                               |
| PNG land positions                                           | \$ 171                                     | \$ 135                                        |
| Value beyond proven and probable reserves at producing mines | 525                                        | 322                                           |
| Capital projects                                             |                                            |                                               |
| Pascua-Lama                                                  | 777                                        | 609                                           |
| Pueblo Viejo                                                 | 439                                        | 140                                           |
| Sedibelo                                                     | 123                                        | 81                                            |
| Buzwagi                                                      | 495                                        | 224                                           |
| Punta Colorado Wind Farm                                     | 82                                         | 35                                            |
|                                                              | \$ 2,612                                   | \$ 1,546                                      |

**Table of Contents****Capitalized Interest**

Interest cost is considered an element of the historical cost of an asset when a period of time is necessary to prepare it for its intended use. We capitalize interest costs to exploration properties and capital projects prior to when production begins while exploration, development or construction activities are in progress. We also capitalize interest costs on the cost of certain equity method investments, wherein the only significant assets are exploration properties or capital projects, and while exploration, development or construction activities are in progress.

**Gold and Copper Mineral Reserves**

At the end of each fiscal year, as part of our annual business cycle, we prepare estimates of proven and probable gold and copper mineral reserves for each mineral property, including the transfer of amounts allocated to VBPP to proven and probable reserves subject to amortization. We prospectively revise calculations of amortization of property, plant and equipment. The effect of changes in reserve estimates and transfers of VBPP amounts to proven and probable reserves subject to amortization on amortization expense for 2008 was a decrease of \$52 million (2007: \$31 million increase; 2006: \$75 million decrease).

**b) Amortization and Accretion**

|                     | 2008            | 2007            | 2006          |
|---------------------|-----------------|-----------------|---------------|
| Amortization        | \$ 990          | \$ 1,004        | \$ 735        |
| Accretion (note 22) | 43              | 50              | 39            |
|                     | <b>\$ 1,033</b> | <b>\$ 1,054</b> | <b>\$ 774</b> |

**c) Impairment Evaluations****Producing Mines, Capital Projects and Petroleum & Natural Gas Properties**

We review and test the carrying amounts of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. We group assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. For operating mines, capital projects and petroleum and natural gas properties, the individual mine/project/property is included in a single group for impairment testing purposes. If there are indications that impairment may have occurred at a particular mine site/capital project/petroleum and natural gas property, we compare the sum of the undiscounted cash flows expected to be generated from that mine site/capital project/petroleum and natural gas property to its carrying amount, including goodwill. If the sum of undiscounted cash flows is less than the carrying amount, an impairment loss is recognized if the carrying amount of the individual long-lived assets within the group exceeds their fair values.

Long-lived assets subject to potential impairment at mine sites/capital projects/petroleum and natural gas properties include buildings, plant and equipment, and capitalized reserve acquisition and development costs and VBPP. For impairment assessment purposes, the estimated fair value of buildings, plant and equipment is based on a combination of current depreciated replacement cost and current market value. The estimated fair value of capitalized reserve acquisition, development costs and VBPP is determined using an income approach which measures the present value of the related cash flows expected to be derived from the asset.

As at December 31, 2008, we decreased our long-term gold and copper price assumptions, which we determined was, in combination with an overall downturn in the economy, a triggering event to test the long-lived assets at all of our mines/projects/properties for impairment. As a result we identified our Marigold gold mine in North America, our Henty and Kanowna gold mines, and Osborne copper mine in Australia as being potentially impaired. Consequently, we compared the estimated fair value of the individual long-lived assets to their carrying amount and noted impairments of: Marigold \$12 million and Osborne \$57 million; and no impairments at Kanowna or Henty.

**Exploration Projects**

## Edgar Filing: BARRICK GOLD CORP - Form F-9

After acquisition, various factors can affect the recover ability of the capitalized cost of land and mineral rights, particularly the results of exploration drilling. The length of time between the acquisition of land and mineral rights and when we undertake exploration work varies based on the prioritization of our exploration projects and the size of

A-42

**Table of Contents**

our exploration budget. If we determine that a potential impairment condition may exist, we compare the sum of the undiscounted cash flows expected to be generated from the project to its carrying amount. If the sum of undiscounted cash flows is less than the carrying amount, an impairment charge is recognized if the carrying amount of the individual long-lived assets within the group exceeds their fair value. For projects that do not have reliable cash flow projections, a market approach is applied. We are continuing with our current exploration projects as planned and have not noted any indications of impairment.

**d) Capital Commitments**

In addition to entering into various operational commitments in the normal course of business, we had commitments of approximately \$552 million at December 31, 2008 for construction activities at our capital projects.

**e) Insurance**

We purchase insurance coverage for certain insurable losses, subject to varying deductibles, at our mineral properties including losses such as property damage and business interruption. We record losses relating to insurable events as they occur. Proceeds receivable from insurance coverage are recorded at such time as receipt is probable and the amount receivable is fixed or determinable.

**Insurance Proceeds**

|                         | 2008  | 2007  | 2006  |
|-------------------------|-------|-------|-------|
| Cost of sales           | \$ 30 | \$ 16 | \$    |
| Other income            | 2     |       |       |
| Discontinued operations |       | 21    | 12    |
|                         | \$ 32 | \$ 37 | \$ 12 |

**16 n Intangible Assets**

| For the years ended December 31       | Gross carrying amount | 2008<br>Accumulated amortization | Net carrying amount | Gross carrying amount | 2007<br>Accumulated amortization | Net carrying amount |
|---------------------------------------|-----------------------|----------------------------------|---------------------|-----------------------|----------------------------------|---------------------|
| Water rights <sup>(1)</sup>           | \$ 48                 | \$                               | \$ 48               | \$ 28                 | \$                               | \$ 28               |
| Technology <sup>(2)</sup>             | 17                    |                                  | 17                  | 17                    |                                  | 17                  |
| Supply contracts <sup>(3)</sup>       | 23                    | 21                               | 2                   | 23                    | 15                               | 8                   |
| Royalties <sup>(4)</sup>              |                       |                                  |                     | 17                    | 2                                | 15                  |
| Supply agreement <sup>(5)</sup>       | 8                     |                                  | 8                   |                       |                                  |                     |
|                                       | \$ 96                 | \$ 21                            | \$ 75               | \$ 85                 | \$ 17                            | \$ 68               |
| Aggregate period amortization expense | \$                    | \$ 6                             | \$                  | \$                    | \$ 7                             | \$                  |

| For the years ended December 31          | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------------------------------|------|------|------|------|------|
| Estimated aggregate amortization expense | \$ 3 | \$ 1 | \$ 1 | \$ 1 | \$ 1 |

(1) Water rights in South America (\$38 million) and Africa (\$10 million) are subject to annual impairment testing and will be amortized when used in the future.

(2) The amount will be amortized using the units-of-production method over the estimated proven and probable reserves of the Pueblo Viejo mine, with no assumed residual value.

(3) Supply contracts are being amortized over the weighted average contract lives of 4 to 10 years, with no assumed residual value.

## Edgar Filing: BARRICK GOLD CORP - Form F-9

- (4) In 2008, we sold the Mulatos royalty as part of the sale of non-core royalties to Royal Gold (note 3G). The Mulatos royalty had a carrying value of \$15 million, net of accumulated amortization of \$2 million.
- (5) The supply agreement with Yokohama Rubber Company to secure a supply of tires will be amortized evenly over the 120-month term of the agreement.

A-43

**Table of Contents****Accounting Policy for Intangible Assets**

Intangible assets acquired as part of an acquisition of a business are recognized separately from goodwill if the asset is separable or arises from contractual or legal rights. Intangible assets are also recognized when acquired individually or with a group of other assets.

Intangible assets are initially recorded at their estimated fair value. Intangible assets with a finite life are amortized over their useful economic lives on a straight line or units-of-production basis, as appropriate. Intangible assets having indefinite lives and intangible assets that are not yet ready for use are not amortized and are reviewed annually for impairment.

**17 n Goodwill**

|                                    | North<br>America | Gold<br>Australia | South<br>America | Africa | Copper<br>Australia | South<br>America | Other<br>Barrick<br>Energy | Total    |
|------------------------------------|------------------|-------------------|------------------|--------|---------------------|------------------|----------------------------|----------|
| Opening balance, January 1, 2007   | \$ 2,423         | \$ 1,811          | \$ 441           | \$ 373 | \$ 64               | \$ 743           | \$                         | \$ 5,855 |
| Additions <sup>(1)</sup>           |                  | 34                |                  |        |                     |                  |                            | 34       |
| Impairments <sup>(2)</sup>         | (42)             |                   |                  |        |                     |                  |                            | (42)     |
| Closing balance, December 31, 2007 | \$ 2,381         | \$ 1,845          | \$ 441           | \$ 373 | \$ 64               | \$ 743           | \$                         | \$ 5,847 |
| Additions <sup>(3)</sup>           | 23               |                   |                  |        |                     |                  | 96                         | 119      |
| Other <sup>(4)</sup>               |                  |                   |                  |        |                     |                  | (8)                        | (8)      |
| Impairments <sup>(5)</sup>         | (8)              | (302)             |                  | (216)  | (64)                |                  | (88)                       | (678)    |
| Closing balance, December 31, 2008 | \$ 2,396         | \$ 1,543          | \$ 441           | \$ 157 | \$                  | \$ 743           | \$                         | \$ 5,280 |

(1) Represents goodwill acquired as a result of the acquisition of an additional 20% interest in Porgera. This goodwill is expected to be deductible for income tax purposes (note 3d).

(2) Impairment charges recorded in 2007 related to the Golden Sunlight (\$35 million) and Eskay Creek (\$7 million) mines, as a result of our annual goodwill impairment test. The goodwill impairment charges are primarily due to the short remaining lives of these mines.

(3) Represents goodwill acquired as a result of the acquisitions of an additional 40% interest in Cortez (\$20 million), an additional 40% interest in Storm (\$3 million) and Barrick Energy (\$96 million). See note 3.

(4) Represents the impact of foreign exchange rate changes on the translation of Barrick Energy from CAD\$ to US\$.

(5) Impairment charges recorded in 2008 related to Kanowna (\$272 million), North Mara (\$216 million), Barrick Energy (\$88 million), Osborne (\$64 million), Henty (\$30 million) and Marigold (\$8 million).

**Accounting Policy for Goodwill and Goodwill Impairment**

Under the purchase method, the costs of business acquisitions are allocated to the assets acquired and liabilities assumed based on the estimated fair value at the date of acquisition. The excess of purchase cost over the net fair value of identified tangible and intangible assets and liabilities acquired represents goodwill that is allocated to reporting units. We believe that goodwill arises principally because of the following factors: 1) The going concern value implicit in our ability to sustain and/or grow our business by increasing reserves and resources through new discoveries; 2) The ability to capture unique synergies that can be realized from managing a portfolio of both acquired and existing mines and mineral properties in our regional business units; and 3) the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value.

Each individual mineral property that is an operating mine is a reporting unit for goodwill impairment testing purposes. On an annual basis, as at October 1, and at any other time if events or changes in circumstances indicate that the fair value of a reporting unit has been reduced below its carrying amount, we evaluate the carrying amount of goodwill for potential impairment. In 2008, we determined that due to volatile economic conditions it was appropriate to reassess the carrying amount of goodwill for potential impairment as at December 31.

There is no active market for our reporting units. Consequently, when assessing a reporting unit for potential goodwill impairment, we use an income approach (being the net present value of expected future cash flows or net asset value (NAV) of the relevant reporting unit) to determine the fair value we could receive for the reporting unit in an arms length transaction at the measurement date. Expected future cash flows are based on a probability-weighted

A-44

## **Table of Contents**

approach applied to potential outcomes. Estimates of expected future cash flow reflect estimates of projected future revenues, cash costs of production and capital expenditures contained in our long-term life of mine ( LOM ) plans, which are updated for each reporting unit in the fourth quarter of each fiscal year.

Our LOM plans are based on detailed research, analysis and modeling to optimize the internal rate of return generated from each reporting unit. As such, these plans consider the optimal level of investment, overall production levels and sequence of extraction taking into account all relevant characteristics of the ore body, including waste to ore ratios, ore grades, haul distances, chemical and metallurgical properties impacting process recoveries and capacities of available extraction, haulage and processing equipment. Therefore, the LOM plan is the appropriate basis for forecasting production output in each future year and the related production costs and capital expenditures.

Projected future revenues reflect the forecasted future production levels at each of our reporting units as detailed in our LOM plans. Included in these forecasts is the production of mineral resources that do not currently qualify for inclusion in proven and probable ore reserves where there is a high degree of confidence in its economic extraction. This is consistent with the methodology we use to measure value beyond proven and probable reserves when allocating the purchase price of a business combination to acquired mining assets, and is therefore consistent with the provisions of EITF 04-3, Mining Assets: Impairment and Business Combinations.

Projected future revenues also reflect our estimated long-term metals prices, which are determined based on current prices, an analysis of the expected total production costs of the producers and forward pricing curves of the particular metal and forecasts of expected long-term metals prices prepared by analysts. These estimates often differ from current price levels, but our methodology is consistent with how a market participant would assess future long-term metals prices. In 2008, we have used an estimated future gold price of \$850 per ounce (2007: \$800), and estimated year one and long-term copper prices of \$1.50 and \$2.00 per pound, respectively (2007: \$3.25 year one and \$2.00 long-term).

Our estimates of future cash costs of production and capital expenditures are based on the LOM plans for each reporting unit. Costs incurred in currencies other than the US dollar are translated to US dollars using expected long-term exchange rates based on the relevant forward pricing curve. Oil prices are a significant component, both direct and indirect, of our expected cash costs of production. We have used an estimated average oil price of \$75 per barrel, which is based on the spot price, forward pricing curve, and long-term oil price forecasts prepared by analysts.

The discount rate applied to present value the net future cash flows is based upon our real weighted average cost of capital with an appropriate adjustment for the remaining life of a mine and risks associated with the relevant cash flows based on the geographic location of the reporting unit. These risk adjustments were based on observed historical country risk premiums and the average credit default swap spreads for the period. In 2008, we used the following real discount rates for our gold mines: United States 2.68% 4.03% (2007: 3.97%); Canada 3.29% (2007: 4.54%); Australia 3.66% 4.29% (2007: 4.98%); Argentina 13.74% (2007: 9.18%); Tanzania 8.77% 9.84% (2007: 7.01%); Papua New Guinea 9.84% (2007: 7.86%); and Peru 6.33% 6.96% (2007: 5.4%). For our copper mines, we used the following real discount rates in 2008: Australia 6.95% (2007: 8.64%); and Chile 8.83% (2007: 8.36%). The increase in discount rates compared to the prior year primarily reflects higher equity premiums over the risk-free borrowing rate, and an increase in country risk premiums due to rising credit spreads and increased political risk in certain jurisdictions.

For our gold reporting units, we apply a market multiple to the NAV computed using the present value of future cash flows approach in order to assess their estimated fair value. Gold companies typically trade at a market capitalization that is based on a multiple of their underlying NAV. Consequently, a market participant would generally apply a NAV multiple when estimating the fair value of an operating gold mine. For each reporting unit, the selection of an appropriate NAV multiple to apply considers the change in our total Enterprise value from October 1, 2007 and compares this to companies within each region.

To assess the NAV multiple on comparable companies, we considered the following:

- n Target prices per Analyst Reports;
- n Trading prices on the date of Analyst Reports; and
- n Trading prices on October 1, 2008.



**Table of Contents**

The selected multiple for a particular reporting unit considers its remaining economic life. For reporting units with operating lives of five years or less, we selected multiples on the lower end of the observed multiples range. Reporting units with operating lives of twenty years or greater were given multiples on the higher end of the observed multiples. In 2008, we have used the following multiples in our assessment of the fair value of our gold reporting units: North America 1.0 2.1 (2007: 1.0 2.0); Australia 1.0 1.6 (2007: 1.5 2.1); South America 1.0 1.4 (2007: 1.2 1.7); and Africa 1.0 1.6 (2007: 1.3 2.0).

We determined the fair value of our Barrick Energy reporting unit based on observed trading multiples relating to boe production per day and proven and probable reserves of boe.

In 2008, we recorded a goodwill impairment charge of \$30 million at our Henty gold mine in Australia, primarily as a result of its short remaining mine life. We recorded a \$64 million goodwill impairment at our Osborne copper mine in Australia due to a decline in our price assumption, which resulted in a reduction in estimated production levels and remaining mine life. We recorded a goodwill impairment of \$272 million at our Kanowna gold mine in Australia and \$216 million at our North Mara gold mine in Africa, primarily due to the overall decline in trading multiples of gold mining companies and higher discount factors; and \$8 million at our Marigold mine in North America, primarily due to an increase in costs. We also recorded a goodwill impairment charge of \$88 million for Barrick Energy due to the significant decline in oil prices since its acquisition date.

**18 n Other Assets**

| <b>At December 31</b>                        | <b>2008</b>     | <b>2007</b>     |
|----------------------------------------------|-----------------|-----------------|
| Non-current ore in stockpiles (note 13)      | \$ 688          | \$ 499          |
| Derivative assets (note 20c)                 | 15              | 220             |
| Goods and services taxes recoverable         | 117             | 54              |
| Debt issue costs                             | 29              | 27              |
| Deferred share-based compensation (note 27b) | 84              | 75              |
| Notes receivable                             | 96              | 97              |
| Deposits receivable                          | 45              | 147             |
| Other                                        | 59              | 84              |
|                                              | <b>\$ 1,133</b> | <b>\$ 1,203</b> |

**Debt Issue Costs**

In 2008, an addition of \$11 million of debt issue costs arose on the issuance of \$1,250 million in debentures. In 2007, no new debt financings were put into place and there were no additions to debt issue costs.

Amortization of debt issue costs is calculated using the interest method over the term of each debt obligation, and classified as a component of interest cost (see note 20b).

**19 n Other Current Liabilities**

| <b>At December 31</b>                  | <b>2008</b>   | <b>2007</b>   |
|----------------------------------------|---------------|---------------|
| Asset retirement obligations (note 22) | \$ 93         | \$ 74         |
| Derivative liabilities (note 20c)      | 440           | 100           |
| Post-retirement benefits (note 28)     | 10            | 11            |
| Deferred revenue                       | 15            | 23            |
| Income taxes payable (note 9)          | 48            | 38            |
| Other                                  | 62            | 9             |
|                                        | <b>\$ 668</b> | <b>\$ 255</b> |

**20 n Financial Instruments**

Financial instruments include cash; evidence of ownership in an entity; or a contract that imposes an obligation on one party and conveys a right to a second entity to deliver/receive cash or another financial instrument. Information on certain types of financial instruments is included elsewhere in these financial statements as follows: accounts receivable note 14; investments note 12; restricted share units note 27b.

A-46

**Table of Contents****a) Cash and Equivalents**

Cash and equivalents include cash, term deposits, treasury bills and money markets with original maturities of less than 90 days.

| At December 31           | 2008            | 2007            |
|--------------------------|-----------------|-----------------|
| Cash deposits            | \$ 426          | \$ 1,239        |
| Term deposits            | 107             | 114             |
| Treasury bills           | 203             | 852             |
| Money market investments | 701             | 2               |
|                          | <b>\$ 1,437</b> | <b>\$ 2,207</b> |

**b) Long-Term Debt<sup>(1)</sup>**

|                                       | 2008     |          |          |                       |                                  | 2007     |        |          |                       |          | 2006     |          |                       |          |                   |
|---------------------------------------|----------|----------|----------|-----------------------|----------------------------------|----------|--------|----------|-----------------------|----------|----------|----------|-----------------------|----------|-------------------|
|                                       | At       | Pro-     | Repay-   | Amorti-               | Assumed                          | At       | Pro-   | Repay-   | Amorti-               | At       | Pro-     | Repay-   | Amorti-               | Placer   | Assumed           |
|                                       | Dec. 31  | ceeds    | ments    | zation <sup>(2)</sup> | on acquisition of Barrick Energy | Dec. 31  | ceeds  | ments    | zation <sup>(2)</sup> | Dec. 31  | ceeds    | ments    | zation <sup>(2)</sup> | Dome     | on acquisition of |
| Fixed rate notes                      | \$ 1,250 | \$ 1,250 | \$       | \$                    | \$                               | \$       | \$     | \$       | \$                    | \$       | \$       | \$       | \$                    | \$       | \$                |
| 5.80%/4.875% notes                    | 747      |          |          | (2)                   |                                  | 745      |        |          |                       | 745      |          |          |                       |          |                   |
| Copper-linked notes                   | 190      |          | 325      |                       |                                  | 515      |        | 393      |                       | 908      | 995      | 87       |                       |          |                   |
| US dollar notes                       | 805      | 325      |          |                       |                                  | 480      | 393    |          |                       | 87       | 87       |          |                       |          |                   |
| Senior convertible debentures         | 289      |          |          | 4                     |                                  | 293      |        |          | 3                     | 296      |          |          | 4                     | 300      |                   |
| Project financing                     | 115      |          | 99       |                       |                                  | 214      |        | 91       |                       | 305      | 13       | 64       |                       |          |                   |
| Capital leases                        | 70       | 6        | 21       |                       |                                  | 85       | 15     | 24       |                       | 94       | 7        | 16       |                       | 6        |                   |
| Other debt obligations <sup>(3)</sup> | 977      | 152      | 150      | 5                     | 57                               | 923      |        | 101      |                       | 1,024    | 50       |          | 6                     | 867      |                   |
| 7.50% debentures <sup>(4)</sup>       |          |          |          |                       |                                  |          |        | 500      |                       | 498      |          |          |                       |          |                   |
| Series B Preferred Securities         |          |          |          |                       |                                  |          |        |          |                       |          |          | 77       | 2                     | 79       |                   |
| First credit facility <sup>(5)</sup>  |          | 990      | 990      |                       |                                  |          |        |          |                       |          | 1,000    | 1,000    |                       |          |                   |
|                                       | 4,443    | 2,723    | 1,585    | 7                     | 57                               | 3,255    | 408    | 1,109    | 3                     | 3,957    | 2,152    | 1,244    | 12                    | 1,252    |                   |
| Less: current portion                 | (93)     |          |          |                       |                                  | (102)    |        |          |                       | (713)    |          |          |                       |          |                   |
|                                       | \$ 4,350 | \$ 2,723 | \$ 1,585 | \$ 7                  | \$ 57                            | \$ 3,153 | \$ 408 | \$ 1,109 | \$ 3                  | \$ 3,244 | \$ 2,152 | \$ 1,244 | \$ 12                 | \$ 1,252 |                   |
| <b>Short-term debt</b>                |          |          |          |                       |                                  |          |        |          |                       |          |          |          |                       |          |                   |
| Demand financing facility             | 113      |          | 18       |                       |                                  | 131      |        | 19       |                       | 150      |          |          |                       | 150      |                   |
| Second credit facility <sup>(6)</sup> |          |          |          |                       |                                  |          |        |          |                       |          | 37       | 337      |                       | 300      |                   |
|                                       | \$ 113   | \$       | \$ 18    | \$                    | \$                               | \$ 131   | \$     | \$ 19    | \$                    | \$ 150   | \$ 37    | \$ 337   | \$                    | \$ 450   |                   |

(1) The agreements which govern our long-term debt each contain various provisions which are not summarized herein. In certain cases, these provisions allow Barrick to, at its option, redeem indebtedness prior to maturity at specified prices and also may permit redemption of debt by Barrick upon the occurrence of certain specified changes in tax legislation.

(2) Amortization of debt discount/premium.

(3) The obligations have an aggregate principal amount of \$977 million, of which \$163 million is subject to floating interest rates and \$814 million is subject to fixed interest rates ranging from 4.75% to 8.05%. The obligations mature at various times between 2009 and 2035.

(4) During second quarter 2007, we repaid the \$500 million 7.5% debentures from existing cash balances and proceeds from the sale of investments.

(5) We have a credit and guarantee agreement with a group of banks (the "Lenders"), which requires the Lenders to make available to us a credit facility of up to \$1.5 billion or the equivalent amount in Canadian currency. The credit facility, which is unsecured, has an interest rate of Libor plus 0.25% to 0.35% on

## Edgar Filing: BARRICK GOLD CORP - Form F-9

drawn down amounts, and a commitment rate of 0.07% to 0.08% on undrawn amounts. We increased the limit of this facility from \$1 billion in August 2006. \$200 million matures in 2012 and the remaining \$1.3 billion matures in 2013.

- (6) During third quarter 2006, we terminated a second credit facility which consisted of unused bank lines of credit of \$850 million with an international consortium of banks.

### **Fixed Rate Notes**

In September, 2008, we issued an aggregate of \$1,250 million of notes through our wholly-owned indirect subsidiaries Barrick North America Finance LLC and Barrick Gold Financeco LLC (collectively the LLCs ) consisting of \$500 million of 5-year notes with a coupon rate of 6.125%, \$500 million of 10-year notes with a coupon

A-47

## **Table of Contents**

rate of 6.8%, and \$250 million of 30-year notes with a coupon rate of 7.5% (collectively the Notes). The LLCs used the proceeds to provide loans to us. We provide sufficient funds to the LLCs to meet the principal and interest obligations on the notes. We also provided an unconditional and irrevocable guarantee of these payments and will provide an unconditional and irrevocable guarantee for any additional securities issued by these entities where the conditions of issuance require a guarantee to be issued, which will rank equally with our other unsecured and unsubordinated obligations.

We used these proceeds to repay the \$990 million we drew down in first quarter 2008, which was used to partially fund our acquisition of the 40% interest in Cortez. The amounts were drawn down using our existing \$1.5 billion credit facility.

### **Copper-Linked Notes/US Dollar Notes**

In October 2006, we issued \$1,000 million of Copper-Linked Notes. During the first three years, the full \$1,000 million obligation of these notes is to be repaid through the delivery of (the US dollar equivalent of) 324 million pounds of copper. At December 31, 2008, 53 million pounds of copper remained to be delivered. Coincident with the repayment of (the US dollar equivalent of) 324 million pounds of copper, we will reborrow \$1,000 million. Over the next year, the total amount outstanding under these notes will continue to be \$1,000 million, with a portion repayable in a copper-linked equivalent and a portion repayable in a fixed amount of US dollars at the maturity of the notes (2016 and 2036). As the copper-linked equivalent is repaid, the fixed US dollar obligation will increase. After 2009, only the fixed US dollar obligation will remain. The accounting principles applicable to these Copper-Linked Notes require separate accounting for the future delivery of copper (a fixed-price forward sales contract that meets the definition of a derivative that must be separately accounted for) and for the underlying bond (see note 20c). \$400 million of US dollar notes with a coupon of 5.75% mature in 2016 and \$600 million of US dollar notes with a coupon of 6.35% mature in 2036.

### **Senior Convertible Debentures**

The convertible senior debentures (the Securities) mature in 2023 and had an aggregate principal amount of \$289 million outstanding as at the end of 2008. Holders of the Securities may, upon the occurrence of certain circumstances and within specified time periods, convert their Securities into common shares of Barrick. These circumstances are: if the closing price of our common shares exceeds 120% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter; if certain credit ratings assigned to the Securities fall below specified levels or if the Securities cease to be rated by specified rating agencies or such ratings are suspended or withdrawn; if for each of five consecutive trading days, the trading price per \$1,000 principal amount of the Securities was less than 98% of the product of the closing price of our common shares and the then current conversion rate; if the Securities have been called for redemption provided that only such Securities called for redemption may be converted and upon the occurrence of specified corporate transactions. On December 31, 2008, the conversion rate per each \$1,000 principal amount of Securities was 40.3766 common shares and the effective conversion price was \$24.77 per common share. The conversion rate is subject to adjustment in certain circumstances. As such, the effective conversion price may also change.

The Securities were convertible from October 1, 2007 through December 31, 2008. During the period January 1, 2008 to December 31, 2008, \$29 thousand principal amount of Securities was converted for 1,156 common shares of Barrick. If all the Securities had been converted and settlement occurred on December 31, 2008, we would have issued approximately 9.3 million common shares with an aggregate fair value of approximately \$341.5 million based on our closing share price on December 31, 2008. The Securities are also convertible from January 1, 2009 through March 31, 2009.

We may redeem the Securities at any time on or after October 20, 2010 and prior to maturity, in whole or in part, at a prescribed redemption price that varies depending upon the date of redemption from 100.825% to 100% of the principal amount, plus accrued and unpaid interest. The maximum amount we could be required to pay to redeem the securities is \$232 million plus accrued interest. Holders of the Securities can require the repurchase of the Securities for 100% of their principal amount, plus accrued and unpaid interest, on October 15, 2013 and October 15, 2018.

In addition, if specified designated events occur prior to maturity of the Securities, we will be required to offer to purchase all outstanding Securities at a repurchase price equal to 100% of the principal amount, plus accrued and

**Table of Contents**

unpaid interest. For accounting purposes the Securities are classified as a conventional convertible debenture and the conversion feature has not been bifurcated from the host instrument.

**Project Financing**

One of our wholly-owned subsidiaries, Minera Argentina Gold S.A. in Argentina, had a limited recourse amortizing loan of \$115 million outstanding at December 31, 2008, the majority of which has a variable interest rate. We have guaranteed the loan until completion occurs, after which it will become non-recourse to the parent company. As at December 31, 2008, completion as defined in the loan agreement has not occurred. The loan is insured for political risks by branches of the Canadian and German governments.

**Series B Preferred Securities**

On December 18, 2006, we redeemed all of the outstanding 8.5% Series B Preferred Securities due December 31, 2045 for total cash of \$80 million. The redemption price was comprised of the outstanding principal amount of \$77 million plus accrued and unpaid interest to December 17, 2006 of \$3 million.

