CORPORATE PROFILE

Cover: Hallmarking, which guarantees that an item of gold or silver conforms to a legal standard of purity, was instituted in England in 1300, in Scotland in 1457, and continues uninterrupted to this day. Originally, every piece was tested by The London Guild of Goldsmiths and struck with the leopard's head. Other symbols were devised as other assay offices were established - among them, the lion rampant and passant, the crown, the thistle and the figure of Britannia. Shown here are the thistle and the lion rampant used in Glasgow in the 1800s to denote 22-carat gold. This Hallmark is reproduced courtesy of The British Hallmarking Council.

American Barrick Resources Corporation has become one of North America's leading gold producers since its entry into the gold mining industry in 1983.

The Company has interests in six producing gold mines, all located in North America. Its principal mines are the Goldstrike Mine in Nevada, the Mercur Mine in Utah and the Holt-McDermott Mine in Ontario.

Barrick's annual production has increased from 34,000 ounces in its first full year of operation to 468,000 ounces in 1989 and gold reserves have risen to 20.8 million ounces. The Company has completed the first of a four-year expansion plan at its Goldstrike Mine. This outstanding property - which is expected to increase its gold production from 207,000 ounces in 1989 to more than 900,000 ounces in 1992 - will assure Barrick's continued growth.

Barrick's business strategy, which combines the excellence of its mining operations with its conservative financial policies and unique, comprehensive gold hedging program, has generated increased earnings and cash flow each year despite significant fluctuations in gold prices. The equity markets have recognized Barrick's performance with a ten-fold increase in shareholders' value since 1983.

The Annual General Meeting of Shareholders will be held on Thursday, April 26, 1990 at 11:00 a.m. in the Ballroom, Royal York Hotel, 100 Front Street West, Toronto, Ontario.

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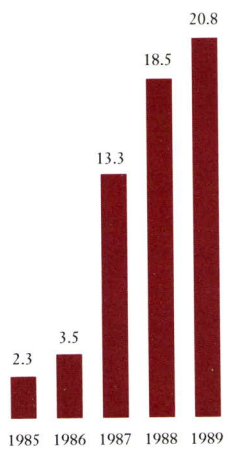
HIGHLIGHTS

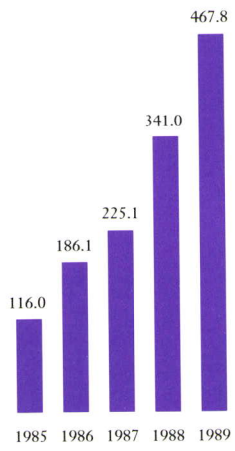
FINANCIAL RESULTS *(millions of United States dollars)*	1989	1988	1987
Revenue	**$206.1**	$147.5	$92.1
Income from operations	**86.3**	61.2	38.5
Net income	**35.8**	30.5	18.8
Operating cash flow	**86.4**	61.7	37.3
Capital expenditures	**213.4**	182.9	103.5
FINANCIAL POSITION *(millions of United States dollars)*			
Total assets	**$1,050.1**	$700.8	$675.8
Working capital	**279.3**	43.9	186.8
Long-term liabilities	**61.3**	91.8	137.0
Deferred revenue	**358.1**	164.3	142.1
Shareholders' equity	**525.5**	390.5	338.4
PER SHARE DATA *(United States dollars)*			
(reflecting two-for-one stock split)			
Net income *(fully diluted)*			
Before extraordinary item	**$0.30**	$0.25	$0.19
For the year	**0.30**	0.25	0.17
Dividends	**0.06**	0.04	0.02
Common shares *(millions)*			
Outstanding at year end	**128.3**	117.7	115.4
Weighted average			
Basic	**120.8**	116.9	104.8
Fully diluted	**121.1**	121.8	110.5
OPERATIONS			
Gold production *(ounces)**	**467,837**	341,000	225,109
Operating cost per ounce** *(US$)*	**$223**	$224	$214
Cash cost per ounce *(US$)*	**$307**	$280	$246
Reserves *(ounces)**			
Proven and probable	**19,900,000**	17,000,000	10,800,000
Possible	**900,000**	1,500,000	2,500,000
Total reserves	**20,800,000**	18,500,000	13,300,000

* *Barrick's proportional share.*
** *Cash cost per ounce adjusted for deferred stripping.*

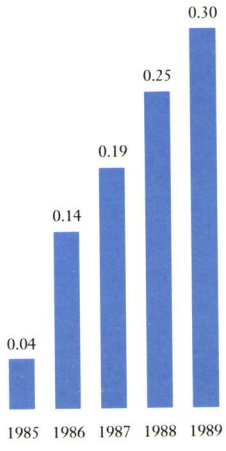
GOLD RESERVES
(millions of ounces)



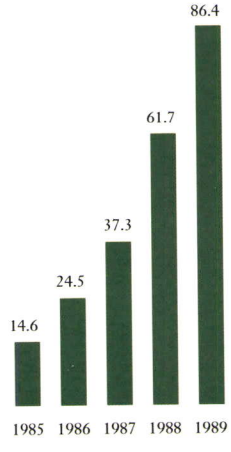
GOLD PRODUCTION
(thousands of ounces)



NET INCOME PER SHARE
(before extraordinary item)
(US dollars)



OPERATING CASH FLOW
(millions of US dollars)



Jewelry is not only the most beautiful use to which gold may be put, but also the most important in terms of demand: for the last decade, jewelry has absorbed more than half the gold supplied annually to world markets. Therefore, while the World Gold Council works to promote investment and industrial demand for gold, its greatest emphasis is on gold jewelry. Renewed consumer interest in quality and substance means increased market opportunities for fine, high-carat pieces of gold jewelry. Member companies of the Council, comprised of major gold producers throughout the world such as American Barrick, are cooperating in a program to increase consumer awareness of fine jewelry and the importance of the hallmark as their guarantee of quality.

In the year 1300, during the reign of Edward I, England passed a statute that still affects us almost 700 years later. It decreed that no gold or silver could be sold until tested at Goldsmiths' Hall in London, and struck with a validating mark, the leopard's head. The hallmark - mark of the Hall - was born.

Since then, other assay offices have been established and other marks created. Authorized standards of purity, as expressed in carats, have varied over time. But the word "hallmark", like the concept it represents, has endured: it is the standard of quality.

Commentators suggest that the 1990s will be a more sober and thoughtful decade, a time of greater social, environmental and financial responsibility. Society will be less impressed by mere style, more concerned with real substance. Quality will come into its own once again.

We at American Barrick welcome the trend. It is consistent with our approach as a Company, and with our vision of the great opportunity - and challenge - now facing industry as a whole and, in particular, the gold industry.

The market for gold is constantly changing. After years of drifting, prices are now rising once again. Yet the change in what drives the market is just as important as the change in price itself.

Bad news for the world is no longer automatically good news for gold - and vice versa. The political and financial misfortunes of the Eighties did not cause gold prices to rise, just as recent, positive changes in Eastern Europe have not caused prices to fall.

Today's buyers no longer view gold solely as a refuge; while bullion is still the classic hedge against disaster, today's buyers are more likely to purchase shares in dynamic gold producers for investment purposes, or high-carat gold jewelry for its substance and beauty.

The market is giving clear signals that it now responds more forcefully to the positive attribute of quality than to the negative one of fear. It is, therefore, time for our industry to re-emphasize its commitment to the hallmark, and its message of reliability and quality.

American Barrick does emphasize these values. We have built our Company on them, steadfastly adhering to the four objectives that we set ourselves seven years ago.

Our first corporate objective was to become a leading North American gold producer and to invest exclusively in North American properties.

Our second was to achieve growth through the acquisition and development of existing mines. The acquisition phase of our early years has evolved into the subsequent development of those properties, but we are always alert to opportunities for new acquisitions.

Our third was to follow conservative financial policies, maintaining a strong balance sheet that is not exposed to the risks of the financial markets.

Our fourth objective was to eliminate the risk of short-term fluctuations in the gold price with an effective hedging program. The result is that we are not only protected when prices fall, but also benefit from the upside potential when prices rise. This conservative financial approach is the necessary complement to our aggressive business style; together they build our long-term success.

These objectives guide the Company. They also explain our emphasis on quality - in people, technology and operations. It is the basis for our success as a producer, and it defines our commitment to our shareholders.

We, too, have a hallmark.

It is our name.

We are pleased to report that 1989 was another excellent year for American Barrick in terms of revenues, earnings and cash flow despite a weakening gold price. These excellent results reflect two factors: a significant increase in gold production, and the benefits of a successful gold price hedging program. The Company's 1989 performance builds on the five previous years of consistent, strong advances.

By all financial yardsticks, 1989 was an outstanding year:

- Production increased 37% to 467,837 ounces.
- Income from operations was 41% higher at $86.3 million.
- Net income per share rose 20% to 30 cents.
- Operating cash flow reached $86.4 million, up from $61.7 million in 1988.

It was the fourth consecutive year that Barrick achieved record performance in each of these key areas. The stock market has recognized this performance. Barrick's share price increased 94% in 1989, making it one of the best performers of all the companies listed on the New York Stock Exchange.

Peter Munk (r), Chairman and Chief Executive Officer, and Robert Smith (l), President and Chief Operating Officer, are shown here with the 22-carat hallmark of the Glasgow assay office, the thistle and lion rampant.

Barrick's combination of an aggressive operating strategy and conservative financial policy accounts for the Company's consistent ability to provide shareholders with superior returns on their investment.

OPERATING HIGHLIGHTS

Both the Mercur and Goldstrike mines achieved record production levels in 1989, with the result that the Company exceeded its overall production target for the year.

The Mercur Mine in Utah is a well established property. It achieved record output of 117,536

realize a minimum average price of $418 per ounce. It is important to note that through its unique hedging program Barrick has retained most of the upside potential from rising gold prices.

The Company's balance sheet reflects its strong financial position with cash and short-term deposits at year end of more than $300 million. In keeping with a strict financial strategy to fund all development and acquisition programs either by equity or gold-denominated debt, Barrick completed a 1,050,000-ounce gold loan facility in March 1989 to finance development of the Goldstrike Mine. The proceeds from this loan are more than sufficient to finance the completion of the Betze Development Plan.

Because of the exceptional strengthening of the gold equity markets late in the year, Barrick issued three million common shares for net proceeds of $90 million. At the same time, the Company announced a subsequent two-for-one stock split by way of a stock dividend. During the year, the Company increased its annual dividend to shareholders to $0.06 per common share after reflecting the stock split.

OUTLOOK

Barrick has achieved record revenues and earnings in each of the last four years. During this period, revenue has more than doubled, and earnings have tripled.

We anticipate rapidly increasing production from the development of our existing assets while continuing to pursue acquisition opportunities.

Everyone at Barrick takes justifiable pride in these accomplishments and looks forward to even greater achievements in the future. We have excellent mines, sound financial policies, and, most important of all, highly capable, self-confident and dedicated people.

Because of Barrick's unique orientation to its people, excellent track record, and dynamic growth, we are able to attract and retain the best people in every area of our operations. By combining their talent with the Barrick vision and strategy, we can say without hesitation that Barrick will continue to grow and expand, thereby providing greater opportunities for self-fulfillment to our employees and increasing financial rewards for our shareholders.

Peter Munk
Chairman and Chief Executive Officer

Robert M. Smith
President and Chief Operating Officer

February 16, 1990

ounces of gold in 1989 because the performance of the autoclave, the grade of ore to the mill, and production from dump leaching all exceeded expectations. The autoclave unit for the treatment of sulphide ore - commissioned at Mercur in 1988 - performed well in terms of recovery, tonnage per day and costs per ton. Our experience in successfully operating the Mercur autoclave for the past two years augurs well for the Goldstrike Mine where we will be making extensive use of this process for the treatment of sulphide ore.

On February 16, 1990, the Utah Court granted Barrick's motion for partial summary judgement in the Mercur lawsuit ruling that Gold Standard, Inc. was properly converted to a 15% net profits interest.

At the Holt-McDermott Mine in Ontario, production steadily improved during the second half of the year because of increased mill throughput. Overall 1989 production was somewhat disappointing, due primarily to lack of ore continuity and lower than expected grade in some of the stopes mined. With additional stopes now in production, continued underground development, and plans to deepen the shaft, the prospects for increasing production in 1990 are encouraging.

In January 1989, with the announcement of the $365-million Betze Development Plan for the Goldstrike Mine, Barrick set the stage for the Company's growth through the Nineties.

After completing the first year of this ambitious Plan, we are pleased to report that the Mine has more than lived up to expectations. The mining expansion phase is virtually complete with the Mine now operating at an annual rate in excess of 100 million tons and the first autoclave has been commissioned. The autoclave has been operating since the first week of February 1990. Better than expected recovery and tonnage throughput of near design capacity are already being achieved.

By year end, total reserves at Goldstrike had reached 18.4 million ounces of gold. In addition, exploration has identified gold mineralization in the Purple Vein area on the North Claim Block, approximately one mile north of the main Goldstrike deposit. A preliminary drilling program to determine the potential of this resource will be completed by Fall 1990.

FINANCIAL POSITION

The soundness of Barrick's conservative financial policies which limit the Company's exposure to fluctuations in the financial markets and falling gold prices was never more evident than in 1989. Although the price of gold reached a three-year low of $358 per ounce in June, our extensive gold price hedging program realized an average price of $436 per ounce in 1989 compared with the Comex average of $382 per ounce.

As of December 31, 1989, 75% of the Company's estimated production for the next three years has been hedged to

In becoming one of North America's largest gold mining companies, American Barrick has purposely retained its entrepreneurial style. This style was set when the Company was founded and recognizes the need for people with mining and financial skills to complement the Company's strategic and entrepreneurial strengths. Financial, technical, engineering, environmental: each strength counts, each person adds to the whole.

We, therefore, hire top people, and provide an environment which attracts them and where they can flourish. That means a lean, flexible company, high on teamwork and shared responsibility, low on bureaucracy.

We run on a first-name basis, with two-way lines of communication. Experience exists at every level and our people are respected for their knowledge, given room to use it, and held accountable for the results.

Barrick's style is to listen to the observations of our miners as well as to those of the mine manager and the staff at corporate office.

Corporate office and the individual mines work closely together. Corporate office has a small group of people with specialized technical, financial, and administrative skills to support the mines, but a great deal of decision-making is delegated to the mines. The management of each mine exercises a high degree of autonomy, and accepts an equally high degree of responsibility for achieving results as well as the corresponding rewards for performance.

The Company expects hard work, results and commitment from its people. In return, the Company respects and rewards its people well and is particularly careful of their safety and well-being in the workplace. The Company is proud of the Holt-McDermott Mine rescue team which was the winner in its first year of competition in the Ontario Provincial Mine Rescue Championship in 1989.

As a further example of the Company's commitment to its people, Barrick makes available affordable housing where there is a shortage of suitable accommodation as was the case at Goldstrike. At the mines Barrick pays higher-than-average wages, topped with performance-linked incentive plans. It makes post-secondary scholarships available to all employees' children.

Development miners, Marion Plouffe (l) and his nephew Michel Plouffe (r), are working at the 150-meter level drift at the Holt-McDermott Mine using a "long tom" drill.

Our corporate office employees and mine management group have a more entrepreneurial arrangement: their compensation packages are linked closely to Company performance.

Through its charitable donations program, Barrick makes every effort within its budget to ensure that no justified need is overlooked. All members of the staff - wherever located - can feel confident that the Company recognizes and respects its responsibility to the communities in which it operates. Barrick supports the communities in which the employees live and work by contributing to the school systems, municipal services and community events.

Barrick's track record shows the wisdom of hiring top people, giving them full responsibility, holding them accountable and rewarding them for above average performance. It is the reason why we have performed so well against our objectives to date.

And it will continue to be our approach; employees, Company and shareholders will all benefit.

Environmental issues are a high priority at American Barrick. We believe this is part of our responsibility to shareholders, to employees, as well as to society in general. Good environmental practice is also good business.

It is not without its costs. Some of them are monetary; other costs are less easily quantified. As regulations increase, both in number and in complexity, the corporate man-hours required to deal with them also rise. A great deal of time is spent meeting with regulating agencies and producing necessary reports which is in addition to the significant time and money costs of devising and implementing our own environmental programs at each of the mines.

Yet there is no other sound business choice. High environmental standards are, rightly, now a fact of business life. Our policy, therefore, is to do our research, work closely with regulators before policy is determined as well as after, and do the most rigorous job of implementation possible.

By working together with regulators we help create a climate in which realistic policy is developed. Some of the environmental programs in which we have participated - such as the riparian habitat improvement program in northeastern Nevada - are entirely voluntary. In this case we have provided funding to assist state and federal agencies for the restoration of the degraded riverbank habitat along the Mary's River and its tributaries, to make it once again a suitable habitat for the Lahonthan Cutthroat trout (an endangered species).

