

PRESS RELEASE - May 7, 2009

All amounts expressed in US dollars unless otherwise indicated.

## Barrick Announces Go-Ahead of Pascua-Lama Expected to be one of the lowest cost gold mines in the world

### Highlights:

- Long-life asset with expected 25+ year mine life and attractive economics
- \$20-\$50 per ounce average annual total cash costs expected in first full 5 years
- Average annual production of about 750,000-800,000 ounces of gold and 35 million ounces of silver expected in first 5 years
- Pre-production construction estimate of \$2.8-\$3.0 billion
- Commissioning expected in late 2012 and production in early 2013
- Creation of 5,500 jobs during construction; 1,600 people employed annually during the mine life
- Gold reserves of 17.8 million ounces containing 718 million ounces of silver
- Key construction permits and environmental approvals received
- Fully compliant environmental management and monitoring plans developed and being implemented
- Tax agreement reached by Chile and Argentina
- Gold district with a land position of 2,600 square kilometers to be further explored
- Project financing discussions initiated, targeting \$1 billion from export credit agencies and global financial institutions

Barrick Gold Corporation (NYSE: ABX)(TSX: ABX) announced today that its Pascua-Lama project is proceeding to construction. The Company has finalized the project's economic parameters, received key construction permits, satisfactorily resolved key outstanding fiscal matters with the governments of Chile and Argentina, and is engaged in discussions for project financing.

"We are building Pascua-Lama - one of the world's best undeveloped gold mining projects," said Aaron Regent, President and Chief Executive Officer. "Our focus over the last few months has been on resolving outstanding cross border permitting and tax matters, improving the capital and operating costs and project economics and advancing discussions with global financial institutions to provide project financing. We have made considerable progress on all these fronts which has culminated in our go-ahead decision today. The combination of the project's attractive economics, significant production at low cash costs, and support by the governments of Chile and Argentina for

this environmentally responsible project will generate enduring and substantial benefits for all concerned - including employment opportunities, economic and social development for the people of Atacama, Chile, and San Juan province in Argentina."

Pascua-Lama's pre-production construction estimate is \$2.8-\$3.0 billion<sup>1</sup>, with expected average annual production of about 750,000-800,000 ounces of gold and 35 million ounces of silver in the first full five years. The anticipated total cash costs are \$20-\$50 per ounce<sup>2</sup> - which would make Pascua-Lama one of the lowest cost gold producing mines in the world.

Other key parameters include:

- Currently estimated operating mine life of 25-plus years with average annual production of about 600,000-700,000 ounces of gold and 20-25 million ounces of silver at a total cash cost of \$200-\$250 per ounce;
- Open pit design with ore processing by wet grind milling and conventional gold recovery methods;
- Approximately 300,000 tonnes per day (tpd) mining operation with a strip ratio of less than 3:1;
- 45,000 tpd processing throughput;
- Average expected recovery rate of 85 percent for gold and 81 percent for silver; and
- Power to be sourced from Chile under a power purchase agreement.

The long-life, low cash cost project has 17.8 million ounces of proven and probable gold reserves and 4.7 million ounces of measured and indicated gold resources as at year end 2008; the gold reserves contain 718 million ounces of silver.<sup>3</sup> (The reserves are based on a long term gold price assumption of \$725 for reserves and \$850 for resources.) Approximately 75 percent of the ore body lies in Chile and 25 percent on the Argentine side of the border.

Development of Pascua-Lama, combined with production from Barrick's nearby Veladero mine will further increase gold production in the highly prospective Frontera district.

"With a 2,600 square kilometer land position that would be difficult to assemble today, Barrick is strategically positioned to further explore this region for new gold deposits. The successful application of the Mining Integration Treaty and associated protocols between the two countries that has enabled Pascua-Lama to proceed will greatly enhance the attractiveness of future discoveries," said Mr. Regent. "We will now apply and demonstrate Barrick's expertise - particularly leveraging our Veladero experience in the Frontera district - in developing this large, low cost mine. It is projected to significantly lower our overall total cash costs and make a substantial contribution to our production for decades."