**Demand Financing Facility**

We have a demand financing facility that permits borrowings of up to \$150 million. The terms of the facility require us to maintain cash on deposit with the lender as a compensating balance equal to the amount outstanding under the facility, which is restricted as to use. The net effective interest rate is 0.4% per annum. At December 31, 2008, \$113 million had been drawn on the facility and an equal amount had been placed on deposit that is included in restricted cash within other current assets (see note 14).

|                                                     | For the years ended December 31 |                               |               |                               |               |                               |
|-----------------------------------------------------|---------------------------------|-------------------------------|---------------|-------------------------------|---------------|-------------------------------|
|                                                     | 2008                            |                               | 2007          |                               | 2006          |                               |
| Interest                                            | Interest cost                   | Effective rate <sup>(1)</sup> | Interest cost | Effective rate <sup>(1)</sup> | Interest cost | Effective rate <sup>(1)</sup> |
| Fixed rate debentures                               | \$ 26                           | 7.0%                          | \$            |                               | \$            |                               |
| 5.80%/4.875% notes                                  | 42                              | 5.7%                          | 41            | 5.6%                          | 41            | 5.5%                          |
| Copper-linked notes/US dollar notes                 | 62                              | 6.2%                          | 63            | 6.2%                          | 13            | 5.8%                          |
| Senior convertible debentures                       | 4                               | 1.5%                          | 2             | 0.8%                          | 6             | 2.0%                          |
| Project financing                                   | 19                              | 11.0%                         | 26            | 9.1%                          | 31            | 8.8%                          |
| Capital leases                                      | 4                               | 5.0%                          | 6             | 7.7%                          | 6             | 6.7%                          |
| Other debt obligations                              | 50                              | 5.3%                          | 60            | 6.1%                          | 53            | 5.4%                          |
| 7.50% debentures                                    |                                 |                               | 16            | 9.9%                          | 49            | 9.8%                          |
| Series B Preferred Securities                       |                                 |                               |               |                               | 3             | 4.4%                          |
| First credit facility                               | 17                              | 3.3%                          | 1             |                               | 29            | 7.4%                          |
| Demand financing facility                           | 11                              | 8.9%                          | 13            | 8.9%                          | 12            | 8.8%                          |
| Second credit facility                              |                                 |                               |               |                               | 6             | 5.0%                          |
| Other interest                                      | 8                               |                               | 9             |                               | 2             |                               |
|                                                     | 243                             |                               | 237           |                               | 251           |                               |
| Less: interest allocated to discontinued operations |                                 |                               |               |                               | (23)          |                               |
| Less: interest capitalized                          | (222)                           |                               | (124)         |                               | (102)         |                               |
|                                                     | \$ 21                           |                               | \$ 113        |                               | \$ 126        |                               |
| Cash interest paid                                  | \$ 213                          |                               | \$ 236        |                               | \$ 211        |                               |
| Amortization of debt issue costs                    | 7                               |                               | 9             |                               | 12            |                               |
| Amortization of premium                             | (7)                             |                               | (3)           |                               | (12)          |                               |
| Losses on interest rate hedges                      | 1                               |                               | 4             |                               | 12            |                               |
| Increase (decrease) in interest accruals            | 29                              |                               | (9)           |                               | 28            |                               |
| Interest cost                                       | \$ 243                          |                               | \$ 237        |                               | \$ 251        |                               |

- (1) The effective rate includes the stated interest rate under the debt agreement, amortization of debt issue costs and debt discount/premium and the impact of interest rate contracts designated in a hedging relationship with long-term debt.

A-49

## Table of Contents

### Scheduled Debt Repayments

|                                              | 2009  | 2010  | 2011  | 2012   | 2013 and thereafter |
|----------------------------------------------|-------|-------|-------|--------|---------------------|
| Fixed rate debentures                        | \$    | \$    | \$    | \$     | \$ 1,250            |
| 5.80%/4.875% notes                           |       |       |       |        | 750                 |
| Project financing                            | 52    | 30    | 10    | 23     |                     |
| US dollar notes                              |       |       |       |        | 1,000               |
| Other debt obligations                       | 16    |       |       | 107    | 794                 |
| Senior convertible debentures                |       |       |       |        | 230                 |
|                                              | \$ 68 | \$ 30 | \$ 10 | \$ 130 | \$ 4,024            |
| Minimum annual payments under capital leases | \$ 25 | \$ 21 | \$ 9  | \$ 4   | \$ 5                |

### c) Use of Derivative Instruments ( Derivatives ) in Risk Management

In the normal course of business, our assets, liabilities and forecasted transactions are impacted by various market risks including, but not limited to:

| Item                                                                   | Impacted by                                                                          |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| n Sales                                                                | n Prices of gold and copper                                                          |
| n Cost of sales                                                        | n Prices of diesel fuel, propane and natural gas                                     |
| n Consumption of diesel fuel, propane and natural gas                  | n Currency exchange rates US dollar versus A\$, ARS, C\$, CLP, JPY, PGK, TZS and ZAR |
| n Non-US dollar expenditures                                           | n Prices of silver and copper                                                        |
| n By-product credits                                                   | n Currency exchange rates US dollar versus A\$, ARS, C\$, CLP, JPY, PGK, TZS and ZAR |
| n Corporate administration, exploration and business development costs |                                                                                      |

## Edgar Filing: BARRICK GOLD CORP - Form F-9

|   |                                    |   |                          |                                                  |
|---|------------------------------------|---|--------------------------|--------------------------------------------------|
| n | Capital expenditures               | n | Currency exchange rates  | US dollar versus A\$, ARS, C\$, CLP, EUR and PGK |
| n | Non-US dollar capital expenditures | n | Price of steel           |                                                  |
| n | Consumption of steel               | n | US dollar interest rates |                                                  |
| n | Interest earned on cash            | n | US dollar interest rates |                                                  |

### n Fair value of fixed-rate debt

Under our risk management policy, we seek to mitigate the impact of these risks to provide certainty for a portion of our revenues and to control costs and enable us to plan our business with greater certainty. The timeframe and manner in which we manage these risks varies for each item based upon our assessment of the risk and available alternatives for mitigating risk. For these particular risks, we believe that derivatives are an appropriate way of managing the risk.

The primary objective of the hedging elements of our derivative instrument positions is that changes in the values of hedged items are offset by changes in the values of derivatives. Many of the derivatives we use meet the FAS 133 hedge effectiveness criteria and are designated in a hedge accounting relationship. Some of the derivative instruments are effective in achieving our risk management objectives, but they do not meet the strict FAS 133 hedge effectiveness criteria, and they are classified as economic hedges. The change in fair value of these economic hedges is recorded in current period earnings, classified with the income statement line item that is consistent with the derivative instruments' intended risk objective.

**Table of Contents****Summary of Derivatives at December 31, 2008<sup>(1)</sup>**

|                                                          | Notional amount by term to maturity |              |              |         | Accounting classification by notional amount |                  |           | Fair value (USD) |
|----------------------------------------------------------|-------------------------------------|--------------|--------------|---------|----------------------------------------------|------------------|-----------|------------------|
|                                                          | Within 1 year                       | 2 to 3 years | 4 to 5 years | Total   | Cash flow hedge                              | Fair value hedge | Non-hedge |                  |
| US dollar interest rate contracts                        |                                     |              |              |         |                                              |                  |           |                  |
| Net pay-fixed swap positions (millions)                  | \$                                  | \$ (75)      | \$           | \$ (75) | \$                                           | \$               | \$ (75)   | \$ (8)           |
| Currency contracts                                       |                                     |              |              |         |                                              |                  |           |                  |
| C\$:US\$ contracts (C\$ millions)                        | 259                                 | 17           |              | 276     | 286                                          |                  | (10)      | \$ (31)          |
| A\$:US\$ contracts (A\$ millions)                        | 1,558                               | 2,456        | 713          | 4,727   | 4,709                                        |                  | 18        | \$ (464)         |
| CLP:US\$ contracts (CLP billions)                        | 52,023                              |              |              | 52,023  | 52,023                                       |                  |           | \$ (7)           |
| JPY:US\$ contracts (JPY millions)                        | 900                                 |              |              | 900     | 900                                          |                  |           | \$ 1             |
| ZAR:US\$ contracts (ZAR millions)                        |                                     |              |              |         |                                              |                  |           | \$ 1             |
| PGK:US\$ contracts (PGK millions)                        | 45                                  |              |              | 45      |                                              |                  | 45        | \$ (1)           |
| Commodity contracts                                      |                                     |              |              |         |                                              |                  |           |                  |
| Copper call option spread contracts (millions of pounds) | 53                                  |              |              | 53      |                                              |                  | 53        | \$               |
| Copper sold forward contracts (millions of pounds)       | 74                                  |              |              | 74      | 74                                           |                  |           | \$ 123           |
| Copper collar sell contracts (millions of pounds)        | 327                                 |              |              | 327     | 129                                          |                  | 198       | \$ 585           |
| Copper collar buy contracts (millions of pounds)         | (198)                               |              |              | (198)   |                                              |                  | (198)     | \$ (54)          |
| Diesel contracts (thousands of barrels) <sup>(2)</sup>   | 2,104                               | 1,940        | 1,030        | 5,074   | 4,876                                        |                  | 198       | \$ (147)         |
| Propane contracts (thousands of gallons)                 | 30,000                              |              |              | 30,000  | 30,000                                       |                  |           | \$ (38)          |
| Steel contracts (metric tonnes)                          | 3,000                               |              |              | 3,000   |                                              |                  | 3,000     | \$ (3)           |

(1) Excludes gold and silver sales contracts (see notes 5 and 6); refer to note 21 for further information on fair value measurements.

(2) Diesel commodity contracts represent a combination of WTI, WTB, MOPS and JET hedge contracts and diesel price contracts based on the price of WTI, WTB, MOPS, and JET, respectively, plus a spread. WTI represents West Texas Intermediate, WTB represents Waterborne, MOPS represents Mean of Platts Singapore, JET represents Jet Fuel.

**Fair Values of Derivative Instruments at December 31**

| At December 31                                                                  | Asset Derivatives |      | Liability Derivatives |       |
|---------------------------------------------------------------------------------|-------------------|------|-----------------------|-------|
|                                                                                 | 2008              | 2007 | 2008                  | 2007  |
| Derivatives classified as hedging instruments for accounting purposes           |                   |      |                       |       |
| Currency contracts                                                              | 22                | 302  | (526)                 | (43)  |
| Commodity contracts                                                             | 402               | 144  | (205)                 | (31)  |
| Total derivatives classified as hedging instruments for accounting purposes     | 424               | 446  | (731)                 | (74)  |
| Derivatives not classified as hedging instruments for accounting purposes       |                   |      |                       |       |
| US dollar interest rate contracts                                               |                   |      | (8)                   | (10)  |
| Currency contracts                                                              | 4                 | 13   | (1)                   | (30)  |
| Commodity contracts                                                             | 404               | 95   | (135)                 | (51)  |
| Total derivatives not classified as hedging instruments for accounting purposes | 408               | 108  | (144)                 | (91)  |
| Total derivatives                                                               | 832               | 554  | (875)                 | (165) |

**US Dollar Interest Rate Contracts**

*Cash Flow Hedges*

During the third quarter of 2008, we added \$500 million of pay-fixed interest rate swaps that were designated as hedges against the movement of interest rates for an anticipated fixed-rate debt issuance. We issued the debt in September and subsequently closed out the swaps at a cost of \$18 million. This hedge loss remains as a component of OCI and will be amortized as a component of interest expense over the 10-year term of the debt.

A-51

## **Table of Contents**

### *Non-hedge Contracts*

We have a net US dollar pay-fixed interest rate swap position outstanding that was used to economically hedge the US dollar interest rate risk implicit in a prior gold lease rate swap position. Changes in the fair value of these interest rate swaps are recognized in current period earnings through interest expense.

### **Currency Contracts**

#### *Cash Flow Hedges*

Currency contracts have been designated against forecasted non-US dollar denominated expenditures as a hedge of the variability of the US dollar amount of those expenditures caused by changes in currency exchange rates over the next four years. Hedged items are identified as the first stated quantity of dollars of forecasted expenditures in a future month. For C\$286 million, A\$4,653 million and CLP52,023 million portions of the contracts, we have concluded that the hedges are 100% effective under FAS 133 because the critical terms (including notional amount and maturity date) of the hedged items and currency contracts are the same. For the remaining A\$56 million prospective and retrospective hedge effectiveness is assessed using the hypothetical derivative method under FAS 133. The retrospective test involves comparing the effect of historic changes in exchange rates each period on the fair value of both the actual and hypothetical derivative using a dollar offset approach. The effective portion of changes in fair value of the currency contracts is recorded in OCI until the forecasted expenditure impacts earnings; for expenditures capitalized to the cost of inventory, this is upon sale of inventory, and for capital expenditures, this is when amortization of the capital assets is recorded in earnings. The prospective test involves comparing the effect of a theoretical shift in forward exchange rates on the fair value of both the actual and hypothetical derivative. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

#### *Non-hedge Contracts*

Non-hedge currency contracts are used to mitigate the variability of the US dollar amount of non-US dollar denominated exposures that do not meet the criterion in FAS 133. Changes in the fair value of non-hedge currency contracts are recorded in current period cost of sales, corporate administration, other income, other expense or income tax expense according to the intention of the hedging instrument.

### **Commodity Contracts**

#### *Cash Flow Hedges*

#### *Diesel Fuel/Propane*

Commodity contracts have been designated against forecasted purchases of the commodities for expected consumption at our mining operations. The contracts act as a hedge of the impact of variability in market prices on the cost of future commodity purchases over the next five years. Hedged items are identified as the first stated quantity in thousands of barrels of forecasted purchases in a future month. Prospective and retrospective hedge effectiveness is assessed using the hypothetical derivative method under FAS 133. The prospective test is based on regression analysis of the month-on-month change in fair value of both the actual derivative and a hypothetical derivative caused by actual historic changes in commodity prices over the last three years. The retrospective test involves comparing the effect of historic changes in commodity prices each period on the fair value of both the actual and hypothetical derivative using a dollar offset approach. The effective portion of changes in fair value of the commodity contracts is recorded in OCI until the forecasted transaction impacts earnings. The cost of commodity consumption is capitalized to the cost of inventory, and therefore this is upon the sale of inventory. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

#### *Non-hedge Contracts*

Non-hedge fuel contracts are used to mitigate the risk of price changes on fuel consumption at various sites. On completion of regression analysis, we concluded that contracts totaling 198 thousand barrels of fuel do not meet the highly effective criterion in FAS 133 due to currency and basis differences between derivative contract prices and the prices charged to the sites by oil suppliers. Although not qualifying as an accounting hedge, the contracts protect the Company to a significant extent from the effects of changes in fuel prices. Changes in the fair value of non-hedge fuel contracts are recorded in current period cost of sales.



## **Table of Contents**

### *Cash Flow Hedges*

#### *Copper*

The copper-linked notes contain an embedded fixed-price forward copper sales contract that meets the definition of a derivative and must be separately accounted for. At December 31, 2008, 53 million pounds of embedded fixed-price forward copper sales contracts were outstanding at a price of \$3.08/lb. The resulting copper derivative has been designated against future copper cathode at the Zaldívar mine as a cash flow hedge of the variability in market prices of those future sales.

In addition to the embedded fixed-price forward copper sales contracts outstanding, there are 21 million pounds of copper forwards outstanding at an average price of \$3.05/lb hedging future sales at Zaldívar.

Copper collar contracts totaling 129 million pounds have also been designated as hedges against copper cathode sales at our Zaldívar mine. The contracts contain purchased put and sold call options with average strike prices of \$3.00/lb and \$3.80/lb respectively.

Hedged items are identified as the first stated quantity of pounds of forecasted sales in a future month. Prospective hedge effectiveness is assessed on these hedges using a dollar offset method. The dollar offset assessment involves comparing the effect of theoretical shifts in forward copper prices on the fair value of both the actual hedging derivative and a hypothetical hedging derivative. The retrospective assessment involves comparing the effect of historic changes in copper prices each period on the fair value of both the actual and hypothetical derivative using a dollar offset approach. The effective portion of changes in fair value of the copper contracts is recorded in OCI until the forecasted copper sale impacts earnings. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

#### *Non-hedge Contracts*

We have purchased and sold call options on copper that, when combined with the aforementioned embedded fixed-price forward copper sales contracts, economically lock in copper sales prices between \$3.08/lb and \$3.58/lb. At December 31, 2008, the notional amount of these options outstanding was 53 million pounds.

During 2008 we de-designated collar sell contracts for 153 million pounds and crystallized \$213 million of gains in OCI, of which \$192 million remains at year-end. These hedges were originally designated against future copper production at our Zaldívar and Osborne mines. The exposure is still expected to occur and therefore amounts crystallized in OCI will be recorded in copper revenue when the originally designated sales occur. We continue to hold these collar contracts as non-hedge contracts. When combined with existing non-hedge collar sell contracts, 198 million pounds of collar sell contracts were outstanding at December 31, 2008. The contracts contain purchased put and sold call options with an average strike of \$3.09/lb and \$3.88/lb, respectively.

During 2008 we entered into collar buy contracts for 198 million pounds to economically lock in the gains on the de-designated and existing non-hedge contracts. The contracts contain sold put and purchased call options with average strike prices of \$1.57/lb and \$2.01/lb, respectively.

These contracts do not meet the highly effective criterion for hedge accounting under FAS 133. Changes in the fair value of these copper options are recorded in current period revenue.

**Table of Contents****Non-hedge Gains (Losses)**

| For the years ended December 31 | 2008  | 2007  | 2006    | Income statement classification                                                        |
|---------------------------------|-------|-------|---------|----------------------------------------------------------------------------------------|
| Commodity contracts             |       |       |         |                                                                                        |
| Copper                          | \$ 67 | \$ 48 | \$ (14) | Revenue                                                                                |
| Gold                            | 19    | (8)   | 7       | Revenue                                                                                |
| Silver                          |       |       | (5)     | Cost of sales                                                                          |
| Fuel                            | (30)  | 7     | 1       | Cost of sales                                                                          |
| Steel                           | (3)   |       |         | Project expense                                                                        |
| Currency contracts              | (8)   | (7)   |         | Cost of sales/corporate administration/<br>other income/expense/<br>income tax expense |
| Interest rate contracts         | (4)   | (2)   | 8       | Interest income/expense                                                                |
| Share purchase warrants         |       | (1)   |         | Other income/expense                                                                   |
|                                 | 41    | 37    | (3)     |                                                                                        |
| Hedge ineffectiveness           |       | 4     | 3       | Various                                                                                |
|                                 | \$ 41 | \$ 41 | \$      |                                                                                        |

**Derivative Assets and Liabilities**

|                                   | 2008    | 2007   |
|-----------------------------------|---------|--------|
| At January 1                      | \$ 389  | \$ 178 |
| Derivatives cash (inflow) outflow |         |        |
| Operating activities              | (147)   | (309)  |
| Investing activities              |         | 23     |
| Financing activities              | 23      | 197    |
| Change in fair value of:          |         |        |
| Non-hedge derivatives             | (1)     | 33     |
| Cash flow hedges                  |         |        |
| Effective portion                 | (301)   | 257    |
| Ineffective portion               | (6)     | 9      |
| Share purchase warrants           |         | (1)    |
| Fair value hedges                 |         | 2      |
| At December 31                    | \$ (43) | \$ 389 |
| Classification:                   |         |        |
| Other current assets              | \$ 817  | \$ 334 |
| Other assets                      | 15      | 220    |
| Other current liabilities         | (440)   | (100)  |
| Other long-term obligations       | (435)   | (65)   |
|                                   | \$ (43) | \$ 389 |

**Table of Contents****Cash Flow Hedge Gains (Losses) in OCI**

|                                                                  | Commodity price hedges |        |          | Currency hedges    |                         |                         | Interest rate hedges |                       |          |
|------------------------------------------------------------------|------------------------|--------|----------|--------------------|-------------------------|-------------------------|----------------------|-----------------------|----------|
|                                                                  | Gold/<br>silver        | Copper | Fuel     | Operating<br>costs | Administration<br>costs | Capital<br>expenditures | Cash<br>balances     | Long-<br>term<br>debt | Total    |
| At December 31, 2005                                             | \$                     | \$     | \$ 38    | \$ 102             | \$ 30                   | \$ 39                   | \$ (2)               | \$ (18)               | \$ 189   |
| Effective portion of change in fair value of hedging instruments | (148)                  | 29     | (1)      | 137                | (2)                     | 4                       | (2)                  |                       | 17       |
| Transfers to earnings:                                           |                        |        |          |                    |                         |                         |                      |                       |          |
| On recording hedged items in earnings                            | 165                    | 28     | (16)     | (84)               | (14)                    | (4) <sup>(1)</sup>      | 1                    | 1                     | 77       |
| At December 31, 2006                                             | \$ 17                  | \$ 57  | \$ 21    | \$ 155             | \$ 14                   | \$ 39                   | \$ (3)               | \$ (17)               | \$ 283   |
| Effective portion of change in fair value of hedging instruments |                        | (75)   | 87       | 249                | 32                      | (35)                    |                      | (1)                   | 257      |
| Transfers to earnings:                                           |                        |        |          |                    |                         |                         |                      |                       |          |
| On recording hedged items in earnings                            | (2)                    | 32     | (29)     | (166)              | (19)                    | (5) <sup>(1)</sup>      | 3                    | 1                     | (185)    |
| At December 31, 2007                                             | \$ 15                  | \$ 14  | \$ 79    | \$ 238             | \$ 27                   | \$ (1)                  | \$                   | \$ (17)               | \$ 355   |
| Effective portion of change in fair value of hedging instruments |                        | 582    | (215)    | (610)              | (46)                    | 5                       |                      | (17)                  | (301)    |
| Transfers to earnings:                                           |                        |        |          |                    |                         |                         |                      |                       |          |
| On recording hedged items in earnings                            | (2)                    | (112)  | (33)     | (106)              | (11)                    | (4)                     |                      | 1                     | (267)    |
| At December 31, 2008                                             | \$ 13                  | \$ 484 | \$ (169) | \$ (478)           | \$ (30)                 | \$                      | \$                   | \$ (33)               | \$ (213) |

**Hedge gains/losses**

| classified within                                                            | Gold sales | Copper sales | Cost of sales | Cost of sales | Administration | Amortization | Interest income | Interest expense |        |
|------------------------------------------------------------------------------|------------|--------------|---------------|---------------|----------------|--------------|-----------------|------------------|--------|
| Portion of hedge gain (loss) expected to affect 2009 earnings <sup>(2)</sup> | \$ 9       | \$ 484       | \$ (109)      | \$ (126)      | \$ (23)        | \$ 3         | \$              | \$ (3)           | \$ 235 |

(1) On determining that certain forecasted capital expenditures were no longer likely to occur within two months of the originally specified time frame.

(2) Based on the fair value of hedge contracts at December 31, 2008.

**d) Credit Risk**

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. For cash and equivalents and accounts receivable, credit risk represents the carrying amount on the balance sheet, net of any overdraft positions.

For derivatives, when the fair value is positive, this creates credit risk. When the fair value of a derivative is negative, we assume no credit risk. In cases where we have a legally enforceable master netting agreement with a counterparty, credit risk exposure represents the net amount of the positive and negative fair values for similar types of derivatives. For a net negative amount, we regard credit risk as being zero. A net positive amount for a counterparty is a reasonable measure of credit risk when there is a legally enforceable master netting agreement. We mitigate credit risk by:

- entering into derivatives with high credit-quality counterparties;
  - limiting the amount of exposure to each counterparty; and
  - monitoring the financial condition of counterparties.
- Location of credit risk is determined by physical location of the bank branch, customer or counterparty.

A-55

**Table of Contents****Credit Quality of Financial Assets****At December 31, 2008**

|                                          | S&P Credit rating |                |                 |              |          |
|------------------------------------------|-------------------|----------------|-----------------|--------------|----------|
|                                          | AA or<br>higher   | A or<br>higher | BBB or<br>lower | Not<br>rated | Total    |
| Cash and equivalents <sup>(1), (2)</sup> | \$ 231            | \$ 1,181       | \$ 25           | \$           | \$ 1,437 |
| Derivatives <sup>(2)</sup>               | 87                | 354            |                 |              | 441      |
| Accounts receivable                      | 22                | 6              | 38              | 131          | 197      |
|                                          | \$ 340            | \$ 1,541       | \$ 63           | \$ 131       | \$ 2,075 |
| Number of counterparties                 | 27                | 21             | 16              |              |          |
| Largest counterparty (%)                 | 26%               | 44%            | 21%             |              |          |

**Concentrations of Credit Risk**

| <b>At December 31, 2008</b>              | <b>United<br/>States</b> | <b>Canada</b> | <b>Other<br/>Inter-<br/>national</b> | <b>Total</b> |
|------------------------------------------|--------------------------|---------------|--------------------------------------|--------------|
| Cash and equivalents <sup>(1), (2)</sup> | \$ 1,190                 | \$ 86         | \$ 161                               | \$ 1,437     |
| Derivatives <sup>(3)</sup>               | 184                      | 18            | 239                                  | 441          |
| Accounts receivable                      | 29                       | 36            | 132                                  | 197          |
|                                          | \$ 1,403                 | \$ 140        | \$ 532                               | \$ 2,075     |

(1) Based on where the parent entity of the counterparties we transact with is domiciled.

(2) The amounts presented reflect the outstanding bank balance held with institutions as at December 31, 2008.

(3) The amounts presented reflect the net credit exposure after considering the effect of master netting agreements.

**e) Risks Relating to the Use of Derivatives**

By using derivatives, in addition to credit risk, we are affected by market risk and market liquidity risk. Market risk is the risk that the fair value of a derivative might be adversely affected by a change in commodity prices, interest rates, gold lease rates, or currency exchange rates, and that this in turn affects our financial condition. We manage market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken. We mitigate this risk by establishing trading agreements with counterparties under which we are not required to post any collateral or make any margin calls on our derivatives. Our counterparties cannot require settlement solely because of an adverse change in the fair value of a derivative.

Market liquidity risk is the risk that a derivative cannot be eliminated quickly, by either liquidating it or by establishing an offsetting position. Under the terms of our trading agreements, counterparties cannot require us to immediately settle outstanding derivatives, except upon the occurrence of customary events of default such as covenant breaches, including financial covenants, insolvency or bankruptcy. We generally mitigate market liquidity risk by spreading out the maturity of our derivatives over time.

**21 n Fair Value Measurements**

In 2008, we adopted FAS 157 for financial assets and liabilities that are measured at fair value on a recurring basis. FAS 157 defines fair value, establishes a framework for measuring fair value under US GAAP, and requires expanded disclosures about fair value measurements. The primary assets and liabilities affected were available-for-sale securities and derivative instruments. The adoption of FAS 157 did not change the valuation techniques that we use to value financial assets and financial liabilities. We have elected to present information for derivative

## Edgar Filing: BARRICK GOLD CORP - Form F-9

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

A-56

**Table of Contents**

The fair value hierarchy established by FAS 157 establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

FAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing the fair value of a particular contract, the market participant would consider the credit risk of the counterparty to the contract. Consequently, when it is appropriate to do so, we adjust our valuation models to incorporate a measure of credit risk.

**a) Assets and Liabilities Measured at Fair Value on a Recurring Basis**  
**Fair Value Measurements at December 31, 2008**

|                                                    | Quoted prices<br>in active<br>markets for<br>identical assets<br>(Level 1) | Significant<br>Other<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) | Aggregate<br>fair<br>value |
|----------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|----------------------------|
| Cash equivalents                                   | \$ 904                                                                     | \$                                                        | \$                                                 | \$ 904                     |
| Available-for-sale securities                      | 31                                                                         |                                                           |                                                    | 31                         |
| Receivables from provisional copper and gold sales |                                                                            | 50                                                        |                                                    | 50                         |
| Derivative instruments                             |                                                                            | (43)                                                      |                                                    | (43)                       |
|                                                    | \$ 935                                                                     | \$ 7                                                      | \$                                                 | \$ 942                     |

**b) Assets Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs**  
**Fair Value Measurements Using Significant Unobservable Inputs (Level 3)**

|                                  | Held-to-maturity<br>securities |
|----------------------------------|--------------------------------|
| At January 1, 2008               | \$ 46                          |
| Impairment charge <sup>(1)</sup> | (39)                           |
| Sales <sup>(2)</sup>             | (7)                            |
| At December 31, 2008             | \$                             |

(1) In the first quarter, we recorded an impairment charge on ABCP of \$39 million.

(2) In the second quarter, we reached a settlement agreement with respect to ABCP for proceeds of \$49 million.

**c) Valuation Techniques**

### **Cash Equivalents**

The fair value of our cash equivalents are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. Our cash equivalents are comprised of U.S. Treasury bills and money market securities that are invested primarily in U.S. Treasury bills.

### **Available-for-Sale Securities**

The fair value of available-for-sale securities is determined based on a market approach reflecting the closing price of each particular security at the balance sheet date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore available-for-sale securities are classified within Level 1 of the fair value hierarchy established by FAS 157.

A-57

**Table of Contents****Derivative Instruments**

The fair value of derivative instruments is determined using either present value techniques or option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. Due to the recent instability of the financial markets, counterparty credit risk has had a larger impact on our derivative valuations than in previous periods. The fair value of our derivative contracts is adjusted for credit risk based upon the observed credit default swap spread for each particular counterparty, as appropriate. The fair value of US dollar interest rate and currency swap contracts is determined by discounting contracted cash flows using a discount rate derived from observed LIBOR and swap rate curves for comparable assets and liabilities. In the case of currency contracts, we convert non-US dollar cash flows into US dollars using an exchange rate derived from currency swap curves for comparable assets and liabilities. The fair value of commodity forward contracts is determined by discounting contractual cash flows using a discount rate derived from observed LIBOR and swap rate curves. Contractual cash flows are calculated using a forward pricing curve derived from observed forward prices for each commodity. The fair value of commodity options is determined using option-pricing models that utilize a combination of inputs including quoted market prices and market-corroborated inputs. Derivative instruments are classified within Level 2 of the fair value hierarchy.

**Receivables from Provisional Copper and Gold Sales**

The fair value of receivables arising from copper and gold sales contracts that contain provisional pricing mechanisms is determined using the appropriate quoted forward price from the exchange that is the principal active market for the particular metal. As such, these receivables are classified within Level 2 of the fair value hierarchy.

**d) Fair Value Information**

At December 31

|                                              | 2008            |                      | 2007            |                      |
|----------------------------------------------|-----------------|----------------------|-----------------|----------------------|
|                                              | Carrying amount | Estimated fair value | Carrying amount | Estimated fair value |
| <b>Financial assets</b>                      |                 |                      |                 |                      |
| Cash and equivalents <sup>(1)</sup>          | \$ 1,437        | \$ 1,437             | \$ 2,207        | \$ 2,207             |
| Accounts receivable <sup>(1)</sup>           | 197             | 197                  | 256             | 256                  |
| Available-for-sale securities <sup>(2)</sup> | 31              | 31                   | 96              | 96                   |
| Equity-method investments <sup>(3)</sup>     | 1,085           | 1,085                | 1,085           | 1,113                |
| Derivative assets                            | 832             | 832                  | 554             | 554                  |
| Held-to-maturity securities <sup>(3)</sup>   |                 |                      | 46              | 46                   |
|                                              | \$ 3,582        | \$ 3,582             | \$ 4,244        | \$ 4,272             |
| <b>Financial liabilities</b>                 |                 |                      |                 |                      |
| Accounts payable <sup>(1)</sup>              | \$ 970          | \$ 970               | \$ 808          | \$ 808               |
| Long-term debt <sup>(4)</sup>                | 4,350           | 3,507                | 3,255           | 3,151                |
| Derivative liabilities                       | 875             | 875                  | 165             | 165                  |
| Restricted share units <sup>(5)</sup>        | 120             | 120                  | 100             | 100                  |
| Deferred share units <sup>(5)</sup>          | 5               | 5                    | 4               | 4                    |
|                                              | \$ 6,320        | \$ 5,477             | \$ 4,332        | \$ 4,228             |

(1) Recorded at cost. Fair value approximates the carrying amounts due to the short-term nature and generally negligible credit losses.