Near the Mercur Mine in Utah, also on a voluntary basis, we went in with government and helped clean up an abandoned mine site where a leach catchment pond was contaminating local wildlife. It was not on our property and thus not legally our concern - but we saw it as being in the best interest of the local community.

At Mercur itself, we have not only installed the required wildlife fence around our tailings impoundment area, but added a protective second ring of fencing. At our Holt-McDermott property in Ontario, we have instituted a training program to increase awareness of environmental issues.

At Goldstrike, the water generated from our dewatering program is currently being used to meet our own operational needs and the surplus water will be discharged into a reservoir (now under construction) for subsequent agricultural and irrigation use.

A major environmental activity is the Environmental Impact Statement (EIS) now being prepared for the Goldstrike Mine expansion. After a review of the Goldstrike expansion, Barrick and Bureau of Land Management (BLM) authorities agreed that an EIS would be the appropriate analysis.

Unlike the simpler Environmental Assessment process, an EIS is a more rigorous and formal procedure involving considerable public participation as well as review by government agencies. The final document will be the result of some two years of work by a team of consultants funded by Barrick, but chosen by and reporting to the BLM. The consultants are already at work, and the initial "scoping process", whereby the public among others helps define the issues, was completed last Fall.

The EIS will assess the impact of mining activity on the topography, geology and minerals, air and water resources, livestock and wildlife, threatened and endangered species, recreation and land use, visual and cultural resources, and social and economic values. The study will be released in draft form for comment by all interested parties by late Spring. The final report is expected to be ready by Fall.

Mining companies today, faced with increasing environmental expectations and regulations, have a fundamental choice. Either they can do the minimum necessary, or they can seek to anticipate change and move forward to meet it. American Barrick has chosen the latter course of action. We have a responsibility to maintain the environment and we intend to meet this responsibility.

Each year American Barrick sets standards of achievement and targets for production that demand the very best performances from all employees. The Company not only has achieved these targets, but has set new performance records each year. And 1989 was no exception. Some of the major achievements of 1989 and the targets for 1990 are:

PRODUCTION Gold production increased 37% to 467,837 ounces from 341,000 ounces in 1988 and was well above the Company's production target for the year of 440,000 ounces.

Production target for 1990:
565,000 ounces of gold.

RESERVES Reserves rose to 20.8 million ounces, with Goldstrike increasing to 18.4 million ounces.

GOLDSTRIKE In January 1989, the Company announced the Betze Development Plan for the Goldstrike Mine and successfully completed the first of a four-year program by increasing the mining rate to 100 million tons a year, adding a fleet of large scale trucks and shovels, installing the first autoclave and initiating the dewatering program.

Plans for 1990 include the commissioning of the first autoclave, extending the dewatering program and expanding the heap leach facilities. In addition, engineering design on the next two autoclaves and the second 6,750-ton per day mill facility will be completed during 1990.

Production target for 1990:
330,000 ounces of gold.

	GOLD PRODUCTION* (ounces)	OPERATING COST** (US$ per ounce)	CASH COST (US$ per ounce)
Goldstrike Mine, Nevada	207,264	$170	$352
Mercur Mine, Utah	117,536	241	253
Holt-McDermott Mine, Ont.	63,354	284	284
Camflo Mine, Quebec	26,629	294	294
Pinson Mine, Nevada	19,028	178	179
Renabie Mine,Ontario	20,051	360	360
Valdez Creek Mine, Alaska	13,975	333	308

* *Barrick's proportional share.*
***Cash cost per ounce adjusted for deferred stripping.*

MERCUR The Mine achieved record production during 1989 despite processing harder ore from the Marion Hill pit. The principal factors behind Mercur's record year were the excellent performance of the autoclave, higher than expected grade of feed to the mill circuit and a major increase in dump leach production.

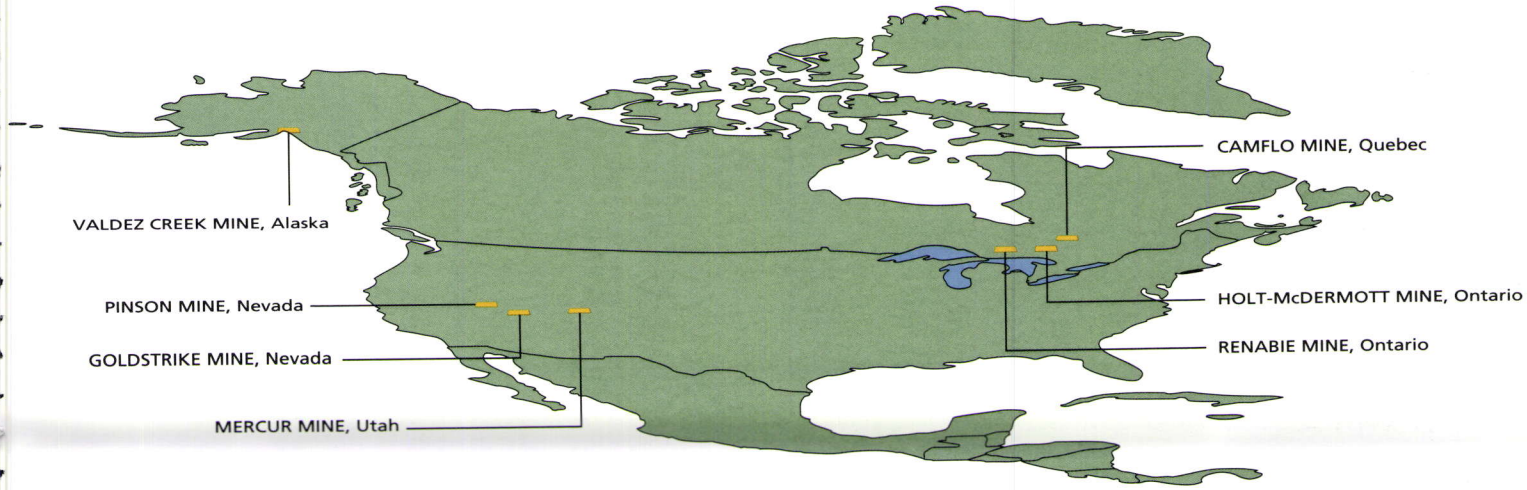
Plans for 1990 include completion of development work on the Sacramento pit which is scheduled for production in 1991.

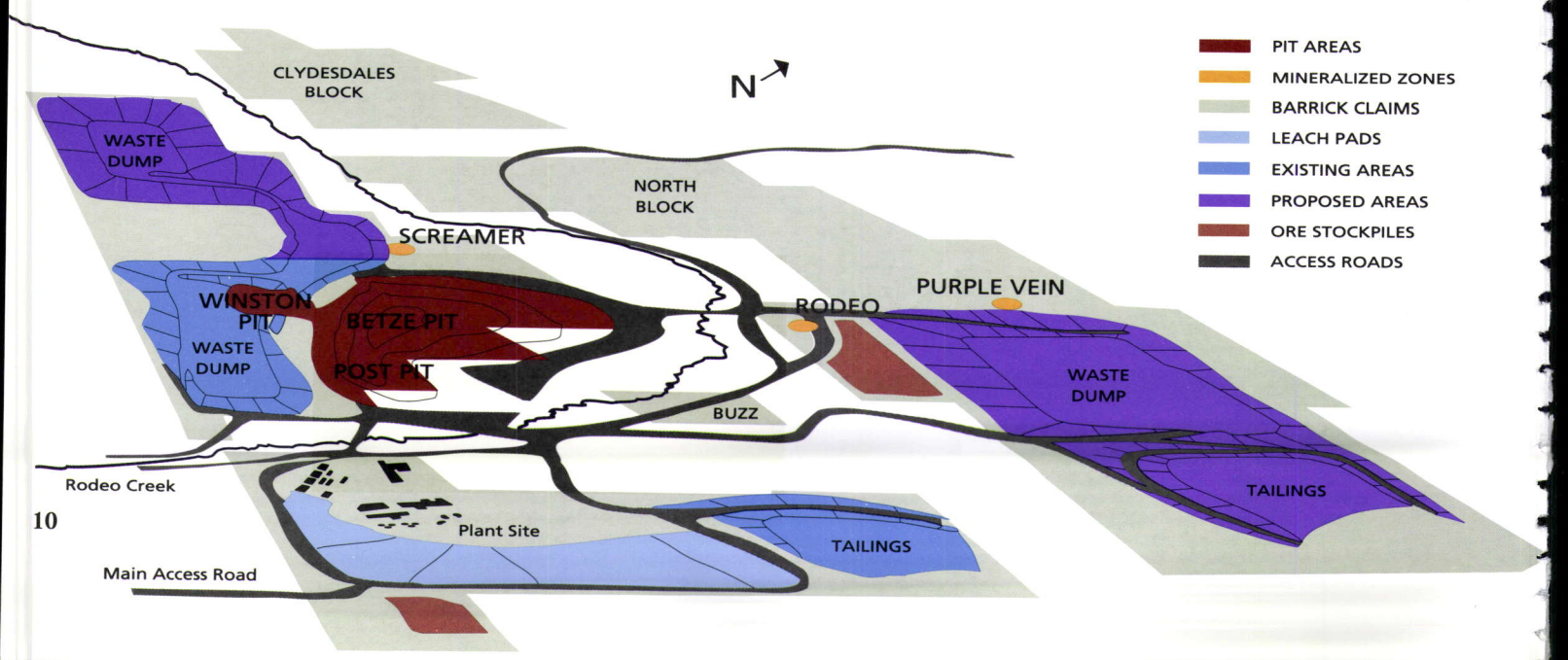
Production target for 1990:
110,000 ounces of gold.

HOLT-McDERMOTT While 1989 was somewhat disappointing in terms of ounces produced, the Mine increased mill throughput in the second half of the year.

Plans for 1990 include the deepening of the shaft to the 550-meter level and further exploration and development of both the Canamax and Worvest zones.

Production target for 1990:
70,000 ounces of gold.




CLYDESDALES BLOCK
N
WASTE DUMP
NORTH BLOCK
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WINSTON PIT
BETZE PIT
WASTE DUMP
POST PIT
RODEO
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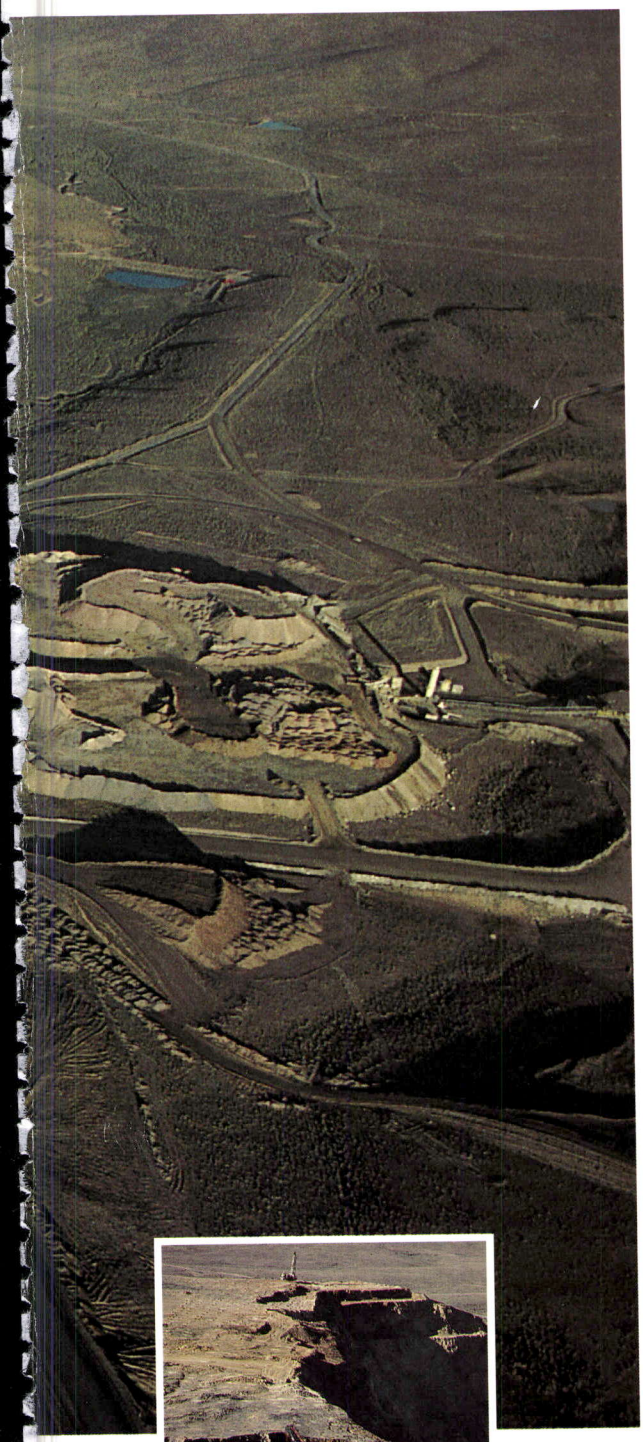
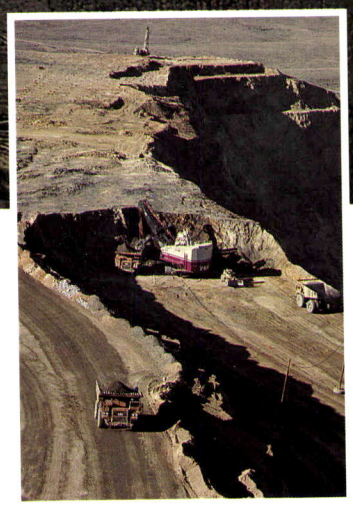
WASTE DUMP
BUZZ
Rodeo Creek
TAILINGS
Plant Site
TAILINGS
Main Access Road
PIT AREAS
MINERALIZED ZONES
BARRICK CLAIMS
LEACH PADS
EXISTING AREAS
PROPOSED AREAS
ORE STOCKPILES
ACCESS ROADS





On January 9, 1989, Barrick announced the Betze Development Plan to develop the Post oxide and Betze sulphide reserves at the Goldstrike Mine. Under this Plan, the Goldstrike Mine is expected to become one of the largest gold mines in the United States with annual production of more than 900,000 ounces in 1992. The Mine is targeted to produce 330,000 ounces of gold in 1990.

After completing the first of four years of major development work, Barrick is pleased to report that the Mine has exceeded expectations. Goldstrike produced 207,264 ounces, well above its production target of 180,000 ounces for 1989 and operated at below budgeted costs per ounce. Even more significant is the magnitude of the development work that was undertaken and completed at the Mine during the year.

The highlights of 1989 were:

The expansion of the mining capacity as set out in the Betze Plan was virtually completed in 1989. The Mine reached an annual mining rate of 100 million tons in December 1989, above the rate expected for that period under the Betze Plan, and almost double the average rate of mining in 1988.

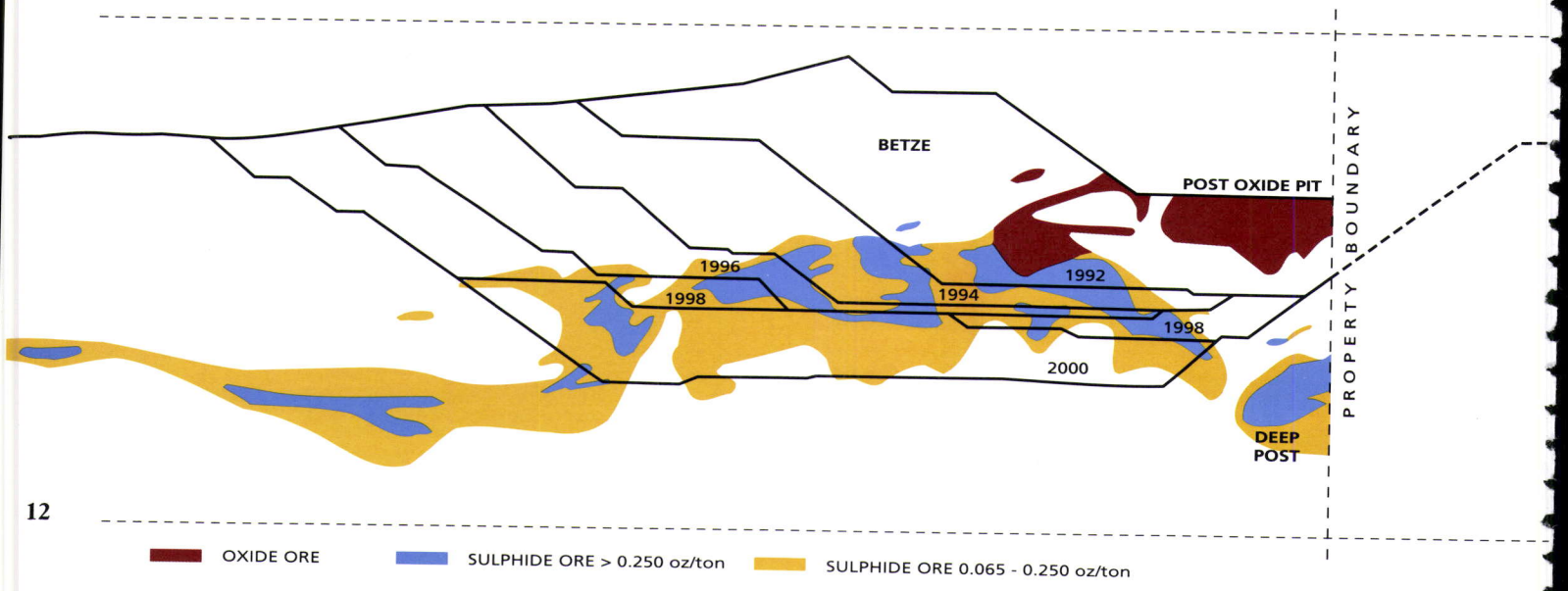
Contributing to this dramatic increase in the mining rate were two new P&H 2800 42-cubic yard electric shovels and three new Hitachi 3500 24-cubic yard hydraulic shovels. In addition to the fleet of 85- and 100-ton trucks, there are now 30 190-ton trucks. There are also five 60,000 pound drills in operation at the Mine. Shop facilities were expanded to accommodate the larger and more numerous pieces of equipment. For example, six new truck bays and six light vehicle bays were built during 1989.