<sup>1</sup> Pre-production capital estimate assuming Argentine peso exchange rate of 3.7:1; Chilean peso exchange rate of 550:1; and an oil price of \$75/bbl. Excludes capitalized interest.

<sup>2</sup> Total cash costs per ounce is a non-GAAP financial measure and is calculated net of silver credits assuming a silver price of \$12 per ounce; gold price of \$800 per ounce. See pages 28-32 of Barrick's First Quarter 2009 Report.

<sup>3</sup> Proven reserves contain 42.68 million tons of ore at 0.050 oz/ton for 2.13 million ounces. Probable reserves contain 397.55 million tons of ore at 0.039 oz/ton for 15.67 million ounces. Measured resources contain 12.51 million tons of ore at 0.039 oz/ton for 487 thousand ounces and indicated resources contain 118.99 million tons of ore at 0.035 oz/ton for 4.2 million ounces. Contained silver within reported proven gold reserves are 75.54 million ounces at a grade of 1.77 oz/ton and contained silver within reported probable gold reserves are 642.08 million ounces at a grade of 1.62 oz/ton. Mineral reserves and resources have been calculated in accordance with National Instrument 43-101 as required by Canadian securities regulatory authorities. For a breakdown of reserves and resources by category and additional information relating to reserves and resources, see pages 21 - 31 of Barrick's 2008 Form 40-F/Annual Information Form on file with the U.S. Securities and Exchange Commission and Canadian provincial securities regulatory authorities.

Based on Barrick's current cash cost structure, if Pascua-Lama was currently in operation it is estimated that it would lower overall total cash costs by about \$40 per ounce.

Mr. Regent highlighted the material progress made recently and cited the well-advanced plans to develop Pascua-Lama including:

- long lead time items such as mills and mining fleet equipment have confirmed pricing, representing almost \$500 million of the construction estimate;
- 75 percent of the engineering has been completed; and
- an independent review has favorably benchmarked the project execution plan against relevant factors of success for major capital projects.

Barrick is actively engaged in discussions with export credit agencies and global financial institutions, targeting \$1 billion in project financing. The Company will immediately begin to award contracts, mobilize for infrastructure such as roads, power line, camps and basic services, hiring of a workforce, etc., and ramp-up construction by September or earlier, weather conditions permitting.

The governments of Chile and Argentina have welcomed the investment and the jobs that it will create.

The President of the Republic of Argentina, Her Excellency Cristina Fernandez, said: "The development of this bi-national project shall undoubtedly constitute tangible proof of the effectiveness and concrete application of the Mining Integration Treaty as a result of the cooperation and joint efforts of both countries."

The President of the Republic of Chile, Her Excellency Michelle Bachelet, said: "When this project begins, it will generate over 5,000 jobs and can make a significant contribution to the job crisis in the region."

The Prime Minister of Canada, the Right Honourable Stephen Harper, said: "This investment is good news for the people of Chile and Argentina, as well as for Canadians. It is always encouraging when we see Canadian companies like Barrick showing this kind of leadership on the world stage. It is precisely because of the potential of partnerships like this one that the Government of Canada continues to promote and defend free and open trade between nations as part of the solution to the global recession."

Responding to the strong governmental support for the project, Barrick's Founder and Chairman Peter Munk said: "It is very much appreciated and important for everyone to move forward in a cooperative fashion. There has been extensive support on both sides of the border to make this unique project a reality. In particular, we are very pleased that an historic agreement on fiscal matters has been reached between the two governments. This milestone decision serves to validate the Mining Integration Treaty which will open up a new frontier for mining and the associated economic and social benefits for the people of both countries."

The recent bilateral agreement between Chile and Argentina provides for the underlying principles that govern cross-border mining activity that effectively results in no double taxation and clarifies how transborder service (loading and hauling) taxes are to be applied. The Mining Integration Treaty

will ensure operational flexibility during both the construction and operations phases of the project. The protocols also define procedures for customs, immigration, labor, health and security matters.