(2) Recorded at fair value. Quoted market prices are used to determine fair value.

(3) Includes ABCP.

(4) Long-term debt is generally recorded at cost except for obligations that are designated in a fair-value hedge relationship, which are recorded at fair value in periods when a hedge relationship exists. The fair value of long-term debt is primarily determined using quoted market prices.

(5) Recorded at fair value based on our period-end closing market share price.



**Table of Contents****22 n Asset Retirement Obligations****Asset Retirement Obligations (AROs)**

|                                            | 2008   | 2007   |
|--------------------------------------------|--------|--------|
| At January 1                               | \$ 966 | \$ 893 |
| AROs acquired during the year              | 37     |        |
| AROs arising in the period                 | 56     | 53     |
| Impact of revisions to expected cash flows |        |        |
| Recorded in earnings                       | 9      | 6      |
| Settlements                                |        |        |
| Cash payments                              | (40)   | (33)   |
| Settlement gains                           | (5)    | (3)    |
| Accretion                                  | 43     | 50     |
| At December 31                             | 1,066  | 966    |
| Current portion                            | (93)   | (74)   |
|                                            | \$ 973 | \$ 892 |

Each period we assess cost estimates and other assumptions used in the valuation of AROs at each of our mineral properties to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the ARO. For closed mines, any change in the fair value of AROs results in a corresponding charge or credit within other expense, whereas at operating mines the charge is recorded as an adjustment to the carrying amount of the corresponding asset. In 2008, charges of \$9 million were recorded for changes in cost estimates for AROs at closed mines (2007: \$6 million; 2006: \$53 million).

|                             | 2008  | 2007  |
|-----------------------------|-------|-------|
| At December 31              |       |       |
| Operating mines             |       |       |
| ARO increase <sup>(1)</sup> | \$ 56 | \$ 53 |
| ARO decrease <sup>(2)</sup> | (7)   |       |
| Closed mines                |       |       |
| ARO increase <sup>(3)</sup> | 9     | 6     |

(1) These adjustments were recorded with a corresponding adjustment to property, plant and equipment.

(2) Represents a decrease in AROs at a mine where the corresponding ARO asset had been fully amortized and was therefore recorded as a recovery in other income.

(3) For closed mines, any change in the fair value of AROs results in a corresponding charge or credit to other expense or other income, respectively.

AROs arise from the acquisition, development, construction and normal operation of mining property, plant and equipment, due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of AROs relate to tailings and heap leach pad closure/ rehabilitation; demolition of buildings/mine facilities; ongoing water treatment; and ongoing care and maintenance of closed mines. The fair values of AROs are measured by discounting the expected cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. We prepare estimates of the timing and amount of expected cash flows when an ARO is incurred. We update expected cash flows to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and a corresponding change in the life-of-mine plan; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. When expected cash flows increase, the revised cash flows are discounted using a current discount factor whereas when expected cash flows decrease the reduced cash flows are discounted using a historic discount factor, and then in both cases any change in the fair value of the ARO is recorded. We record the fair value of an ARO when it is incurred. At producing mines AROs incurred and changes in the fair value of AROs are recorded as an adjustment to the corresponding asset carrying amounts. At closed mines, any adjustment to the fair value of an ARO is charged directly to earnings. AROs are adjusted to reflect the passage of time (accretion) calculated by applying the discount factor

implicit in the initial fair-value measurement to the beginning-of-period carrying amount of the AROs. For producing mines, development projects and closed mines, accretion is recorded in amortization and accretion. Upon settlement of an ARO, we record a gain or loss if the actual cost differs from the carrying amount of the ARO.

**Table of Contents**

Settlement gains/losses are recorded in Other (income) expense. Other environmental remediation costs that are not AROs as defined by FAS 143 are expensed as incurred (see note 8a).

**23 n Other Non-current Liabilities**

| At December 31                           | 2008          | 2007          |
|------------------------------------------|---------------|---------------|
| Pension benefits (note 28)               | \$ 113        | \$ 87         |
| Other post-retirement benefits (note 28) | 29            | 27            |
| Derivative liabilities (note 20c)        | 435           | 65            |
| Restricted share units (note 27)         | 120           | 94            |
| Deferred revenue                         | 8             | 88            |
| Other                                    | 76            | 70            |
|                                          | <b>\$ 781</b> | <b>\$ 431</b> |

**24 n Deferred Income Taxes****Recognition and Measurement**

We record deferred income tax assets and liabilities where temporary differences exist between the carrying amounts of assets and liabilities in our balance sheet and their tax bases. The measurement and recognition of deferred income tax assets and liabilities takes into account: enacted rates that will apply when temporary differences reverse; interpretations of relevant tax legislation; tax planning strategies; estimates of the tax bases of assets and liabilities; and the deductibility of expenditures for income tax purposes. We recognize the effect of changes in our assessment of these estimates and factors when they occur. Changes in deferred income tax assets, liabilities and valuation allowances are allocated between net income, other comprehensive income and goodwill based on the source of the change.

Deferred income taxes have not been provided on the undistributed earnings of foreign subsidiaries, which are considered to be reinvested indefinitely outside Canada. The determination of the unrecorded deferred income tax liability is not considered practicable.

**Sources of Deferred Income Tax Assets and Liabilities**

| At December 31                          | 2008           | 2007           |
|-----------------------------------------|----------------|----------------|
| Deferred tax assets                     |                |                |
| Tax loss carry forwards                 | \$ 657         | \$ 729         |
| Alternative minimum tax ( AMT ) credits | 251            | 247            |
| Asset retirement obligations            | 366            | 342            |
| Property, plant and equipment           | 232            | 279            |
| Post-retirement benefit obligations     | 32             | 23             |
| Derivative instruments                  | 90             |                |
| Accrued interest payable                | 70             | 45             |
| Other                                   | 3              | 10             |
|                                         | <b>1,701</b>   | <b>1,675</b>   |
| Valuation allowances                    | <b>(318)</b>   | <b>(419)</b>   |
|                                         | <b>1,383</b>   | <b>1,256</b>   |
| Deferred tax liabilities                |                |                |
| Property, plant and equipment           | <b>(1,102)</b> | <b>(1,145)</b> |
| Derivative instruments                  |                | <b>(122)</b>   |
| Inventory                               | <b>(162)</b>   | <b>(98)</b>    |
| Other                                   | <b>(4)</b>     | <b>(10)</b>    |

|                         |        |          |
|-------------------------|--------|----------|
|                         | \$ 115 | \$ (119) |
| Classification:         |        |          |
| Non-current assets      | \$ 869 | \$ 722   |
| Non-current liabilities | (754)  | (841)    |
|                         | \$ 115 | \$ (119) |

A-60

**Table of Contents****Expiry Dates of Tax Losses and AMT Credits**

|                            | 2009 | 2010 | 2011 | 2012 | 2013+    | No<br>expiry<br>date | Total    |
|----------------------------|------|------|------|------|----------|----------------------|----------|
| Tax losses <sup>(1)</sup>  |      |      |      |      |          |                      |          |
| Canada                     | \$ 5 | \$   | \$   | \$   | \$ 1,193 | \$                   | \$ 1,198 |
| Australia                  |      |      |      |      |          | 157                  | 157      |
| Barbados                   |      |      |      |      | 967      |                      | 967      |
| Chile                      |      |      |      |      |          | 684                  | 684      |
| Tanzania                   |      |      |      |      |          | 230                  | 230      |
| U.S.                       |      |      |      |      | 143      |                      | 143      |
| Other                      |      | 4    |      |      |          | 50                   | 54       |
|                            | \$ 5 | \$ 4 | \$   | \$   | \$ 2,303 | \$ 1,121             | \$ 3,433 |
| AMT credits <sup>(2)</sup> |      |      |      |      |          | \$ 251               | \$ 251   |

(1) Represents the gross amount of tax loss carry forwards translated at closing exchange rates at December 31, 2008.

(2) Represents the amounts deductible against future taxes payable in years when taxes payable exceed minimum tax as defined by United States tax legislation.

**Net Deferred Tax Assets**

|                           | 2008     | 2007     |
|---------------------------|----------|----------|
| Gross deferred tax assets |          |          |
| Canada                    | \$ 384   | \$ 494   |
| Chile                     | 41       | 117      |
| Argentina                 | 61       | 37       |
| Australia                 | 171      | 14       |
| Tanzania                  | 199      | 197      |
| United States             | 289      | 225      |
| Other                     | 42       | 57       |
|                           | 1,187    | 1,141    |
| Valuation allowances      |          |          |
| Canada                    | (50)     | (55)     |
| Chile                     | (23)     | (105)    |
| Argentina                 | (61)     | (26)     |
| Australia                 | (9)      | (2)      |
| Tanzania                  | (30)     | (30)     |
| United States             | (123)    | (190)    |
| Other                     | (22)     | (11)     |
|                           | \$ (318) | \$ (419) |
| Non-current assets        | \$ 869   | \$ 722   |

**Valuation Allowances**

## Edgar Filing: BARRICK GOLD CORP - Form F-9

We consider the need to record a valuation allowance against deferred tax assets, taking into account the effects of local tax law. A valuation allowance is not recorded when we conclude that sufficient positive evidence exists to demonstrate that it is more likely than not that a deferred tax asset will be realized. The main factors considered are:

- n Historic and expected future levels of taxable income;

- n Tax plans that affect whether tax assets can be realized; and

- n The nature, amount and expected timing of reversal of taxable temporary differences.

Levels of future taxable income are mainly affected by: market gold and silver prices; forecasted future costs and expenses to produce gold reserves; quantities of proven and probable gold reserves; market interest rates; and foreign

A-61

**Table of Contents**

currency exchange rates. If these factors or other circumstances change, we record an adjustment to valuation allowances to reflect our latest assessment of the amount of deferred tax assets that will more likely than not be realized.

A deferred income tax asset totaling \$334 million has been recorded in Canada. This deferred tax asset primarily arose due to mark-to-market losses realized for acquired Placer Dome derivative instruments. Projections of various sources of income support the conclusion that the realizability of this deferred tax asset is more likely than not, and consequently no valuation allowance has been set up for this deferred tax asset.

A deferred tax asset of \$169 million has been recorded in Tanzania following the release of tax valuation allowances totaling \$189 million in 2007. The release of tax valuation allowances resulted from the impact of rising market gold prices on expectations of future taxable income and the ability to realize these tax assets.

A partial valuation allowance of \$123 million has been set up against deferred tax assets in the United States at December 31, 2008. The majority of this valuation allowance relates to AMT credits in periods when partly due to low market gold prices, Barrick was an AMT taxpayer in the United States. If market gold prices continue to rise, it is reasonably possible that some or all of these valuation allowances could be released in future periods.

**Source of Changes in Deferred Tax Balances**

| For the years ended December 31                                                | 2008          | 2007            | 2006            |
|--------------------------------------------------------------------------------|---------------|-----------------|-----------------|
| <b>Temporary differences</b>                                                   |               |                 |                 |
| Property, plant and equipment                                                  | \$ (3)        | \$ 24           | \$ (1,111)      |
| Asset retirement obligations                                                   | 24            | 39              | 128             |
| Tax loss carry forwards                                                        | (72)          | (69)            | 546             |
| Derivatives                                                                    | 212           | (113)           | 52              |
| Other                                                                          | (2)           | 9               | (17)            |
|                                                                                | <b>\$ 159</b> | <b>\$ (110)</b> | <b>\$ (402)</b> |
| Net currency translation gains/(losses) on deferred tax balances               | (98)          | 76              | 5               |
| Canadian tax rate changes                                                      |               | (64)            | (12)            |
| Adjustment to deferred tax balances due to change in tax status <sup>(1)</sup> |               |                 | 31              |
| Release of end of year Tanzanian valuation allowances                          |               | 156             |                 |
| Release of other valuation allowances                                          | 175           | 88              | 53              |
|                                                                                | <b>\$ 236</b> | <b>\$ 146</b>   | <b>\$ (325)</b> |
| <b>Intraperiod allocation to:</b>                                              |               |                 |                 |
| Income from continuing operations before income taxes                          | \$ 45         | \$ 174          | \$ 109          |
| Placer Dome acquisition (note 3f)                                              |               |                 | (432)           |
| Porgera mine acquisition (note 3d)                                             |               | 20              |                 |
| Cortez acquisition (note 3b)                                                   | 11            |                 |                 |
| Barrick Energy Inc. acquisition (note 3a)                                      | (22)          |                 |                 |
| Kainantu acquisition (note 3e)                                                 | (19)          |                 |                 |
| Other acquisition                                                              | 2             |                 |                 |
| OCI (note 26)                                                                  | 219           | (48)            | (2)             |
| Other                                                                          | (2)           | 5               | 28              |
|                                                                                | <b>\$ 234</b> | <b>\$ 151</b>   | <b>\$ (297)</b> |

(1) Relates to changes in tax status in Australia (note 9).



**Table of Contents****Unrecognized Tax Benefits**

|                                                              | 2008  | 2007  |
|--------------------------------------------------------------|-------|-------|
| Balance at January 1                                         | \$ 15 | \$ 20 |
| Additions based on tax positions related to the current year | 2     | 1     |
| Additions for tax positions of prior years                   | 40    |       |
| Reductions for tax positions of prior years                  |       | (2)   |
| Settlements                                                  | (11)  | (4)   |
| Balance at December 31 <sup>(1), (2)</sup>                   | \$ 46 | \$ 15 |

(1) If recognized, the total amount of \$46 million would be recognized as a benefit to income taxes on the income statement, and therefore would impact the reported effective tax rate.

(2) Includes interest and penalties of \$1 million.

We expect the amount of unrecognized tax benefits to decrease within 12 months of the reporting date by approximately \$21 to \$22 million, related primarily to the expected settlement of Canadian and US income tax and Canadian mining tax assessments.

**Tax Years Still Under Examination**

|                      |                |      |
|----------------------|----------------|------|
| Canada               | 2004           | 2008 |
| United States        | 2005           | 2008 |
| Peru                 | 2004           | 2008 |
| Chile <sup>(1)</sup> | 2005           | 2008 |
| Argentina            | 2003           | 2008 |
| Australia            | all years open |      |
| Papua New Guinea     | 2003           | 2008 |
| Tanzania             | all years open |      |

(1) In addition, operating loss carry forwards from earlier periods are still open for examination.

**Peruvian Tax Assessment**

On September 30, 2004, the Tax Court of Peru issued a decision in our favor in the matter of our appeal of a 2002 income tax assessment for an amount of \$32 million, excluding interest and penalties. The assessment mainly related to the validity of a revaluation of the Pierina mining concession, which affected its tax basis for the years 1999 and 2000. The full life-of-mine effect on current and deferred income tax liabilities totaling \$141 million was fully recorded at December 31, 2002, as well as other related costs of about \$21 million.

In January 2005, we received written confirmation that there would be no appeal of the September 30, 2004 Tax Court of Peru decision. In December 2004, we recorded a \$141 million reduction in current and deferred income tax liabilities and a \$21 million reduction in other accrued costs. The confirmation concluded the administrative and judicial appeals process with resolution in Barrick's favor.

Notwithstanding the favorable Tax Court decision we received in 2004 on the 1999 to 2000 revaluation matter, in an audit concluded in 2005, SUNAT has reassessed us on the same issue for tax years 2001 to 2003. On October 19, 2007, SUNAT confirmed their reassessment. The tax assessment is for \$49 million of tax, plus interest and penalties of \$116 million. We filed an appeal to the Tax Court of Peru within the statutory period. We believe that the audit reassessment has no merit, that we will prevail in court again, and accordingly no liability has been recorded for this reassessment.

**25 n Capital Stock**

**a) Common Shares**

Our authorized capital stock includes an unlimited number of common shares (issued 872,738,664 common shares); 9,764,929 First preferred shares Series A (issued nil); 9,047,619 Series B (issued nil); 1 Series C special voting share (issued 1); and 14,726,854 Second preferred shares Series A (issued nil).

A-63

**Table of Contents**

In 2008, we declared and paid dividends in US dollars totaling \$0.40 per share (\$349 million) (2007: \$0.30 per share, \$261 million; 2006: \$0.22 per share, \$191 million).

**b) Exchangeable Shares**

In connection with a 1998 acquisition, Barrick Gold Inc. ( BGI ) issued 11.1 million BGI exchangeable shares, which are each exchangeable for 0.53 of a Barrick common share at any time at the option of the holder, and have essentially the same voting, dividend (payable in Canadian dollars), and other rights as 0.53 of a Barrick common share. BGI is a subsidiary that holds our interest in the Hemlo and Eskay Creek Mines.

At December 31, 2008, 0.5 million (2007: 1.4 million) BGI exchangeable shares were outstanding, which are equivalent to 0.3 million Barrick common shares (2007: 0.7 million common shares), and are reflected in the number of common shares outstanding. We have the right to require the exchange of each outstanding BGI exchangeable share for 0.53 of a Barrick common share.

**26 n Other Comprehensive Income (Loss) ( OCI )**

|                                                                                 | 2008     | 2007   | 2006    |
|---------------------------------------------------------------------------------|----------|--------|---------|
| Accumulated OCI at January 1                                                    |          |        |         |
| Cash flow hedge gains, net of tax of \$105, \$60, \$61                          | \$ 250   | \$ 223 | \$ 128  |
| Investments, net of tax of \$4, \$7, \$nil                                      | 37       | 46     | 12      |
| Currency translation adjustments, net of tax of \$nil, \$nil, \$nil             | (143)    | (143)  | (143)   |
| Pension plans and other post-retirement benefits, net of tax of \$2, \$4, \$nil | 7        | (7)    | (28)    |
|                                                                                 | \$ 151   | \$ 119 | \$ (31) |
| Other comprehensive income (loss) for the period:                               |          |        |         |
| Changes in fair value of cash flow hedges                                       | (301)    | 257    | 17      |
| Changes in fair value of investments                                            | (52)     | 58     | 43      |
| Currency translation adjustments <sup>(1)</sup>                                 | (54)     |        |         |
| Pension plans and other post-retirement benefits:                               |          |        |         |
| Adjustments to minimum pension liability prior to adoption of FAS 158           |          |        | 15      |
| FAS 158 adjustments (note 28c):                                                 |          |        |         |
| Elimination of minimum pension liability                                        |          |        | 13      |
| Net actuarial gain (loss)                                                       | (62)     | 19     | (9)     |
| Transition obligation (asset)                                                   | 1        | 1      | (2)     |
| Less: reclassification adjustments for gains/losses recorded in earnings:       |          |        |         |
| Transfers of cash flow hedge (gains) losses to earnings:                        |          |        |         |
| On recording hedged items in earnings                                           | (267)    | (185)  | 77      |
| Investments:                                                                    |          |        |         |
| Other than temporary impairment charges                                         | 26       | 1      | 4       |
| Gains realized on sale                                                          | (17)     | (71)   | (6)     |
| Other comprehensive income (loss), before tax                                   | (726)    | 80     | 152     |
| Income tax recovery (expense) related to OCI                                    | 219      | (48)   | (2)     |
| Other comprehensive income (loss), net of tax                                   | \$ (507) | \$ 32  | \$ 150  |
| Accumulated OCI at December 31                                                  |          |        |         |
| Cash flow hedge gains (losses), net of tax of \$89, \$105, \$60                 | (124)    | 250    | 223     |
| Investments, net of tax of \$nil, \$4, \$7                                      | (2)      | 37     | 46      |
| Currency translation adjustments, net of tax of \$nil, \$nil, \$nil             | (197)    | (143)  | (143)   |
| Pension plans and other post-retirement benefits, net of tax of \$19, \$2, \$4  | (33)     | 7      | (7)     |
|                                                                                 | \$ (356) | \$ 151 | \$ 119  |

(1) Represents currency translation adjustments for Barrick Energy.

A-64

**Table of Contents****27 n Stock-based Compensation****a) Stock Options**

Under Barrick's stock option plan, certain officers and key employees of the Corporation may purchase common shares at an exercise price that is equal to the closing share price on the day before the grant of the option. The grant date is the date when the details of the award, including the number of options granted by individual and the exercise price, are approved. Stock options vest evenly over four years, beginning in the year after granting. Options granted in July 2004 and prior are exercisable over 10 years, whereas options granted since December 2004 are exercisable over seven years. At December 31, 2008, 7.4 million (2007: 10 million; 2006: 13 million) common shares, in addition to those currently outstanding, were available for granting options.

Stock options when exercised result in an increase to the number of common shares issued by Barrick.

Compensation expense for stock options was \$25 million in 2008 (2007: \$25 million; 2006: \$27 million), and is presented as a component of cost of sales, corporate administration and other expense, consistent with the classification of other elements of compensation expense for those employees who had stock options. The recognition of compensation expense for stock options reduced earnings per share for 2008 by \$0.03 per share (2007: \$0.03 per share, 2006: \$0.03 per share).

Total intrinsic value relating to options exercised in 2008 was \$61 million (2007: \$58 million; 2006: \$27 million).

**Employee Stock Option Activity (Number of Shares in Millions)**

|                                      | 2008   |               | 2007   |               | 2006   |               |
|--------------------------------------|--------|---------------|--------|---------------|--------|---------------|
|                                      | Shares | Average price | Shares | Average price | Shares | Average price |
| <b>C\$ options</b>                   |        |               |        |               |        |               |
| At January 1                         | 7.1    | \$ 27         | 11.9   | \$ 28         | 14.7   | \$ 28         |
| Issued on acquisition of Placer Dome |        |               |        |               | 1.7    | 34            |
| Exercised                            | (2.1)  | 28            | (3.9)  | 28            | (2.4)  | 26            |
| Forfeited                            |        |               | (0.1)  | 29            | (0.2)  | 27            |
| Cancelled/expired                    | (0.2)  | 28            | (0.8)  | 35            | (1.9)  | 40            |
| At December 31                       | 4.8    | \$ 27         | 7.1    | \$ 27         | 11.9   | \$ 28         |
| <b>US\$ options</b>                  |        |               |        |               |        |               |
| At January 1                         | 7.0    | \$ 28         | 7.7    | \$ 25         | 6.9    | \$ 24         |
| Granted                              | 2.8    | 34            | 1.4    | 40            | 1.1    | 30            |
| Issued on acquisition of Placer Dome |        |               |        |               | 1.0    | 19            |
| Exercised                            | (0.8)  | 24            | (1.7)  | 23            | (0.9)  | 21            |
| Forfeited                            | (0.1)  | 31            | (0.3)  | 25            | (0.4)  | 24            |
| Cancelled/expired                    |        |               | (0.1)  | 22            |        | 25            |
| At December 31                       | 8.9    | \$ 28         | 7.0    | \$ 28         | 7.7    | \$ 25         |

**Table of Contents****Stock Options Outstanding (Number of Shares in Millions)**

|                          |       |  |  | Outstanding |                                | Exercisable          |               |                                |               |               |
|--------------------------|-------|--|--|-------------|--------------------------------|----------------------|---------------|--------------------------------|---------------|---------------|
|                          |       |  |  |             | Intrinsic value <sup>(1)</sup> |                      |               | Intrinsic value <sup>(1)</sup> |               |               |
| Range of exercise prices |       |  |  | Shares      | Average price                  | Average life (years) | (\$ millions) | Shares                         | Average price | (\$ millions) |
| C\$ options              |       |  |  |             |                                |                      |               |                                |               |               |
| \$ 22                    | \$ 27 |  |  | 2.8         | \$ 24                          | 3                    | \$ 58         | 2.8                            | \$ 24         | \$ 58         |
| \$ 28                    | \$ 31 |  |  | 2.0         | 29                             | 5                    | 30            | 2.0                            | 29            | 30            |
|                          |       |  |  | 4.8         | \$ 26                          | 4                    | \$ 88         | 4.8                            | \$ 26         | \$ 88         |
| US\$ options             |       |  |  |             |                                |                      |               |                                |               |               |
| \$ 9                     | \$ 19 |  |  | 0.1         | \$ 13                          | 4                    | \$ 4          | 0.1                            | \$ 13         | \$ 3          |
| \$ 20                    | \$ 27 |  |  | 5.0         | 25                             | 4                    | 58            | 3.2                            | 24            | 41            |
| \$ 28                    | \$ 32 |  |  | 1.3         | 30                             | 7                    | 8             | 0.6                            | 30            | 4             |
| \$ 33                    | \$ 42 |  |  | 2.5         | 42                             | 6                    | (13)          | 0.3                            | 41            | (1)           |
|                          |       |  |  | 8.9         | \$ 30                          | 5                    | \$ 57         | 4.2                            | \$ 26         | \$ 47         |

(1) Based on the closing market share price on December 31, 2008 of C\$44.71 and US\$36.77.

**Option Information****For the years ended December 31**

| (per share and per option amounts in dollars)       | 2008                        |       | 2007                        |       | 2006                        |      |
|-----------------------------------------------------|-----------------------------|-------|-----------------------------|-------|-----------------------------|------|
| Valuation assumptions                               | Lattice <sup>(1), (2)</sup> |       | Lattice <sup>(1), (2)</sup> |       | Lattice <sup>(1), (2)</sup> |      |
| Expected term (years)                               | 4.5                         | 5.2   | 4.5                         | 5     | 4.5                         | 5    |
| Expected volatility <sup>(2)</sup>                  | 30%                         | 70%   | 30%                         | 38%   | 30%                         | 38%  |
| Weighted average expected volatility <sup>(2)</sup> | 43%                         |       | 36.6%                       |       | 31.6%                       |      |
| Expected dividend yield                             | 0.7%                        | 1.5%  | 0.7%                        | 0.9%  | 0.7%                        | 0.9% |
| Risk-free interest rate <sup>(2)</sup>              | 0.25%                       | 5.1%  | 3.2%                        | 5.1%  | 4.3%                        | 5.1% |
| Options granted (in millions)                       | 2.8                         |       | 1.4                         |       | 1.1                         |      |
| Weighted average fair value per option              | \$                          | 12.07 | \$                          | 12.91 | \$                          | 9.42 |

(1) Different assumptions were used for the multiple stock option grants during the year.

(2) The volatility and risk-free interest rate assumption varied over the expected term of these stock option grants.

The expected volatility assumptions have been developed taking into consideration both historical and implied volatility of our US dollar share price. The risk-free rate for periods within the contractual life of the option is based on the US Treasury yield curve in effect at the time of the grant.

We use the straight-line method for attributing stock option expense over the vesting period. Stock option expense incorporates an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeitures rates. We make adjustments if the actual forfeiture rate differs from the expected rate.

## Edgar Filing: BARRICK GOLD CORP - Form F-9

The expected term assumption is derived from the option valuation model and is in part based on historical data regarding the exercise behavior of option holders based on multiple share-price paths. The Lattice model also takes into consideration employee turnover and voluntary exercise patterns of option holders.

As at December 31, 2008, there was \$42 million (2007: \$33 million; 2006: \$39 million) of total unrecognized compensation cost relating to unvested stock options. We expect to recognize this cost over a weighted average period of two years (2007: two years; 2006: two years).

A-66

**Table of Contents****b) Restricted Share Units (RSUs) and Deferred Share Units (DSUs)**

Under our RSU plan, selected employees are granted RSUs where each RSU has a value equal to one Barrick common share. RSUs vest at the end of a two and a half or three-year period and are settled in cash on the third anniversary of the grant date. Additional RSUs are credited to reflect dividends paid on Barrick common shares over the vesting period.

A liability for RSUs is recorded at fair value on the grant date, with a corresponding amount recorded as a deferred compensation asset that is amortized on a straight-line basis over the vesting period. Changes in the fair value of the RSU liability are recorded each period, with a corresponding adjustment to the deferred compensation asset. Compensation expense for RSUs incorporates an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates. We make adjustments if the actual forfeiture rate differs from the expected rate. At December 31, 2008, the weighted average remaining contractual life of RSUs was 1.90 years.

Compensation expense for RSUs was \$33 million in 2008 (2007: \$16 million; 2006: \$6 million) and is presented as a component of cost of sales, corporate administration and other expense, consistent with the classification of other elements of compensation expense for those employees who had RSUs. As at December 31, 2008 there was \$84 million of total unamortized compensation cost relating to unvested RSUs (2007: \$75 million; 2006: \$36 million).

Under our DSU plan, Directors must receive a specified portion of their basic annual retainer in the form of DSUs, with the option to elect to receive 100% of such retainer in DSUs. Each DSU has the same value as one Barrick common share. DSUs must be retained until the Director leaves the Board, at which time the cash value of the DSUs will be paid out. Additional DSUs are credited to reflect dividends paid on Barrick common shares. DSUs are recorded at fair value on the grant date and are adjusted for changes in fair value. The fair value of amounts granted each period together with changes in fair value are expensed.

**DSU and RSU Activity**

|                                           | DSUs<br>(thousands) | Fair<br>value<br>(millions) | RSUs<br>(thousands) | Fair<br>value<br>(millions) |
|-------------------------------------------|---------------------|-----------------------------|---------------------|-----------------------------|
| At December 31, 2005                      | 47                  | \$ 1.4                      | 611                 | \$ 16.4                     |
| Settled for cash                          |                     |                             | (82)                | (2.5)                       |
| Forfeited                                 |                     |                             | (58)                | (1.6)                       |
| Granted <sup>(1)</sup>                    | 22                  | 0.7                         | 893                 | 27                          |
| Converted to stock options <sup>(1)</sup> |                     |                             | (18)                | (0.5)                       |
| Credits for dividends                     |                     |                             | 8                   | 0.2                         |
| Change in value                           |                     |                             |                     | 2.6                         |
| At December 31, 2006                      | 69                  | \$ 2.1                      | 1,354               | \$ 41.6                     |
| Settled for cash                          | (11)                | (0.3)                       | (119)               | (4.9)                       |
| Forfeited                                 |                     |                             | (38)                | (1.4)                       |
| Granted                                   | 42                  | 1.4                         | 1,174               | 47.5                        |
| Credits for dividends                     |                     |                             | 12                  | 0.4                         |
| Change in value                           |                     | 0.9                         |                     | 17.0                        |
| At December 31, 2007                      | 100                 | \$ 4.1                      | 2,383               | \$ 100.2                    |
| Settled for cash                          | (4)                 | (0.1)                       | (348)               | (10.3)                      |
| Forfeited                                 |                     |                             | (262)               | (10.6)                      |
| Granted                                   | 34                  | 1.2                         | 1,493               | 42.0                        |
| Credits for dividends                     |                     |                             | 20                  | 0.7                         |
| Change in value                           |                     | (0.5)                       |                     | (1.7)                       |
| At December 31, 2008                      | 130                 | \$ 4.7                      | 3,286               | \$ 120.3                    |

## Edgar Filing: BARRICK GOLD CORP - Form F-9

- (1) In January 2006, under our RSU plan, 18,112 restricted share units were converted to 72,448 stock options.