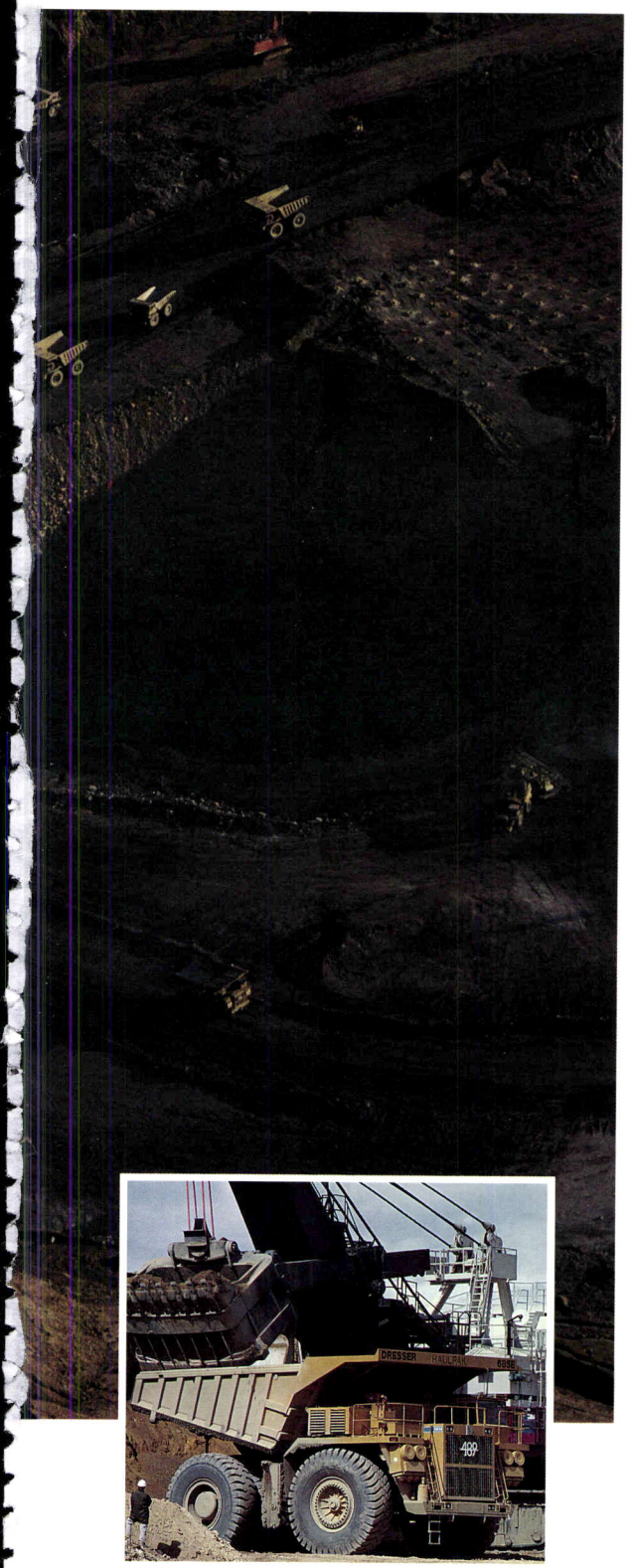
the anatomy of success

The Betze Development Plan will be implemented at the Goldstrike Mine over the next three years to increase production to more than 900,000 ounces in 1992. Here is a plan of existing and proposed facilities at the Mine.

OPERATING DATA	1989	1988
Ounces of gold - milled*	**110,287**	41,753
Ounces of gold - leached	**96,977**	77,665
Ounces of gold produced	**207,264**	119,418
Operating cost per ounce**	**$170**	$167
Cash cost per ounce	**$352**	$325

* *Mill commissioned August 1988.*
***Cash cost per ounce adjusted for deferred stripping.*


BETZE
POST OXIDE PIT
1996
1998
1992
1994
1998
2000
DEEP POST
PROPERTY BOUNDARY
OXIDE ORE
SULPHIDE ORE > 0.250 oz/ton
SULPHIDE ORE 0.065 - 0.250 oz/ton



the profile of the betze pit

The pit has been designed as a conventional shovel and truck operation, using proven equipment. Bench heights of at least 40 feet are used in waste but reduced to 20 feet in ore zones to permit a high degree of selectivity. The pit will be mined at a rate of 115 million tons per year in 1990. This diagram shows the mining schedule through the ore body for the Nineties.

The first autoclave was delivered to the Mine in June and was commissioned in February 1990. This 1,500-ton per day unit is expected to operate at design specifications by March, which is a month ahead of schedule. (See autoclave p.14 and p.23.)

During 1989 approximately three million square feet of leach pad area were added bringing current capacity to five million square feet. Approximately 10 million tons of material is expected to be treated annually by heap leaching in 1990 and 1991.

At December 31, 1989, the Goldstrike Mine had increased its total reserves to 18.4 million ounces of gold, of which 15.2 million ounces are contained in the Betze pit.

A portion of these additional reserves is high grade oxide ore. To accommodate the increased production from oxide ore, the crushing, grinding and C-I-L circuits of the second mill planned for 1993 will be brought on stream January 1, 1992, a year earlier than scheduled.

The first real step in the Betze Development Plan was the stripping of the west Post layback in 1989. Present mining areas are the north layback for Newmont Gold Company ("Newmont"); the Post pit proper; and the southeast and west laybacks.

The original Betze Plan envisaged a slope angle of 42 degrees, decreasing to 39 degrees as the pit was mined. The Plan has been amended to go to a slope angle of 39 degrees immediately to accommodate some near surface shear zones that have been detected.

In January 1990, Barrick signed an agreement with Newmont which meets the mining requirements of both companies over the next three years. Under this joint agreement, Barrick will mine and stockpile mill and leach grade ore for Newmont's No.4 Mill and North Area Leach Pad. Barrick will be reimbursed for all mining costs and will be the sole operator in the pit which should provide efficiencies for both companies.

In 1990, the Mine is expected to operate at an average rate of 115 million tons per year or approximately 320,000 tons per day. This is higher than originally envisaged in the Betze Development Plan to accommodate the change in slope angle and the tonnage to be mined under the joint mining agreement with Newmont.

A satellite mining program was carried out during the year by an outside contractor to provide an early source of refractory ore for the autoclave and to deplete the satellite pit

On February 2, 1990 at 7:00 a.m., the first autoclave at the Goldstrike Mine was officially commissioned with the continuous processing of slurry. This 1,500-ton per day unit was operating at near capacity during February producing better than expected recoveries and is expected to be at full capacity in March, which is one month ahead of schedule. This is the first of six autoclaves to be installed at the Goldstrike Mine over the next three years to process sulphide ore. The autoclave process, known as pressure oxidation, treats ground sulphide ore converting the sulphides into oxides, exposing the fine gold particles making them amenable to cyanidation and subsequent carbon-in-leach recovery of the gold. At Goldstrike 95% oxidation and a tail grade of below 0.02 ounces of gold per ton are being achieved through the autoclave.

in preparation for waste dumping. During 1989, 13.6 million tons of material were mined from the Winston pit, producing 179,830 tons of sulphide ore with an average grade of 0.124 ounces of gold per ton. This stockpile of sulphide ore will provide sufficient feed to the autoclave until the sulphide ore at the bottom of the Post oxide pit is mined.

In 1989, the water table in the immediate area of the Post oxide pit was lowered by approximately 100 feet with an average pumping rate of 1,500 gallons per minute. Since the beginning of 1990, the pumping rate has been averaging over 2,500 gallons per minute and this will increase to approximately 15,000 gallons per minute toward the latter part of the year. Additional water wells are being completed primarily around the periphery of the Betze pit and to a lesser extent within the pit itself to handle this water. The peripheral wells are to depths of 1,000 feet or more whereas the wells in the pit are shallow and have been laid out on a temporary basis to conform with the mining plan. Dewatering results to date conform very closely with the dewatering model of the area reaffirming that successful dewatering of the pit is readily achievable.

The mill averaged approximately 4,500 tons per day throughput for 1989 and has been expanded to 6,000 tons per day with modifications to the grinding circuit including the installation of a 4-1/4-foot cone crusher. In addition, a larger capacity furnace and a second electrowinning cell have been installed in the refinery to handle the increased gold production. Design and engineering work on the second mill and the next two autoclaves commenced on January 8, 1990. The new mill - scheduled to be in operation January 1, 1992 - is designed to take total milling capacity at Goldstrike to 12,750 tons per day. The next two autoclaves are scheduled to commence production in 1992 and the remaining three in 1993 as originally scheduled. Engineering on the final three autoclaves will not commence until early 1991.

Capital expenditures at the Goldstrike Mine during 1989 were $186 million, principally for new mining equipment and the construction

of the first autoclave. These capital expenditures include deferred stripping of $32 million. Revised capital costs for the Betze Development Plan are $395 million, $30 million higher than originally announced. The principal reasons for this increase are higher material costs and upgrades in the design of the autoclaves. However, overall cash flow for the four-year development period has improved due to increased gold production, the extensive hedge program, and Newmont's contribution to mining costs.

Exploration activity has identified three further areas of gold mineralization on the Goldstrike property: Screamer, Rodeo Creek and Purple Vein.

The most important of these appears to be the Purple Vein which is located one mile north of the Post-Betze deposit. To date ten holes have encountered gold mineralization in an area approximately 1,600 feet long and 600 feet wide. The grade has averaged more than 0.30 ounces of gold per ton. Although these results are encouraging, considerable additional drilling is required before the economic viability of this mineral resource can be determined. Drilling will continue in this area throughout 1990.

The Mercur Mine, acquired by Barrick in 1985, is a solid, well established property that produced record gold production in the past two years.

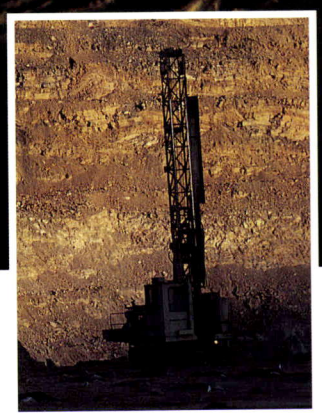
An excellent performance from the autoclave, higher than expected production from the dump leach area, and a better than planned millfeed grade were the major contributors to Mercur's gold production of 117,536 ounces in 1989. This record was achieved for the past year despite a millfeed of particularly hard ore from the Marion Hill pit, the site of current mining operations. The installation of a process control system on the SAG mill did improve grinding performance by year end.

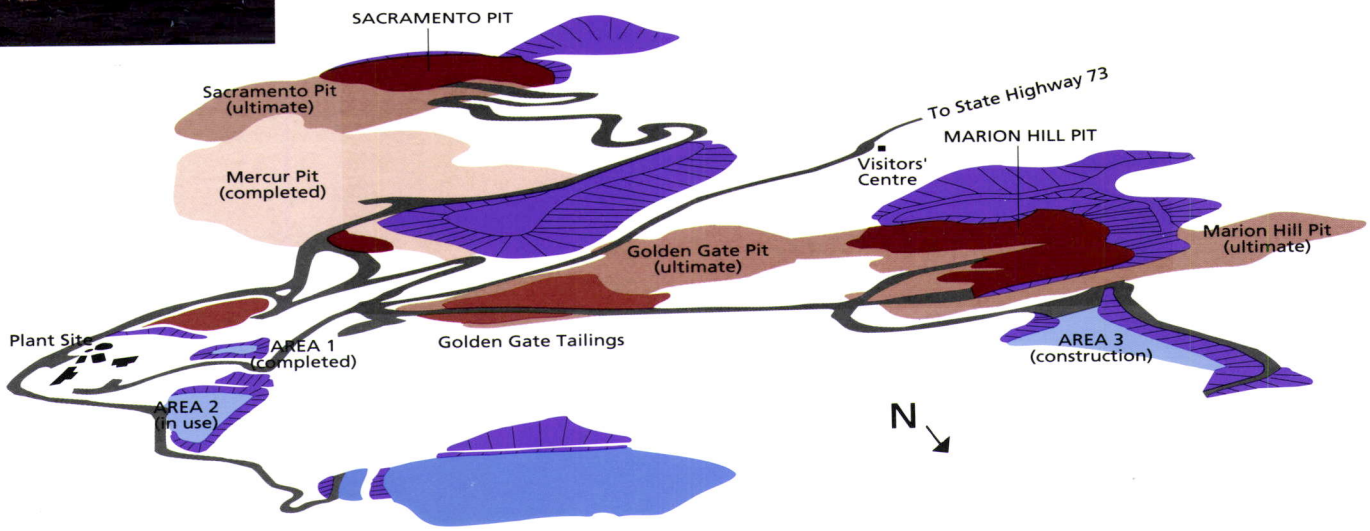
An important part of the Mercur Mine is the autoclave for the processing of sulphide ore which operated successfully throughout the year. Throughput exceeded design capacity of 750 tons per day and the unit achieved an average recovery rate of 81.4% for the year.

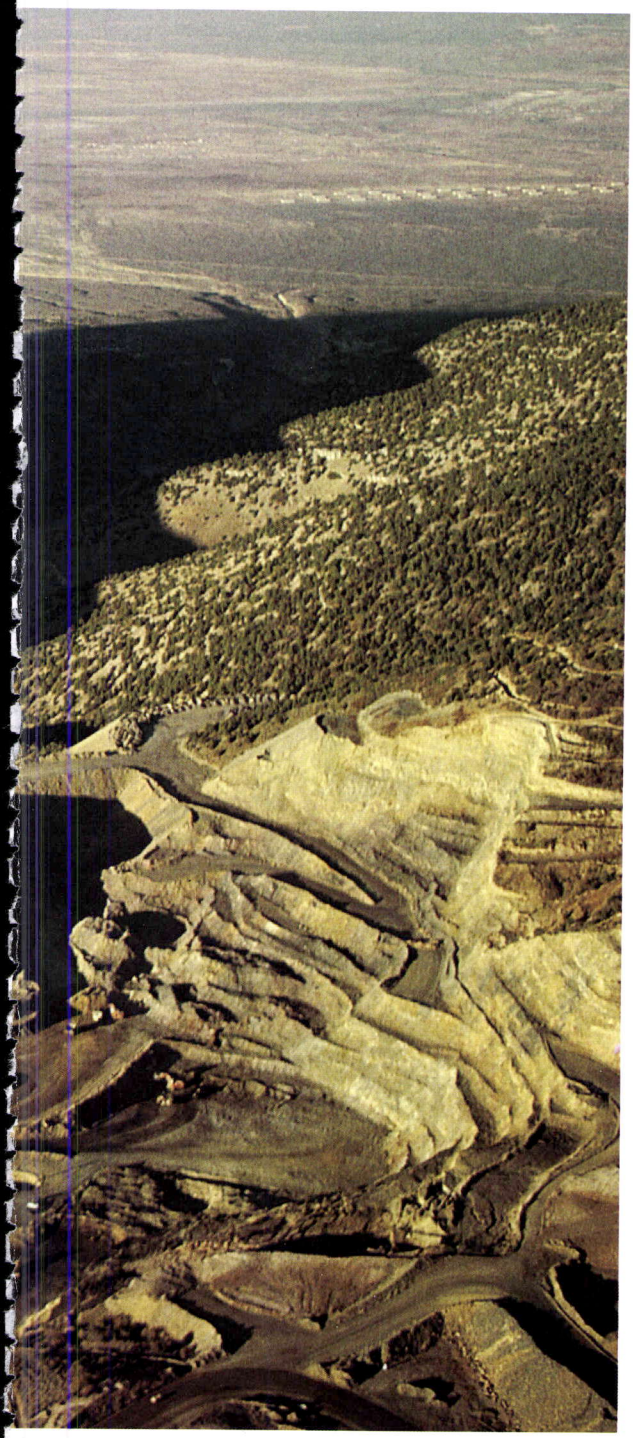
Chris Bournakis (l) and Spencer Cahoon (r) are mine mechanics working on the fleet of 75- and 85-ton trucks at the Mercur Mine.

