

Barrick, Falconbridge finalize Kabanga joint venture

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Mr. Greg Wilkins of Barrick Gold reports

BARRICK AND FALCONBRIDGE FINALIZE JOINT VENTURE ON KABANGA PROJECT

Barrick Gold Corp. and Falconbridge Ltd. have finalized a joint venture agreement regarding the Kabanga nickel deposit in Tanzania, and related concessions. Under the terms of the agreement, Falconbridge has acquired a 50-per-cent indirect joint venture interest in respect of the Kabanga project for \$15-million and will be the operator of the joint venture.

Over the next several years, Falconbridge will finance and conduct a further \$50-million work plan that will include additional exploration and infill drilling, as well as technical work to update the resource model for Kabanga. Falconbridge will draw upon its nickel processing, project development and engineering expertise to bring the project toward feasibility. It will establish a dedicated team in Tanzania, to co-ordinate and advance the work plan. Upon conclusion of the work plan, Falconbridge will finance the next \$95-million of any project development expenditures to advance the Kabanga project. Thereafter, Falconbridge and Barrick will share equally joint venture revenues and expenditures.

Since acquiring the Kabanga nickel project as part of the acquisition of Sutton Resources in 1999, Barrick has significantly enhanced the value of Kabanga by increasing the known resource estimate. The current estimated inferred resource is 26.4 million tonnes* grading 2.6 per cent nickel. The project is located in northwestern Tanzania, west of Barrick's Bulyanhulu gold mine and northwest of its Tulawaka gold mine, which commenced production in March, 2005. Barrick and Falconbridge contemplate that the Kabanga project, when put into production, would comprise an underground mining operation and associated surface infrastructure and concentrator. Contingent upon the results of the Falconbridge drilling program, the partners expect that the operation would mine approximately two million tonnes of ore per year, capable of producing approximately 30,000 to 35,000 tonnes of nickel in concentrates per year. The nickel concentrates would be marketed by Falconbridge and at least 50 per cent of the nickel concentrates would be processed at Falconbridge's Sudbury nickel smelter and Norwegian nickel refinery on behalf of the joint venture.

Greg Wilkins, Barrick's president and chief executive officer, said: "We are pleased to enter into this turnkey partnership agreement with Falconbridge -- a fully integrated nickel company and the world's third-largest refined nickel producer. Falconbridge's

nickel experience, together with its ability to treat a significant part of the nickel concentrates, will add considerable value to the Kabanga project."

Aaron Regent, Falconbridge's president and chief executive officer, said: "Kabanga is an important nickel sulphide development project and will fit in exceptionally well with our strategic growth initiatives. We look forward to working with Barrick and benefiting from its significant project development experience in Tanzania."

* Resource calculations were prepared by employees of Barrick under the supervision of Alexander Davidson, PGeo, executive vice-president, exploration and corporate development of Barrick.

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