A-67

**Table of Contents****c) Performance Restricted Share Units (PRSUs)**

In 2008, Barrick launched a PRSU plan. Under this plan, selected employees are granted PRSUs, where each PRSU has a value equal to one Barrick common share. PRSUs vest at the end of a three-year period and are settled in cash on the third anniversary of the grant date. Additional RSUs are credited to reflect dividends paid on Barrick common shares over the vesting period. Vesting is based on the achievement of performance goals and the target settlement will range from 0% to 200% of the value. At December 31, 2008, 133 thousand units were outstanding.

**d) Employee Share Purchase Plan (ESPP)**

In 2008, Barrick launched an Employee Share Purchase Plan. This plan enables Barrick employees to purchase Company shares through payroll deduction. Each year, employees may contribute 1% - 6% of their combined base salary and annual bonus, and Barrick will match 50% of the contribution, up to a maximum of \$5,000 per year. During 2008, Barrick contributed \$0.5 million to this plan.

**28 n Post-retirement Benefits****a) Defined Contribution Pension Plans**

Certain employees take part in defined contribution employee benefit plans. We also have a retirement plan for certain officers of the Company, under which we contribute 15% of the officer's annual salary and bonus. Our share of contributions to these plans, which is expensed in the year it is earned by the employee, was \$47 million in 2008, \$49 million in 2007 and \$36 million in 2006.

**b) Defined Benefit Pension Plans**

We have qualified defined benefit pension plans that cover certain of our United States and Canadian employees and provide benefits based on employees' years of service. Through the acquisition of Placer Dome, we acquired pension plans in the United States, Canada and Australia. Our policy is to fund the amounts necessary on an actuarial basis to provide enough assets to meet the benefits payable to plan members. Independent trustees administer assets of the plans, which are invested mainly in fixed income and equity securities. In 2007, one of our qualified defined benefit plans in Canada was wound up. No curtailment gain or loss resulted and the obligations of the plans are expected to be settled at the end of 2009. Also in 2007, both of our defined benefit plans in Australia were wound up. No curtailment gain or loss resulted for either plan. In 2006, actuarial assumptions were amended for one of our qualified defined benefit plans in Canada and another one of our other plans in Canada was partially wound up; no curtailment gain or loss resulted for either plan. Also in 2006, one of our qualified defined benefit plans in the United States was amended to freeze benefits accruals for all employees, resulting in a curtailment gain of \$8 million.

As well as the qualified plans, we have non-qualified defined benefit pension plans covering certain employees and former directors of the Company. An irrevocable trust (rabbi trust) was set up to fund these plans. The fair value of assets held in this trust was \$9 million in 2008 (2007: \$19 million), and is recorded in our consolidated balance sheet under available-for-sale securities.

Actuarial gains and losses arise when the actual return on plan assets differs from the expected return on plan assets for a period, or when the expected and actuarial accrued benefit obligations differ at the end of the year. We amortize actuarial gains and losses over the average remaining life expectancy of plan participants, in excess of a 10% corridor.

**Pension Expense (Credit)**

| <b>For the years ended December 31</b> | <b>2008</b> | <b>2007</b> | <b>2006</b> |
|----------------------------------------|-------------|-------------|-------------|
| Expected return on plan assets         | \$ (19)     | \$ (21)     | \$ (20)     |
| Service cost                           |             | 2           | 4           |
| Interest cost                          | 21          | 21          | 22          |
| Actuarial losses                       | 1           | 1           | 1           |
| Curtailment gains                      |             |             | (8)         |

A-68

**Table of Contents****c) Pension Plan Information****Fair Value of Plan Assets**

| <b>For the years ended December 31</b>     | <b>2008</b>   | <b>2007</b>   | <b>2006</b>   |
|--------------------------------------------|---------------|---------------|---------------|
| Balance at January 1                       | <b>\$ 293</b> | <b>\$ 301</b> | <b>\$ 166</b> |
| Increase for plans assumed on acquisitions | <b>9</b>      |               | 127           |
| Actual return on plan assets               | <b>(41)</b>   | 31            | 35            |
| Company contributions                      | <b>12</b>     | 10            | 10            |
| Settlements                                |               | (14)          |               |
| Benefits paid                              | <b>(33)</b>   | (35)          | (37)          |
| Foreign currency adjustments               | <b>(3)</b>    |               |               |
| Balance at December 31                     | <b>\$ 237</b> | <b>\$ 293</b> | <b>\$ 301</b> |

| <b>At December 31</b>       | <b>2008</b>                 |               | <b>2008</b>   |
|-----------------------------|-----------------------------|---------------|---------------|
|                             | <b>Target<sup>(1)</sup></b> | <b>Actual</b> | <b>Actual</b> |
| Composition of plan assets: |                             |               |               |
| Equity securities           | <b>43%</b>                  | <b>43%</b>    | <b>\$ 103</b> |
| Fixed income securities     | <b>57%</b>                  | <b>57%</b>    | <b>134</b>    |
|                             | <b>100%</b>                 | <b>100%</b>   | <b>\$ 237</b> |

(1) Based on the weighted average target for all defined benefit plans.

**Projected Benefit Obligation (PBO)**

| <b>For the years ended December 31</b>                     | <b>2008</b>     | <b>2007</b>    |
|------------------------------------------------------------|-----------------|----------------|
| Balance at January 1                                       | <b>\$ 364</b>   | <b>\$ 389</b>  |
| Increase for plans assumed on acquisition of 40% of Cortez | <b>9</b>        |                |
| Service cost                                               |                 | 2              |
| Interest cost                                              | <b>21</b>       | 21             |
| Actuarial (gains) losses                                   | <b>4</b>        | 1              |
| Benefits paid                                              | <b>(33)</b>     | (35)           |
| Foreign currency adjustments                               | <b>(8)</b>      |                |
| Curtailements                                              |                 | (14)           |
| Balance at December 31                                     | <b>\$ 357</b>   | <b>\$ 364</b>  |
| Funded status <sup>(1)</sup>                               | <b>\$ (120)</b> | <b>\$ (71)</b> |
| ABO <sup>(2), (3)</sup>                                    | <b>\$ 357</b>   | <b>\$ 254</b>  |

(1) Represents the fair value of plan assets less projected benefit obligations. Plan assets exclude investments held in a rabbi trust that are recorded separately on our balance sheet under Investments (fair value \$9 million at December 31, 2008).

(2) For 2008, we used a measurement date of December 31, 2008 to calculate accumulated benefit obligations.

(3)

## Edgar Filing: BARRICK GOLD CORP - Form F-9

Represents the accumulated benefit obligation ( ABO ) for all plans. The ABO for plans where the PBO exceeds the fair value of plan assets was \$326 million (2007: \$254 million).

### Pension Plan Assets/Liabilities

| For the years ended December 31           | 2008    | 2007    |
|-------------------------------------------|---------|---------|
| Non-current assets                        | \$      | \$ 25   |
| Current liabilities                       | (7)     | (8)     |
| Non-current liabilities                   | (113)   | (87)    |
| Other comprehensive income <sup>(1)</sup> | 52      | (9)     |
|                                           | \$ (68) | \$ (79) |

(1) Amounts represent actuarial (gains) losses.

A-69

**Table of Contents**

The projected benefit obligation and fair value of plan assets for pension plans with a projected benefit obligation in excess of plan assets at December 31, 2008 and 2007 were as follows:

| For the years ended December 31                                                                                                                                                                 | 2008   | 2007   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| Projected benefit obligation, end of year                                                                                                                                                       | \$ 326 | \$ 329 |
| Fair value of plan assets, end of year                                                                                                                                                          | \$ 205 | \$ 258 |
| The projected benefit obligation and fair value of plan assets for pension plans with an accumulated benefit obligation in excess of plan assets at December 31, 2008 and 2007 were as follows: |        |        |

| For the years ended December 31             | 2008   | 2007   |
|---------------------------------------------|--------|--------|
| Projected benefit obligation, end of year   | \$ 357 | \$ 329 |
| Accumulated benefit obligation, end of year | \$ 326 | \$ 330 |
| Fair value of plan assets, end of year      | \$ 205 | \$ 258 |
| <b>Expected Future Benefit Payments</b>     |        |        |

| For the years ending December 31 |        |
|----------------------------------|--------|
| 2009                             | \$ 57  |
| 2010                             | 29     |
| 2011                             | 24     |
| 2012                             | 24     |
| 2013                             | 24     |
| 2014 2018                        | \$ 116 |

**d) Actuarial Assumptions**

| For the years ended December 31      | 2008 |       | 2007 |       | 2006 |       |
|--------------------------------------|------|-------|------|-------|------|-------|
| Discount rate <sup>(1)</sup>         |      |       |      |       |      |       |
| Benefit obligation                   | 4.50 | 6.25% | 4.50 | 6.30% | 4.40 | 5.90% |
| Pension cost                         | 4.50 | 6.25% | 4.50 | 5.81% | 4.40 | 5.90% |
| Return on plan assets <sup>(1)</sup> | 3.75 | 7.00% | 4.50 | 7.25% | 7.00 | 7.25% |
| Wage increases                       | 3.50 | 5.00% | 3.50 | 5.00% | 3.50 | 5.00% |

(1) Effect of a one-percent change: Discount rate: \$25 million decrease in ABO and \$1 million increase in pension cost; Return on plan assets: \$3 million decrease in pension cost.

Pension plan assets, which consist primarily of fixed-income and equity securities, are valued using current market quotations. Plan obligations and the annual pension expense are determined on an actuarial basis and are affected by numerous assumptions and estimates including the market value of plan assets, estimates of the expected return on plan assets, discount rates, future wage increases and other assumptions. The discount rate, assumed rate of return on plan assets and wage increases are the assumptions that generally have the most significant impact on our pension cost and obligation.

The discount rate for benefit obligation and pension cost purposes is the rate at which the pension obligation could be effectively settled. This rate was developed by matching the cash flows underlying the pension obligation with a spot rate curve based on the actual returns available on high-grade (Moody's Aa) US corporate bonds. Bonds included in this analysis were restricted to those with a minimum outstanding balance of \$50 million. Only non-callable bonds, or bonds with a make-whole provision, were included. Finally, outlying bonds (highest and lowest 10%) were discarded as being non-representative and likely to be subject to a change in investment grade. The resulting discount rate from this analysis was rounded to the nearest five basis points. The procedure was applied separately for pension and post-retirement plan purposes, and produced the same rate in each case.

## Edgar Filing: BARRICK GOLD CORP - Form F-9

The assumed rate of return on assets for pension cost purposes is the weighted average of expected long-term asset return assumptions. In estimating the long-term rate of return for plan assets, historical markets are studied and long-term historical returns on equities and fixed-income investments reflect the widely accepted capital market

A-70

**Table of Contents**

principle that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are finalized.

Wage increases reflect the best estimate of merit increases to be provided, consistent with assumed inflation rates.

**e) Other Post-retirement Benefits**

We provide post-retirement medical, dental, and life insurance benefits to certain employees. We use the corridor approach in the accounting for post-retirement benefits. Actuarial gains and losses resulting from variances between actual results and economic estimates or actuarial assumptions are deferred and amortized over the average remaining life expectancy of participants when the net gains or losses exceed 10% of the accumulated post-retirement benefit obligation.

**Other Post-retirement Benefits Expense**

| For the years ended December 31 | 2008 | 2007 | 2006 |
|---------------------------------|------|------|------|
| Interest cost                   | \$ 2 | \$ 2 | \$ 2 |
| Other                           |      |      |      |
|                                 | \$ 2 | \$ 2 | \$ 2 |

**Fair Value of Plan Assets**

| For the years ended December 31 | 2008 | 2007 | 2006 |
|---------------------------------|------|------|------|
| Balance at January 1            | \$   | \$   | \$   |
| Contributions                   | 2    | 2    | 3    |
| Benefits paid                   | (2)  | (2)  | (3)  |
| Balance at December 31          | \$   | \$   | \$   |

**Accumulated Post-retirement Benefit Obligation (APBO)**

| For the years ended December 31        | 2008  | 2007  | 2006  |
|----------------------------------------|-------|-------|-------|
| Balance at January 1                   | \$ 30 | \$ 37 | \$ 39 |
| Interest cost                          | 2     | 2     | 2     |
| Actuarial (gains) losses               | 2     | (7)   | (1)   |
| Benefits paid                          | (2)   | (2)   | (3)   |
| Balance at December 31                 | \$ 32 | \$ 30 | \$ 37 |
| Funded status                          | (32)  | (30)  | (37)  |
| Unrecognized net transition obligation | n/a   | n/a   | n/a   |
| Unrecognized actuarial losses          | n/a   | n/a   | n/a   |
| Net benefit liability recorded         | n/a   | n/a   | n/a   |

**Other Post-retirement Assets/Liabilities**

| For the years ended December 31        | 2008    | 2007    |
|----------------------------------------|---------|---------|
| Current liability                      | \$ (3)  | \$ (3)  |
| Non-current liability                  | (29)    | (27)    |
| Accumulated other comprehensive income |         | (1)     |
|                                        | \$ (32) | \$ (31) |

A-71

**Table of Contents**

Amounts recognized in accumulated other comprehensive income consist of:<sup>(1)</sup>

| <b>For the years ended December 31</b> | <b>2008</b> | <b>2007</b>   |
|----------------------------------------|-------------|---------------|
| Net actuarial loss (gain)              | <b>\$ 1</b> | <b>\$ (2)</b> |
| Transition obligation (asset)          | <b>(1)</b>  | <b>1</b>      |
|                                        | <b>\$</b>   | <b>\$ (1)</b> |

(1) The estimated amounts that will be amortized into net periodic benefit cost in 2008.

We have assumed a health care cost trend of 8% in 2008, decreasing ratable to 5% in 2011 and thereafter. The assumed health care cost trend had a minimal effect on the amounts reported. A one percentage point change in the assumed health care cost trend rate at December 31, 2008 would have had no significant effect on the post-retirement obligation and would have had no significant effect on the benefit expense for 2008.

**Expected Future Benefit Payments**

| <b>For the years ending December 31</b> |              |
|-----------------------------------------|--------------|
| 2009                                    | <b>\$ 3</b>  |
| 2010                                    | <b>3</b>     |
| 2011                                    | <b>3</b>     |
| 2012                                    | <b>3</b>     |
| 2013                                    | <b>2</b>     |
| 2014 - 2018                             | <b>\$ 11</b> |

**29 n Litigation and Claims**

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. In assessing loss contingencies related to legal proceedings that are pending against us or unasserted claims that may result in such proceedings, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency suggests that a loss is probable, and the amount can be reliably estimated, then a loss is recorded. When a contingent loss is not probable but is reasonably possible, or is probable but the amount of loss cannot be reliably estimated, then details of the contingent loss are disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case we disclose the nature of the guarantee. Legal fees incurred in connection with pending legal proceedings are expensed as incurred.

**Wagner Complaint**

On June 12, 2003, a complaint was filed against Barrick and several of its current or former officers in the U.S. District Court for the Southern District of New York. The complaint is on behalf of Barrick shareholders who purchased Barrick shares between February 14, 2002 and September 26, 2002. It alleges that Barrick and the individual defendants violated U.S. securities laws by making false and misleading statements concerning Barrick's projected operating results and earnings in 2002. The complaint seeks an unspecified amount of damages. In November 2008, near the completion of discovery, this matter was scheduled for trial in March 2009. The trial date has since been adjourned because of a settlement in principle among the parties. Efforts to finalize the settlement and seek the necessary Court approval are ongoing. No amounts have been accrued for any potential loss under this complaint.

**Cortez Hills Complaint**

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

enjoin the majority of the activities comprising the Project on grounds that it violated the Western Shoshone rights under the *Religious Freedom*

A-72

## **Table of Contents**

*Restoration Act* ( RFRA ), that it violated the *Federal Land Policy and Management Act* 's prohibition on unnecessary and undue degradation, and that the Project 's Environment Impact Statement did not meet the requirements of the *National Environmental Policy Act*. The Plaintiffs' RFRA claim is based on the assertion that the Project and adjoining areas are sacred to certain Western Shoshone. On November 24, 2008, the Plaintiffs filed a Motion for a Temporary Restraining Order and a Preliminary Injunction barring work on the Project until after a trial on the merits. After a four day hearing, on January 26, 2009, the Court denied the Plaintiffs' Motion for a Preliminary Injunction, concluding that the Plaintiffs had failed to demonstrate a likelihood of success on the merits. The Plaintiffs have appealed that decision to the United States Court of Appeals for the Ninth Circuit.

### **Marinduque Complaint**

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

At the time of the amalgamation of Placer Dome and Barrick Gold Corporation, a variety of motions were pending before the District Court, including motions to dismiss the action for lack of personal jurisdiction and for *forum non conveniens* (improper choice of forum). On June 29, 2006, the Province filed a Motion to join Barrick Gold Corporation as an additional named Defendant and for leave to file a Third Amended Complaint which the Court granted on March 2, 2007. On March 6, 2007, the Court issued an order setting a briefing schedule on the Company 's motion to dismiss on grounds of *forum non conveniens*. On June 7, 2007, the Court issued an order granting the Company 's motion to dismiss. On June 25, 2007, the Province filed a motion requesting the Court to reconsider its Order dismissing the action. On January 16, 2008, the district court issued an order denying the Province 's motion for reconsideration. Following the district court 's order, the Province filed Notice of Appeal to the U.S. Court of Appeals for the Ninth Circuit. Under the briefing schedule established by the Court of Appeals the Province 's initial brief in the Appeal was filed on August 15, 2008, the Company 's responsive brief was filed on September 15, 2008, and the Province 's reply brief was filed on October 15, 2008. Oral argument before the U.S. Court of Appeals is set for March 10, 2009. We will challenge the claims of the Province on various grounds and otherwise vigorously defend the action. No amounts have been accrued for any potential loss under this complaint.

### **Calancan Bay (Philippines) Complaint**

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

On October 16, 2006, the court granted the plaintiffs' application for indigent status, allowing the case to proceed without payment of filing fees. On January 17, 2007, the Court issued a summons to Marcopper and PDI. On March 25, 2008, an attempt was made to serve PDI by serving the summons and complaint on Placer Dome Technical Services (Philippines) Inc. ( PDTS ). PDTS has returned the summons and complaint with a manifestation stating that PDTS is not an agent of PDI for any purpose and is not authorized to accept service or to take any other action on behalf of PDI. On April 3, 2008, PDI made a special appearance by counsel to move to dismiss the complaint for lack of personal jurisdiction and on other grounds. The plaintiffs have opposed the motion to dismiss. A hearing on the motion to dismiss originally set by the trial court for November 27, 2008 has been rescheduled for March 11, 2009.

## **Table of Contents**

The Company intends to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

### **Pakistani Constitutional Litigation**

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

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

On June 26, 2007, the High Court of Balochistan dismissed the Petition against Barrick and the other respondents in its entirety. On August 23, 2007, the petitioners filed a Civil Petition for Leave to Appeal in the Supreme Court of Pakistan. The Supreme Court of Pakistan has not yet considered the Civil Petition for Leave to Appeal. Barrick intends to defend this action vigorously. No amounts have been accrued for any potential loss under this complaint.

### **30 n SUBSEQUENT EVENTS AND FINANCE SUBSIDIARY**

In March 2009, we issued \$750 million in debt securities. On September 8, 2009, we announced a plan to eliminate all of our fixed priced (non-participating) gold contracts (the Gold Hedges ) and a portion of our floating spot price (fully participating) gold contracts (together with the Gold Hedges, the Gold Sales Contracts ). As a result of this decision, the mark-to-market position of \$5.6 billion attributable to the Gold Sales Contracts and \$0.1 billion related to our silver sales contracts (also impacted by our decision ) was recorded on the balance sheet as a liability in third quarter 2009 with a corresponding charge to earnings. In September 2009, we issued approximately 109 million common shares for gross proceeds of approximately \$4.0 billion. On October 9, 2009, we incorporated a wholly-owned finance subsidiary, Barrick (PD) Australia Finance Pty Ltd. (ACN 139 909 934) ( BPDFAF ), the sole purpose of which is to issue debt securities. On October 16, 2009, we issued \$1.25 billion in debt securities through BPDFAF comprised of: \$400 million of 4.95% notes due 2020 and \$850 million of 5.95% notes due 2039 (the Initial Notes ) in a transaction that was exempt from registration under the Securities Act of 1933, as amended (the Securities Act ). The Initial Notes were offered and sold to qualified institutional buyers in reliance on Rule 144A and to non-U.S. persons outside the United States in reliance on Regulation S. Barrick has fully and unconditionally guaranteed the Initial Notes. On November 6, 2009, we filed a preliminary short form prospectus and a registration statement in respect of the offer and issuance of up to \$1.25 billion of debt securities through BPDFAF comprised of: \$400 million of 4.95% notes due 2020 and \$850 million of 5.95% notes due 2039 (the New Notes ) in exchange for the Initial Notes. The terms of the New Notes will be substantially identical to the terms of the Initial Notes, except that the New Notes will be registered under the Securities Act. Barrick will fully and unconditionally guarantee any New Notes issued by BPDFAF.

**Table of Contents**

**SCHEDULE B**

**INTERIM FINANCIAL STATEMENTS OF BARRICK GOLD CORPORATION**

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009**

B-1

**Table of Contents****CONSOLIDATED STATEMENTS OF INCOME**

| Barrick Gold Corporation                                                  | Three months ended<br>September 30, |                 | Nine months ended<br>September 30, |                 |
|---------------------------------------------------------------------------|-------------------------------------|-----------------|------------------------------------|-----------------|
| (in millions of United States dollars, except per share data) (Unaudited) | 2009                                | 2008            | 2009                               | 2008            |
| <b>Sales</b> (notes 4 and 5)                                              | <b>\$ 2,096</b>                     | <b>\$ 1,878</b> | <b>\$ 5,952</b>                    | <b>\$ 5,803</b> |
| <b>Costs and expenses</b>                                                 |                                     |                 |                                    |                 |
| Cost of sales (notes 4 and 6) <sup>(1)</sup>                              | 971                                 | 1,028           | 2,901                              | 2,685           |
| Amortization and accretion (notes 4 and 14)                               | 282                                 | 262             | 810                                | 767             |
| Corporate administration                                                  | 40                                  | 39              | 120                                | 110             |
| Exploration (notes 4 and 7)                                               | 43                                  | 55              | 110                                | 152             |
| Project development expense (note 7)                                      | 21                                  | 41              | 59                                 | 171             |
| Elimination of gold and silver sales contracts (note 16E)                 | 5,692                               |                 | 5,692                              |                 |
| Impairment charges (note 8B)                                              | 158                                 |                 | 158                                |                 |
| Other expense (note 8A)                                                   | 79                                  | 74              | 213                                | 165             |
|                                                                           | <b>7,286</b>                        | <b>1,499</b>    | <b>10,063</b>                      | <b>4,050</b>    |
| Interest income                                                           | 2                                   | 12              | 7                                  | 34              |
| Interest expense (note 16B)                                               | (12)                                | (7)             | (28)                               | (21)            |
| Other income (note 8C)                                                    | 16                                  | 39              | 98                                 | 111             |
| Write-down of investments (note 8B)                                       |                                     | (112)           | (1)                                | (151)           |
|                                                                           | <b>6</b>                            | <b>(68)</b>     | <b>76</b>                          | <b>(27)</b>     |
| <b>Income (loss) before income taxes and other items</b>                  | <b>(5,184)</b>                      | <b>311</b>      | <b>(4,035)</b>                     | <b>1,726</b>    |
| Income tax expense (note 9)                                               | (141)                               | (25)            | (377)                              | (426)           |
| Income (loss) from equity investees (note 12)                             | (23)                                | (22)            | (71)                               | (29)            |
| <b>Income (loss) before non-controlling interests</b>                     | <b>(5,348)</b>                      | <b>264</b>      | <b>(4,483)</b>                     | <b>1,271</b>    |
| Non-controlling interests (note 8D)                                       | (2)                                 | (10)            | (4)                                | (18)            |
| <b>Net income (loss)</b>                                                  | <b>\$ (5,350)</b>                   | <b>\$ 254</b>   | <b>\$ (4,487)</b>                  | <b>\$ 1,253</b> |
| <b>Earnings (loss) per share data (note 10)</b>                           |                                     |                 |                                    |                 |
| Net income (loss)                                                         |                                     |                 |                                    |                 |
| Basic                                                                     | \$ (6.07)                           | \$ 0.29         | \$ (5.12)                          | \$ 1.44         |
| Diluted                                                                   | \$ (6.07)                           | \$ 0.29         | \$ (5.12)                          | \$ 1.42         |

(1) Exclusive of amortization.

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

**Table of Contents****CONSOLIDATED STATEMENTS OF CASH FLOW**

| Barrick Gold Corporation                                                  | Three months ended<br>September 30, |                 | Nine months ended<br>September 30, |                 |
|---------------------------------------------------------------------------|-------------------------------------|-----------------|------------------------------------|-----------------|
| (in millions of United States dollars, except per share data) (Unaudited) | 2009                                | 2008            | 2009                               | 2008            |
| <b>OPERATING ACTIVITIES</b>                                               |                                     |                 |                                    |                 |
| Net income                                                                | \$ (5,350)                          | \$ 254          | \$ (4,487)                         | \$ 1,253        |
| Amortization and accretion (notes 4 and 14)                               | 282                                 | 262             | 810                                | 767             |
| Income tax expense (note 9)                                               | 141                                 | 25              | 377                                | 426             |
| Income taxes paid                                                         | (44)                                | (141)           | (264)                              | (498)           |
| Impairment charges (note 8B)                                              | 158                                 | 112             | 159                                | 151             |
| Increase in inventory                                                     | (80)                                | (176)           | (240)                              | (415)           |
| Elimination of gold and silver sales contracts (note 16E)                 | 5,692                               |                 | 5,692                              |                 |
| Gain on sale/acquisition of long-lived assets (note 8C)                   | (4)                                 | (9)             | (86)                               | (13)            |
| Other items (note 11)                                                     | 116                                 | 217             | 17                                 | 96              |
| <b>Net cash provided by operating activities</b>                          | <b>911</b>                          | <b>544</b>      | <b>1,978</b>                       | <b>1,767</b>    |
| <b>INVESTING ACTIVITIES</b>                                               |                                     |                 |                                    |                 |
| Property, plant and equipment                                             |                                     |                 |                                    |                 |
| Capital expenditures (note 4)                                             | (535)                               | (571)           | (1,610)                            | (1,162)         |
| Sales proceeds                                                            | 3                                   | 14              | 10                                 | 19              |
| Acquisitions (note 3)                                                     | (53)                                | (396)           | (101)                              | (2,122)         |
| Investments (note 12)                                                     |                                     |                 |                                    |                 |
| Purchases                                                                 |                                     |                 | (2)                                | (16)            |
| Sales                                                                     | 3                                   | 19              | 3                                  | 76              |
| Decrease in restricted cash (note 16A)                                    |                                     |                 | 113                                |                 |
| Long-term supply contract                                                 |                                     |                 |                                    | (35)            |
| Other investing activities                                                | (37)                                | (45)            | (71)                               | (117)           |
| <b>Net cash used in investing activities</b>                              | <b>(619)</b>                        | <b>(979)</b>    | <b>(1,658)</b>                     | <b>(3,357)</b>  |
| <b>FINANCING ACTIVITIES</b>                                               |                                     |                 |                                    |                 |
| Capital stock                                                             |                                     |                 |                                    |                 |
| Proceeds on exercise of stock options                                     | 10                                  | 1               | 31                                 | 71              |
| Proceeds on common share offering (note 19)                               | 3,885                               |                 | 3,885                              |                 |
| Long-term debt (note 16B)                                                 |                                     |                 |                                    |                 |
| Proceeds                                                                  | 69                                  | 1,401           | 936                                | 2,391           |
| Repayments                                                                | (65)                                | (1,197)         | (358)                              | (1,247)         |
| Dividends                                                                 |                                     |                 | (174)                              | (174)           |
| Funding from non-controlling interests                                    | 78                                  | 57              | 224                                | 93              |
| Deposit on silver contracts (note 6)                                      | 213                                 |                 | 213                                |                 |
| Other financing activities                                                | (2)                                 |                 | (13)                               |                 |
| <b>Net cash provided by (used in) financing activities</b>                | <b>4,188</b>                        | <b>262</b>      | <b>4,744</b>                       | <b>1,134</b>    |
| <b>Effect of exchange rate changes on cash and equivalents</b>            | <b>13</b>                           | <b>(15)</b>     | <b>30</b>                          | <b>(5)</b>      |
| Net increase (decrease) in cash and equivalents                           | 4,493                               | (188)           | 5,094                              | (461)           |
| <b>Cash and equivalents at beginning of period (note 16A)</b>             | <b>2,038</b>                        | <b>1,934</b>    | <b>1,437</b>                       | <b>2,207</b>    |
| <b>Cash and equivalents at end of period (note 16A)</b>                   | <b>\$ 6,531</b>                     | <b>\$ 1,746</b> | <b>\$ 6,531</b>                    | <b>\$ 1,746</b> |