When the autoclave unit was inspected in December for its scheduled six-month maintenance program, all facilities were in excellent condition.

The major increase in gold production came from the dump leach area. This can be attributed to the almost exclusive loading of Marion Hill leach ore which is more amenable to leaching than material loaded in the past. Dump leaching generated record production of 23,261 ounces, compared with 19,362 ounces in 1988.




SACRAMENTO PIT
Sacramento Pit (ultimate)
Mercur Pit (completed)
To State Highway 73
MARION HILL PIT
Visitors' Centre
Marion Hill Pit (ultimate)
Golden Gate Pit (ultimate)
Plant Site
AREA 1 (completed)
Golden Gate Tailings
AREA 3 (construction)
AREA 2 (in use)
N



Mill throughput during 1989 was lower because of the harder Marion Hill ore, processing 1,637,713 tons for an average rate of 4,487 tons per day at an average grade of 0.074 ounces of gold per ton. The mill produced 75,544 ounces of gold from 1,372,692 tons of oxide ore and 18,731 ounces of gold from 265,021 tons of sulphide ore.

Construction of the foundation for Dump Leach 3 was ongoing throughout 1989. This new dump leach area is expected to be operational by the fourth quarter of 1990. It will be the largest of Mercur's dump leaching operations and will ultimately contain almost seven million tons of leach ore. Loading of Dump Leach 2 will be discontinued in October 1990; however, leaching will be continued for as long as it is economical to do so. The construction of leach facilities, along with the raising of the tailings dam, represented the majority of the capital expenditures for the operation during 1989 which totalled $6.2 million.

Work continued during the year on the development of the Sacramento area which is scheduled to commence production at the beginning of 1991.

OPERATING DATA	1989	1988
Total tons milled	**1,637,713**	1,852,298
Ounces of gold produced		
- milled oxide	**75,544**	82,212
- milled sulphide	**18,731**	13,816
- leached	**23,261**	19,362
Ounces of gold produced	**117,536**	115,390
Operating cost per ounce*	**$241**	$229
Cash cost per ounce	**$253**	$235

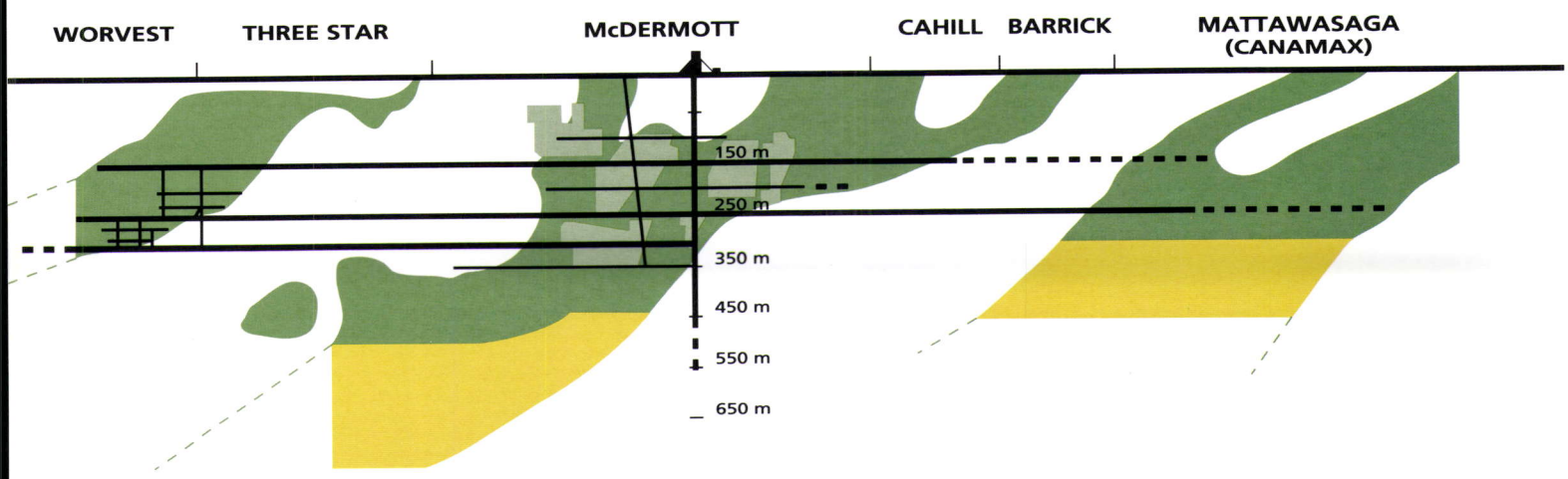
**Cash cost per ounce adjusted for deferred stripping.*

contours of performance

7,000 feet above sea level and 35 miles southwest of Salt Lake City, the Mercur Mine encompasses 13,400 acres of Tooele County's Oquirrh Mountains. Mercur's current ore bodies are found in three general areas: Marion Hill (photo rt) is now being mined; the Sacramento pit (photo top l) is scheduled for 1991; the Golden Gate pit for later. The area, intermittently mined for 100 years, has approximately nine years of reserves.

ROVER PIT

MINING AREAS
DUMP LEACH PADS
WASTE DUMPS
TAILINGS DAM
COARSE ORE STOCKPILE
ROADS


WORVEST
THREE STAR
McDERMOTT
CAHILL
BARRICK
MATTAWASAGA
(CANAMAX)
150 m
250 m
350 m
450 m
550 m
650 m

the art of mining

Two development miners are preparing to blast a round in a drift. The connections are made in a specific order to obtain the proper rock displacement during the blast.

ORE BODY
MINED AREA
TO BE DRILLED IN 1990
PROPOSED DEVELOPMENT

The Holt-McDermott Mine had a disappointing start to the year primarily as a result of the lack of continuity in some of the zones mined. Ore grade from some of these stopes was lower than expected from initial drilling. Ore reserves have been amended to reflect this internal dilution. The underground operations also were halted for the first two weeks of July to replace the main bearing of the hoist. However, increased mill throughput in the second half of the year improved production.

Additional stopes are now in production, cable bolting has decreased external ore dilution and more development work is providing access to new stopes, all of which are contributing to the Mine's current improving performance. The new stopes are located on the McDermott, Worvest and Three Star properties. A drift has been developed on the 250-meter level as far as the Mattawasaga Zone of the Canamax property which was acquired in the Fall of 1988. Definition drilling has begun with the possibility of mining this area in the last quarter of 1990.

A decision has been made to deepen the shaft to a depth of 550-meters. This will permit access to material identified by drilling between the 300- and 450-meter levels and to drill for ore extensions still further at depth.

The mill operated at an average rate of 1,532 tons per day during 1989 and achieved an average recovery rate of 94.7%.

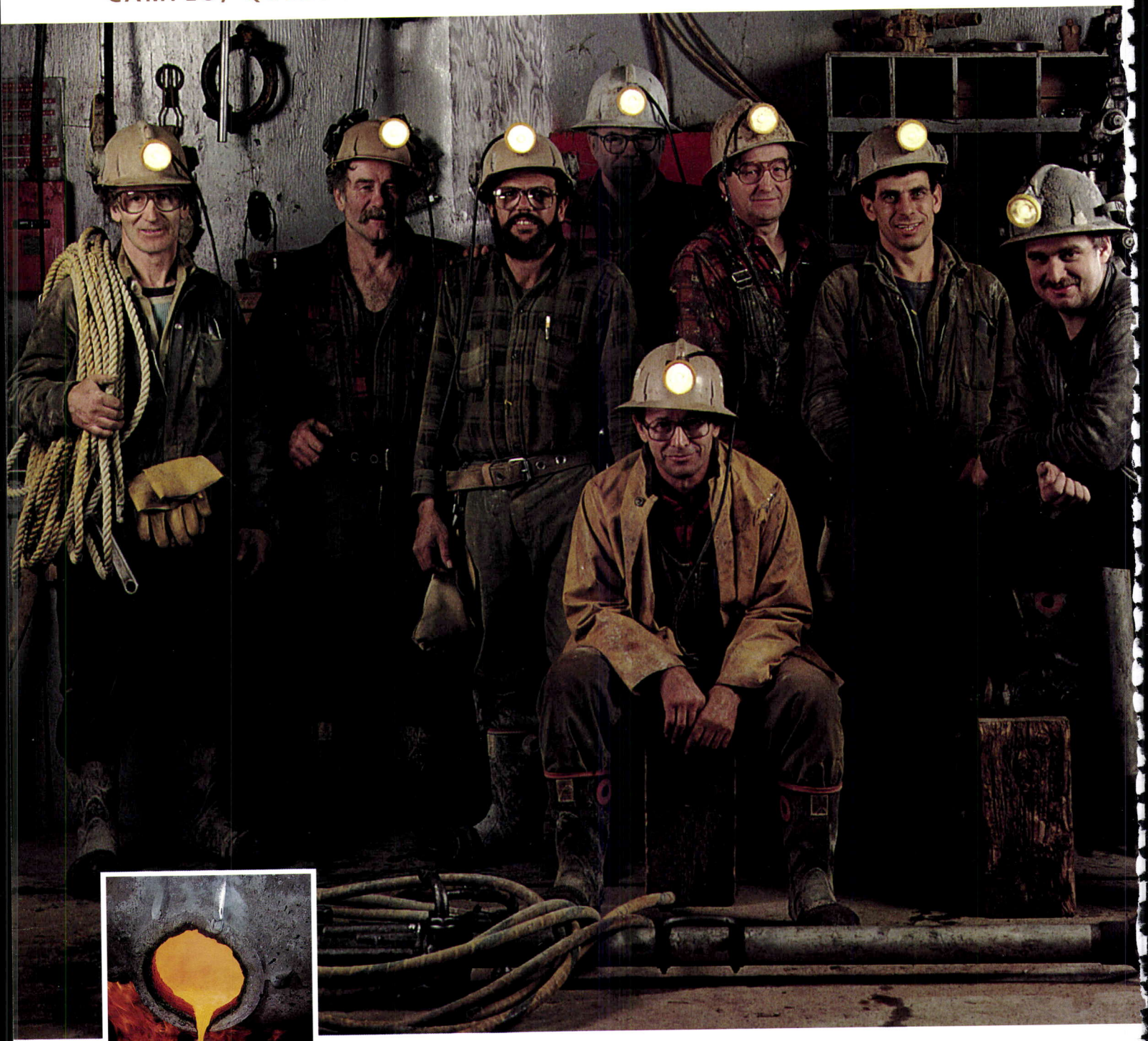
Capital expenditures at the Mine were $8.7 million in 1989 and the budget for 1990, primarily for shaft sinking, is $5.9 million.

Reserves at Holt-McDermott total 4.6 million tons, grading 0.136 ounces of gold per ton. Of this figure, 2.6 million tons are proven and probable reserves, grading 0.138 ounces of gold per ton. Exploration work during the year has replaced the reserves mined in 1989 but at a lower grade. This year's reserves include a 10% dilution factor based on mining experience.

A surface diamond drilling program identified a shallow gold deposit 2-1/2 miles southwest of the Holt-McDermott Mine shaft. Probable and possible reserves of 420,000 tons grading 0.19 ounces per ton were identified in two adjacent zones to a 440-foot vertical depth with the zones remaining open at depth.

OPERATING DATA	1989	1988*
Total tons milled	**559,148**	241,481
Ounces of gold produced	**63,354**	23,848
Operating and cash cost per ounce	**$284**	$268

**Mine began commercial production June 1988.*



as good as gold

A group of Camflo's seasoned miners: (seated) Florian Fortin; (from left to right) Raymond Larouche, Lucien Mayrand, Donald Germain, Florian Morin, Gilbert Garneau, Yvon Langlois, Daniel Godbout, Réal Morin, Jean-Marc Richard.

The Camflo Mine, located 12 miles west of Val d'Or in northwestern Quebec, celebrates its 25th anniversary in 1990.

The ore body was discovered and brought into production by a group of enterprising individuals at a time when mining exploration money was scarce and flow-through share programs did not exist. The group was headed by the late Gordon Cameron, manager of a local diamond drilling company and the late Jack Florence, a restaurateur from Ottawa. Thus the origin of the name Camflo.

The initial exploration program consisted of a magnetometer survey and a short, three hole, diamond drilling program. The first two holes intersected barren porphyrytic monzonite. The third hole had reached the proposed depth and the consulting

geologist ordered the operation shut down. Camflo management ignored the recommendation and continued drilling, intersecting a 20-foot thick ore zone. Additional drilling eventually delineated an ore body with drill indicated reserves of 1.2 million tons, grading 0.22 ounces of gold per ton, to a depth of 900 feet.

The road to production was difficult and numerous deals were made to raise money before the Mine finally went into production in 1965. And Camflo has been producing gold continuously since that time.

In addition to its 100 percent interest in the Camflo Mine, Barrick has a 40 percent share of the operating profits from mining and milling the extension of the main ore body on the adjoining property owned by Malartic Hygrade Gold Mines (Canada) Ltd.

Production in 1989 totaled 353,678 tons of ore grading 0.081 ounces of gold per ton from the Camflo Mine which includes Camflo's 40% share of Malartic Hygrade's production. In addition, the mill treated 53,872 tons which is Malartic Hygrade's 60% share of its production, plus 81,093 tons of Malartic's Orion ore on a custom basis for a total of 488,643 tons.

The Camflo millfeed came mainly from existing stopes that had been previously drilled off but not blasted and from the Mine's large broken muck reserves. Stope development continued in the "A" fault zone structure to the west of the Camflo porphyry stock. This ore zone is fairly narrow and irregular but of good grade. It is now located between the 650- and 1,100-foot elevations.

A C$2.5 million joint exploration program was signed with Malartic Hygrade in January 1989 to explore the main Hygrade granodiorite intrusive and their #8 zone at depth. To date, 4,000 feet of a planned 6,000 feet of drifting at the 1,500-foot elevation have been completed. During 1990, the remaining 2,000 feet of drifting will be completed along with detailed diamond drilling at the east end of the granodiorite intrusive and of the #8 zone at depth. Malartic Hygrade has mined 150,000 tons of ore separately from the joint venture in the #8 zone. Both Camflo and Malartic Hygrade are optimistic of increasing the ore reserves through this exploration program and prolonging the life of the Mine. Current reserves are adequate for almost three years of production.

In 1990 the milling rate is being reduced to 320,000 tons from 450,000 tons per year to permit the completion of mining in an orderly fashion. Barrick's share of mine production is targeted to be 20,000 ounces in 1990.

OPERATING DATA	1989	1988
Total tons milled	**353,678**	384,312
Ounces of gold produced	**26,629**	30,888
Operating cost per ounce	**$294**	$274
Cash cost per ounce	**$294**	$272

PINSON MINE, NEVADA

OPERATING DATA	1989	1988
Ounces of gold - milled	**53,270**	54,406
Ounces of gold - leached	**19,219**	27,923
Ounces of gold produced	**72,489**	82,329
Barrick's interest (26.25%) - ounces	**19,028**	21,612
Operating cost per ounce	**$178**	$152
Cash cost per ounce	**$179**	$157

The Pinson Mine, in which Barrick holds a 26.25 percent interest, is located 200 miles northeast of Reno, Nevada. While production of 72,000 ounces was lower than in 1988, it was well above the Mine's target production for the year of 60,000 ounces. During 1989, the primary source of both mill and heap leach ore was from the Mag pit, which began production late in 1988 following completion of mining of the Pinson pit. The ore grade in the Mag pit is 0.064 ounces of gold per ton. Mining of the Preble pit was completed during 1989.

The Mag pit will be the primary source of ore during 1990. Heap leach ore from the Felix Canyon pit, where mining commenced during 1989, will also contribute to 1990 production. In addition, mining will commence at the Kramer Hill Mine which is located about 12 miles to the southwest of the Preble Mine. Ore from Kramer Hill will be transported to the Preble heap leach pads for processing.

Barrick's share of production from the Pinson Mine is targeted to be 15,000 ounces of gold in 1990.

RENABIE MINE, ONTARIO

OPERATING DATA	1989	1988
Ounces of gold produced	**44,559**	38,816
Barrick's interest (45%) (1988 - 50%) - ounces	**20,051**	19,408
Operating cost per ounce	**$360**	$363
Cash cost per ounce	**$360**	$353

The Renabie Mine, in which Barrick holds a 45% interest, achieved record production in 1989. Located 80 miles northeast of Wawa, Ontario, the Mine is operated by Corona Corporation.

The mill processed 252,691 tons of ore, with an average grade of 0.193 ounces of gold per ton which was higher than the 223,884 tons of ore processed in 1988. Barrick's share of production from the Renabie Mine is targeted to be 20,000 ounces of gold in 1990.