The mine has received Environmental Impact Assessment approvals from the regulatory authorities in Chile and Argentina. It has undergone extensive community and environmental review over several years which has resulted in considerably improved and enhanced design and environmental protection measures such as:

- revised pit limits to not impact icefields (Toro 1, Toro 2, and Esperanza);
- comprehensive water management program including 87 water monitoring points, 26 of which are telemetric points for real time reporting;
- significant enhancements to the quality, quantity and availability of water to downstream users; and
- progressive participative technical and social monitoring of the project by the local communities in the area.

Additionally, Barrick is constructively engaged with the local communities, enabling them to realize benefits and enhancements in education, training, health, safety and security, productive development, and infrastructure as well as restoration of cultural and heritage capabilities.

The 100 percent-owned Pascua-Lama project is located in Chile's Region III and Argentina's San Juan Province. It straddles the border and is approximately 150 kilometers southeast of the city of Vallenar, Chile, 380 kilometers by road northwest of the city of San Juan, Argentina and approximately 10 kilometers from Barrick's Veladero mine.

On May 4, 2009, Barrick announced that it had poured gold at its newest mine, Buzwagi in Tanzania. Buzwagi came into production on time and in line with its construction budget. The Company also has two other significant projects in construction: Cortez Hills in Nevada is expected to come on line in the first quarter of 2010<sup>4</sup> and Pueblo Viejo in the Dominican Republic is anticipated to contribute production in the fourth quarter of 2011. Together with Pascua-Lama, these new mines at full capacity are expected to produce about 2.6 million ounces of lower cost annual production<sup>5</sup>.

The Company has a proven track record of building new mines and already has an experienced team in place to move Pascua-Lama forward and will leverage its experience with the Veladero mine in the Frontera district.

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<sup>4</sup> Assuming the satisfactory resolution of pending litigation regarding the Cortez Hills project. In Q4 2008, a number of opponents of the Cortez Hills expansion filed suit in the U.S. District Court for the District of Nevada seeking to overturn the Bureau of Land Management's approval of the Cortez Hills project on environmental and religious grounds. The plaintiffs unsuccessfully sought to enjoin construction of the project pending consideration of their claims. The District Court's denial of the requested injunction is currently being appealed.

<sup>5</sup> 2.6 million ounces of production is based on the estimated cumulative average annual production in the first full 5 years once all are at full capacity. Lower cost refers to total cash costs per ounce.

Barrick's vision is to become the world's best gold company by finding, acquiring, developing and producing quality reserves in a safe, profitable and socially responsible manner.

Barrick will hold a Conference Call today at 3:00 pm ET on the Pascua-Lama project. Please see Barrick's website [www.barrick.com](http://www.barrick.com) for complete details.

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**CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION**

Certain information contained in this Press Release, including any information as to our strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute "forward-looking statements". Such forward-looking statements include, without limitation expectations regarding the start-up time, design, mine life, production, reserves, total cash costs and exploration potential of the Pascua-Lama project. 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 management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Barrick to be materially different from the Company's 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: changes in the worldwide price of gold, silver, copper or certain other commodities (such as fuel and electricity); fluctuations in currency markets; changes in U.S. dollar interest rates; legislative, political or economic developments in the jurisdictions in which the Company carries on business, including Chile and Argentina; operating or technical difficulties in connection with mining or development activities; employee relations; availability and costs associated with mining inputs and labor; the speculative nature of exploration and development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves; adverse changes in our credit rating, level of indebtedness and liquidity, contests over title to properties, particularly title to undeveloped properties; the risks involved in the exploration, development and mining business. Certain of these factors are discussed in greater detail in the Company's most recent Form 40-F/Annual Information Form on file with the U.S. Securities and Exchange Commission and Canadian provincial securities regulatory authorities.

The Company 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.