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

B-3

**Table of Contents****CONSOLIDATED BALANCE SHEETS****Barrick Gold Corporation**

|                                                                                  | As at<br>September 30,<br>2009 | As at<br>December 31,<br>2008 |
|----------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| <b>(in millions of United States dollars, except per share data) (Unaudited)</b> |                                |                               |
| <b>ASSETS</b>                                                                    |                                |                               |
| Current assets                                                                   |                                |                               |
| Cash and equivalents (note 16A)                                                  | \$ 6,531                       | \$ 1,437                      |
| Accounts receivable                                                              | 210                            | 197                           |
| Inventories (note 13)                                                            | 1,537                          | 1,309                         |
| Other current assets                                                             | 532                            | 1,169                         |
|                                                                                  | <b>8,810</b>                   | <b>4,112</b>                  |
| Non-current assets                                                               |                                |                               |
| Investments (note 12)                                                            | 1,216                          | 1,145                         |
| Property, plant and equipment (note 14)                                          | 12,636                         | 11,547                        |
| Goodwill (note 15)                                                               | 5,260                          | 5,280                         |
| Intangible assets                                                                | 67                             | 75                            |
| Deferred income tax assets                                                       | 851                            | 869                           |
| Other assets                                                                     | 1,437                          | 1,133                         |
| <b>Total assets</b>                                                              | <b>\$ 30,277</b>               | <b>\$ 24,161</b>              |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                      |                                |                               |
| Current liabilities                                                              |                                |                               |
| Accounts payable                                                                 | 1,093                          | 970                           |
| Short-term debt                                                                  | 71                             | 206                           |
| Other current liabilities                                                        | 377                            | 668                           |
|                                                                                  | <b>1,541</b>                   | <b>1,844</b>                  |
| Non-current liabilities                                                          |                                |                               |
| Long-term debt (note 16B)                                                        | 5,060                          | 4,350                         |
| Settlement obligation to close out gold and silver sales contracts (note 16E)    | 5,692                          |                               |
| Asset retirement obligations                                                     | 1,071                          | 973                           |
| Deferred income tax liabilities                                                  | 928                            | 754                           |
| Other liabilities (note 18)                                                      | 603                            | 781                           |
| <b>Total liabilities</b>                                                         | <b>14,895</b>                  | <b>8,702</b>                  |
| <b>Equity</b>                                                                    |                                |                               |
| Capital stock (note 19)                                                          | 17,343                         | 13,372                        |
| Retained earnings (deficit)                                                      | (2,400)                        | 2,261                         |
| Accumulated other comprehensive income (loss) (note 20)                          | 37                             | (356)                         |
| <b>Total shareholders' equity</b>                                                | <b>14,980</b>                  | <b>15,277</b>                 |
| Non-controlling interests                                                        | 402                            | 182                           |
| <b>Total equity</b>                                                              | <b>15,382</b>                  | <b>15,459</b>                 |
| Contingencies and commitments (notes 14 and 21)                                  |                                |                               |
| <b>Total liabilities and equity</b>                                              | <b>\$ 30,277</b>               | <b>\$ 24,161</b>              |

Edgar Filing: BARRICK GOLD CORP - Form F-9

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

B-4

**Table of Contents****CONSOLIDATED STATEMENTS OF EQUITY****Barrick Gold Corporation**

| <b>For the nine months ended September 30 (in millions of United States dollars) (Unaudited)</b> | <b>2009</b>      | <b>2008</b>      |
|--------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Common shares</b> (number in millions)                                                        |                  |                  |
| At January 1                                                                                     | 873              | 870              |
| Issued on public equity offering (note 19)                                                       | 109              |                  |
| Issued on exercise of stock options                                                              | 1                | 2                |
| At September 30                                                                                  | 983              | 872              |
| <b>Common shares</b>                                                                             |                  |                  |
| At January 1                                                                                     | \$ 13,372        | \$ 13,273        |
| Issued on public equity offering (note 19)                                                       | 3,926            |                  |
| Issued on exercise of stock options                                                              | 31               | 71               |
| Recognition of stock option expense                                                              | 14               | 12               |
| At September 30                                                                                  | 17,343           | 13,356           |
| <b>Retained earnings (deficit)</b>                                                               |                  |                  |
| At January 1                                                                                     | 2,261            | 1,832            |
| Net income (loss)                                                                                | (4,487)          | 1,253            |
| Dividends                                                                                        | (174)            | (174)            |
| Repurchase of preferred shares of a subsidiary (note 19)                                         |                  | (7)              |
| At September 30                                                                                  | (2,400)          | 2,904            |
| Accumulated other comprehensive income (loss) (note 20)                                          | 37               | (100)            |
| <b>Total shareholders' equity</b>                                                                | <b>14,980</b>    | <b>16,160</b>    |
| <b>Non-controlling interests</b>                                                                 |                  |                  |
| At January 1                                                                                     | 182              | 82               |
| Net loss attributable to non-controlling interests                                               | 4                | 18               |
| Funding to non-controlling interests                                                             | 216              | 93               |
| At September 30                                                                                  | 402              | 193              |
| <b>Total equity at September 30</b>                                                              | <b>\$ 15,382</b> | <b>\$ 16,353</b> |

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

| <b>Barrick Gold Corporation</b>                           | <b>Three months ended<br/>September 30,</b> |                | <b>Nine months ended<br/>September 30,</b> |                 |
|-----------------------------------------------------------|---------------------------------------------|----------------|--------------------------------------------|-----------------|
| <b>(in millions of United States dollars) (Unaudited)</b> | <b>2009</b>                                 | <b>2008</b>    | <b>2009</b>                                | <b>2008</b>     |
| Net income (loss)                                         | \$ (5,350)                                  | \$ 254         | \$ (4,487)                                 | \$ 1,253        |
| Other comprehensive income (loss), net of tax (note 20)   | 133                                         | (345)          | 393                                        | (251)           |
| <b>Comprehensive income (loss)</b>                        | <b>\$ (5,217)</b>                           | <b>\$ (91)</b> | <b>\$ (4,094)</b>                          | <b>\$ 1,002</b> |

Edgar Filing: BARRICK GOLD CORP - Form F-9

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

B-5

## Table of Contents

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

#### 1 > NATURE OF OPERATIONS

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

#### 2 > SIGNIFICANT ACCOUNTING POLICIES

##### A Basis of Preparation

These consolidated financial statements have been prepared under United States generally accepted accounting principles ( US GAAP ).

##### B Use of Estimates

##### Significant Changes in Estimates

##### *Gold and Copper Mineral Reserves*

At the end of each fiscal year, as part of our annual business cycle, we prepare estimates of proven and probable gold and copper mineral reserves for each mineral property, including the transfer of amounts allocated to value beyond proven and probable ( VBPP ) to proven and probable reserves subject to amortization. We prospectively revise calculations of amortization of property, plant and equipment. The effect of changes in reserve estimates and transfers of VBPP amounts to proven and probable reserves subject to amortization on amortization expense for the three months ended September 30, 2009 was a decrease of \$19 million (2008: \$8 million decrease), and for the nine months ended September 30, 2009 was a decrease of \$40 million (2008: \$42 million decrease).

##### *Asset Retirement Obligations ( AROs )*

Each quarter we update cost estimates, and other assumptions used in the valuation of AROs at each of our mineral properties to reflect new events, changes in circumstances and any new information that is available. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the ARO. During the three month period ended September 30, 2009, we recorded a \$34 million increase (2008: \$3 million increase) and during the nine month period ended September 30, 2009, we recorded an increase of \$76 million (2008: \$35 million) for changes in estimates of the AROs at various properties, including the acquisition of the 50% interest in Hemlo mines (note 3C). These adjustments were recorded with a corresponding adjustment to property, plant and equipment.

##### C Accounting Changes

On July 1, 2009, the Financial Accounting Standards Board's (FASB) Codification of US GAAP was launched as the sole source of authoritative non-governmental U.S. GAAP. The Accounting Standards Codification ( ASC ) is not intended to change U.S. GAAP, but rather reorganize existing guidance by accounting topic to allow easier identification of applicable standards. We have updated our references to US GAAP to reflect the Codification.

##### Measuring Fair Value of Liabilities

## Edgar Filing: BARRICK GOLD CORP - Form F-9

In August 2009, the FASB issued Accounting Standards Update (ASU) 2009-05, Measuring Fair Value of Liabilities which is effective prospectively for interim periods beginning after October 1, 2009, with early adoption permitted. ASC 820 requires that the fair value of liabilities be measured under the assumption that the liability is

B-6

## **Table of Contents**

transferred to a market participant. ASU 2009-05 provides further clarification that fair value measurement of a liability should assume transfer to a market participant as of the measurement date without settlement with the counterparty. Therefore, the fair value of the liability shall reflect non-performance risk, including but not limited to a reporting entity's own credit risk. We intend to adopt ASU 2009-05 in fourth quarter 2009, which is expected to impact the fair value of our settlement obligation to close out gold and silver sales contracts.

### **Interim Disclosures about Fair Value of Financial Instruments**

To enhance the transparency surrounding the treatment of financial instruments, this new guidance requires disclosures relating to the fair value of financial instruments to be made at each interim reporting period regardless of how these instruments are recognized in the financial statements. We adopted the increased disclosure requirements beginning in first quarter 2009. Refer to note 17 for related disclosures.

### **Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities**

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

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

The adoption of this new guidance in the fourth quarter of 2008, has resulted in expanded disclosure around our involvement with our VIEs and the significant judgments and assumptions we make in accounting for them. Refer to our 2008 annual financial statements for further details.

### **Disclosures about Derivative Instruments and Hedging Activities**

In first quarter 2009, we adopted new disclosure requirements for derivative instruments and hedging activities. Under this new guidance, entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under ASC 815 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. To the extent the required information was not previously disclosed in our 2008 annual financial statements, we incorporated new disclosures in note 16.

### **Business Combinations**

In first quarter 2009, we began applying the new provisions for business combinations for business combinations consummated in December 31, 2008. Under the new guidance, business acquisitions are accounted for under the acquisition method, compared to the purchase method mandated previously.

The more significant changes to our accounting for business combinations that will result from applying the acquisition method include: (i) the definition of a business is broadened to include some development stage entities, and therefore more acquisitions may be accounted for as business combinations rather than asset acquisitions; (ii) the measurement date for equity interests issued by the acquirer is the acquisition date instead of a few days before and after terms are agreed to and announced, which may significantly change the amount recorded for the acquired business if share prices differ from the agreement and announcement date to the acquisition date; (iii) all future adjustments to income tax estimates will be recorded to income tax expense, whereas under the previous requirements, certain changes in income tax estimates were recorded to goodwill; (iv) acquisition-related costs of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees, and other professional or consulting fees

**Table of Contents**

will be expensed as incurred, whereas under the previous guidance these costs were capitalized as part of the business combination; (v) the assets acquired and liabilities assumed as part of a business combination, whether full, partial or step acquisition, result in all assets and liabilities recorded at 100% of fair value, whereas under the previous requirements only the controlling interest's portion is recorded at fair value; (vi) recognition of a bargain purchase gain when the fair value of the identifiable assets exceeds the purchase price, whereas under the previous guidance, the net book value of the identifiable assets would have been adjusted downward; and (vii) the non-controlling interest will be recorded at its share of fair value of net assets acquired, including its share of goodwill, whereas under previous guidance the non-controlling interest is recorded at its share of carrying value of net assets acquired with no goodwill being allocated.

**Non-controlling Interests in Consolidated Financial Statements**

In first quarter 2009, we adopted the provisions for non-controlling interests. Under the new guidance, non-controlling interests are measured at 100% of the fair value of assets acquired and liabilities assumed. Prior to the effective date of the new guidance, non-controlling interests were measured at book value. For presentation and disclosure purposes, non-controlling interests are now classified as a separate component of equity. In addition, the new guidance changes the manner in which increases/decreases in ownership percentages are accounted for. Changes in ownership percentages are recorded as equity transactions and no gain or loss is recognized as long as the parent retains control of the subsidiary. When a parent company deconsolidates a subsidiary but retains a non-controlling interest, the non-controlling interest is re-measured at fair value on the date control is lost and a gain or loss is recognized at that time. Further, accumulated losses attributable to the non-controlling interests are no longer limited to the original carrying amount, and therefore non-controlling interests could have a negative carrying balance.

The new provisions are to be applied prospectively with the exception of the presentation and disclosure provisions, which are to be applied for all prior periods presented in the financial statements. The presentation and disclosure provisions resulted in the reclassification of non-controlling interests to the Equity section of the Balance Sheet totaling \$402 million as at September 30, 2009 (December 31, 2008: \$182 million).

**D Accounting Developments****Amendments to Accounting for VIEs**

In second quarter 2009, the FASB issued an amendment to its guidance on VIEs. Although not effective until first quarter 2010, this new guidance makes significant changes to the model for determining who should consolidate a VIE and how often this assessment should be performed. Based on our preliminary assessment, we do not expect these changes to have a significant impact on our financial statements.

**3 > ACQUISITIONS AND DIVESTITURES**

|                                               | Three month period ended<br>September 30 |        | Nine month period ended<br>September 30 |          |
|-----------------------------------------------|------------------------------------------|--------|-----------------------------------------|----------|
|                                               | 2009                                     | 2008   | 2009                                    | 2008     |
| <b>Cash paid on acquisition<sup>(1)</sup></b> |                                          |        |                                         |          |
| Valhalla                                      | \$ 53                                    | \$     | \$ 53                                   | \$       |
| Hemlo                                         |                                          |        | 50                                      |          |
| Barrick Energy                                |                                          | 448    |                                         | 448      |
| Arizona Star                                  |                                          |        |                                         | 48       |
| Cortez                                        |                                          |        |                                         | 1,695    |
| Other                                         |                                          |        |                                         | 4        |
|                                               | \$ 53                                    | \$ 448 | \$ 103                                  | \$ 2,195 |
| Less: cash acquired                           |                                          | (52)   | (2)                                     | (73)     |
|                                               | \$ 53                                    | \$ 396 | \$ 101                                  | \$ 2,122 |

(1) All amounts represent gross cash paid on acquisition or received on divestiture.

B-8

**Table of Contents****A Acquisition of 70% interest in El Morro**

On October 12, 2009, we entered into an agreement to acquire a 70% interest in the El Morro project from Xstrata Plc. for \$465 million in cash. El Morro is an advanced stage gold-copper project located near our Pascua-Lama and Cerro Casale projects in Chile. The transaction is expected to close by January 30, 2010, subject to the expiration or waiver of New Gold Inc.'s right of first refusal, which expires on January 11, 2009, and other customary closing considerations.

**B Acquisition of 50% interest in Valhalla**

On September 27, 2009, we entered into a purchase agreement to acquire a 50% interest in the Valhalla oil and gas field, which is close to our existing Sturgeon Lake field, for total cash consideration of \$53 million. This asset acquisition will increase the production capacity of Barrick Energy by approximately 800 barrels of oil equivalent ( boe )/day in fourth quarter 2009 and 900 boe/day in 2010.

**C Acquisition of 50% interest in Hemlo**

On April 22, 2009, we completed the acquisition of the remaining 50% interest in the Williams and David Bell gold mines ( Hemlo ) in Canada from Teck Resources Ltd. for net cash consideration of \$48 million, thereby increasing our interest to 100%. Following this transaction, in accordance with the new requirements for step acquisitions in ASC 805, we remeasured our existing 50% interest in the assets and liabilities of Hemlo to their current fair values. This remeasurement resulted in an increase in property, plant and equipment and deferred tax liabilities of \$96 million and \$34 million respectively, and a reduction in goodwill of \$20 million. The net gain on the acquisition of the remaining 50% interest in Hemlo of \$72 million was recognized in other income (note 8C).

The tables below represent the purchase cost, our final purchase price allocation, and the bargain purchase of the acquisition of the remaining 50% interest in Hemlo.

**Purchase Cost**

|                           |       |
|---------------------------|-------|
| Purchase cost             | \$ 65 |
| Purchase price adjustment | (15)  |
| Less: cash acquired       | (2)   |
|                           | \$ 48 |

**Summary Purchase Price Allocation**

|                                       |       |
|---------------------------------------|-------|
| Current assets                        | \$ 10 |
| Property, plant and equipment         |       |
| Building, plant and equipment         | 25    |
| Capitalized development costs         | 21    |
| Capitalized reserve acquisition costs | 81    |
| Total Assets                          | 137   |
| Current liabilities                   | 8     |
| Asset retirement obligations          | 32    |
| Deferred income tax liabilities       | 21    |
| Total liabilities                     | 61    |

|                     |       |
|---------------------|-------|
| Net assets acquired | \$ 76 |
|---------------------|-------|

**D    Barrick Energy Inc. (   Barrick Energy   )**

In 2008, we acquired 59.2 million shares of Cadence Energy Inc. (   Cadence   ) for net cash consideration of \$336 million, representing 100% of the issued and outstanding common shares. Subsequent to the acquisition, we renamed Cadence as Barrick Energy.

B-9

**Table of Contents**

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

The tables below represent the purchase cost and the final purchase price allocation for the acquisition of Barrick Energy.

**Purchase Cost**

|                     |        |
|---------------------|--------|
| Purchase cost       | \$ 377 |
| Less: cash acquired | (41)   |
|                     | \$ 336 |

**Summary Purchase Price Allocation**

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

**E Disposition of Henty mine**

On July 6, 2009, we finalized an agreement with Bendigo Mining Limited ( Bendigo ) to divest our Henty mine in Australia for consideration of \$4 million cash, adjusted for the benefit of production from July 1, 2009 and \$2 million in Bendigo shares. We are accounting for our investment in Bendigo as available-for-sale securities. Barrick will also receive a royalty payable on production from future exploration discoveries, capped at approximately \$17 million. A gain of \$5 million was recorded on the sale and recognized in other income (note 8C).

The results of operations for the Henty mine were included with our continuing operations in the Consolidated Statements of Income, the Consolidated Statements of Cash Flow and the Consolidated Balance Sheet until the date the agreement was finalized.

**Table of Contents****4 > SEGMENT INFORMATION****Income Statement Information**

| For the three months ended September 30 | Sales           |                 | Cost of sales |                 | Segment income (loss) <sup>(1), (2)</sup> |               |
|-----------------------------------------|-----------------|-----------------|---------------|-----------------|-------------------------------------------|---------------|
|                                         | 2009            | 2008            | 2009          | 2008            | 2009                                      | 2008          |
| <b>Gold</b>                             |                 |                 |               |                 |                                           |               |
| North America                           | \$ 688          | \$ 649          | \$ 366        | \$ 405          | \$ 215                                    | \$ 152        |
| South America                           | 474             | 430             | 123           | 131             | 315                                       | 259           |
| Australia Pacific                       | 454             | 397             | 277           | 274             | 102                                       | 52            |
| Africa                                  | 218             | 117             | 106           | 78              | 82                                        | 23            |
| <b>Copper</b>                           |                 |                 |               |                 |                                           |               |
| South America                           | 198             | 217             | 73            | 100             | 109                                       | 99            |
| Australia Pacific                       | 50              | 57              | 17            | 37              | 33                                        | 5             |
| <b>Capital Projects</b>                 |                 |                 |               |                 | <b>(38)</b>                               | <b>(40)</b>   |
| <b>Other</b>                            | <b>14</b>       | <b>11</b>       | <b>9</b>      | <b>3</b>        | <b>(4)</b>                                | <b>5</b>      |
|                                         | <b>\$ 2,096</b> | <b>\$ 1,878</b> | <b>\$ 971</b> | <b>\$ 1,028</b> | <b>\$ 814</b>                             | <b>\$ 555</b> |

| For the nine months ended September 30 | Sales           |                 | Cost of sales   |                 | Segment income (loss) <sup>(1), (2)</sup> |                 |
|----------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------------------------------|-----------------|
|                                        | 2009            | 2008            | 2009            | 2008            | 2009                                      | 2008            |
| <b>Gold</b>                            |                 |                 |                 |                 |                                           |                 |
| North America                          | \$ 2,106        | \$ 1,864        | \$ 1,110        | \$ 1,050        | \$ 700                                    | \$ 554          |
| South America                          | 1,250           | 1,391           | 365             | 380             | 781                                       | 877             |
| Australia Pacific                      | 1,327           | 1,204           | 826             | 700             | 278                                       | 307             |
| Africa                                 | 474             | 426             | 258             | 238             | 153                                       | 133             |
| <b>Copper</b>                          |                 |                 |                 |                 |                                           |                 |
| South America                          | 627             | 721             | 265             | 215             | 307                                       | 450             |
| Australia Pacific                      | 130             | 186             | 51              | 99              | 76                                        | 44              |
| <b>Capital Projects</b>                |                 |                 |                 |                 | <b>(107)</b>                              | <b>(169)</b>    |
| <b>Other</b>                           | <b>38</b>       | <b>11</b>       | <b>26</b>       | <b>3</b>        | <b>(11)</b>                               | <b>5</b>        |
|                                        | <b>\$ 5,952</b> | <b>\$ 5,803</b> | <b>\$ 2,901</b> | <b>\$ 2,685</b> | <b>\$ 2,177</b>                           | <b>\$ 2,201</b> |

(1) Segment income (loss) represents segment sales, less cost of sales, less segment amortization and accretion. For the three months ended September 30, 2009, accretion expense was \$16 million (2008: \$14 million), for the nine months ended September 30, 2009, accretion expense was \$45 million (2008: \$41 million), see note 14 for further details. Segment loss for the Capital Projects segment includes project development expense and losses from capital projects held through equity investees, see notes 7 and 12 for further details.

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

## Table of Contents

| For the three months ended September 30   | Exploration <sup>(1)</sup> |       | Regional business unit costs <sup>(1)</sup> |       |
|-------------------------------------------|----------------------------|-------|---------------------------------------------|-------|
|                                           | 2009                       | 2008  | 2009                                        | 2008  |
| North America <sup>(2)</sup>              | \$ 22                      | \$ 23 | \$ 12                                       | \$ 15 |
| South America                             | 5                          | 7     | 8                                           | 7     |
| Australia Pacific                         | 10                         | 18    | 12                                          | 5     |
| Africa                                    | 3                          | 4     | 8                                           | 4     |
| Capital Projects                          |                            | 1     |                                             |       |
| Other expense outside reportable segments | 3                          | 2     |                                             |       |
|                                           | \$ 43                      | \$ 55 | \$ 40                                       | \$ 31 |

| For the nine months ended September 30    | Exploration <sup>(1)</sup> |        | Regional business unit costs <sup>(1)</sup> |        |
|-------------------------------------------|----------------------------|--------|---------------------------------------------|--------|
|                                           | 2009                       | 2008   | 2009                                        | 2008   |
| North America <sup>(2)</sup>              | \$ 49                      | \$ 64  | \$ 34                                       | \$ 36  |
| South America                             | 16                         | 28     | 21                                          | 21     |
| Australia Pacific                         | 33                         | 41     | 34                                          | 31     |
| Africa                                    | 6                          | 12     | 23                                          | 13     |
| Capital Projects                          | 1                          | 2      |                                             |        |
| Other expense outside reportable segments | 5                          | 5      |                                             | 1      |
|                                           | \$ 110                     | \$ 152 | \$ 112                                      | \$ 102 |

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

(2) In 2009, regional business unit costs include costs for Barrick Energy.

### Reconciliation of Segment Income

|                                                          | Three month period ended September 30 |        | Nine month period ended September 30 |          |
|----------------------------------------------------------|---------------------------------------|--------|--------------------------------------|----------|
|                                                          | 2009                                  | 2008   | 2009                                 | 2008     |
| Segment income                                           | \$ 814                                | \$ 555 | \$ 2,177                             | \$ 2,201 |
| Amortization of corporate assets                         | (9)                                   | (7)    | (43)                                 | (19)     |
| Exploration                                              | (43)                                  | (55)   | (110)                                | (152)    |
| Other project expenses                                   | (12)                                  | (24)   | (30)                                 | (40)     |
| Corporate administration                                 | (40)                                  | (39)   | (120)                                | (110)    |
| Other expense                                            | (79)                                  | (74)   | (213)                                | (165)    |
| Impairment charges                                       | (158)                                 | (112)  | (159)                                | (151)    |
| Interest income                                          | 2                                     | 12     | 7                                    | 34       |
| Interest expense                                         | (12)                                  | (7)    | (28)                                 | (21)     |
| Elimination of gold and silver sales contracts           | (5,692)                               |        | (5,692)                              |          |
| Other income                                             | 16                                    | 39     | 98                                   | 111      |
| Loss from capital projects held through equity investees | 29                                    | 23     | 78                                   | 38       |
| Income before income taxes and other items               | \$ (5,184)                            | \$ 311 | \$ (4,035)                           | \$ 1,726 |

**Table of Contents****Asset Information**

| For the three months ended September 30 | Amortization |        | Segment capital expenditures <sup>(1)</sup> |        |
|-----------------------------------------|--------------|--------|---------------------------------------------|--------|
|                                         | 2009         | 2008   | 2009                                        | 2008   |
| <b>Gold</b>                             |              |        |                                             |        |
| North America                           | \$ 100       | \$ 86  | \$ 138                                      | \$ 82  |
| South America                           | 33           | 37     | 31                                          | 19     |
| Australia Pacific                       | 72           | 67     | 44                                          | 46     |
| Africa                                  | 29           | 16     | 26                                          | 45     |
| <b>Copper</b>                           |              |        |                                             |        |
| South America                           | 15           | 17     | 7                                           | 23     |
| Australia Pacific                       |              | 15     |                                             | 5      |
| Capital Projects                        |              |        | 316                                         | 272    |
| Other                                   | 8            | 3      | 9                                           |        |
| Segment total                           | 257          | 241    | 571                                         | 492    |
| Other items not allocated to segments   | 9            | 7      | 8                                           | 28     |
| Enterprise total                        | \$ 266       | \$ 248 | \$ 579                                      | \$ 520 |

**Asset Information**

| For the nine months ended September 30 | Amortization |        | Segment capital expenditures <sup>(1)</sup> |          |
|----------------------------------------|--------------|--------|---------------------------------------------|----------|
|                                        | 2009         | 2008   | 2009                                        | 2008     |
| <b>Gold</b>                            |              |        |                                             |          |
| North America                          | \$ 276       | \$ 241 | \$ 392                                      | \$ 217   |
| South America                          | 95           | 126    | 100                                         | 56       |
| Australia Pacific                      | 214          | 188    | 111                                         | 131      |
| Africa                                 | 60           | 53     | 80                                          | 89       |
| <b>Copper</b>                          |              |        |                                             |          |
| South America                          | 53           | 54     | 27                                          | 52       |
| Australia Pacific                      | 2            | 42     | 5                                           | 19       |
| Capital Projects                       |              |        | 927                                         | 563      |
| Other                                  | 22           | 3      | 20                                          |          |
| Segment total                          | 722          | 707    | 1,662                                       | 1,127    |
| Other items not allocated to segments  | 43           | 19     | 19                                          | 76       |
| Enterprise total                       | \$ 765       | \$ 726 | \$ 1,681                                    | \$ 1,203 |

- (1) Segment capital expenditures are presented for internal management reporting purposes on an accrual basis. Capital expenditures in the Consolidated Statements of Cash Flow are presented on a cash basis. For the three months ended September 30, 2009, cash expenditures were \$535 million (2008: \$571 million) and the increase in accrued expenditures were \$44 million (2008: \$51 million decrease), for the nine months ended September 30, 2009, cash expenditures were \$1,610 million (2008: \$1,162 million) and the increase in accrued expenditures were \$71 million (2008: \$41 million increase).

**Table of Contents****5 > REVENUE**

|                                              | Three month period ended<br>September 30 |          | Nine month period ended<br>September 30 |          |
|----------------------------------------------|------------------------------------------|----------|-----------------------------------------|----------|
|                                              | 2009                                     | 2008     | 2009                                    | 2008     |
| <b>Gold bullion sales<sup>(1), (2)</sup></b> |                                          |          |                                         |          |
| Spot market sales                            | <b>1,791</b>                             | 1,580    | <b>5,038</b>                            | 4,782    |
| Concentrate sales <sup>(3)</sup>             | <b>43</b>                                | 13       | <b>119</b>                              | 103      |
|                                              | <b>\$ 1,834</b>                          | \$ 1,593 | <b>\$ 5,157</b>                         | \$ 4,885 |
| <b>Copper sales<sup>(1), (4)</sup></b>       |                                          |          |                                         |          |
| Copper cathode sales                         | <b>\$ 214</b>                            | \$ 218   | <b>\$ 667</b>                           | \$ 713   |
| Concentrate sales                            | <b>34</b>                                | 56       | <b>90</b>                               | 194      |
|                                              | <b>\$ 248</b>                            | \$ 274   | <b>\$ 757</b>                           | \$ 907   |
| <b>Oil and gas sales<sup>(5)</sup></b>       | <b>\$ 14</b>                             | \$ 11    | <b>\$ 38</b>                            | \$ 11    |

(1) Revenues include amounts transferred from OCI to earnings for commodity cash flow hedges (see notes 16C and 20).

(2) Gold sales include gains and losses on non-hedge derivative contracts: For the three months ended September 30, 2009: \$15 million gain (2008: \$7 million gain), nine months ended September 30, 2009: \$38 million gain (2008: \$2 million gain).

(3) Concentrate sales include gains and losses on embedded derivatives in smelting contracts: For the three months ended September 30, 2009: \$0.2 million gain (2008: \$0.4 million loss), nine months ended September 30, 2009: \$0.6 million gain (2008: \$0.7 million gain).

(4) Copper sales include gains and losses on economic copper hedges that do not qualify for hedge accounting treatment: For the three months ended September 30, 2009: \$10 million loss (2008: \$7 million gain), nine months ended September 30, 2009: \$48 million loss (2008: \$24 million gain). Sales also include gains and losses on embedded derivatives in copper smelting contracts: For the three months ended September 30, 2009: \$1 million loss (2008: \$19 million loss), nine months ended September 30, 2009: \$1 million loss (2008: \$19 million loss).

(5) Represents Barrick Energy.

**Gold Sales Contracts**

On September 8, 2009, we announced a plan to eliminate all of our fixed priced (non-participating) gold contracts (the Gold Hedges) and a portion of our floating spot price (fully participating) gold contracts (the Floating Contracts). Refer to note 16E for further details.