VALDEZ CREEK MINE, ALASKA

OPERATING DATA	1989	1988
Ounces of gold produced	**60,430**	45,129
Barrick's interest (23.125%) - ounces	**13,975**	10,436
Operating cost per ounce	**$333**	$417
Cash cost per ounce	**$308**	$451

Mining operations at the Valdez Creek project were suspended in October 1989. The project was placed on a care and maintenance basis, pending a recovery in the gold price.

Valdez Creek is a placer mine located 180 miles northeast of Anchorage, Alaska.

EXPLORATION

In Canada, Barrick's exploration continues to be focused in the Precambrian regions of Ontario and Quebec which have yielded most of Canada's gold production.

A 30,000-ton bulk sample will be taken in 1990 from the shallow eastern mineralized sector of the Pandora property for metallurgical testing at the Camflo mill, 24 miles east of the property.

In the United States, the Company's exploration continues to be concentrated in the western states, with the majority of work being conducted in the areas of Barrick's two largest mines - Goldstrike in Nevada and Mercur in Utah.

Two projects have been initiated in the Mercur Mine region, the Stockton and the Vernon Hills, eight miles northwest and 25 miles southwest of the Mine, respectively. Each of the projects is to be drill-tested in 1990.

Barrick has begun a drilling program on the Maggie Creek Ranch Project, located in the Carlin area of Nevada, in which it has acquired an option to earn up to a 75% participating interest. This exploration property consists of approximately 125 square miles of unpatented mining claims, about 12 miles southeast of the Goldstrike Mine.

Assay - the chemical test of rock samples to determine the mineral content.

Autoclave system - a process in which high temperatures and pressures and oxygen are applied to convert refractory sulphide ore into oxide ore making it amenable to subsequent cyanidation.

Carbon-in-leach (C-I-L) - a recovery process in which a slurry of gold ore, free carbon particles and cyanide are mixed together. The cyanide dissolves the gold from the ore into a solution, and simultaneously the gold is adsorbed onto the carbon; the carbon is subsequently separated from the slurry to recover the gold.

Cyanidation - the dissolving of gold from the ore into a solution using cyanide. The solution is thereafter treated for gold recovery.

Heap/dump leaching - a process whereby gold is extracted by "heaping" broken ore on sloping impermeable pads and repeatedly spraying the heaps with a cyanide solution which dissolves the gold content. The gold-laden solution is collected for gold recovery.

In-fill drilling - drilling within a group of previously drilled holes to provide a closer spaced pattern to define more accurately the parameters of the ore body.

Layback - the amount of waste which must be mined for the slope of a pit wall to be at a safe angle.

Mining claim - that portion of public mineral lands which a party has staked or marked out in accordance with provincial or state mining laws to acquire the right to explore for and exploit the minerals under the surface.

Ounces - troy ounces of a fineness of 999.9 parts per 1,000 parts, which equals 31.103 grams.

Oxide ore - mineralized rock in which some of the original minerals have been oxidized. Oxidation tends to make the ore more porous and permits a more complete permeation of cyanide solutions so that minute particles of gold in the interior of the minerals will be readily dissolved.

Reserves

Proven ore - material for which tonnage and grade are computed from dimensions revealed in outcrops, trenches, underground workings or drill holes; grade is computed from the results of adequate sampling; and, the sites for inspection, sampling and measurement are so spaced and the geological character so well-defined that size, shape and mineral content are established.

Probable ore - material for which tonnage and grade are computed partly from specific measurements, samples or production data and partly from projection for a reasonable distance on geological evidence; and for which the sites available for inspection, measurement and sampling are too widely or otherwise inappropriately spaced to outline the material completely or to establish its grade throughout.

Possible ore - material for which quantitative estimates are based largely on broad knowledge of the geological characteristics of the deposit and for which there are few samples or measurements.

Semi-autogenous grinding (SAG) - the process of grinding material into smaller particles with a mixture of large fragments of the material itself and steel balls producing the grinding action.

Shaft - a vertical passageway to an underground mine for moving personnel, equipment, supplies and material including ore and waste rock.

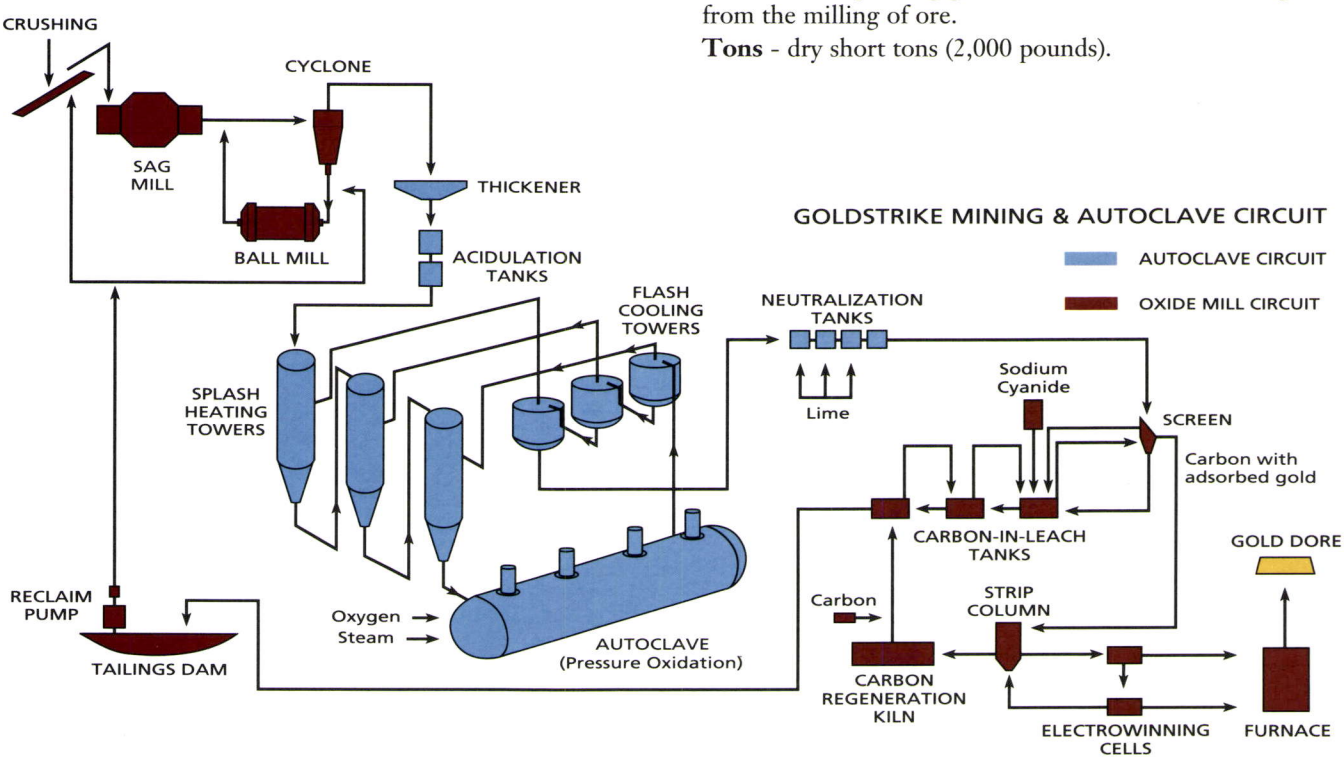
Stope - area in an underground mine where ore is mined.

Strike length - the longest horizontal dimension of an ore body or zone of mineralization.

Sulphide ore - a sub-group of refractory ore - mineralized rock in which much of the gold is encapsulated in sulphides and is not readily amenable to dissolution by cyanide solutions. Some sulphide ore may require autoclave treatment prior to milling.

Tailings impoundment - a natural or man-made area suitable for depositing ground waste material resulting from the milling of ore.

Tons - dry short tons (2,000 pounds).



The following table sets forth Barrick's interest in the total proven, probable and possible reserves at each property, based on a gold price of $400 per ounce.

	December 31, 1989			*December 31, 1988*		
Mine	**Tons**	**Grade (Ounces per ton)**	**Contained Ounces**	Tons	Grade (Ounces per ton)	Contained Ounces
Goldstrike						
Proven & Probable:	**165,899,000**	**0.108**	**17,995,700**	142,838,000	0.106	15,181,000
Possible:	**9,568,000**	**0.039**	**377,400**	13,209,000	0.070	928,900
Mercur						
Proven & Probable:	**20,303,000**	**0.055**	**1,127,700**	23,079,000	0.056	1,297,100
Possible:	**1,596,000**	**0.063**	**100,700**	895,000	0.053	47,700
Holt-McDermott						
Proven & Probable:	**2,573,000**	**0.138**	**354,400**	1,586,000	0.157	249,000
Possible:	**2,019,000**	**0.134**	**270,400**	3,092,000	0.129	398,900
Camflo[1]						
Proven & Probable:	**634,000**	**0.098**	**62,100**	746,000	0.103	76,800
Possible:	**120,000**	**0.040**	**4,800**	120,000	0.040	4,800
Pinson (26.25%)						
Proven & Probable:	**2,022,000**	**0.064**	**130,000**	1,905,000	0.068	129,500
Renabie (45%)						
Proven & Probable:	**552,000**	**0.203**	**112,000**	457,000	0.215	98,200
Possible:	**370,000**	**0.156**	**52,700**	67,000	0.208	13,900
Valdez Creek (23.125%)[2]						
Proven & Probable:	**1,048,000**	**0.090**	**94,700**	444,000	0.116	51,300
Possible:	**2,245,000**	**0.041**	**92,300**	666,000	0.093	61,800
Proven & Probable:			**19,876,600**			17,082,900
Possible:			**898,300**			1,456,000
Total			**20,774,900**			18,538,900

[1]*Ore reserves do not include proven, probable and possible reserves on the Malartic Hygrade property.*
[2]*Valdez Creek data presented in bank cubic yards (BCY) and ounces per bank cubic yard. There are approximately two tons per BCY.*

GOLDSTRIKE MINE, NEVADA (100% OWNED)

Reserve information	*December 31, 1989*			*December 31, 1988*		
	Tons	**Grade (Ounces per ton)**	**Contained Ounces**	Tons	Grade (Ounces per ton)	Contained Ounces
Proven & Probable:						
Oxide - Mill	**8,960,000**	**0.100**	**897,200**	7,725,000	0.096	740,000
- Leach	**64,976,000**	**0.020**	**1,314,800**	56,052,000	0.021	1,165,800
Sulphide	**91,963,000**	**0.172**	**15,783,700**	79,061,000	0.168	13,275,200
Possible:						
Oxide - Mill	**82,000**	**0.077**	**6,300**	181,000	0.098	17,700
- Leach	**6,841,000**	**0.015**	**103,600**	8,238,000	0.017	141,500
Sulphide	**2,645,000**	**0.101**	**267,500**	4,790,000	0.161	769,700
Proven & Probable			**17,995,700**			15,181,000
Possible			**377,400**			928,900
Total			**18,373,100**			16,109,900

Operating information	*1989*	*1988*
Total tons mined (ore and waste)	**70,234,802**	31,256,306
Tons of ore milled	**1,634,851**	581,853
Average grade: ounces per ton	**0.084**	0.087
Recovery rate: %	**81.7**	82.2
Ounces of gold produced from milled ore	**110,287**	41,753
Ounces of gold produced from leached ore	**96,977**	77,665
Total ounces produced	**207,264**	119,418
Operating cost per ounce sold	**$170**	$167
Cash cost per ounce produced	**$352**	$325
Financial information *(thousands of dollars)*		
Bullion revenue	**$ 92,464**	$ 49,987
Operating costs excluding financing costs	**35,944**	19,709
Royalties and resource taxes	**3,890**	1,854
Income from operations	**$ 52,630**	$ 28,424
Development, exploration and capital expenditures	**$185,961**	$121,588

MERCUR MINE, UTAH (100% OWNED)

Reserve information	December 31, 1989			December 31, 1988		
	Tons	Grade (Ounces per ton)	Contained Ounces	Tons	Grade (Ounces per ton)	Contained Ounces
Proven & Probable:						
Oxide - Mill	**9,023,000**	**0.071**	**640,600**	10,667,000	0.071	757,800
- Leach	**6,496,000**	**0.033**	**214,400**	7,329,000	0.033	239,400
Refractory	**4,784,000**	**0.057**	**272,700**	5,083,000	0.059	299,900
Possible:						
Oxide (Mill and Leach)	**1,274,000**	**0.057**	**72,200**	802,000	0.053	42,200
Refractory	**322,000**	**0.089**	**28,500**	93,000	0.059	5,500
Proven & Probable			**1,127,700**			1,297,100
Possible			**100,700**			47,700
Total			**1,228,400**			1,344,800

Operating information	1989	1988
Tons of ore milled	**1,637,713**	1,852,298
Average grade: ounces per ton	**0.074**	0.070
Recovery rate: %	**77.8**	74.4
Ounces of gold produced from milled ore	**94,275**	96,028
Ounces of gold produced from leached ore	**23,261**	19,362
Total ounces produced	**117,536**	115,390
Cash cost per ton milled	**$18.16**	$14.70
Operating cost per ounce sold	**$241**	$229
Cash cost per ounce produced	**$253**	$235
Financial information *(thousands of dollars)*		
Bullion revenue	**$51,060**	$51,134
Operating costs excluding financing costs	**28,210**	26,922
Royalties and resource taxes	**813**	927
Income from operations	**$22,037**	$23,285
Development, exploration and capital expenditures	**$ 6,162**	$14,089

HOLT-McDERMOTT MINE, ONTARIO (100% OWNED)

Reserve information	December 31, 1989			December 31, 1988		
	Tons	Grade (Ounces per ton)	Contained Ounces	Tons	Grade (Ounces per ton)	Contained Ounces
Proven & Probable	**2,573,000**	**0.138**	**354,400**	1,586,000	0.157	249,000
Possible	**2,019,000**	**0.134**	**270,400**	3,092,000	0.129	398,900
Total			**624,800**			647,900

Operating information	1989	1988
Tons of ore milled	**559,148**	241,481
Average grade: ounces per ton	**0.120**	0.106
Recovery rate: %	**94.7**	93.4
Ounces of gold produced	**63,354**	23,848
Cash cost per ton milled	**$32.17**	$26.47
Operating cost per ounce sold	**$284**	$268
Cash cost per ounce produced	**$284**	$268
Financial information *(thousands of dollars)*		
Bullion revenue	**$27,839**	$ 9,708
Operating costs excluding financing costs	**18,128**	5,829
Income from operations	**$ 9,711**	$ 3,879
Development, exploration and capital expenditures	**$ 8,736**	$36,339

CAMFLO MINE, QUEBEC (100% OWNED)

Reserve information	December 31, 1989			December 31, 1988		
	Tons	Grade (Ounces per ton)	Contained Ounces	Tons	Grade (Ounces per ton)	Contained Ounces
Proven & Probable	**633,600**	**0.098**	**62,100**	746,000	0.103	76,800
Possible	**120,000**	**0.040**	**4,800**	120,000	0.040	4,800
Total			**66,900**			81,600

Operating information (Camflo plus 40% of Malartic Hygrade)	*1989*	*1988*
Tons of ore milled	**353,678**	384,312
Average grade: ounces per ton	**0.081**	0.086
Recovery rate: %	**93.3**	93.7
Ounces of gold produced	**26,629**	30,888
Cash cost per ton milled	**$22.14**	$21.82
Operating cost per ounce sold	**$294**	$274
Cash cost per ounce produced	**$294**	$272
Financial information *(thousands of dollars)*		
Bullion revenue	**$11,615**	$13,787
Operating costs excluding financing costs	**7,839**	8,474
Royalties	**-**	185
Income from operations	**$ 3,776**	$ 5,128
Development, exploration and capital expenditures	**$ 1,166**	$ 2,107

PINSON MINE, NEVADA (26.25% OWNED)

Reserve information (100%)	December 31, 1989			December 31, 1988		
	Tons	Grade (Ounces per ton)	Contained Ounces	Tons	Grade (Ounces per ton)	Contained Ounces
Proven & Probable:						
Mill	**4,676,010**	**0.086**	**403,000**	4,419,000	0.090	397,500
Heap Leach	**3,028,360**	**0.030**	**91,800**	2,840,000	0.034	96,000
Total			**494,800**			493,500

Operating information (100%)	*1989*	*1988*
Tons of ore milled	**535,881**	514,162
Average grade: ounces per ton	**0.115**	0.119
Recovery rate: %	**86.2**	87.8
Ounces of gold produced from milled ore	**53,270**	54,406
Ounces of gold produced from leached ore	**19,219**	27,923
Total ounces produced	**72,489**	82,329
Cash cost per ton milled	**$18.86**	$19.27
Operating cost per ounce sold	**$178**	$152
Cash cost per ounce produced	**$179**	$157
Financial information (26.25%) *(thousands of dollars)*		
Bullion revenue	**$8,250**	$9,572
Operating costs excluding financing costs	**3,365**	3,260
Royalties and resource taxes	**484**	572
Income from operations	**$4,401**	$5,740
Development, exploration and capital expenditures	**$1,123**	$1,037

RENABIE MINE, ONTARIO (45% OWNED)

Reserve information (100%)	December 31, 1989			December 31, 1988		
	Tons	Grade (Ounces per ton)	Contained Ounces	Tons	Grade (Ounces per ton)	Contained Ounces
Proven & Probable	**1,226,874**	**0.203**	**249,000**	1,014,929	0.215	218,200
Possible	**822,936**	**0.156**	**128,400**	148,516	0.208	30,900
Total			**377,400**			249,100

Operating information (100%)	1989	1988
Tons of ore milled	**252,691**	223,884
Average millhead grade: ounces per ton	**0.193**	0.193
Recovery rate: %	**91.6**	89.8
Ounces of gold produced	**44,559**	38,816
Cash cost per ton milled	**$63.51**	$61.24
Operating cost per ounce sold	**$360**	$363
Cash cost per ounce produced	**$360**	$353
Financial information (45% - 1988 50%)* *(thousands of dollars)*		
Bullion revenue	**$8,746**	$8,663
Operating costs excluding financing costs	**7,222**	7,045
Income from operations	**$1,524**	$1,618
Development, exploration and capital expenditures	**$1,334**	$1,461

**In December 1988, Corona Corporation, the operator of the Mine, exercised its option to acquire 5% of the Mine from Barrick, reducing Barrick's interest to 45%.*

VALDEZ CREEK MINE, ALASKA (23.125% OWNED)

Reserve information (100%)	December 31, 1989			December 31, 1988		
	BCY*	Grade (Ounces per BCY)	Contained Ounces	BCY	Grade (Ounces per BCY)	Contained Ounces
Proven & Probable	**4,530,100**	**0.090**	**409,300**	1,918,000	0.116	221,700
Possible	**9,711,000**	**0.041**	**399,300**	2,879,000	0.093	267,000
Total			**808,600**			488,700

**BCY denotes bank cubic yards. There are approximately two tons per BCY.*

Operating information (100%)	1989	1988
Cubic yards processed	**453,473**	492,869
Average grade: ounces per BCY	**0.133**	0.092
Ounces of gold produced	**60,430**	45,129
Operating cost per ounce sold	**$333**	$417
Cash cost per ounce produced	**$308**	$451
Financial information (23.125%) *(thousands of dollars)*		
Bullion revenue	**$6,095**	$4,658
Operating costs excluding financing costs	**4,657**	4,352
Royalties	**458**	416
Income (loss) from operations	**$ 980**	$ (110)
Development, exploration and capital expenditures	**$ 512**	$1,552

OPERATING COSTS

Higher production also led to higher total operating costs of $111 million in 1989 compared with $79.5 million in 1988 ($48.1 million in 1987). However, on a per ounce basis average operating costs improved slightly to $223 per ounce compared with $224 per ounce in 1988 ($214 per ounce in 1987). As Goldstrike increases its contribution to Barrick's operations, average operating costs on a per ounce basis should continue to decline. Operating costs at Goldstrike of $170 per ounce were in line with 1988 costs of $167 per ounce ($187 per ounce in 1987). The efficiencies of the large scale mining and processing facilities implemented under the Betze Development Plan kept operating costs in check at Goldstrike despite higher prices for labour and supplies.

Operating costs at Mercur increased to $241 per ounce from $229 per ounce in 1988 ($190 per ounce in 1987) due to the processing of particularly hard ore. Higher operating costs per ounce at the Holt-McDermott Mine were a result of lower than expected grade. The costs were $284 per ounce in 1989 compared with $268 per ounce in the six months of operations in 1988. Average operating costs from Barrick's interests in other mines was $289 per ounce compared with $283 per ounce in 1988 ($260 per ounce in 1987).

DEPRECIATION, DEPLETION AND AMORTIZATION

Depreciation of property and deferred mine costs which is calculated on a units of production basis increased in line with the Company's higher production level. The additions to plant and equipment associated with the Betze Development Plan increased depreciation calculated on a straight line basis. Depreciation, depletion and amortization totalled $36.9 million in 1989 compared with $25.7 million in 1988 ($17.4 million in 1987). Depreciation per ounce in 1989 and 1988 was $78 compared with $79 in 1987. Depreciation at Goldstrike amounted to $39 per ounce and future increases in production at Goldstrike should have the effect of reducing Barrick's average depreciation cost per ounce.

CASH FLOW FROM OPERATIONS

Cash flow provided by operating activities increased correspondingly with net income for the year rising to $86.4 million in 1989 compared with $61.7 million in 1988 ($37.3 million in 1987). This increased cash flow reflects the Company's rapidly increasing gold production and a strong cash operating margin. This cash flow is making a significant contribution to the Company's extensive capital expenditure programs.

CAPITAL EXPENDITURES

Capital expenditures increased to $213.4 million in 1989 from $182.9 million in 1988 and $103.5 million in 1987. Capital expenditures at the Goldstrike Mine were $186 million including $32 million for deferred stripping and exploration of $4.3 million. Capital expenditures of $8.7 million were incurred at the Holt-McDermott Mine primarily for underground development and $6.2 million at the Mercur Mine for construction of leach facilities and expansion of the tailings dam. There were no significant capital expenditures at the other mines in 1989.

FINANCINGS AND INVESTMENT

Interest and other income increased to $21.9 million in 1989 compared with $15.4 million in 1988 ($10.7 million in 1987). The Company's policy is to invest its surplus funds in low risk, short-term investments. Interest income in 1989 includes interest earned on the proceeds from the drawdown of the first tranche of the Betze Development Plan financing in March 1989. The cash realized from this drawdown is invested in certificates of deposit until the funds are required for capital expenditures under the Betze Development Plan. The Company's cash balance was further increased by $90.4 million from the issue of 3,000,000 common shares (pre-split) in December 1989.

SUMMARY

American Barrick's financial statements clearly reflect the Company's key corporate philosophies - aggressive production growth combined with conservative financial policies. The Company's comprehensive hedging program together with the utilization of gold-linked financings and equity provided the strong financial base for the Company's operating success in 1989 and for its continued growth in 1990 and beyond.

Barrick achieved record revenue, earnings and cash flow in 1989 based on increased gold production and its extensive gold hedging program. Net income for the year was $35.8 million ($0.30 per share) on revenue of $206.1 million compared with $30.5 million ($0.25 per share) on revenue of $147.5 million a year earlier and $18.8 million ($0.17 per share) on revenue of $92.1 million in 1987. Net income for 1989 was after a $9.5 million loss on long-term investments. Cash flow from operating activities increased during 1989 to $86.4 million, up from $61.7 million in 1988 and $37.3 million in 1987.

Despite gold prices falling to a three year low during 1989, revenue continued to increase throughout the year as a result of higher gold production and the Company's gold hedging program. Gold production increased 37% to 467,837 ounces compared with 341,000 ounces in 1988 and 225,109 ounces in 1987. The average gold price received during 1989 was $436 per ounce compared with the Comex average gold price for 1989 of $382 per ounce.

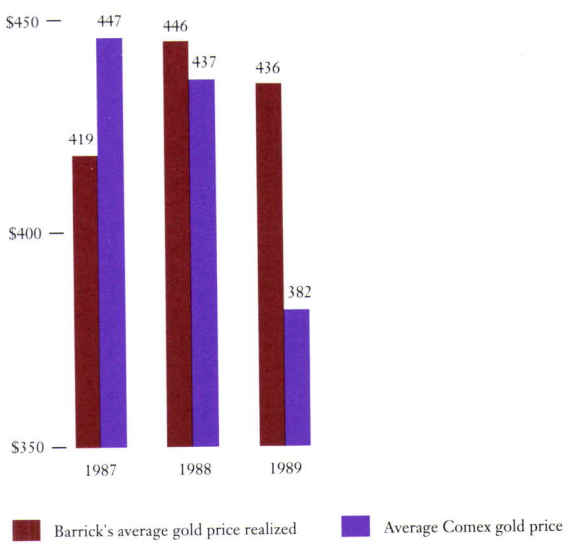
The financial performance in 1989 reflects the progress made during the year on the Betze Development Plan at the Goldstrike Mine. On completion of the Plan in 1992, it is expected that production from the Goldstrike Mine will reach 900,000 ounces.

In March 1989 the financing for this major expansion was completed through a 1,050,000-ounce gold loan facility. The strength of the Betze Development Plan was used to create a gold loan structure that resulted in a fully funded capital expenditure program, deferred principal repayments and a low financing cost. The facility is available to the Company in two tranches. The first tranche of 750,000 ounces was fully drawn on the closing of the facility. An existing gold loan was repaid with 212,000 ounces from the first tranche and the balance of 538,000 ounces were delivered against forward sales which had been entered into during the previous six months. Approximately $223 million was raised through these deliveries at an average price of $415 per ounce. The second tranche is available for hedging purposes and, on completion of the Betze Development Plan, for general corporate purposes.

REVENUE

Increased production resulted in record revenues in 1989 of $206.1 million compared with $147.5 million in 1988 ($92.1 million in 1987). Gold sales in 1989 were 472,452 ounces compared with 330,479 in 1988. (For a report on the performance of the mining operations, see Barrick and its Mining Operations, p. 9.) More than 90% of gold sales in 1989 were delivered under the Company's gold hedging program at an average price of $440 per ounce with the remaining gold sales of 41,282 ounces sold on the spot market at an average price of $393 per ounce. The average price realized by the Company on its gold sales over the previous three years is compared with the Comex average in the chart below.

REVENUE - PER OUNCE
(US dollars)

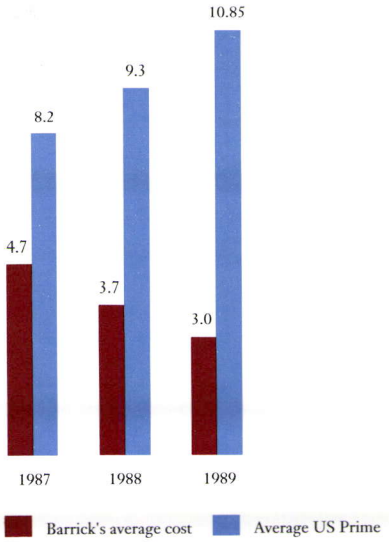


In 1988 the Company refinanced the Mercur gold loan increasing it to 105,000 ounces and realizing $26.4 million of additional funds. The Company also received $46.1 million in 1988 from the final installment of the shares issued by way of installment receipts in October 1987.

The Company raised $138 million from the issue of shares in 1987, net of the $46.1 million referred to above. A gold loan of 263,713 ounces with net proceeds of $121 million was negotiated in 1987 to fund the initial expansion of the Goldstrike Mine.

During the year the Company incurred a net loss of $9.5 million on long-term investments. In 1987 the Company made strategic investments in Consolidated Gold Fields PLC ("CGF") and LAC Minerals Ltd. ("LAC"). The Company decided not to pursue its interest in the assets of these two companies and in 1989 tendered its CGF shares to the Hanson PLC offer and sold one million shares of its LAC shareholdings. Net proceeds from the disposition of investments was $96.1 million which further enhanced its cash position and will increase the yield from these assets. The recent market value of the Company's remaining investment in LAC exceeds its cost.

AVERAGE COST OF BORROWING
(% per annum)



During the period from 1987 to 1989 the Company made investments in Hayes Resources Inc. ("Hayes"), a junior mining company with gold mining interests in Manitoba and Nevada. As a result of the closure of Hayes' primary asset, the LynnGold Mine in Manitoba, the Company has written-off its investment in Hayes incurring an $11 million charge to earnings.

The Company's interest expense increased to $12.8 million in 1989 as a result of the drawdown of the Betze Development Plan financing. Interest expense is comprised of interest on gold loans and other gold-linked obligations. The chart on this page compares the Company's average borrowing cost for the previous three years with the average U.S. prime rate for the same period.

CORPORATE

Administrative expenses increased to $8.7 million in 1989 from $6.8 million in 1988 and $5.5 million in 1987. The Company is an active member of the World Gold Council and included in these expenses are the costs levied by the Council based on production. Also in 1989, the Company made a commitment to dedicate a certain percentage of its previous year's net earnings to charitable donations.

The increased proportion of the Company's profits generated in the United States reduced the Company's average effective tax rate to 20.8% in 1989 compared with 23.2% in 1988 and 24% in 1987. Reference is drawn to note 8 to the financial statements for a detailed income tax reconciliation and to note 14 for a discussion of the application of Statement of Financial Accounting Standards No. 96, Accounting for Income Taxes.

With increased earnings and operating cash flow, the Company raised dividends to shareholders to $0.06 per share from $0.04 per share in 1988 and $0.02 per share in 1987 (all adjusted to reflect the recent share split).

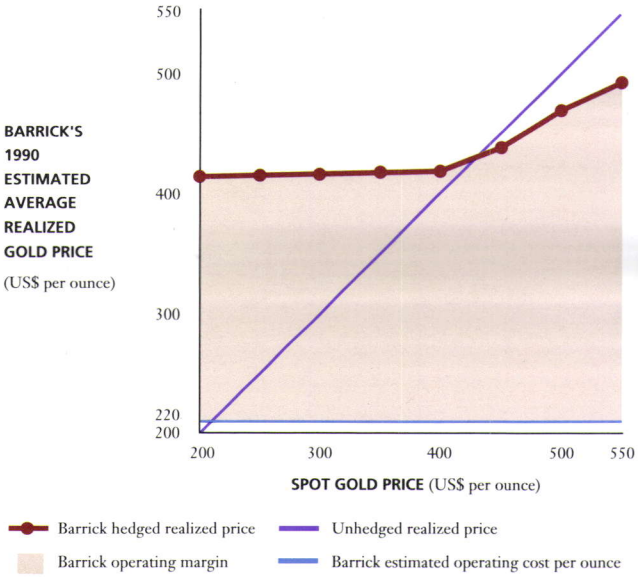
LIQUIDITY

The share issue completed in December 1989 increased the Company's cash and short-term deposits to $304.7 million. This in turn resulted in working capital of $279.3 million compared with $43.9 million at December 31, 1988 and $186.8 million at December 31, 1987.

As a result of the share issue and profits for the year, shareholders' equity increased to $525.5 million at December 31, 1989 compared with $390.5 million at December 31, 1988 and $338.4 million at December 31, 1987.

The drawdown of the Betze Development Plan financing in 1989 increased deferred revenue to $358.1 million at December 31, 1989 compared with $164.3 million at December 31, 1988 and $142.1 million at December 31, 1987. Virtually all the Company's deferred revenue and long-term liabilities are low interest, gold-linked obligations.

BARRICK'S 1990 HEDGING PROGRAM



OUTLOOK

In early 1990, gold prices recovered to approximately $420 per ounce from their three year low of $358 per ounce reached in mid-1989. Under the Company's hedging program 95% of 1990's gold production has been hedged to realize a minimum average price of $421 per ounce while retaining 75% of the upside potential in gold price increases to $507 per ounce and 36% over $507 per ounce. The chart on this page shows expected average prices to be realized by American Barrick in 1990 at various average spot gold prices for the year.

The Company has capital expenditure programs totalling $441 million planned over the next three years which will be funded with existing cash and the operating cash flow from the Company's mines. Barrick intends to continue to focus on development of new reserves at its existing properties while always being alert to acquisition opportunities.

As the Betze Development Plan is completed, Barrick's annual gold production will increase significantly. The Company's gold production is expected to increase to 565,000 ounces in 1990 and 1.1 million ounces in 1992 when the Plan is scheduled to be completed. When this higher production is combined with the Company's comprehensive hedge program, Barrick should continue to report stronger operating and financial performance.