**Provisional Copper and Gold Sales**

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

| At September 30 | 2009         | 2008   |
|-----------------|--------------|--------|
| Copper          | <b>\$ 24</b> | \$ 109 |
| Gold            | <b>17</b>    | 12     |

The final price adjustments realized were as follows:

|             | Three month period ended<br>September 30 |         | Nine month period ended<br>September 30 |       |
|-------------|------------------------------------------|---------|-----------------------------------------|-------|
| Gain (loss) | 2009                                     | 2008    | 2009                                    | 2008  |
| Copper      | <b>\$ 12</b>                             | \$ (15) | <b>\$ 49</b>                            | \$ 18 |
| Gold        | <b>\$ (1)</b>                            |         | <b>\$ (2)</b>                           | 2     |



**Table of Contents****6 > COST OF SALES**

| For the three months ended September 30          | Gold   |        | Copper |        | Oil & Gas |      |
|--------------------------------------------------|--------|--------|--------|--------|-----------|------|
|                                                  | 2009   | 2008   | 2009   | 2008   | 2009      | 2008 |
| Cost of goods sold <sup>(1)</sup>                | \$ 831 | \$ 814 | \$ 89  | \$ 136 | \$ 7      | \$ 1 |
| Unrealized losses (gains) on non-hedge contracts | 3      | 33     |        |        |           |      |
| By-product revenues <sup>(2)</sup>               | (21)   | (16)   |        | (1)    |           |      |
| Royalty expense                                  | 52     | 48     | 1      | 2      | 2         | 2    |
| Mining production taxes                          | 7      | 9      |        |        |           |      |
|                                                  | \$ 872 | \$ 888 | \$ 90  | \$ 137 | \$ 9      | \$ 3 |

| For the nine months ended September 30           | Gold     |          | Copper |        | Oil & Gas |      |
|--------------------------------------------------|----------|----------|--------|--------|-----------|------|
|                                                  | 2009     | 2008     | 2009   | 2008   | 2009      | 2008 |
| Cost of goods sold <sup>(1)</sup>                | \$ 2,426 | \$ 2,276 | \$ 316 | \$ 311 | \$ 20     | \$ 1 |
| Unrealized losses (gains) on non-hedge contracts | (5)      | (2)      |        |        |           |      |
| By-product revenues <sup>(2)</sup>               | (46)     | (83)     | (1)    | (2)    |           |      |
| Royalty expense                                  | 155      | 152      | 1      | 5      | 6         | 2    |
| Mining production taxes                          | 29       | 25       |        |        |           |      |
|                                                  | \$ 2,559 | \$ 2,368 | \$ 316 | \$ 314 | \$ 26     | \$ 3 |

(1) Cost of goods sold includes charges to reduce the cost of inventory to net realizable value as follows: \$2 million for the three months ended September 30, 2009 (2008: \$49 million) and \$3 million for the nine months ended September 30, 2009 (2008: \$56 million). The cost of inventory sold in the period reflects all components capitalized to inventory, except that, for presentation purposes, the component of inventory cost relating to amortization of property, plant and equipment is classified in the income statement under amortization. Some companies present this amount under cost of sales. The amount presented in amortization rather than cost of sales was \$257 million in the three months ended September 30, 2009 (2008: \$241 million) and \$722 million in the nine months ended September 30, 2009 (2008: \$707 million).

(2) Prior to September 2009, we used silver sales contracts to sell a portion of silver produced as a by-product. In September 2009, we announced a plan to eliminate all of our fixed-priced and a portion of our floating spot price contracts. Refer to note 16E for further details.

**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. Barrick will receive a cash deposit of \$625 million payable over three years, 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.

In third quarter 2009, we received a cash deposit of \$212.5 million which is recorded in other non-current liabilities on the Consolidated Balance Sheet. Provided that construction continues to progress at Pascua-Lama, we will receive additional cash deposits of \$137.5 million on each of the next three anniversary dates of the agreement. Imputed interest expense will be recognized on these deposits at the rate implicit in the agreement. The deposit plus accumulated accrued 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.

**Table of Contents****7 > EXPLORATION AND PROJECT DEVELOPMENT EXPENSE**

|                              | Three month period ended<br>September 30 |       | Nine month period ended<br>September 30 |        |
|------------------------------|------------------------------------------|-------|-----------------------------------------|--------|
|                              | 2009                                     | 2008  | 2009                                    | 2008   |
| Exploration:                 |                                          |       |                                         |        |
| Minesite exploration         | \$ 16                                    | \$ 25 | \$ 34                                   | \$ 56  |
| Projects                     | 27                                       | 30    | 76                                      | 96     |
|                              | \$ 43                                    | \$ 55 | \$ 110                                  | \$ 152 |
| Project development expense: |                                          |       |                                         |        |
| Sedibelo                     | 2                                        | 1     | 7                                       | 10     |
| Fedorova                     | 1                                        | 7     | 2                                       | 17     |
| Pueblo Viejo <sup>(1)</sup>  | (2)                                      | (15)  | (3)                                     | 39     |
| Buzwagi <sup>(2)</sup>       |                                          |       |                                         | 1      |
| Pascua-Lama                  | 5                                        | 9     | 10                                      | 17     |
| Kainantu                     | 2                                        | 11    | 6                                       | 24     |
| Pinson                       |                                          | 3     | 2                                       | 8      |
| Other                        | 1                                        | 1     | 5                                       | 15     |
|                              | 9                                        | 17    | 29                                      | 131    |
| Other project expenses       | 12                                       | 24    | 30                                      | 40     |
|                              | \$ 21                                    | \$ 41 | \$ 59                                   | \$ 171 |

(1) Effective January 1, 2009, we determined that mineralization at Pueblo Viejo met the definition of proven and probable reserves for United States reporting purposes and have begun capitalizing the cost of project activities. In 2009, the costs above represent 100% of start-up costs. We record a non-controlling interest recovery for our partner's share of these expenditures within non-controlling interests in the income statement. In 2009, the costs include a reimbursement of historical remediation expenditures.

(2) In second quarter 2009, production began at our Buzwagi mine and we began amortizing mine property, plant and equipment.

**8 > OTHER EXPENSE****A Other Expense**

|                                                   | Three month period ended<br>September 30 |       | Nine month period ended<br>September 30 |        |
|---------------------------------------------------|------------------------------------------|-------|-----------------------------------------|--------|
|                                                   | 2009                                     | 2008  | 2009                                    | 2008   |
| Regional business unit costs <sup>(1)</sup>       | \$ 40                                    | \$ 31 | \$ 112                                  | \$ 102 |
| Community development costs <sup>(2)</sup>        | 3                                        | 6     | 11                                      | 23     |
| Environmental remediation costs                   | 3                                        | 2     | 11                                      | 10     |
| World Gold Council fees                           | 4                                        | 3     | 11                                      | 8      |
| Currency translation losses                       | 3                                        | 15    | 7                                       | 8      |
| Pension and other post-retirement benefit expense | 1                                        |       | 4                                       | 1      |
| Restructuring costs                               | 9                                        | 1     | 20                                      | 1      |
| Other                                             | 16                                       | 16    | 37                                      | 12     |

|       |       |        |        |
|-------|-------|--------|--------|
| \$ 79 | \$ 74 | \$ 213 | \$ 165 |
|-------|-------|--------|--------|

- (1) Relates to costs incurred at regional business unit offices.  
 (2) Amounts mainly relate to community programs in Peru, Argentina and Tanzania.

**B Impairment Charges**

|                                          | Three month period<br>ended<br>September 30 |        | Nine month period<br>ended<br>September 30 |        |
|------------------------------------------|---------------------------------------------|--------|--------------------------------------------|--------|
|                                          | 2009                                        | 2008   | 2009                                       | 2008   |
| Write-down of assets <sup>(1)</sup>      | \$ 158                                      | \$     | \$ 158                                     | \$     |
| Write-down of investments <sup>(2)</sup> |                                             | 112    | 1                                          | 151    |
|                                          | \$ 158                                      | \$ 112 | \$ 159                                     | \$ 151 |

B-16

**Table of Contents**

- (1) In the third quarter of 2009, an impairment charge of \$158 million was recorded to reduce the carrying amount to the estimated fair value for Sedibelo and its related assets. Refer to note 14C for further details.
- (2) In the third quarter of 2008, we recorded an impairment charge on our investment in Highland Gold and other investments in junior gold mining companies.

**C Other Income**

|                                                       | Three month period<br>ended<br>September 30 |       | Nine month period<br>ended<br>September 30 |        |
|-------------------------------------------------------|---------------------------------------------|-------|--------------------------------------------|--------|
|                                                       | 2009                                        | 2008  | 2009                                       | 2008   |
| Gain on sale of assets                                | \$ 4                                        | \$ 9  | \$ 14                                      | \$ 13  |
| Gain on sale of investments (note 12) <sup>(1)</sup>  | 3                                           | 13    | 3                                          | 59     |
| Gain on acquisition of Hemlo (note 3C) <sup>(2)</sup> |                                             |       | 72                                         |        |
| Royalty income                                        | 2                                           | 6     | 4                                          | 23     |
| Interest income                                       | 2                                           | 2     | 5                                          | 7      |
| Non-hedge derivative gains                            | 5                                           |       |                                            |        |
| Changes in estimates of AROs                          |                                             | 9     |                                            | 9      |
|                                                       | \$ 16                                       | \$ 39 | \$ 98                                      | \$ 111 |

- (1) In the second quarter of 2008, we sold Asset-Backed Commercial Paper for proceeds of \$49 million.
- (2) In the second quarter of 2009, we completed the acquisition of the remaining 50% interest in Hemlo. We grossed up our 50% interest in the assets and liabilities of Hemlo held prior to this transaction to their current fair values. The net gain recognized on the acquisition was \$72 million. Refer to note 3C for further details.

**D Non-controlling Interests**

|                      | Three month period<br>ended<br>September 30 |         | Nine month period<br>ended<br>September 30 |         |
|----------------------|---------------------------------------------|---------|--------------------------------------------|---------|
|                      | 2009                                        | 2008    | 2009                                       | 2008    |
| Pueblo Viejo project | \$                                          | \$      | \$                                         | \$ 16   |
| Tulawaka mine        | (2)                                         | (10)    | (4)                                        | (34)    |
|                      | \$ (2)                                      | \$ (10) | \$ (4)                                     | \$ (18) |

**9 > INCOME TAX EXPENSE**

|          | Three month period ended<br>September 30 |        | Nine month period ended<br>September 30 |        |
|----------|------------------------------------------|--------|-----------------------------------------|--------|
|          | 2009                                     | 2008   | 2009                                    | 2008   |
| Current  | \$ 98                                    | \$ 109 | \$ 373                                  | \$ 436 |
| Deferred | 43                                       | (84)   | 4                                       | (10)   |
|          | \$ 141                                   | \$ 25  | \$ 377                                  | \$ 426 |

# Edgar Filing: BARRICK GOLD CORP - Form F-9

|                                                                            |      |      |      |      |
|----------------------------------------------------------------------------|------|------|------|------|
| Actual effective tax rate                                                  | (3%) | 8%   | (9%) | 25%  |
| Impact of elimination of gold and silver sales contracts                   | 37%  |      | 34%  |      |
| Impact of impairment charges                                               | (7%) |      | (2%) |      |
| Impact of gain on acquisition of Hemlo                                     |      |      | 1%   |      |
| Release of valuation allowance                                             |      | 33%  |      | 10%  |
| Increase to unrecognized tax benefits                                      |      | (3%) |      | (2%) |
| Impact of net currency translation gains/(losses) on deferred tax balances | 1%   | (8%) | 1%   | (3%) |
| Canadian Functional Currency Election                                      |      |      | 4%   |      |
| Estimated effective tax rate on ordinary income                            | 28%  | 30%  | 29%  | 30%  |

The primary reasons why our effective income tax rate on ordinary income differs from the 33% Canadian statutory rate are mainly due to certain allowances and special deductions unique to extractive industries, and also because we operate in multiple tax jurisdictions, some of which have lower tax rates than the applicable Canadian federal and provincial rates.

B-17

**Table of Contents****Currency Translation**

Deferred tax balances are subject to remeasurement for changes in currency exchange rates each period. The most significant balances are Australian and Papua New Guinea net deferred tax liabilities. These translation gains/losses are included within deferred tax expense/recovery.

**Canadian Functional Currency Election**

In fourth quarter 2008, we filed an election under Canadian draft legislation to prepare some of our Canadian tax returns using US dollar functional currency effective January 1, 2008. The legislation was enacted in first quarter 2009 which resulted in a one-time benefit of \$70 million.

**Change to Unrecognized Tax Benefits**

In third quarter 2009, we made an addition of \$3 million to unrecognized tax benefits, in respect of tax positions of prior years.

In third quarter 2009, we made payments of \$1 million in settlement of Canadian unrecognized tax benefits. In second quarter 2009, we made payments of \$1 million and in first quarter 2009, we made payments of \$15 million in settlement of US unrecognized tax benefits. We expect the amount of unrecognized tax benefits to further decrease within 12 months of the reporting date by approximately \$6 to \$7 million related primarily to the expected settlement of US income tax and Canadian income and mining tax assessments.

**Release of Valuation Allowance**

In third quarter 2008, due to our ability to implement an internal reorganization, we released \$101 million of valuation allowances primarily related to tax loss carry forwards in a foreign subsidiary.

In second quarter 2008, due to the impact of higher market gold prices, we released \$74 million of valuation allowances related to U.S. Alternative Minimum tax credits.

**10 > EARNINGS (LOSS) PER SHARE**

| (\$ millions, except shares in millions and per share amounts in dollars) | Three month period ended<br>September 30 |            |         |         | Nine month period ended<br>September 30 |            |          |          |
|---------------------------------------------------------------------------|------------------------------------------|------------|---------|---------|-----------------------------------------|------------|----------|----------|
|                                                                           | 2009                                     |            | 2008    |         | 2009                                    |            | 2008     |          |
|                                                                           | Basic                                    | Diluted    | Basic   | Diluted | Basic                                   | Diluted    | Basic    | Diluted  |
| Income (loss) available to common shareholders                            | \$ (5,350)                               | \$ (5,350) | \$ 254  | \$ 254  | \$ (4,487)                              | \$ (4,487) | \$ 1,253 | \$ 1,253 |
| Plus: interest on convertible debentures                                  |                                          |            |         | 2       |                                         |            |          | 4        |
| Net Income (loss)                                                         | (5,350)                                  | (5,350)    | 254     | 256     | (4,487)                                 | (4,487)    | 1,253    | 1,257    |
| Weighted average shares outstanding                                       | 882                                      | 882        | 872     | 872     | 876                                     | 876        | 872      | 872      |
| Effect of dilutive securities                                             |                                          |            |         |         |                                         |            |          |          |
| Stock options                                                             |                                          |            |         | 3       |                                         |            |          | 4        |
| Convertible debentures                                                    |                                          |            |         | 9       |                                         |            |          | 9        |
|                                                                           | 882                                      | 882        | 872     | 884     | 876                                     | 876        | 872      | 885      |
| Earnings per share                                                        |                                          |            |         |         |                                         |            |          |          |
| Net income (loss)                                                         | \$ (6.07)                                | \$ (6.07)  | \$ 0.29 | \$ 0.29 | \$ (5.12)                               | \$ (5.12)  | \$ 1.44  | \$ 1.42  |

**Table of Contents****11 > OPERATING CASH FLOW OTHER ITEMS**

|                                                                                   | Three month period ended<br>September 30 |        | Nine month period ended<br>September 30 |        |
|-----------------------------------------------------------------------------------|------------------------------------------|--------|-----------------------------------------|--------|
|                                                                                   | 2009                                     | 2008   | 2009                                    | 2008   |
| Adjustments for non-cash income statement items:                                  |                                          |        |                                         |        |
| Currency translation losses (note 8A)                                             | \$ 3                                     | \$ 15  | \$ 7                                    | \$ 8   |
| Amortization of discount/premium on debt securities                               | (2)                                      | (2)    | (6)                                     | (7)    |
| Stock option expense                                                              | 5                                        | 3      | 14                                      | 12     |
| Loss from equity investees (note 12)                                              | 23                                       | 22     | 71                                      | 29     |
| Non-controlling interests (note 8D)                                               | 2                                        | 10     | 4                                       | 18     |
| Gain on sale of investments (note 8C)                                             | (3)                                      | (13)   | (3)                                     | (59)   |
| Inventory impairment charges (note 13)                                            | 2                                        | 49     | 3                                       | 56     |
| Net change in working capital items, excluding inventory and income taxes payable | 99                                       | 142    | (46)                                    | 64     |
| Settlement of AROs                                                                | (13)                                     | (9)    | (27)                                    | (25)   |
| Other net operating activities                                                    | \$ 116                                   | \$ 217 | \$ 17                                   | \$ 96  |
| Operating cash flow includes payments for:                                        |                                          |        |                                         |        |
| Interest costs                                                                    | \$ 69                                    | \$ 30  | \$ 211                                  | \$ 142 |

**12 > INVESTMENTS**

|                               | At Sept.30,<br>2009 | At Dec.31,<br>2008 |
|-------------------------------|---------------------|--------------------|
| Available-for-sale securities | \$ 63               | \$ 31              |
| Other investments             | 30                  | 29                 |
| Equity investments            | 1,123               | 1,085              |
|                               | \$ 1,216            | \$ 1,145           |

|                                                  | At Sept.30, 2009          |                          | At Dec.31, 2008 |                          |
|--------------------------------------------------|---------------------------|--------------------------|-----------------|--------------------------|
|                                                  | Fair <sup>(1)</sup> value | Gains (losses)<br>in OCI | Fair value      | Gains (losses)<br>in OCI |
| <b>Available-for-sale Securities</b>             |                           |                          |                 |                          |
| <i>Securities in an unrealized gain position</i> |                           |                          |                 |                          |
| Equity securities                                | 54                        | 28                       | 14              | 3                        |
| <i>Securities in an unrealized loss position</i> |                           |                          |                 |                          |
| Benefit plans <sup>(2)</sup>                     |                           |                          |                 |                          |
| Fixed-income                                     | 2                         |                          | 2               |                          |
| Equity                                           | 6                         |                          | 7               | (3)                      |
| Other equity securities <sup>(3)</sup>           | 1                         |                          | 8               | (2)                      |
|                                                  | 9                         |                          | 17              | (5)                      |
|                                                  | 63                        | 28                       | 31              | (2)                      |

# Edgar Filing: BARRICK GOLD CORP - Form F-9

## Other investments

|                                                                        |       |    |    |       |        |
|------------------------------------------------------------------------|-------|----|----|-------|--------|
| Long-term loan receivable from Yokohama Rubber Co. Ltd. <sup>(4)</sup> | 30    |    | 29 |       |        |
|                                                                        | \$ 93 | \$ | 28 | \$ 60 | \$ (2) |

- (1) Refer to note 17 for further information on the measurement of fair value.
- (2) Under various benefit plans for certain former Homestake executives, a portfolio of marketable fixed-income and equity securities are held in a rabbi trust that is used to fund obligations under the plans.
- (3) Other equity securities in a loss position consist of investments in various junior mining companies.
- (4) The long-term loan receivable is measured at amortized cost.

B-19

**Table of Contents****Gains on Investments Recorded in Earnings**

|                          | Three month period ended<br>September 30 |       | Nine month period ended<br>September 30 |       |
|--------------------------|------------------------------------------|-------|-----------------------------------------|-------|
|                          | 2009                                     | 2008  | 2009                                    | 2008  |
| Gains realized on sales  | \$ 3                                     | \$ 13 | \$ 3                                    | \$ 59 |
| Cash proceeds from sales | \$ 3                                     | \$ 19 | \$ 3                                    | \$ 76 |

**Impairment Charges**

|                    | Three month period ended<br>September 30 |        | Nine month period ended<br>September 30 |        |
|--------------------|------------------------------------------|--------|-----------------------------------------|--------|
|                    | 2009                                     | 2008   | 2009                                    | 2008   |
| Impairment charges | \$                                       | \$ 112 | \$ 1                                    | \$ 151 |

**Equity Method Investment Continuity**

|                       | Highland | Atacama | Cerro<br>Casale | Donlin<br>Creek | Kabanga | Total    |
|-----------------------|----------|---------|-----------------|-----------------|---------|----------|
| At January 1, 2009    | \$ 35    | \$ 157  | \$ 815          | \$ 78           | \$      | \$ 1,085 |
| Equity pick-up        | 7        | (33)    | (16)            | (16)            | (13)    | (71)     |
| Capitalized interest  |          | 6       | 35              | 3               |         | 44       |
| Funding               |          | 24      | 18              | 8               | 15      | 65       |
| At September 30, 2009 | \$ 42    | \$ 154  | \$ 852          | \$ 73           | \$ 2    | \$ 1,123 |

Publicly traded Yes No No No No

**13 > INVENTORIES**

|                                              | Gold               |                   | Copper             |                   |
|----------------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                              | At Sept.30<br>2009 | At Dec.31<br>2008 | At Sept.30<br>2009 | At Dec.31<br>2008 |
| Raw materials                                |                    |                   |                    |                   |
| Ore in stockpiles                            | \$ 953             | \$ 825            | \$ 68              | \$ 41             |
| Ore on leach pads                            | 197                | 161               | 166                | 189               |
| Mine operating supplies                      | 503                | 434               | 25                 | 34                |
| Work in process                              | 211                | 188               | 12                 | 8                 |
| Finished products                            |                    |                   |                    |                   |
| Gold doré/bullion                            | 53                 | 65                |                    |                   |
| Copper cathode                               |                    |                   | 28                 | 13                |
| Copper concentrate                           |                    |                   | 40                 | 18                |
| Gold concentrate                             | 22                 | 21                |                    |                   |
|                                              | 1,939              | 1,694             | 339                | 303               |
| Non-current ore in stockpiles <sup>(1)</sup> | (633)              | (595)             | (108)              | (93)              |
|                                              | \$ 1,306           | \$ 1,099          | \$ 231             | \$ 210            |

## Edgar Filing: BARRICK GOLD CORP - Form F-9

(1) Ore that we do not expect to process in the next 12 months is classified within other assets.

|                              | Three month period ended<br>September 30 |       | Nine month period ended<br>September 30 |       |
|------------------------------|------------------------------------------|-------|-----------------------------------------|-------|
|                              | 2009                                     | 2008  | 2009                                    | 2008  |
| Inventory impairment charges | \$ 2                                     | \$ 49 | \$ 3                                    | \$ 56 |
| <b>Purchase Commitments</b>  |                                          |       |                                         |       |

At September 30, 2009, we had purchase obligations for supplies and consumables of approximately \$1,167 million.

B-20

**Table of Contents****14 > PROPERTY, PLANT AND EQUIPMENT****A Unamortized Assets****Acquired Mineral Properties and Capitalized Mine Development Costs**

|                                                              | Carrying amount at<br>Sept.30, 2009 | Carrying amount at<br>Dec.31, 2008 |
|--------------------------------------------------------------|-------------------------------------|------------------------------------|
| Exploration projects and other land positions                |                                     |                                    |
| PNG land positions                                           | \$ 182                              | \$ 171                             |
| Other                                                        | 26                                  | 26                                 |
| Value beyond proven and probable reserves at producing mines | 423                                 | 525                                |
| Capital Projects                                             |                                     |                                    |
| Pascua-Lama                                                  | 926                                 | 777                                |
| Pueblo Viejo                                                 | 1,075                               | 439                                |
| Sedibelo                                                     | 6                                   | 123                                |
| Buzwagi <sup>(1)</sup>                                       |                                     | 495                                |
| Punta Colorado Wind Farm                                     | 110                                 | 82                                 |
|                                                              | \$ 2,748                            | \$ 2,638                           |

(1) In second quarter 2009, production began at our Buzwagi mine and we began amortizing mine property, plant and equipment.

**B Amortization and Accretion**

|              | Three month period ended<br>September 30 |        | Nine month period ended<br>September 30 |        |
|--------------|------------------------------------------|--------|-----------------------------------------|--------|
|              | 2009                                     | 2008   | 2009                                    | 2008   |
| Amortization | \$ 266                                   | \$ 248 | \$ 765                                  | \$ 726 |
| Accretion    | 16                                       | 14     | 45                                      | 41     |
|              | \$ 282                                   | \$ 262 | \$ 810                                  | \$ 767 |

**C Impairment Evaluations**

We completed a bankable feasibility study ( BFS ) for our Sedibelo platinum project in South Africa in 2008 meeting the conditions for a 10% interest in the property. We also hold the right to increase our interest to 65% in return for a decision to develop Sedibelo and payment of approximately \$106 million in fourth quarter 2009. In the first half of 2009, due to a change in the economics for platinum group metals ( PGM ), we conducted a thorough review of development alternatives to maximize the project's potential. Failing a decision in fourth quarter 2009 to develop the Sedibelo project, Barrick's partner has 90 days to purchase Barrick's 10% interest by reimbursing Barrick for direct and proven costs of prospecting activities and the cost of compiling the BFS. After conducting a thorough review of development alternatives, we have decided not to proceed with this payment to increase our ownership interest in Sedibelo. As a consequence of this decision, we recorded an impairment charge of \$158 million in third quarter 2009, reducing the carrying amount of our investment in the project and related assets to their estimated fair values.

There is no active market for our investment in Sedibelo, and consequently, we used an income approach, being the net present value of expected future cash flows, to determine its fair value. Based on this approach, the fair value assigned to our 10% investment in Sedibelo and the

## Edgar Filing: BARRICK GOLD CORP - Form F-9

related PP&E was \$6 million, resulting in an impairment charge of \$122 million. We took an additional impairment charge of \$36 million which was primarily attributable to water rights related to the project that were classified in Intangible assets.

### **D Capital Commitments**

In addition to entering into various operational commitments in the normal course of business, we had commitments of approximately \$721 million at September 30, 2009 for construction activities at our capital projects.

B-21

**Table of Contents****15 > GOODWILL**

In first quarter 2009, our Plutonic gold mine in Australia reported a reduction in reserves at the end of 2008. As a result of the decline in reserves there is an increased risk of a goodwill impairment occurring should there be a further decline in economic factors affecting the mine. We determined that it was appropriate to assess the carrying amount of goodwill associated with Plutonic for potential impairment. No impairment charges were booked in the first quarter as a result of this assessment.

In second quarter 2009, we acquired the remaining 50% interest in our Hemlo mine resulting in a \$20 million reduction of goodwill (note 3C).

**16 > 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.

**A Cash and Equivalents**

Cash and equivalents include cash, term deposits, treasury bills and money markets with original maturities of less than 90 days.

**B Long-Term Debt****Interest costs**

|                   | Three month period ended<br>September 30 |       | Nine month period ended<br>September 30 |        |
|-------------------|------------------------------------------|-------|-----------------------------------------|--------|
|                   | 2009                                     | 2008  | 2009                                    | 2008   |
| Incurred          | \$ 79                                    | \$ 58 | \$ 228                                  | \$ 167 |
| Capitalized       | (67)                                     | (51)  | (200)                                   | (146)  |
| Interest expensed | \$ 12                                    | \$ 7  | \$ 28                                   | \$ 21  |

For the three months ended September 30, 2009, Cortez Hills, Pascua-Lama, Pueblo Viejo, Donlin Creek, Reko Diq, Cerro Casale, Sedibelo, PNG land positions, Kabanga, Golden Sunlight and Punta Colorado Wind farm qualified for interest capitalization. Buzwagi qualified for capitalization until May 1, 2009, when it went into production.

**Bond Offerings**

On October 13, 2009, we announced the issuance of \$1,250 million of debt securities consisting of \$400 million of 4.95% notes due in 2020 and \$850 million of 5.95% notes due in 2039.

In first quarter 2009, we issued an aggregate of \$750 million of notes that mature in 2019. The 10-year notes have a coupon rate of 6.95%.

In October 2006, we issued \$1 billion of Copper-Linked Notes. During the first three years, the full \$1 billion obligation of these notes was to be repaid through the delivery of (the US dollar equivalent of) 324 million pounds of copper. At September 30, 2009, all of the required copper had been delivered. Coincident with the repayment of (the US dollar equivalent of) 324 million pounds of copper, we reborrowed \$1 billion. As the copper-linked equivalent was repaid, the fixed US dollar obligation increased (\$62 million during the third quarter of 2009).

**Repayments**

In second quarter 2009, we repaid the \$113 million drawn on our demand financing facility and terminated the facility. An equal amount required to be placed on deposit that was included in restricted cash has been released.

B-22

**Table of Contents****C Use of Derivative Instruments ( Derivatives ) in Risk Management**

In the normal course of business, our assets, liabilities and forecasted transactions are impacted by various market risks including, but not limited to:

| <b>Item</b>                                                            | <b>Impacted by</b>                                                                   |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| · Sales                                                                | · Prices of gold and copper                                                          |
| · Cost of sales                                                        |                                                                                      |
| · Consumption of diesel fuel, propane and natural gas                  | · Prices of diesel fuel, propane and natural gas                                     |
| · Non-US dollar expenditures                                           | · Currency exchange rates US dollar versus A\$, ARS, C\$, CLP, JPY, PGK, TZS and ZAR |
| · By-product credits                                                   | · Prices of silver and copper                                                        |
| · Corporate administration, exploration and business development costs | · Currency exchange rates US dollar versus A\$, ARS, C\$, CLP, JPY, PGK, TZS and ZAR |
| · Capital expenditures                                                 |                                                                                      |
| · Non-US dollar capital expenditures                                   | · Currency exchange rates US dollar versus A\$, ARS, C\$, CLP, EUR and PGK           |
| · Consumption of steel                                                 | · Price of steel                                                                     |
| · Interest earned on cash                                              | · US dollar interest rates                                                           |
| · Fair value of fixed-rate debt                                        | · US dollar interest rates                                                           |

Under our risk management policy, we seek to mitigate the impact of these risks to provide certainty for a portion of our revenues and to control costs and enable us to plan our business with greater certainty. The timeframe and manner in which we manage these risks varies for each item based upon our assessment of the risk and available alternatives for mitigating risk. For these particular risks, we believe that derivatives are an appropriate way of managing the risk.

The primary objective of our hedging program is to mitigate variability associated with changing market values related to the hedged item. Many of the derivatives we use meet the ASC 815 hedge effectiveness criteria and are designated in a hedge accounting relationship. Some of the derivative instruments are effective in achieving our risk management objectives, but they do not meet the strict ASC 815 hedge effectiveness criteria, and they are classified as economic hedges. The change in fair value of these economic hedges is recorded in current period earnings, classified with the income statement line item that is consistent with the derivative instruments' intended risk objective.

*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 our derivative contracts is adjusted for credit risk based upon the observed credit default swap spread for each particular counterparty, as appropriate. The fair value of US dollar interest rate and currency swap contracts is determined by discounting contracted cash flows using a discount rate derived from observed LIBOR and swap rate curves for comparable assets and liabilities. In the case of currency contracts, we convert non-US dollar cash flows into US dollars using an exchange rate derived from currency swap curves for comparable assets and liabilities. The fair value of commodity forward contracts is determined by discounting contractual cash flows using a discount rate derived from observed LIBOR and swap rate curves. Contractual cash flows are calculated using a forward pricing curve derived from observed forward prices for each commodity. The fair value of commodity options is determined using option-pricing models that utilize a combination of inputs including quoted market prices and market-corroborated inputs. Derivative instruments are classified within Level 2 of the fair value hierarchy.