CONSOLIDATED STATEMENTS OF INCOME

AMERICAN BARRICK RESOURCES CORPORATION

for the years ended December 31, 1989, 1988 and 1987 (in thousands of United States dollars except per share data)

	1989	*1988*	*1987*
Revenue	**$206,069**	$147,509	$92,127
Expenses			
Operating costs	**111,010**	79,545	48,090
Administration	**8,728**	6,756	5,547
	119,738	86,301	53,637
Income from operations	**86,331**	61,208	38,490
Depreciation, depletion and amortization	**(36,896)**	(25,681)	(17,383)
Exploration and deferred mining costs written-off	**(3,963)**	(501)	(3,010)
Interest and other income	**21,945**	15,369	10,658
Interest expense on long-term obligations	**(12,770)**	(10,671)	(9,985)
Gain (loss) on investments *(note 3)*	**(9,487)**	-	8,287
Income before taxes and extraordinary item	**45,160**	39,724	27,057
Income and resource taxes *(note 8)*	**(9,395)**	(9,229)	(6,487)
Net income before extraordinary item	**35,765**	30,495	20,570
Loss on non-mining properties	**-**	-	(1,751)
Net income for the year	**$ 35,765**	$ 30,495	$18,819
Net income per share *(note 7)*			
Before extraordinary item	**$0.30**	$0.26	$0.19
For the year	**$0.30**	$0.26	$0.18
Fully diluted net income per share *(note 7)*			
Before extraordinary item	**$0.30**	$0.25	$0.19
For the year	**$0.30**	$0.25	$0.17

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

AMERICAN BARRICK RESOURCES CORPORATION

for the years ended December 31, 1989, 1988 and 1987 (in thousands of United States dollars except per share data)

	1989	*1988*	*1987*
Retained earnings at beginning of year	**$49,799**	$24,144	$10,476
Net income for the year	**35,765**	30,495	18,819
Dividends (per common share $0.06, 1988 $0.04, 1987 $0.02)	**(7,896)**	(4,840)	(2,220)
Costs incurred in raising capital	**(528)**	-	(2,931)
Retained earnings at end of year	**$77,140**	$49,799	$24,144

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

AMERICAN BARRICK RESOURCES CORPORATION

for the years ended December 31, 1989, 1988 and 1987 (in thousands of United States dollars)

	1989	*1988*	*1987*
Cash provided by (used in) operating activities			
Net income before extraordinary item	**$ 35,765**	$30,495	$ 20,570
Non-cash items:			
Depreciation, depletion and amortization	**36,896**	25,681	17,383
Deferred income taxes	**6,895**	8,858	5,772
Loss (gain) on investments	**9,487**	-	(8,287)
Other	**3,963**	680	2,494
	93,006	65,714	37,932
Cash provided by (reinvested in) working capital			
Accounts receivable	**(3,383)**	(2,221)	2,377
Inventories and prepaid expenses	**(16,196)**	(2,628)	(5,484)
Accounts payable and accrued liabilities	**13,005**	828	2,451
Cash provided by operating activities	**86,432**	61,693	37,276
Cash provided by (used in) investment and development activities			
Property, plant and equipment	**(213,419)**	(182,899)	(103,543)
Investments	**96,139**	(18,284)	(119,215)
Marketable securities	**-**	-	83,437
Business acquisition	**-**	-	(57,175)
Other	**(5,588)**	6,008	3,625
Cash (used in) investment and development activities	**(122,868)**	(195,175)	(192,871)
Cash provided by (used in) financing activities			
Capital stock	**102,252**	7,316	213,190
Gold loans and long-term liabilities	**218,818**	50,166	171,004
Note receivable	**-**	46,161	(46,161)
Repayments of long-term obligations	**(22,024)**	(74,357)	(13,427)
Dividends	**(7,896)**	(4,840)	(2,220)
Other	**(796)**	(2,466)	(1,441)
Cash provided by financing activities	**290,354**	21,980	320,945
Increase (decrease) in cash	**253,918**	(111,502)	165,350
Cash at beginning of year	**60,275**	168,977	3,627
Foreign currency translation adjustment	**676**	2,800	-
Cash at end of year	**$314,869**	$60,275	$168,977
Components of cash			
Cash and short-term deposits	**$304,673**	$51,411	$167,163
Bullion settlements receivable	**10,196**	8,864	1,814
	$314,869	$60,275	$168,977

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

AMERICAN BARRICK RESOURCES CORPORATION

as at December 31, 1989 and 1988 (in thousands of United States dollars)

ASSETS	*1989*	*1988*
Current assets		
Cash and short-term deposits *(note 6)*	**$ 304,673**	$ 51,411
Accounts receivable	**28,314**	16,786
Inventories and prepaid expenses *(note 2)*	**35,067**	18,760
	368,054	86,957
Investments *(note 3)*	**32,526**	143,144
Property, plant and equipment *(note 4)*	**633,791**	455,776
Other assets	**15,698**	14,958
	$1,050,069	$700,835
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 42,019**	$ 26,209
Current portion of long-term liabilities and deferred revenue *(notes 5 and 6)*	**46,760**	16,860
	88,779	43,069
Long-term liabilities *(note 5)*	**61,271**	91,834
Deferred revenue *(note 6)*	**358,114**	164,300
Deferred income taxes *(note 8)*	**16,387**	11,147
	524,551	310,350
SHAREHOLDERS' EQUITY		
Capital stock *(note 7)*	**427,509**	325,562
Retained earnings	**77,140**	49,799
Foreign currency translation adjustment	**20,869**	15,124
	525,518	390,485
	$1,050,069	$700,835

Commitments and contingent liabilities (note 13)

Signed on behalf of the Board

Peter Munk
Director

C.W.D. Birchall
Director

See accompanying notes to consolidated financial statements.

NOTE 1 - ACCOUNTING POLICIES

The United States dollar is the principal currency of the Company's business, accordingly, the consolidated financial statements are expressed in United States dollars.

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada. As described in note 14, these principles differ in certain respects from principles and practices generally accepted in the United States. Summarized below are those policies considered particularly significant for the Company. References to the Company included herein means the Company and its consolidated subsidiaries.

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and all subsidiaries.

The Company's principal subsidiaries are Barrick Goldstrike Mines Inc. (Goldstrike Mine), Barrick Resources (USA) Inc. (Mercur Mine), Barrick Minerals (Canada) Inc. (Camflo Mine) and Barrick Holdings Co. (Pinson Mine). The Company owns the Holt-McDermott Mine and its interest in the Renabie Mine directly. Certain of the Company's gold mining and mineral exploration activities are conducted jointly with others and the financial statements reflect the Company's proportionate interest in such activities.

(b) Translation of foreign currencies

The United States dollar was adopted as the reporting currency for the Company effective January 1, 1988. The comparative financial information for 1987 was translated into United States dollars at the December 31, 1987 year end rate.

All of the Company's Canadian operations are self-sustaining and are translated using the current rate method whereby all assets and liabilities are translated at exchange rates prevailing at the year end and revenue and expense items at average exchange rates for the year. Translation adjustments arising from changes in exchange rates form part of the change in the foreign currency translation adjustment component of shareholders' equity. These adjustments are not included in operations until realized through a reduction in the Company's net investment in such operations. The change in the foreign currency translation adjustment during the year ended December 31, 1989 of $5,745,000 (1988 $16,679,000) resulted from the strengthening of the Canadian dollar relative to the United States dollar.

The Canadian to United States dollar exchange rate prevailing at December 31, 1989 was $0.8637, 1988, $0.8384, 1987, $0.7693 and the average exchange rate for 1989 was $0.8446, 1988, $0.8127 and 1987, $0.7541.

(c) Inventories

Gold bullion inventory is valued at net realizable value. Gold in process which is contained in the milling circuit, in the ore stockpiles and on the heap leach pads, and mine operating supplies are valued at the lower of average cost and net realizable value.

(d) Property, plant and equipment

(i) *Property acquisition and deferred mine costs*
Property acquisition and deferred mine costs are recorded at cost and amortized by the units of production method based on recoverable proven, probable and possible gold reserves.

(ii) *Buildings and equipment*
Buildings and equipment are recorded at cost and depreciated, net of residual value, using the straight-line method based on the estimated useful lives of the assets. The estimated useful lives of buildings and mill equipment range from 5 to 25 years and for mine equipment from 3 to 15 years. Repairs and maintenance expenditures are charged to operations; major improvements and replacements which extend the useful life of an asset are capitalized and depreciated over the remaining estimated useful life of that asset.

(iii) *Deferred stripping costs*
Mining costs associated with waste rock removal are deferred and charged to income on the basis of the average stripping ratio for the mine. The average stripping ratio is calculated as a ratio of the tons of material estimated to be mined to the estimated recoverable ounces of gold.

(iv) *Construction in progress*
Costs incurred on assets under construction are deferred until they are put in use at which time the capitalized costs are depreciated in accordance with the policies described above.

(v) *Mineral exploration*
Expenditures on mineral exploration programs are deferred on a project basis until the viability of the project is determined. If a project is abandoned, the accumulated project costs are charged to operations in the year in which the determination is made. Costs associated with economically viable projects are depreciated and amortized in accordance with the policies described above.

(e) Comparative figures

Certain comparative figures have been restated to conform to the 1989 presentation.

NOTE 2 - INVENTORIES AND PREPAID EXPENSES

	1989	*1988*
Gold in process	**$16,545**	$ 9,098
Mine operating supplies	**17,172**	8,518
Prepaid expenses	**1,350**	1,144
	$35,067	$18,760

NOTE 3 - INVESTMENTS

	1989	*1988*
LAC Minerals Ltd. (2,510,700 common shares, 1988 3,510,700 common shares)	**$32,526**	$ 45,433
Consolidated Gold Fields PLC	**-**	69,674
Bonds	**-**	15,000
Other	**-**	13,037
	$32,526	$143,144

The market value of the above investments, which are carried at cost less amounts written-off, at December 31, 1989 was $30,088,000 (1988 $119,425,000). As at December 31, 1989 the decline in quoted market value of the Company's investments and unrealized losses amounted to $2,438,000 (1988 $23,719,000). At January 29, 1990 the market value of the remaining investment was in excess of the Company's carrying value.

Included in other investments is an investment in common shares of Hayes Resources Inc.. The market value of this investment is significantly below cost, and the Company believes that this decline is other than temporary, accordingly, the Company has provided fully for this investment.

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

	1989			*1988*		
	Cost	**Accumulated depreciation**	**Net**	Cost	Accumulated depreciation	Net
Property acquisition and deferred mine costs						
Goldstrike	**$159,324**	**$ 4,300**	**$155,024**	$106,199	$ 1,819	$104,380
Mercur	**24,573**	**11,089**	**13,484**	20,550	7,693	12,857
Holt-McDermott	**62,350**	**7,868**	**54,482**	53,230	1,399	51,831
Camflo	**41,238**	**28,187**	**13,051**	39,006	21,074	17,932
Renabie	**13,790**	**6,133**	**7,657**	12,966	4,237	8,729
Pinson	**12,471**	**4,508**	**7,963**	11,728	3,775	7,953
Valdez Creek	**-**	**-**	**-**	3,696	786	2,910
Buildings and mill equipment	**158,180**	**24,568**	**133,612**	148,017	15,608	132,409
Mine equipment	**126,572**	**27,763**	**98,809**	52,349	16,910	35,439
Corporate	**10,917**	**1,251**	**9,666**	5,514	802	4,712
	$609,415	**$115,667**	**493,748**	$453,255	$74,103	379,152
Deferred stripping costs - Goldstrike			**63,558**			28,393
- Mercur			**7,300**			7,097
Construction in progress - Goldstrike			**38,465**			22,252
Mineral exploration and other			**30,720**			18,882
			140,043			76,624
			$633,791			$455,776

NOTE 5 - LONG-TERM LIABILITIES

	1989	*1988*
Guaranteed 2% gold-indexed notes payable	**$21,579**	$22,845
Guaranteed 5 1/4% notes payable	**54,589**	55,751
Other	**10,121**	15,608
	86,289	94,204
Current portion of long-term liabilities	**25,018**	2,370
	$61,271	$91,834

(continued)

NOTE 5 - *(continued)*

Guaranteed 2% gold-indexed notes payable

On February 26, 1987 the Company, through its indirect wholly-owned subsidiary, Barrick Resources (USA) Inc. ("Barrick Resources"), issued 38,227 guaranteed 2% gold-indexed notes due February 26, 1992 at $1,308 per note for proceeds of $50,000,916. The notes are redeemable at the option of the holder for an amount equal to the value of a specified gold entitlement based on the then current price of gold. The specified gold entitlement is initially 3.2150 ounces of gold per note increasing to 3.3804 ounces at maturity. At December 31, 1989 there were 15,860 notes outstanding, accordingly, the gold entitlement at maturity will be 53,612 ounces. Any notes redeemed by the holder prior to maturity may be reissued.

The notes are reflected in the financial statements based on their gold entitlement at maturity valued at the prevailing gold price at December 31, 1989 of $403 per ounce (1988 $410 per ounce). The premium relating to the additional gold entitlement at maturity, the premium or discount relating to changes in the value of the notes arising from changes in the price of gold and the costs of issue are included in other assets and are amortized over the remaining term of the notes.

The notes are unsecured and guaranteed by the Company. The issuer has covenanted not to incur indebtedness in excess of $150,000,000 including the notes unless such additional indebtedness is secured indebtedness incurred to acquire or bring into production a gold producing asset. American Barrick Resources Corporation ("American Barrick") has covenanted not to create any additional security interests in its assets held on February 26, 1987 unless such security interest rateably secures the notes or is required to raise funds to acquire or bring into production a gold producing asset. The Company has also covenanted to maintain gold production at a level sufficient to meet its commitments to deliver gold.

Guaranteed 5 1/4% notes payable

On October 31, 1986 the Company, through its indirect wholly-owned subsidiary, Barrick Resources, issued 29,343 guaranteed 5 1/4% notes at $1,704 per note for proceeds of $50,000,472. The notes are convertible into gold bullion, at the option of the holder, at $530 per ounce of gold. Any notes tendered for conversion into gold may be reissued by the Company. The notes, to the extent not converted into gold, mature on October 31, 1991 at 111.5% of the original principal amount, which at the date of issue was $55,750,531. The premium of $5,750,059 and costs associated with the issue are included in other assets and are amortized over the term of the notes. The Company repurchased 611 notes during the year, accordingly, at December 31, 1989 there were 28,732 notes outstanding.

The notes are unsecured and guaranteed by the Company. The issuer has covenanted not to incur indebtedness in excess of $150,000,000 including the notes unless such additional indebtedness is secured indebtedness incurred to acquire or bring into production a gold producing asset. American Barrick has covenanted not to create any additional security interests in its assets held on October 31, 1986 unless such security interest rateably secures the notes or is required to raise funds to acquire or bring into production a gold producing asset. The Company has also covenanted to maintain gold production at a level sufficient to meet its commitments to deliver gold.

NOTE 6 - DEFERRED REVENUE

	1989	*1988*
Gold loans		
Goldstrike	**$312,696**	$101,635
Mercur	**42,783**	45,064
Renabie	**3,548**	4,592
Gold Company of America	**13,717**	19,977
Other	**7,112**	7,522
	379,856	178,790
Current portion of deferred revenue	**21,742**	14,490
	$358,114	$164,300

Gold loans

Goldstrike

On March 22, 1989 the Company, through its indirect wholly-owned subsidiary Barrick Goldstrike Mines Inc. ("Barrick Goldstrike"), completed a 1,050,000 ounce gold loan. The gold loan bears interest at gold base rate plus 1% (2.946% per annum at December 31, 1989) and is collateralized by the assets of the Goldstrike Mine, which are included in these financial statements at a book value of $514,139,000, and a guarantee of the Company.

The loan is repayable by deliveries of gold in ten equal semi-annual instalments commencing December 1992. The period of the deliveries may be deferred by up to three years provided certain economic criteria relating to the Goldstrike Mine are met, but in no instance will the term be extended beyond 11 years.

Up to 750,000 ounces of the gold loan are available to fund development expenditures at the Goldstrike Mine and repay the previous gold loan. Until the Goldstrike Mine achieves a final completion test, 300,000 ounces are available only to assist the Company with its gold hedging programs, and subject to certain restrictions, provide liquidity for redemptions under the 2% and 5 1/4% gold notes. On achieving the final completion test the 300,000 ounces will be available for general corporate purposes.

Under the terms of the gold loan agreement the Goldstrike Mine is obligated to meet two performance related completion tests. The first test requires that the first autoclave unit operate at or about design capacity and within estimated operating cost parameters by December 31, 1990. The final completion test requires that the Betze Development Plan be substantially complete and the Goldstrike Mine meet certain economic criteria by June 30, 1993.

Barrick Goldstrike has agreed not to incur additional indebtedness or to create any additional security interests in its existing assets. The Company has agreed not to create any additional security interests in its assets other than a security interest for indebtedness for the development of an existing gold asset or incurred in connection with the acquisition of a gold producing asset. Barrick Goldstrike is also restricted from distributing funds to its parent or associated companies until the final completion test is met. The amount of net assets subject to this restriction is $172,891,000. Barrick Goldstrike and the Company have also agreed to usual terms and conditions which will not unduly restrict operations.

At December 31, 1989 750,000 ounces of the facility had been drawn. Proceeds from the loan are recognized in income as deliveries are made at the rate of $400 per ounce. A gain of $15.4 million realized on the previous gold loan is being amortized over the term of the original deliveries to September 30, 1993.

Cash and short-term deposits include $60.7 million which is available only for approved capital expenditures at the Goldstrike Mine.

Mercur

On May 31, 1988 the Company, through its indirect wholly-owned subsidiary Barrick Resources, completed a 125,000 ounce, seven year revolving gold loan. The gold loan bears interest at gold base rate plus .75% (2.3% per annum at December 31, 1989) and is collateralized by the assets of the Mercur Mine, which are included in these financial statements at a book value of $72,762,000, and a guarantee of the Company.