**Table of Contents****Summary of Derivatives at September 30, 2009**

|                                                        | Notional Amount by Term to Maturity |              |              |         | Accounting Classification by Notional Amount |                  |           | Fair value (USD) |  |
|--------------------------------------------------------|-------------------------------------|--------------|--------------|---------|----------------------------------------------|------------------|-----------|------------------|--|
|                                                        | Within 1 year                       | 2 to 3 years | 4 to 5 years | Total   | Cash flow hedge                              | Fair value hedge | Non-Hedge |                  |  |
| US dollar interest rate contracts                      |                                     |              |              |         |                                              |                  |           |                  |  |
| Net pay-fixed swap positions (millions)                | \$ (75)                             | \$           | \$           | \$ (75) | \$                                           | \$               | \$ (75)   | \$ (6)           |  |
| Currency contracts                                     |                                     |              |              |         |                                              |                  |           |                  |  |
| C\$:US\$ contracts (C\$ millions)                      | 300                                 | 58           |              | 358     | 358                                          |                  |           | 8                |  |
| A\$:US\$ contracts (A\$ millions)                      | 1,342                               | 2,358        | 820          | 4,520   | 4,517                                        |                  | 3         | 301              |  |
| CLP:US\$ contracts (CLP millions)                      | 30,198                              | 6,060        |              | 36,258  | 36,258                                       |                  |           | 2                |  |
| EUR:US\$ contracts (EUR millions)                      | 28                                  | 19           |              | 47      | 47                                           |                  |           | 3                |  |
| PGK:US\$ contracts (PGK millions)                      | 60                                  |              |              | 60      | 60                                           |                  |           | (1)              |  |
| Commodity contracts                                    |                                     |              |              |         |                                              |                  |           |                  |  |
| Copper sold forward contracts (millions of pounds)     | 4                                   |              |              | 4       | 4                                            |                  |           | 2                |  |
| Copper collar sell contracts (millions of pounds)      | 289                                 | 61           |              | 350     | 300                                          |                  | 50        | 8                |  |
| Copper collar buy contracts (millions of pounds)       | 50                                  |              |              | 50      |                                              |                  | 50        | 45               |  |
| Diesel contracts (thousands of barrels) <sup>(1)</sup> | 1,882                               | 1,583        | 580          | 4,045   | 4,005                                        |                  | 40        | (43)             |  |
| Propane contracts (millions of gallons)                | 17                                  | 3            |              | 20      | 17                                           |                  | 3         | (6)              |  |
| Natural gas contracts (thousands of gigajoules)        | 546                                 | 184          |              | 730     |                                              |                  | 730       |                  |  |
| Electricity contracts (thousands of megawatt hours)    | 15                                  | 11           |              | 26      |                                              |                  | 26        | (1)              |  |

(1) Diesel commodity contracts represent a combination of WTI and ULSD/WTI Crack spread swaps, WTB, MOPS and JET hedge contracts. 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, WTB represents Waterborne, MOPS represents Mean of Platts Singapore, JET represents Jet Fuel, ULSD represents Ultra Low Sulfur Diesel US Gulf Coast.

**Fair Values of Derivative Instruments**

|                                                                       | Asset Derivatives            |               |                              |            | Liability Derivatives        |               |                              |            |
|-----------------------------------------------------------------------|------------------------------|---------------|------------------------------|------------|------------------------------|---------------|------------------------------|------------|
|                                                                       | At Sept. 30, 2009            |               | At Dec. 31, 2008             |            | At Sept. 30, 2009            |               | At Dec. 31, 2008             |            |
|                                                                       | Balance Sheet Classification | Fair Value    | Balance Sheet Classification | Fair Value | Balance Sheet Classification | Fair Value    | Balance Sheet Classification | Fair Value |
| Derivatives designated as hedging instruments under ASC 815           |                              |               |                              |            |                              |               |                              |            |
| Currency contracts                                                    | <b>Other assets</b>          | <b>\$ 330</b> | Other assets                 | \$ 22      | <b>Other liabilities</b>     | <b>\$ 20</b>  | Other liabilities            | \$ 526     |
| Commodity contracts                                                   | <b>Other assets</b>          | <b>72</b>     | Other assets                 | 402        | <b>Other liabilities</b>     | <b>129</b>    | Other liabilities            | 205        |
| Total derivatives classified as hedging instruments under ASC 815     |                              | <b>\$ 402</b> |                              | \$ 424     |                              | <b>\$ 149</b> |                              | \$ 731     |
| Derivatives not designated as hedging instruments under ASC 815       |                              |               |                              |            |                              |               |                              |            |
| US dollar interest rate contracts                                     | <b>Other assets</b>          | <b>\$ 2</b>   | Other assets                 | \$         | <b>Other liabilities</b>     | <b>\$ 8</b>   | Other liabilities            | \$ 8       |
| Currency contracts                                                    | <b>Other assets</b>          | <b>7</b>      | Other assets                 | 4          | <b>Other liabilities</b>     | <b>4</b>      | Other liabilities            | 1          |
| Commodity contracts                                                   | <b>Other assets</b>          | <b>74</b>     | Other assets                 | 404        | <b>Other liabilities</b>     | <b>12</b>     | Other liabilities            | 135        |
| Total derivatives not designated as hedging instruments under ASC 815 |                              | <b>\$ 83</b>  |                              | \$ 408     |                              | <b>\$ 24</b>  |                              | \$ 144     |
| Total derivatives                                                     |                              | <b>\$ 485</b> |                              | \$ 832     |                              | <b>\$ 173</b> |                              | \$ 875     |

B-24

## **Table of Contents**

### **US Dollar Interest Rate Contracts**

#### *Non-hedge Contracts*

We have a \$75 million net US dollar pay-fixed interest rate swap position outstanding that was used to economically hedge the US dollar interest rate risk implicit in a prior gold lease rate swap position. Changes in the fair value of these interest rate swaps are recognized in current period earnings through interest expense.

### **Currency Contracts**

#### *Cash Flow Hedges*

During the quarter, currency contracts totaling C\$241 million, EUR 16 million, PGK 60 million, and CLP 12,000 million have been designated against forecasted non-US dollar denominated expenditures. The outstanding contracts hedge the variability of the US dollar amount of those expenditures caused by changes in currency exchange rates over the next four years.

Hedged items that relate to operating and/or sustaining capital expense are identified as the first stated quantity of dollars of forecasted expenditures in a future month. For C\$317 million, A\$4,325 million, PGK 60 million and CLP 36,258 million portions of the contracts, we have concluded that the hedges are 100% effective under ASC 815 because the critical terms (including notional amount and maturity date) of the hedged items and currency contracts are the same. For A\$137 million prospective and retrospective hedge effectiveness is assessed using the hypothetical derivative method under ASC 815. The retrospective test involves comparing the effect of historic changes in exchange rates each period on the fair value of both the actual and hypothetical derivative using a dollar offset approach. The effective portion of changes in fair value of the currency contracts is recorded in OCI until the forecasted expenditure impacts earnings. The prospective test involves comparing the effect of a theoretical shift in forward exchange rates on the fair value of both the actual and hypothetical derivative. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

Hedged items that relate to pre-production expenditures at our development projects are identified as the stated quantity of dollars of the forecasted expenditures associated with a specific transaction in a pre-defined time period. For C\$41 million, A\$55 million and EUR 47 million hedge, effectiveness is assessed using the dual spot method under ASC 815, where changes in fair value attributable to changes in spot prices are calculated on a discounted basis for the actual derivative and an undiscounted basis for the hypothetical derivative. The effectiveness testing excludes time value of the hedging instrument. Prospective and retrospective hedge effectiveness uses a dollar offset method. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

#### *Non-hedge Contracts*

Non-hedge currency contracts are used to mitigate the variability of the US dollar amount of non-US dollar denominated exposures that do not meet the criterion in ASC 815. Changes in the fair value of non-hedge currency contracts are recorded in current period cost of sales, corporate administration, other income, other expense or income tax expense according to the intention of the hedging instrument.

### **Commodity Contracts**

#### *Diesel Fuel/Propane*

#### *Cash Flow Hedges*

During the quarter, we entered into 614 thousand barrels of WTI/ULSD crack spread swaps, 270 thousand barrels of MOPS forwards and 12 million gallons of propane designated against forecasted fuel purchases for expected consumption at our mines. The designated contracts act as a hedge on variability in market prices on the cost of future fuel purchases over the next five years. Hedged items are identified as the first stated quantity in thousands of barrels of forecasted purchases in a future month. Prospective and retrospective hedge effectiveness is assessed using the hypothetical derivative method under ASC 815. The prospective test is based on regression analysis of the month-on-month change in fair value of both the actual derivative and a hypothetical derivative caused by actual historic changes in commodity prices over the last three years. The retrospective test involves comparing the effect of



## **Table of Contents**

historic changes in commodity prices each period on the fair value of both the actual and hypothetical derivative using a dollar offset approach. The effective portion of changes in fair value of the commodity contracts is recorded in OCI until the forecasted transaction impacts earnings. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

On April 1, 2009, Barrick entered a new diesel fuel supply contract. Under the terms of the new contract, fuel purchased for consumption at our Nevada based mines is priced based on the ULSD index. We have continued to hedge our exposure to diesel using our existing WTI forward contracts. Retrospective hedge effectiveness testing shows a strong correlation between ULSD and WTI and thus we expect that these hedges will continue to be effective. The prospective and retrospective testing will continue to be assessed using the hypothetical derivative method under ASC 815.

### *Non-hedge Contracts*

Non-hedge fuel contracts are used to mitigate the risk of price changes on fuel consumption at various sites. On completion of regression analysis, we concluded that contracts totaling 40 thousand barrels of fuel and 3 million gallons of propane do not meet the highly effective criterion in ASC 815 due to currency and basis differences between derivative contract prices and the prices charged to the sites by oil suppliers. Non-hedge electricity contracts of 24 thousand megawatt hours are used to mitigate the risk of price changes on electricity consumption at Barrick Energy. We also have 730 thousand gigajoules of natural gas contracts that are used to mitigate the risk of price changes on natural gas sales at Barrick Energy. Although not qualifying as an accounting hedge, the contracts protect the Company to a significant extent from the effects of changes in fuel prices. Changes in the fair value of non-hedge fuel contracts are recorded in current period cost of sales.

### *Copper*

#### *Cash Flow Hedges*

At September 30, 2009, we had 4 million pounds of copper forwards outstanding at an average price of \$3.15/lb hedging future sales at Zaldívar.

Copper collar contracts totaling 300 million pounds have also been designated as hedges against copper cathode sales at our Zaldívar mine. The contracts contain purchased put and sold call options with average strike prices of \$2.29/lb and \$3.46/lb, respectively.

Hedged items are identified as the first stated quantity of pounds of forecasted sales in a future month. Prospective hedge effectiveness is assessed on these hedges using a dollar offset method. The dollar offset assessment involves comparing the effect of theoretical shifts in forward copper prices on the fair value of both the actual hedging derivative and a hypothetical hedging derivative. The retrospective assessment involves comparing the effect of historic changes in copper prices each period on the fair value of both the actual and hypothetical derivative using a dollar offset approach. The effective portion of changes in fair value of the copper contracts is recorded in OCI until the forecasted copper sale impacts earnings. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

### *Non-hedge Contracts*

During fourth quarter 2008, we de-designated collar sell contracts for 153 million pounds and crystallized \$213 million of gains in OCI, of which \$46 million remains at quarter-end. At the time of de-designation, we combined them with existing non-hedge contracts for a total of 198 million pounds. These hedges were originally designated against future copper production at our Zaldívar and Osborne mines. The exposure is still expected to occur and therefore amounts crystallized in OCI will be recorded in copper revenue when the originally designated sales occur. We continue to hold these collars as non-hedge contracts. At September 30, 2009, we had 50 million pounds of collar sell contracts outstanding. The contracts contain purchased put and sold call options with an average strike of \$3.00/lb and \$4.20/lb, respectively.

**Table of Contents**

During fourth quarter 2008, we entered into collar buy contracts for 198 million pounds to economically lock in the gains on the de-designated and existing non-hedge contracts. The remaining contracts contain sold put and purchased call options with average strike prices of \$1.57/lb and \$2.01/lb, respectively. At September 30, 2009, 50 million pounds of collar buy contracts were outstanding.

These contracts are not designated as cash flow hedges under ASC 815. Changes in the fair value of these copper options are recorded in current period revenue. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

**Non-hedge Gains (Losses)**

|                                          | Three month period ended<br>September 30 |         | Nine month period<br>ended<br>September 30 |       | Income statement classification              |
|------------------------------------------|------------------------------------------|---------|--------------------------------------------|-------|----------------------------------------------|
|                                          | 2009                                     | 2008    | 2009                                       | 2008  |                                              |
| Commodity contracts                      |                                          |         |                                            |       |                                              |
| Copper                                   | \$ (6)                                   | \$      | \$ (45)                                    | \$ 22 | Revenue                                      |
| Fuel                                     | (3)                                      | (36)    | 1                                          | 2     | Cost of sales                                |
|                                          |                                          |         |                                            |       | Cost of sales/corporate administration/other |
| Currency contracts                       | 3                                        | (12)    | (2)                                        |       | income/expense/income tax expense            |
| Interest rate contracts                  | (1)                                      | (1)     | (4)                                        | (2)   | Interest income/expense                      |
|                                          | (7)                                      | (49)    | (50)                                       | 22    |                                              |
| Hedge ineffectiveness                    | (1)                                      | 3       |                                            | (3)   |                                              |
| Amounts excluded from effectiveness test | (1)                                      |         |                                            |       |                                              |
|                                          | \$ (9)                                   | \$ (46) | \$ (50)                                    | \$ 19 |                                              |

**Cash Flow Hedge Gains (Losses) in OCI**

|                                                                  | Commodity price hedges |        |          | Currency hedges    |                         |                         | Interest rate hedges |                   |          |
|------------------------------------------------------------------|------------------------|--------|----------|--------------------|-------------------------|-------------------------|----------------------|-------------------|----------|
|                                                                  | Gold/<br>Silver        | Copper | Fuel     | Operating<br>costs | Administration<br>costs | Capital<br>expenditures | Cash<br>balances     | Long-term<br>debt | Total    |
| At Dec. 31, 2008                                                 | \$ 13                  | \$ 484 | \$ (169) | \$ (478)           | \$ (30)                 | \$                      | \$                   | (33)              | \$ (213) |
| Effective portion of change in fair value of hedging instruments |                        | (211)  | 41       | 750                | 21                      | 20                      |                      |                   | 621      |
| Transfers to earnings:                                           |                        |        |          |                    |                         |                         |                      |                   |          |
| On recording hedged items in earnings                            | (6)                    | (239)  | 82       | 21                 | 9                       | (2)                     |                      | 2                 | (133)    |
| At September 30, 2009                                            | \$ 7                   | \$ 34  | \$ (46)  | \$ 293             | \$                      | \$ 18                   | \$                   | (31)              | \$ 275   |

| Hedge gains/losses classified within                                                            | Gold<br>sales | Copper<br>sales | Cost of<br>sales | Cost<br>of<br>sales | Administration | Amortization | Interest<br>income | Interest<br>expense |       |
|-------------------------------------------------------------------------------------------------|---------------|-----------------|------------------|---------------------|----------------|--------------|--------------------|---------------------|-------|
| Portion of hedge gain (loss) expected to affect earnings over the next 12 months <sup>(1)</sup> | \$ 5          | \$ 37           | \$ (50)          | \$ 102              | \$             | \$ 3         | \$                 | (3)                 | \$ 94 |

(1) Based on the fair value of hedge contracts at September 30, 2009.



**Table of Contents****Cash Flow Hedge Gains (Losses) at September 30**

| Derivatives in cash flow hedging relationships | Amount of Gain (loss) recognized in OCI |          | Location of gain (loss) transferred from OCI into income (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) |        |
|------------------------------------------------|-----------------------------------------|----------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------|
|                                                | 2009                                    | 2008     |                                                                                             | 2009                                                                       | 2008   |                                                                                                                   | 2009                                                                                                            | 2008   |
| Interest rate contracts                        | \$                                      | \$ (17)  | Interest income/expense                                                                     | \$ (2)                                                                     | \$ (1) | Interest income/expense                                                                                           | \$                                                                                                              | \$     |
| Foreign exchange contracts                     |                                         |          | Cost of sales/Corporate administration/amortization/other income/expense/income tax expense |                                                                            |        | Cost of sales/corporate administration/amortization/other income/expense/income tax expense                       |                                                                                                                 |        |
|                                                | 791                                     | (190)    |                                                                                             | (28)                                                                       | 157    |                                                                                                                   |                                                                                                                 |        |
| Commodity contracts                            | (170)                                   | 73       | Revenue/cost of sales/project development expense                                           | 163                                                                        | 3      | Revenue/cost of sales/project development expense                                                                 |                                                                                                                 | (3)    |
| Total                                          | \$ 621                                  | \$ (134) |                                                                                             | \$ 133                                                                     | \$ 159 |                                                                                                                   | \$                                                                                                              | \$ (3) |

**D Other use of derivative instruments**

During the quarter, we wrote \$400 million net USD pay-fixed swaptions. We have \$300 million net written USD pay-fixed swaptions outstanding as of September 30, 2009. If exercised at maturity, the underlying interest rate swaps would be used as fair value hedges on our long-term fixed rate debt. Changes in the fair value of the swaptions and the premiums earned are recognized in current period earnings through interest expense. For the quarter, we recognized a gain of \$2 million in current period earnings. The outstanding swaptions have fixed rates that range from 4.5% to 5.25%. The options expire no later than December 17, 2009, and the underlying swaps have maturities of April 1, 2019.

On a regular basis, we use derivative instruments to increase our gold and copper revenue. We enter into purchased and written options with the primary objective of increasing the realized price on our gold and copper sales.

During the quarter, we wrote gold put and call options with an average outstanding notional volume of 0.1 and 0.1 million ounces, respectively, on a net basis. We also held net purchased gold forwards during the third quarter with an average outstanding notional of 0.1 million ounces. During the quarter, we wrote copper call options averaging 31 million pounds and purchased forwards averaging 15 million pounds.

As a result of these activities, we recorded realized gains in revenue of \$15 million on gold contracts, realized losses of \$5 million on copper options and realized gains of \$2 million on copper forwards in third quarter 2009. There were no gold contracts outstanding at September 30, 2009. There were 22 million pounds of written copper call options and 4 million pounds of purchased copper forwards outstanding at September 30, 2009 with an unrealized loss of \$2 million, net of premiums.

**Non-hedge Gains (Losses)**

| Three month period ended |                   | Nine month period ended |                   | Income statement classification |
|--------------------------|-------------------|-------------------------|-------------------|---------------------------------|
| September 30 2009        | September 30 2008 | September 30 2009       | September 30 2008 |                                 |

Edgar Filing: BARRICK GOLD CORP - Form F-9

|                         |    |     |    |     |                         |
|-------------------------|----|-----|----|-----|-------------------------|
| Commodity contracts     |    |     |    |     |                         |
| Copper                  | \$ | (5) | \$ | (3) | \$ Revenue              |
| Gold                    |    | 15  | 7  | 38  | 2 Revenue               |
| Interest rate contracts |    | 2   |    | 3   | Interest income/expense |
|                         | \$ | 12  | \$ | 7   | \$ 38 \$ 2              |

**E Gold and silver sales contracts**

On September 8, 2009, we announced a plan to eliminate all of our fixed priced (non-participating) gold contracts (the Gold Hedges ) and a portion of our floating spot price (fully participating) gold contracts (the Floating

B-28

**Table of Contents**

Contracts ). We had previously elected to designate these contracts as normal sales contracts , and consequently these contracts were not accounted for as derivative financial instruments. Instead, revenue was recognized based on the contract sales price at the time of physical delivery under the applicable contractual terms. We no longer intend to satisfy our obligations under these contracts by the physical delivery of future gold production from our projects and instead intend to eliminate these contracts through a combination of purchasing gold on the open market, cash settlement and/or physical delivery of mine production. As a result, these contracts will no longer meet the definition of normal sales contracts and will instead be accounted for as derivative financial instruments. Our decision to settle the gold sales contracts in this manner also impact the accounting treatment for our silver sales contracts. Due to this change in accounting treatment, in third quarter 2009, we recognized a liability for the estimated fair value of the gold and silver contracts of \$5.7 billion on our Consolidated Balance Sheet. We have presented this liability as a long-term obligation due to the fact that we are not required to settle these contracts prior to January 2012. A corresponding charge was recorded on our Consolidated Income Statement in third quarter 2009. Subsequent changes in the fair value of the liability, prior to their settlement, will also be recognized as a charge to earnings in our Consolidated Income Statement.

**Non-hedge Gains (Losses)**

|                    | Three month period<br>ended<br>September 30 |      | Nine month period<br>ended<br>September 30 |      | Income statement<br>classification |
|--------------------|---------------------------------------------|------|--------------------------------------------|------|------------------------------------|
|                    | 2009                                        | 2008 | 2009                                       | 2008 |                                    |
| Gold Hedges        | \$ (1,910)                                  | \$   | \$ (1,910)                                 | \$   | Expense                            |
| Floating Contracts | (3,672)                                     |      | (3,672)                                    |      | Expense                            |
| Silver Contracts   | (110)                                       |      | (110)                                      |      | Expense                            |
|                    | \$ (5,692)                                  | \$   | \$ (5,692)                                 | \$   |                                    |

In October 2009, we began settling the Gold Sales Contracts and through October 28, \$3.0 billion of the proceeds have been used, leaving a remaining settlement obligation of \$2.8 billion outstanding. We plan to settle the remaining Gold Hedges and a portion of the Floating Contracts within the next twelve months.

| (\$ billions, except ounce amounts in millions) | Gold Hedges |           | Floating<br>Contracts | Total                    |
|-------------------------------------------------|-------------|-----------|-----------------------|--------------------------|
|                                                 | ounces      | liability | liability             | liability <sup>(1)</sup> |
| As at September 30, 2009                        | 2.9         | \$ 1.9    | \$ 3.7                | \$ 5.6                   |
| MTM adjustment                                  |             | 0.2       |                       | 0.2                      |
| Ounces eliminated/net proceeds used to date     | (1.0)       | (0.8)     | (2.2)                 | (3.0)                    |
| As at October 28, 2009 <sup>(2)</sup>           | 1.9         | 1.3       | 1.5                   | 2.8                      |

(1) The total liability excludes a \$0.1 billion settlement obligation for silver sales contracts.

(2) Calculated using a gold price of \$1,050 per ounce.

*Summary of Gold and Silver Sales Contracts*

| \$ millions                       | At September 30,<br>2009 value |
|-----------------------------------|--------------------------------|
| Gold Hedges <sup>(1)</sup>        | \$ (1,910)                     |
| Floating Contracts <sup>(2)</sup> | (3,672)                        |

|                  |       |
|------------------|-------|
| Silver Contracts | (110) |
|------------------|-------|

|                                                                    |    |         |
|--------------------------------------------------------------------|----|---------|
| Settlement obligation to close out gold and silver sales contracts | \$ | (5,692) |
|--------------------------------------------------------------------|----|---------|

- (1) Calculated at a spot gold price of \$996 per ounce. The fair value of the Gold Hedges is impacted by changes in the spot price of gold. A \$10 per ounce increase or decrease in the spot gold price will result in an increase or decrease in the fair value of the liability of \$29 million on the 2.9 million ounces of Gold Hedges.
- (2) The fair value of the Floating Contracts is impacted by changes in the US dollar interest rates.

B-29

**Table of Contents****17 > FAIR VALUE MEASUREMENTS**

In 2008, we adopted ASC 820 for financial assets and liabilities that are measured at fair value on a recurring basis. ASC 820 defines fair value, establishes a framework for measuring fair value under US GAAP, and requires expanded disclosures about fair value measurements. Beginning in 2009, we applied ASC 820 to non-financial assets and liabilities that we periodically measure at fair value under US GAAP, which include: goodwill, tangible and intangible assets measured and recognized at fair value as a result of an impairment assessment; and non financial assets and non financial liabilities recognized as a result of a business combination. The application of ASC 820 to non-financial assets and liabilities will not have a significant impact on our methodology for measuring their fair values, but results in expanded disclosures.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy established by ASC 820 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 at September 30, 2009*

|                                                    | Quoted Prices in<br>Active Markets<br>for Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Aggregate<br>Fair Value |
|----------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|-------------------------|
| Cash equivalents                                   | \$ 6,043                                                                | \$                                                        | \$                                                 | \$ 6,043                |
| Available-for-sale securities                      | 63                                                                      |                                                           |                                                    | 63                      |
| Receivables from provisional copper and gold sales |                                                                         | 51                                                        |                                                    | 51                      |
| Derivative Instruments                             |                                                                         | (5,384)                                                   |                                                    | (5,384)                 |
|                                                    | \$ 6,106                                                                | \$ (5,333)                                                | \$                                                 | \$ 773                  |

**B Fair Values of Financial Instruments**

|                                              | At September 30, 2009 |                         | At Dec. 31, 2008   |                         |
|----------------------------------------------|-----------------------|-------------------------|--------------------|-------------------------|
|                                              | Carrying<br>amount    | Estimated<br>fair value | Carrying<br>amount | Estimated<br>fair value |
| Financial assets                             |                       |                         |                    |                         |
| Cash and equivalents <sup>(1)</sup>          | \$ 6,531              | \$ 6,531                | \$ 1,437           | \$ 1,437                |
| Accounts receivable <sup>(1)</sup>           | 210                   | 210                     | 197                | 197                     |
| Available-for-sale securities <sup>(2)</sup> | 63                    | 63                      | 31                 | 31                      |
| Derivative assets                            | 485                   | 485                     | 832                | 832                     |
|                                              | \$ 7,289              | \$ 7,289                | \$ 2,497           | \$ 2,497                |
| Financial liabilities                        |                       |                         |                    |                         |
| Accounts payable <sup>(1)</sup>              | \$ 1,093              | \$ 1,093                | \$ 970             | \$ 970                  |
| Long-term debt <sup>(3)</sup>                | 5,131                 | 5,563                   | 4,556              | 3,620                   |

Edgar Filing: BARRICK GOLD CORP - Form F-9

|                                                                    |           |           |          |          |
|--------------------------------------------------------------------|-----------|-----------|----------|----------|
| Settlement obligation to close out gold and silver sales contracts | 5,692     | 5,692     |          |          |
| Derivative liabilities                                             | 173       | 173       | 875      | 875      |
| Restricted share units <sup>(4)</sup>                              | 113       | 113       | 120      | 120      |
| Deferred share units <sup>(4)</sup>                                | 5         | 5         | 5        | 5        |
|                                                                    | \$ 12,207 | \$ 12,639 | \$ 6,526 | \$ 5,590 |

B-30

**Table of Contents**

- (1) Recorded at cost. Fair value approximates the carrying amounts due to the short-term nature and generally negligible credit losses.
- (2) Recorded at fair value. Quoted market prices are used to determine fair value.
- (3) Long-term debt is generally recorded at cost except for obligations that are designated in a fair-value hedge relationship, which are recorded at fair value in periods when a hedge relationship exists. The fair value of long-term debt is primarily determined using quoted market prices. Balance includes current portion of long-term debt.
- (4) Recorded at fair value based on our period-end closing market share price.

**C Assets Measured at Fair Value on a Non-recurring Basis***Fair Value Measurements at September 30, 2009*

|                                              | Quoted Prices in<br>Active<br>Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Aggregate<br>Fair<br>Value |
|----------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|----------------------------|
| Property, plant and equipment <sup>(1)</sup> | \$                                                                            | \$                                                        | \$ 6                                               | \$ 6                       |
| Intangible assets <sup>(2)</sup>             |                                                                               |                                                           |                                                    |                            |

- (1) In accordance with the provisions of ASC 360, property plant & equipment with a carrying amount of \$128 million were written down to their fair value of \$6 million, resulting in an impairment of \$122 million, which was included in earnings this period. Refer to note 14.
- (2) In accordance with the provisions of ASC 350, intangible assets with a carrying amount of \$34 million were written down to their fair value of \$0, resulting in an impairment of \$34 million, which was included in earnings this period. Refer to note 14.

**D Valuation Techniques***Gold and Silver Sales Contracts*

The fair value of gold and silver sales contracts is equal to the present value of expected cash flows that would be required to financially settle our obligations arising under the contracts. The present value model utilizes inputs, such as the current spot price for gold, gold lease rates, US dollar interest rate curves, and counterparty credit spreads, that we derived from observable market data. Therefore our gold and silver sales contracts are classified within Level 2 of the fair value hierarchy.

*Property Plant and Equipment and Intangible Assets*

The fair value of property plant & equipment and intangible assets is determined primarily using an income approach based on unobservable cash flows are classified within Level 3 of the fair value hierarchy established by ASC 820. Refer to note 14.

**18 > OTHER NON-CURRENT LIABILITIES**

|                                       | At Sept. 30, 2009 | At Dec. 31, 2008 |
|---------------------------------------|-------------------|------------------|
| Pension benefits                      | \$ 107            | \$ 113           |
| Other post-retirement benefits        | 53                | 29               |
| Derivative liabilities                | 45                | 435              |
| Restricted share units <sup>(1)</sup> | 118               | 120              |
| Deposit on silver contracts           | 210               |                  |
| Other                                 | 70                | 84               |

(1) Includes Performance restricted share units of \$5 million (December 31, 2008: \$3 million).

B-31

**Table of Contents**

**19 > CAPITAL STOCK**

**A Common Shares**

Our authorized capital stock includes an unlimited number of common shares (issued 982,956,358 common shares); 9,764,929 First preferred shares Series A (issued nil); 9,047,619 Series B (issued nil); and 14,726,854 Second preferred shares Series A (issued nil).

**Common Share Offering**

On September 23, 2009, we issued 109 million common shares of Barrick at a price of \$36.95 per share, for net proceeds of \$3,885 million.

**B Exchangeable Shares**

In connection with a 1998 acquisition, Barrick Gold Inc. ( BGI ) issued 11.1 million BGI exchangeable shares, which were each exchangeable for 0.53 of a Barrick common share at any time at the option of the holder, and had essentially the same voting, dividend (payable in Canadian dollars), and other rights as 0.53 of a Barrick common share. BGI is a subsidiary that holds our interest in the Hemlo and Eskay Creek Mines.

We had the right to require the exchange of each outstanding BGI exchangeable share for 0.53 of a Barrick common share. In first quarter 2009, the remaining 0.5 million BGI exchangeable shares were redeemed for 0.3 million Barrick common shares. At September 30, 2008, 0.5 million BGI exchangeable shares were outstanding, which were the equivalent to 0.3 million Barrick common shares and were reflected in the number of common shares outstanding.

**C Dividends**

On October 28, 2009, the Board of Directors declared a dividend of US dollars \$0.20 per share, payable on December 15, 2009, to shareholders of record at the close of business on November 30, 2009.

**Table of Contents****20 > OTHER COMPREHENSIVE INCOME (LOSS) ( OCI<sup>(2)</sup>)**

|                                                                                      | Three month period<br>ended<br>September 30 |          | Nine month period<br>ended<br>September 30 |          |
|--------------------------------------------------------------------------------------|---------------------------------------------|----------|--------------------------------------------|----------|
|                                                                                      | 2009                                        | 2008     | 2009                                       | 2008     |
| Accumulated OCI at beginning of period                                               |                                             |          |                                            |          |
| Cash flow hedge gains (losses), net of tax of \$35, \$186, \$89, \$105               | \$ 101                                      | \$ 370   | \$ (124)                                   | \$ 250   |
| Investments, net of tax of \$2, \$2, \$nil, \$4                                      | 15                                          | 11       | (2)                                        | 37       |
| Currency translation adjustments, net of tax of \$nil, \$nil, \$nil, \$nil           | (179)                                       | (143)    | (197)                                      | (143)    |
| Pension plans and other post-retirement benefits, net of tax of \$19, \$2, \$19, \$2 | (33)                                        | 7        | (33)                                       | 7        |
|                                                                                      | (96)                                        | \$ 245   | \$ (356)                                   | \$ 151   |
| Other comprehensive income (loss) for the period:                                    |                                             |          |                                            |          |
| Changes in fair value of cash flow hedges                                            | 186                                         | (422)    | 621                                        | (134)    |
| Changes in fair value of investments                                                 | 14                                          | (22)     | 32                                         | (4)      |
| Currency translation adjustments <sup>(1)</sup>                                      | 28                                          | (3)      | 46                                         | (3)      |
| Less: reclassification adjustments for gains/losses recorded in earnings:            |                                             |          |                                            |          |
| Transfers of cash flow hedge gains to earnings:                                      |                                             |          |                                            |          |
| On recording hedged items in earnings                                                | (47)                                        | (72)     | (133)                                      | (159)    |
| Investments:                                                                         |                                             |          |                                            |          |
| Other than temporary impairment charges                                              |                                             | 14       | 1                                          | 14       |
| Gains realized on sale                                                               | (3)                                         | (13)     | (3)                                        | (59)     |
| Other comprehensive income, before tax                                               | 178                                         | (518)    | 564                                        | (345)    |
| Income tax expense related to OCI                                                    | (45)                                        | 173      | (171)                                      | 94       |
| Other comprehensive income, net of tax                                               | \$ 133                                      | \$ (345) | \$ 393                                     | \$ (251) |
| Accumulated OCI at September 30                                                      |                                             |          |                                            |          |
| Cash flow hedge gains (losses), net of tax of \$80, \$16, \$80, \$16                 | 195                                         | 46       | 195                                        | 46       |
| Investments, net of tax of \$2, \$1, \$2, \$1                                        | 26                                          | (7)      | 26                                         | (7)      |
| Currency translation adjustments, net of tax of \$nil, \$nil, \$nil, \$nil           | (151)                                       | (146)    | (151)                                      | (146)    |
| Pension plans and other post-retirement benefits, net of tax of \$19, \$2, \$19, \$2 | (33)                                        | 7        | (33)                                       | 7        |
|                                                                                      | \$ 37                                       | \$ (100) | \$ 37                                      | \$ (100) |

(1) Represents currency translation adjustments for Barrick Energy.

(2) At September 30, 2009, \$nil other comprehensive income was attributable to non-controlling interests (2008: \$nil).

**21 > LITIGATION AND CLAIMS**

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. In assessing loss contingencies related to legal proceedings that are pending against us or unasserted claims that may result in such proceedings, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency suggests that a loss is probable, and the amount can be reliably estimated, then a loss is recorded. When a contingent loss is not probable but is reasonably possible, or is probable but the amount of loss cannot be reliably estimated, then details of the contingent loss are disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case we disclose the nature of the guarantee. Legal fees incurred in connection with pending legal proceedings are expensed as incurred.

B-33

## **Table of Contents**

### **Wagner Complaint**

On June 12, 2003, a complaint was filed against Barrick and several of its current or former officers in the U.S. District Court for the Southern District of New York. The complaint is on behalf of Barrick shareholders who purchased Barrick shares between February 14, 2002 and September 26, 2002. It alleges that Barrick and the individual defendants violated U.S. securities laws by making false and misleading statements concerning Barrick's projected operating results and earnings in 2002. The complaint seeks an unspecified amount of damages. In November 2008, near the completion of discovery, this matter was scheduled for trial in March 2009. The trial date was adjourned because of a settlement in principle among the parties. On March 30, 2009, the defendants entered into a stipulation agreement, pursuant to which Barrick and the individual defendants agreed to settle the complaint for \$24 million pending the Court's final approval of the settlement. The complaint is subject to coverage under the Company's directors and officers insurance policy. On July 24, 2009, the Court issued a preliminary approval order in connection with the settlement. The Court has scheduled a fairness hearing relating to the settlement on November 5, 2009.

### **Cortez Hills Complaint**

On November 12, 2008, the United States Bureau of Land Management issued a Record of Decision approving the Cortez Hills Expansion Project. On November 20, 2008, the TeMoak Shoshone Tribe, the East Fork Band Council of the TeMoak Shoshone Tribe and the Timbisha Shoshone Tribe, the Western Shoshone Defense Project, and Great Basin Resource Watch filed a lawsuit against the United States seeking to enjoin the majority of the activities comprising the Project on grounds that it violated the Western Shoshone rights under the *Religious Freedom Restoration Act* ( RFRA ), that it violated the *Federal Land Policy and Management Act*'s prohibition on unnecessary and undue degradation, and that the Project's Environment Impact Statement did not meet the requirements of the National *Environmental Policy Act*. The Plaintiffs' RFRA claim is based on the assertion that the Project and adjoining areas are sacred to certain Western Shoshone. On November 24, 2008, the Plaintiffs filed a Motion for a Temporary Restraining Order and a Preliminary Injunction barring work on the Project until after a trial on the merits. After a four day hearing, on January 26, 2009, the Court denied the Plaintiffs' Motion for a Preliminary Injunction, concluding that the Plaintiffs had failed to demonstrate a likelihood of success on the merits and that the Plaintiffs had otherwise failed to satisfy the necessary elements for a preliminary injunction. The Plaintiffs appealed that decision to the United States Court of Appeals for the Ninth Circuit, which heard oral arguments on June 10, 2009, but has not yet issued a decision. Plaintiffs have dismissed their RFRA claim with prejudice, conceding that it was without merit, in light of the Ninth Circuit's decision in another case. The case is progressing towards a final judgment on the merits in the District Court while the Ninth Circuit considers the appeal of the preliminary injunction. Construction of the project is ongoing.

### **Marinduque Complaint**

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

At the time of the amalgamation of Placer Dome and Barrick Gold Corporation, a variety of motions were pending before the District Court, including motions to dismiss the action for lack of personal jurisdiction and for *forum non conveniens* (improper choice of forum). On June 29, 2006, the Province filed a Motion to join Barrick Gold Corporation as an additional named Defendant and for leave to file a Third Amended Complaint which the Court

## **Table of Contents**

granted on March 2, 2007. On March 6, 2007, the Court issued an order setting a briefing schedule on the Company's motion to dismiss on grounds of *forum non conveniens*. On June 7, 2007, the Court issued an order granting the Company's motion to dismiss. On June 25, 2007, the Province filed a motion requesting the Court to reconsider its Order dismissing the action. On January 16, 2008, the district court issued an order denying the Province's motion for reconsideration. Following the district court's order, the Province filed Notice of Appeal to the U.S. Court of Appeals for the Ninth Circuit. Oral arguments were heard by the U.S. Court of Appeals on March 10, 2009. On September 29, 2009 the U.S. Court of Appeals reversed the decision of the District Court on the ground that the U.S. District Court lacked subject matter jurisdiction over the case and removal from the Nevada State Court was improper. On October 13, 2009 the Company filed a petition requesting the U.S. Court of Appeals to reconsider its decision and for a rehearing on the issues before a nine judge panel (en banc) on the grounds that the decision is contrary to a recent United States Supreme Court decision. In the event this petition is denied, we will continue to challenge the claims of the Province in the Nevada State Court on various grounds and otherwise vigorously defend the action. No amounts have been accrued for any potential loss under this complaint.

### **Calancan Bay (Philippines) Complaint**

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

On October 16, 2006, the court granted the plaintiffs' application for indigent status, allowing the case to proceed without payment of filing fees. On January 17, 2007, the Court issued a summons to Marcopper and PDI. On March 25, 2008, an attempt was made to serve PDI by serving the summons and complaint on Placer Dome Technical Services (Philippines) Inc. ( PDTS ). PDTS has returned the summons and complaint with a manifestation stating that PDTS is not an agent of PDI for any purpose and is not authorized to accept service or to take any other action on behalf of PDI. On April 3, 2008, PDI made a special appearance by counsel to move to dismiss the complaint for lack of personal jurisdiction and on other grounds. The plaintiffs have opposed the motion to dismiss. The motion has been briefed and is currently pending.

The Company intends to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

### **Perilla Complaint**

On August 5, 2009, Barrick Gold Inc. was purportedly served in Ontario with a complaint filed on November 25, 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. The complaint names Placer Dome Inc. and Barrick Gold Inc. as defendants; however, service has only been attempted on Barrick Gold Inc. at this time. Barrick Gold Inc. intends to move to dismiss the complaint on a variety of grounds and to otherwise defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

### **Pakistani Constitutional Litigation**

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

The Petition alleged, among other things, that the entry by the BDA into the 1993 Joint Venture Agreement ( JVA ) with BHP to facilitate the exploration of the Reko Diq area and the grant of related exploration licenses were

## **Table of Contents**

illegal and that the subsequent transfer of the interests of BHP in the JVA and the licenses to TCC was also illegal and should therefore be set aside. Barrick currently indirectly holds 50% of the shares of TCC, with Antofagasta indirectly holding the other 50%.

On June 26, 2007, the High Court of Balochistan dismissed the Petition against Barrick and the other respondents in its entirety. On August 23, 2007, the petitioners filed a Civil Petition for Leave to Appeal in the Supreme Court of Pakistan. It is currently anticipated that the Supreme Court of Pakistan will consider the Civil Petition for Leave to Appeal in December 2009. Barrick intends to defend this action vigorously. No amounts have been accrued for any potential loss under this complaint.

## **22 > SUBSEQUENT EVENTS**

We examined all significant transactions from our quarter end close date of September 30, 2009 up to and including the issuance date, October 28, 2009, and have not noted any significant events or transactions that would materially impact the financial statements as they are presented.

## **23 > FINANCE SUBSIDIARY**

On October 9, 2009, we incorporated a wholly-owned finance subsidiary, Barrick (PD) Australia Finance Pty Ltd. (ACN 139 909 934) ( "BPDAF" ), the sole purpose of which is to issue debt securities. On October 16, 2009, we issued \$1.25 billion in debt securities through BPDAF comprised of: \$400 million of 4.95% notes due 2020 and \$850 million of 5.95% notes due 2039 (the "Initial Notes" ) in a transaction that was exempt from registration under the Securities Act of 1933, as amended (the "Securities Act" ). The Initial Notes were offered and sold to qualified institutional buyers in reliance on Rule 144A and to non-U.S. persons outside the United States in reliance on Regulation S. Barrick has fully and unconditionally guaranteed the Initial Notes. On November 6, 2009, we filed a preliminary short form prospectus and a registration statement in respect of the offer and issuance of up to \$1.25 billion of debt securities through BPDAF comprised of: \$400 million of 4.95% notes due 2020 and \$850 million of 5.95% notes due 2039 (the "New Notes" ) in exchange for the Initial Notes. The terms of the New Notes will be substantially identical to the terms of the Initial Notes, except that the New Notes will be registered under the Securities Act. Barrick will fully and unconditionally guarantee any New Notes issued by BPDAF.

**Table of Contents**

---

**Table of Contents**

**FORM F-9**

**PART II**

**INFORMATION NOT REQUIRED TO BE DELIVERED TO**

**OFFEREES OR PURCHASERS**

**Indemnification**

Under the *Business Corporations Act* (Ontario) (the "OBCA"), Barrick Gold Corporation ("Barrick" or the "Form F-9 Registrant") may indemnify a director or officer of Barrick, a former director or officer of Barrick or another individual who acts or acted at Barrick's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with Barrick or the other entity on condition that (i) the individual acted honestly and in good faith with a view to the best interests of Barrick or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at Barrick's request, and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that his or her conduct was lawful. Further, Barrick may, with court approval, indemnify an individual described above in respect of an action by or on behalf of Barrick or another entity to obtain a judgment in its favor, to which the individual is made a party by reason of the individual's association with Barrick or such other entity described above, against all costs, charges and expenses reasonably incurred by the individual in connection with such action if the individual fulfils condition (i) above. An individual referred to above is entitled to indemnification from Barrick as a matter of right if he or she was not judged by a court or other competent authority to have committed any fault or omitted to do anything he or she ought to have done and fulfils conditions (i) and (ii) above. Barrick has entered into a Memorandum of Agreement with each Barrick director and officer under which Barrick has agreed to indemnify and hold harmless the individual in substantially the same circumstances as outlined in this paragraph.

In accordance with the provisions of the OBCA described above, the by-laws of Barrick provide that, subject to the relevant provisions of the OBCA, Barrick shall indemnify a director or officer of Barrick, a former director or officer of Barrick, or another individual who acts or acted at Barrick's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with Barrick or such other entity if the individual acted honestly and in good faith with a view to the best interests of Barrick or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at Barrick's request.

Barrick also maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The directors and officers are not required to pay any premium in respect of the insurance. The policy contains standard industry exclusions.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the Form F-9 Registrant pursuant to the foregoing provisions, the Form F-9 Registrant has been informed that in the opinion of the U.S. Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

**Table of Contents**

**EXHIBITS TO FORM F-9**

The exhibits to this registration statement are listed in the exhibit index, which appears elsewhere herein.

F-9, II-2

**Table of Contents**

**FORM F-9**

**PART III**

**UNDERTAKING AND CONSENT TO SERVICE OF PROCESS**

**Item 1.     *Undertaking.***

The Form F-9 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 registered pursuant to this Form F-9 or to transactions in said securities.

**Item 2.     *Consent to Service of Process.***

Concurrently with the filing of this Registration Statement, the Form F-9 Registrant is filing with the Commission a written irrevocable consent and power of attorney on Form F-X.

Any change to the name or address of the agent for service of the Form F-9 Registrant shall be communicated promptly to the Commission by amendment to the applicable Form F-X referencing the file number of the relevant registration statement.

F-9, III-1

**Table of Contents**

**FORM F-9**

**SIGNATURES**

Pursuant to the requirements of the Securities Act, the Form F-9 Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-9 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Toronto, Province of Ontario, Canada, on this 6th day of November, 2009.

BARRICK GOLD CORPORATION

(the Form F-9 Registrant)

By: /s/ SYBIL E. VEENMAN

Name: Sybil E. Veenman

Title: Senior Vice President, Assistant General Counsel  
and Secretary

F-9, III-2

**Table of Contents****POWERS OF ATTORNEY**

Each person whose signature appears below constitutes and appoints each of Sybil E. Veenman, James W. Mavor and Jamie C. Sokalsky as his or her true and lawful attorney-in-fact and agent, each acting alone, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

| <b>Signature</b>                                     | <b>Title with Form F-9 Registrant</b>                                                 | <b>Date</b>      |
|------------------------------------------------------|---------------------------------------------------------------------------------------|------------------|
| /s/ AARON W. REGENT<br>Aaron W. Regent               | President, Chief Executive Officer and Director<br>(Principal Executive Officer)      | November 6, 2009 |
| /s/ JAMIE C. SOKALSKY<br>Jamie C. Sokalsky           | Executive Vice President and Chief Financial Officer<br>(Principal Financial Officer) | November 6, 2009 |
| /s/ RICHARD BALL<br>Richard Ball                     | Senior Vice President and Controller<br>(Principal Accounting Officer)                | November 6, 2009 |
| /s/ PETER MUNK<br>Peter Munk                         | Chairman and Director                                                                 | November 6, 2009 |
| /s/ C. WILLIAM D. BIRCHALL<br>C. William D. Birchall | Vice Chairman and Director                                                            | November 6, 2009 |
| /s/ HOWARD L. BECK<br>Howard L. Beck                 | Director                                                                              | November 6, 2009 |
| /s/ DONALD J. CARTY<br>Donald J. Carty               | Director                                                                              | November 6, 2009 |
| /s/ GUSTAVO A. CISNEROS<br>Gustavo A. Cisneros       | Director                                                                              | November 6, 2009 |
| /s/ MARSHALL A. COHEN<br>Marshall A. Cohen           | Director                                                                              | November 6, 2009 |

Edgar Filing: BARRICK GOLD CORP - Form F-9

/s/ PETER A. CROSSGROVE

Director

November 6, 2009

Peter A. Crossgrove

/s/ ROBERT M. FRANKLIN

Director

November 6, 2009

Robert M. Franklin

/s/ PETER C. GODSOE

Director

November 6, 2009

Peter C. Godsoe

F-9, III-3

**Table of Contents**

|                                     |          |                  |
|-------------------------------------|----------|------------------|
| /s/ J. Brett Harvey                 | Director | November 6, 2009 |
| J. Brett Harvey                     |          |                  |
| /s/ Brian Mulroney                  | Director | November 6, 2009 |
| The Right Honourable Brian Mulroney |          |                  |
| /s/ Anthony Munk                    | Director | November 6, 2009 |
| Anthony Munk                        |          |                  |
| /s/ Steven J. Shapiro               | Director | November 6, 2009 |
| Steven J. Shapiro                   |          |                  |
|                                     | Director | November 6, 2009 |
| Gregory C. Wilkins                  |          |                  |

F-9, III-4

**Table of Contents**

**AUTHORIZED REPRESENTATIVE**

Pursuant to the requirements of Section 6(a) of the Securities Act, the undersigned has signed this registration statement, solely in the capacity of the duly authorized representative of Barrick Gold Corporation in the United States, in the City of Toronto, Province of Ontario, Canada on this 6th day of November, 2009.

BARRICK GOLDSTRIKE MINES INC.

(Authorized U.S. Representative)

By: /s/ SYBIL E. VEENMAN  
Name: Sybil E. Veenman  
Title: Secretary

F-9, III-5

## **Table of Contents**

### **FORM F-4**

### **PART II**

### **INFORMATION NOT REQUIRED IN PROSPECTUS**

#### **Item 20. Indemnification of Directors and Officers**

The directors and officers of Barrick (PD) Australia Finance Pty Ltd (the Form F-4 Registrant) are insured under policies maintained by the Form F-9 Registrant, within the limits and subject to the limitations of the policies, against certain liabilities incurred by them in their capacities as such, including, among other things, certain liabilities under the Securities Act of 1933.

The effect of the above indemnity arrangements is subject to the Corporations Act 2001 (Australia). Under the Corporations Act 2001 (Australia), an Australian company and its related bodies corporate must not indemnify a person against any of the following liabilities (other than a liability for legal costs) incurred as an officer of the Australian company: (a) a liability owed to the Australian company or a related body corporate; (b) a liability for a pecuniary penalty order (under section 1317G of the Corporations Act 2001 (Australia)) or a compensation order (under section 1317H or 1317HA of the Corporations Act 2001 (Australia)); or (c) a liability that is owed to someone other than the Australian company or a related body corporate and did not arise out of conduct in good faith. Further, an Australian company and its related bodies corporate must not indemnify a person against legal costs incurred in defending an action for a liability incurred as an officer of the Australian company if the costs are incurred: (a) in defending or resisting proceedings in which the person is found to have a liability for which they could not be indemnified as referred to in this paragraph above; (b) in defending or resisting criminal proceedings in which the person is found guilty; (c) in defending or resisting proceedings brought by the Australian Securities and Investments Commission (ASIC) or a liquidator for a court order if the grounds for making the order are found by the court to have been established (excluding costs incurred in responding to actions taken by ASIC or a liquidator as part of an investigation before commencing proceedings for the court order); or (d) in connection with proceedings for relief to the person under the Corporations Act 2001 (Australia) in which the court denies the relief.

#### **Item 21. Exhibits**

The exhibits to this registration statement are listed in the exhibit index, which appears elsewhere herein.

#### **Item 22. Undertakings**

(a) The Form F-4 Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Form F-4 Registrant pursuant to the foregoing provisions set forth in Item 20 above, or otherwise, such Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by such Registrant of expenses incurred or paid by a director, officer or controlling person of such Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, such Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(c) The Form F-4 Registrant hereby undertakes: (i) to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means; and (ii) to arrange or provide for a facility in the U.S. for the purpose of responding to such requests. The undertaking in subparagraph (i) above includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(d) The Form F-4 Registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

**Table of Contents**

**Form F-4**

**SIGNATURES**

Pursuant to the requirements of the Securities Act, the Form F-4 Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Toronto, Province of Ontario, Canada, on this 6th day of November, 2009.

BARRICK (PD) AUSTRALIA FINANCE PTY LTD

(Form F-4 Registrant)

By: /s/ JAMIE C. SOKALSKY

Name: Jamie C. Sokalsky

Title: Director

By: /s/ JAMES W. MAVOR

Name: James W. Mavor

Title: Director

**Table of Contents****POWERS OF ATTORNEY**

Each person whose signature appears below constitutes and appoints each of Sybil E. Veenman, James W. Mavor and Jamie C. Sokalsky as his or her true and lawful attorney-in-fact and agent, each acting alone, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

| <b>Signature</b>       | <b>Title with Form F-4 Registrant</b>                          | <b>Date</b>      |
|------------------------|----------------------------------------------------------------|------------------|
| /s/ GARY HALVERSON     | Director                                                       | November 6, 2009 |
| Gary Halverson         | (Principal Executive Officer)                                  |                  |
| /s/ GREGORY P. HAWKINS | Director                                                       | November 6, 2009 |
| Gregory P. Hawkins     | (Principal Financial Officer and Principal Accounting Officer) |                  |
| /s/ JAMIE C. SOKALSKY  | Director                                                       | November 6, 2009 |
| Jamie C. Sokalsky      |                                                                |                  |
| /s/ JAMES W. MAVOR     | Director                                                       | November 6, 2009 |
| James W. Mavor         |                                                                |                  |
| /s/ KATRINA WHITE      | Director                                                       | November 6, 2009 |
| Katrina White          |                                                                |                  |

**Table of Contents**

**AUTHORIZED REPRESENTATIVE**

Pursuant to the requirements of Section 6(a) of the Securities Act, the undersigned has signed this registration statement, solely in the capacity of the duly authorized representative of Barrick (PD) Australia Finance Pty Ltd in the United States, in the City of Toronto, Province of Ontario, Canada on this 6th day of November, 2009.

BARRICK GOLDSTRIKE MINES INC.

(Authorized U.S. Representative)

By: /s/ SYBIL E. VEENMAN  
Name: Sybil E. Veenman  
Title: Secretary

**Table of Contents**

**INDEX TO EXHIBITS**

**Exhibits to Form F-9**

**Exhibit No.**

- 1.1 Form of Letter of Transmittal (included in Exhibit 99.1 to Form F-4).
- 1.2 Form of Notice of Guaranteed Delivery (included in Exhibit 99.2 to Form F-4).
- 3.1 Purchase Agreement dated as of October 13, 2009 by and among Barrick (PD) Australia Finance Pty Ltd, Barrick Gold Corporation, and the initial purchasers named therein. (included in Exhibit 1.1 to Form F-4).
- 3.2 Exchange and Registration Rights Agreement dated as of October 16, 2009 between Barrick (PD) Australia Finance Pty Ltd, Barrick Gold Corporation, and the initial purchasers named therein. (included in Exhibit 4.4 to Form F-4).
- 4.1 Annual Information Form of Barrick Gold Corporation for the year ended December 31, 2008 (incorporated by reference to Exhibit 99.1 to Barrick's Form 40-F filed with the Securities and Exchange Commission on March 30, 2009 (the "Form 40-F")).
- 4.2 The annual audited consolidated financial statements of Barrick Gold Corporation for the year ended December 31, 2008, including consolidated balance sheets as at December 31, 2008 and December 31, 2007 and the consolidated statements of income, cash flows, shareholders' equity and comprehensive income for each of the years in the three-year period ended December 31, 2008 and related notes, together with the auditors' report thereon (incorporated by reference to Exhibit 99.3 of the Form 40-F).
- 4.3 The management's discussion and analysis of Barrick Gold Corporation for the financial year ended December 31, 2008 (incorporated by reference to Exhibit 99.4 of the Form 40-F).
- 4.4 The management information circular of Barrick dated March 17, 2009, in connection with the annual meeting of Barrick's shareholders held on April 29, 2009 (incorporated by reference to Exhibit 99.1 to Barrick's Form 6-K, furnished to the Commission on March 25, 2009).
- 4.5 The interim unaudited consolidated financial statements of Barrick for the three and nine months ended September 30, 2009, including consolidated balance sheets as at September 30, 2009 and December 31, 2008 and consolidated statements of income, cash flow, equity and comprehensive income for the three and nine months ended September 30, 2009 and September 30, 2008 and related notes (incorporated by reference to Exhibit 99.1 to Barrick's Form 6-K, furnished to the Commission on November 2, 2009).
- 4.6 The management's discussion and analysis of Barrick for the three and nine months ended September 30, 2009 (incorporated by reference to Exhibit 99.1 to Barrick's Form 6-K, furnished to the Commission on November 2, 2009).
- 4.7 The material change report of Barrick dated March 19, 2009 regarding its entering into an underwriting agreement with certain underwriters for the issuance by Barrick of \$750 million in aggregate principal amount of 6.950% notes due 2019 (incorporated by reference to Exhibit 4.7 to Barrick's registration statement on Form F-10, filed with the Commission on September 8, 2009).
- 4.8 The material change report of Barrick dated September 15, 2009 regarding its entering into an underwriting agreement with certain underwriters for the issuance by Barrick of up to 108,962,500 of its common shares and the planned elimination of Barrick's fixed price (non-participating) gold contracts and a portion of Barrick's floating spot-price (fully-participating) gold contracts (incorporated by reference to Exhibit 99.1 to Barrick's Form 6-K, furnished to the Commission on September 15, 2009).

**Table of Contents**

- 4.9 The material change report of Barrick dated November 2, 2009 regarding the pricing of \$1.25 billion in debt securities comprising of \$400 million of 4.95% notes due 2020 and \$850 million of 5.95% notes due 2039 issued by BPDFAF and guaranteed by Barrick on October 13, 2009, and the closing of the offering on October 16, 2009 (incorporated by reference to Exhibit 99.1 to Barrick's Form 6-K, furnished to the Commission on November 2, 2009).
- 5.1 Consent of PricewaterhouseCoopers LLP (included in Exhibit 23.1 to Form F-4).
- 5.2 Consent of Davies Ward Phillips & Vineberg LLP, Canadian counsel to Barrick (PD) Australia Finance Pty Ltd and Barrick Gold Corporation (included as Exhibit 5.2 to Form F-4).
- 5.3 Consent of Clayton Utz, Australian counsel to Barrick (PD) Australia Finance Pty Ltd and Barrick Gold Corporation (included as Exhibit 5.3 to Form F-4).
- 6.1 Powers of Attorney (included on the signature pages of this Registration Statement on Form F-9).
- 7.1 Indenture dated as of October 16, 2009 among Barrick Gold Corporation, Barrick (PD) Australia Finance Pty Ltd and The Bank of New York Mellon, as trustee (included as Exhibit 4.3 to Form F-4).

## **Table of Contents**

### **Exhibits to Form F-4**

#### **Exhibit No.**

- 1.1 Purchase Agreement dated as of October 13, 2009 by and among Barrick (PD) Australia Finance Pty Ltd, Barrick Gold Corporation, and the initial purchasers named therein.
- 3.1 Certificate of Incorporation of Barrick (PD) Australia Finance Pty Ltd.
- 3.2 By-laws of Barrick (PD) Australia Finance Pty Ltd.
- 4.1 Form of 4.950% Notes due 2020 of Barrick (PD) Australia Finance Pty Ltd being registered pursuant to the Securities Act of 1933 (included as Exhibit A to Exhibit 4.3 below).
- 4.2 Form of 5.950% Notes due 2039 of Barrick (PD) Australia Finance Pty Ltd being registered pursuant to the Securities Act of 1933 (included as Exhibit A to Exhibit 4.3 below).
- 4.3 Indenture dated as of October 16, 2009 among Barrick Gold Corporation, Barrick (PD) Australia Finance Pty Ltd and The Bank of New York Mellon, as Trustee.
- 4.4 Exchange and Registration Rights Agreement dated as of October 16, 2009 between Barrick (PD) Australia Finance Pty Ltd, Barrick Gold Corporation, and the initial purchasers named therein.
- 5.1 Opinion of Shearman & Sterling, U.S. counsel to Barrick (PD) Australia Finance Pty Ltd and Barrick Gold Corporation.
- 5.2 Opinion of Davies, Ward, Phillips & Vineberg LLP, Canadian counsel to Barrick (PD) Australia Finance Pty Ltd and Barrick Gold Corporation.
- \*5.3 Opinion of Clayton Utz, Australian counsel to Barrick (PD) Australia Finance Pty Ltd and Barrick Gold Corporation.
- 8.1 Opinion of Shearman & Sterling, U.S. counsel to Barrick (PD) Australia Finance Pty Ltd and Barrick Gold Corporation regarding U.S. federal income tax considerations.
- 8.2 Opinion of Davies, Ward, Phillips & Vineberg LLP, Canadian counsel to Barrick (PD) Australia Finance Pty Ltd and Barrick Gold Corporation regarding Canadian federal income tax considerations.
- \*8.3 Opinion of Clayton Utz, Australian counsel to Barrick (PD) Australia Finance Pty Ltd and Barrick Gold Corporation regarding Australian income tax considerations (included in Exhibit 5.3 above).
- 12.1 Statement of Computation of Ratio of Earnings to Fixed Charges.
- 23.1 Consent of PricewaterhouseCoopers LLP.
- 23.2 Consent of Shearman & Sterling LLP, U.S. counsel to Barrick (PD) Australia Finance Pty Ltd and Barrick Gold Corporation (included in Exhibit 5.1 above).
- 23.3 Consent of Davies, Ward, Phillips & Vineberg LLP, Canadian counsel to Barrick (PD) Australia Finance Pty Ltd and Barrick Gold Corporation.
- 23.4 Consent of Clayton Utz, Australian counsel to Barrick (PD) Australia Finance Pty Ltd and Barrick Gold Corporation.
- 24.1 Powers of Attorney (included on signature pages to the F-4 Registration Statement).

\* to be filed by amendment

**Table of Contents**

- 25.1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of The Bank of New York Mellon, as trustee, on Form T-1.
- 99.1 Form of Letter of Transmittal.
- 99.2 Form of Notice of Guaranteed Delivery.