The available amount under the gold loan reduces quarterly, initially by 6.25% of the original loan commitment commencing June 30, 1989, decreasing to 2.5% per quarter for the final year of the loan. The loan has a termination date of March 31, 1995. The scheduled reductions of the available amount are subject to the maintenance of adequate reserves at the Mercur Mine. At December 31, 1989 100,000 ounces remained to be delivered.

Barrick Resources has agreed not to incur additional indebtedness or to create any additional security interests in its existing assets. The Company has agreed not to create any additional security interests in its assets other than a security interest for indebtedness for the development of an existing gold asset or incurred in connection with the acquisition of a gold producing asset. Barrick Resources and the Company have also agreed to usual terms and conditions which will not unduly restrict operations. Proceeds from the loan are recognized in income as deliveries are made at the rate of $429 per ounce.

Renabie

On March 15, 1988, the Company and Renabie Gold Mines Limited borrowed 20,000 ounces of gold which were sold at $483 per ounce. The Company is severally liable for 45% of the loan. The loan is repayable in equal quarterly instalments over the last four years of the five year term and bears interest initially at 1.75% per annum. At December 31, 1989 15,000 ounces were outstanding. The loan is collateralized by the assets of the Renabie Mine as part of a fixed and floating charge demand debenture in the amount of $8.6 million (C$10 million).

Gold Company of America

In January 1985, the Company entered into two gold purchase agreements amounting to $40,000,000 for the sale of gold from the Camflo Mine to the Gold Company of America, a limited partnership in which a wholly-owned indirect subsidiary of the Company is a general partner. The contracts, which provide for the purchase of up to 395,725 ounces of gold of which 44,491 ounces have been delivered to December 31, 1989, require gold to be delivered to the Partnership based on a percentage rate per annum of the total contract price which rate is dependent on the prevailing price of gold at the time of its delivery. The rate is 8% when gold is $365 per ounce and increases or decreases 1% for every $35 change in the price of gold to a maximum $1,500 per ounce (9% December 31, 1989).

The total amount of reserves which may be available for gold deliveries under these agreements is unknown. Based on the Camflo Mine's presently known reserves, including its interest in the Malartic Hygrade reserves, the mine has approximately three years of reserves remaining. All of the assets of Barrick Minerals (Canada) Inc., including the Camflo Mine, which are included in these financial statements at a book value of $21,270,000, have been pledged as security for the gold purchase agreements.

The net proceeds have been accounted for as deferred revenue and are recognized in income over the estimated economic life of the contracts.

NOTE 7 - CAPITAL STOCK

Authorized capital

The authorized capital stock of the Company is comprised of an unlimited number of common shares, 9,764,929 First preferred shares, Series A and 9,047,619 Series B, and 14,726,854 Second preferred shares, Series A.

Issued and outstanding shares

Details of issued and outstanding shares are as follows:

	Issued	Amount
Common shares		
Outstanding at December 31, 1986	22,150,845	$ 95,231
Issued during 1987		
Two-for-one share split	22,150,845	-
For cash	8,749,020	186,556
In connection with a business acquisition	4,218,448	29,209
On conversion of debentures	133,280	923
On conversion of first preferred shares, Series A	31,812	116
On exercise of warrants	288,900	1,368
Outstanding at December 31, 1987	57,723,150	313,403
Issued during 1988		
For cash	628,167	6,598
On conversion of debentures	327,488	2,395
On exercise of warrants	177,118	935
Outstanding at December 31, 1988	58,855,923	323,331
Issued during 1989		
Two-for-one share split	58,855,923	-
For cash	6,575,771	93,383
On exercise of warrants	4,027,166	10,795
Outstanding at December 31, 1989	128,314,783	$427,509
Second preferred shares, Series A		
Outstanding at December 31, 1986	227,021	$ 425
Redeemed for cash	(44,840)	(84)
Outstanding at December 31, 1987	182,181	341
Redeemed for cash	(18,171)	(36)
Outstanding at December 31, 1988	164,010	305
Redeemed for cash	(164,010)	(305)
Outstanding at December 31, 1989	-	$ -
Warrants		
Outstanding at December 31, 1986	6,199,001	$ 2,430
Exercised during 1987	(722,250)	(324)
Outstanding at December 31, 1987	5,476,751	2,106
Exercised during 1988	(442,794)	(180)
Outstanding at December 31, 1988	5,033,957	1,926
Exercised during 1989	(5,033,957)	(1,926)
Outstanding at December 31, 1989	-	$ -

Common Shares

All references to common shares that follow reflect a two-for-one share split which was effected on December 29, 1989 by means of a share dividend of one common share for each common share held which was payable to shareholders of record on December 13, 1989. The aggregate amount added to the stated capital of the common shares in connection with the share dividend was $1.00.

During the year the Company issued to the public 6,000,000 common shares at an average price of $15.82 (C$18.375) per share for a total consideration of $94,444,885. Underwriters' commission and fees amounting to $3,560,433 have been deducted from share capital and other out-of-pocket costs associated with the common share issue have been charged directly to retained earnings.

Common share purchase options

There are common share purchase options outstanding, expiring at various dates to October 26, 1996, for 5,520,500 (1988 4,578,400) common shares at prices between C$4.84 and C$15.06 per share. Of the share purchase options outstanding at December 31, 1989, 2,263,500 (1988 1,132,000) shares are currently exercisable. At December 31, 1989 895,239 (1988 1,307,192) common shares were available for granting of options.

	1989	*1988*
Outstanding at beginning of year	**4,578,400**	5,673,000
Granted during the year	**1,576,000**	256,000
Exercised at an average price of C$4.03 per share (1988 C$6.45 per share)	**(574,900)**	(1,260,600)
Cancelled during the year	**(59,000)**	(90,000)
Outstanding at end of year	**5,520,500**	4,578,400

In 1987 820,600 common shares were issued upon the exercise of stock options at an average price of C$1.79 per share.

Net income per share

Net income per share was calculated on the basis of the weighted average number of common shares outstanding for the year which amounted to 120,792,979 shares.

Fully diluted net income per share reflects the dilutive effect of the exercise of the options outstanding as at December 31, 1989. The number of shares for the fully diluted net income per share calculation was 121,128,979 shares.

Interest on the funds which would have been received had the options been exercised of $85,000, net of income tax, has been imputed at a rate of 9% per annum.

Dividends

The Company is prohibited under certain of its financing arrangements from distributing to its shareholders in any year an amount exceeding net income of the previous year.

NOTE 8 - INCOME AND RESOURCE TAXES

As the Company operates in a specialized industry and in several tax jurisdictions its income is subject to varying rates of taxation. A reconciliation of the Canadian federal income tax rate with the Company's effective income tax rate is set out below:

	1989	*1988*	*1987*
Canadian federal income tax rate	**38.0%**	41.5%	45.5%
Increase (decrease) resulting from:			
Resource and depletion allowances	**(19.4)**	(17.0)	(17.9)
Capital (gains) losses	**2.2**	-	(7.6)
Foreign tax rates	**(6.8)**	(7.8)	(5.0)
Non taxable investment income	**(1.0)**	(1.2)	(3.7)
Non deductible depreciation and depletion arising from acquisitions	**7.9**	6.6	6.4
Resource taxes	**-**	0.9	2.7
Foreign alternative minimum tax	**0.1**	0.2	2.8
Provincial income tax rates	**(0.6)**	0.1	1.2
Miscellaneous	**0.4**	(0.1)	(0.4)
Effective rate of income tax expense	**20.8%**	23.2%	24.0%

The principal timing differences and their tax effect are as follows:			
Deferred revenue	**$ 4,459**	$ -	$ -
Depreciation, depletion and amortization	**(7,268)**	(4,810)	(4,436)
Deferred mining and exploration costs	**(6,368)**	(3,049)	(1,952)
Capitalized expenditures	**(801)**	(1,360)	-
Alternative minimum tax carryforward	**2,400**	-	-
Other items	**683**	361	616
	$(6,895)	$(8,858)	$(5,772)
Net income (loss) before income and resource taxes:			
United States	**$53,242**	$40,350	$19,048
Canada	**(8,082)**	(626)	8,009
	$45,160	$39,724	$27,057
Details of income and resource tax expense are as follows:			
United States - federal			
Current	**$(2,400)**	$ -	$ -
Deferred	**(7,342)**	(7,007)	(3,418)
Canadian - federal			
Current	**(100)**	-	-
Deferred	**464**	(1,726)	(2,070)
Other			
Current	**-**	(371)	(715)
Deferred	**(17)**	(125)	(284)
	$(9,395)	$(9,229)	$(6,487)

NOTE 9 - RELATED PARTY TRANSACTIONS

Amounts due from affiliated companies at December 31, 1989 amounting to $435,000 (1988 $768,000) are included in accounts receivable.

At December 31, 1989 there were outstanding $84,000 (1988 $637,000) of residence loans bearing interest at 7% per annum, $350,000 (1988 nil) of interest free residence loans and $173,000 (1988 $283,000) of interest free non-recourse loans, due on demand, to officers or former officers for the acquisition of Company shares under an incentive stock purchase plan; of these amounts $173,000 (1988 $272,000) is included in accounts receivable and $434,000 (1988 $649,000) is included in other assets.

NOTE 10 - BUSINESS SEGMENTS

The Company operates in the gold mining industry in Canada and the United States.

	1989	*1988*	*1987*
Revenue			
United States	**$ 153,815**	$113,072	$ 69,366
Canada	**52,254**	34,437	22,761
	$ 206,069	$147,509	$ 92,127
Depreciation, depletion and amortization			
United States	**$ 17,174**	$ 13,208	$ 9,898
Canada	**19,722**	12,473	7,485
	$ 36,896	$ 25,681	$ 17,383
Net income before extraordinary item			
Operating income			
United States	**$ 58,819**	$ 41,853	$ 24,427
Canada	**(656)**	59	1,511
	58,163	41,912	25,938
Exploration and deferred mining costs written-off	**(3,963)**	(501)	(3,010)
General corporate income (expenses), net	**(9,040)**	(2,058)	3,414
Income and resource taxes	**(9,395)**	(8,858)	(5,772)
	$ 35,765	$ 30,495	$ 20,570
Identifiable assets by geographic area			
United States	**$ 619,959**	$341,535	$207,277
Canada	**144,722**	140,880	104,527
Identifiable assets	**764,681**	482,415	311,804
Corporate assets	**252,862**	75,276	243,973
Investments	**32,526**	143,144	120,005
Total assets	**$1,050,069**	$700,835	$675,782

NOTE 11 - JOINT VENTURES

The Company's 45% interest in Renabie, 26.25% interest in Pinson and 23.125% interest in Valdez Creek have been proportionately consolidated.

The Company's interests in these investments are summarized below:

	1989	*1988*	*1987*
Assets	**$32,976**	$38,932	$37,364
Liabilities	**8,359**	10,402	10,038
Revenue	**23,011**	23,032	21,065
Expenses	**23,822**	20,431	19,871

Under the terms of the Renabie Joint Venture agreement either the Company or its partner may require the other to purchase its interest in Renabie at a stipulated price or, at the other's option, sell its own holding to the other partner at such price.

NOTE 12 - PENSION OBLIGATIONS

The Company has several pension plans covering certain of its employees. The pension plans for the mining operations are defined contribution pension plans under which the Company makes annual contributions equal to the amounts accrued for pension expense at rates of 3% to 6% of the employees' basic earnings.

The Company also assumed a deferred compensation plan from a predecessor company which covers certain of the Company's senior executives. The plan provides for retirement benefits up to 70% of the average of the participant's best three years salary. The actuarial present value of the accumulated vested plan

(continued)

NOTE 12 - *(continued)*

benefits as at December 31, 1989 was $1,656,000 (1988 $1,483,000). The Company has fully provided for these amounts and funds them as they become payable. The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 10%. It was assumed that salaries will increase at an annual rate of 6%.

The total pension expense for 1989, 1988 and 1987 was $916,000, $642,000 and $522,000 respectively.

NOTE 13 - COMMITMENTS AND CONTINGENT LIABILITIES

(a) The Company is involved in litigation brought by Gold Standard, Inc. ("GSI") relating to the Mercur Mine. The following is a summary of that litigation.

Getty Oil Company (together with its subsidiaries, ("Getty")) and GSI entered into an Operating Agreement (the "Operating Agreement") in 1973 under which Getty acquired a 75% participating interest in the Mercur Mine. Getty had the option to finance an exploration program until such time as a feasibility study had confirmed the feasibility of the project. After that time, GSI was obliged to pay its pro rata share of expenditures or risk being converted, at the option of Getty, to a 15% net profits interest. GSI paid its pro rata share of the feasibility study but was then unable to, or declined to, pay its share of ongoing expenditures, and ultimately the 25% participating interest of GSI was converted to a 15% net profits interest.

In June 1985, the Company acquired its interest in the Mercur Mine through a subsidiary and succeeded to the rights of Getty under the Operating Agreement. In connection with that acquisition, the Company asked its counsel, Parsons, Behle & Latimer ("PB&L") of Salt Lake City, Utah, to review certain assertions made by GSI with respect to the Mercur Mine. The first was an assertion that the 25% participating interest of GSI had been improperly converted to a 15% net profits interest due to an alleged failure to receive the agreed-upon feasibility study; the second was an assertion by GSI that Getty granted GSI an option to reacquire its initial 25% participating interest; and the third was an assertion by GSI of a right of first refusal in the event of a sale of Getty's interest in the Mercur Mine. The Company, after consultation with PB&L, determined that the assertions of GSI appeared to be without merit.

In December 1986, GSI filed an action in the Third Judicial District Court of Tooele County, State of Utah, against the Company, Barrick Mercur Gold Mines, Inc. (now Barrick Resources (USA) Inc.), Texaco, Inc., Getty, and unidentified officers and directors of the named defendants. Although some of the claims in the lawsuit are based upon the assertions reviewed by PB&L in 1985, the complaint, as subsequently amended, also contains additional factual assertions and theories of recovery not encompassed in the PB&L review. Some of the additional assertions and theories of recovery, as contained in the Third Amended Complaint, are: that defendants failed to comply with a duty of fair dealing or to cooperate with GSI; that Getty consistently disregarded GSI's interests; that Getty used information and cost projections for decisions and failed to give such information to GSI; that defendants improperly calculated the value of GSI's net profits interest; that Getty tried to coerce GSI to accept less than full performance and to effect a waiver; that Getty failed to comply with its duties as an operator; that Getty expended excessive monies in developing the mine; that Getty falsely represented that it would restore GSI to participating partner and in reliance GSI did not pursue its legal remedies; that Getty breached a fiduciary duty to GSI and a duty of fair dealing; that Getty put the mine into production when the mine was not feasible; that Getty fraudulently concealed its breaches, including the extent of information that Getty possessed; that Texaco caused Getty to wrongfully sell the mine without giving GSI the right of first refusal; that the Company is liable to render GSI specific performance of the right of first refusal; that Getty and Texaco intentionally interfered with GSI's property rights; that the Company is liable for all of Getty's breaches; that Texaco transferred the mine as a stock sale so the Company could knowingly continue to unfairly calculate GSI's net profit interest; that the Company breached a duty of confidence and a fiduciary duty owed GSI by misusing confidential information; that GSI has title to 25% of the project land; that the defendants have trespassed on GSI's property and converted its ore; that the Company has interfered with GSI's present and future possessory rights; that the defendants and others conspired to interfere with GSI's rights and to destroy GSI as a business; that the Company breached an agreement with GSI to jointly purchase the Mercur Mine (on August 17, 1989, the court dismissed this claim); that the Company interfered with GSI's right of first refusal under the Operating Agreement (on August 17, 1989, the court dismissed this claim); and that the defendants acted intentionally and in bad faith with malicious intent to damage GSI.

GSI also filed a second lawsuit against substantially the same defendants in the same court involving substantially the same claims. The second lawsuit was dismissed without prejudice by GSI as against the Company and Getty pursuant to an Order dated June 28, 1988.

The relief sought by GSI includes, among other things, damages or restitution of the Mine or its value plus all gold removed from the Mine; reformation and/or rescission of the Operating Agreement, and an

accounting relating to the Mercur Mine. GSI also requests the imposition of a constructive trust upon the revenues of the mine, upon title to the property and upon other assets of the defendants. GSI is seeking damages for the value of minerals removed plus an amount to be determined for damage to GSI's business, and punitive damages from each defendant. As against the Company (and Barrick Resources (USA) Inc.), the relief sought is as follows: (1) either damages or restitution of (i) the mine or its value (claimed to be $250,000,000), and (ii) all of the gold removed from the mine (claimed to exceed $200,000,000) and the imposition of a constructive trust over all proceeds of the mine; (2) an order reforming the Operating Agreement or for rescission; (3) damages for GSI's lost opportunities, lost profits and other injuries; (4) specific performance of the right of first refusal; (5) quiet title in 25% of the project land and judgement for 25% of the minerals the Company extracted from the property; (6) a constructive trust over all profits from the mine and all properties acquired or developed with those profits, or for the difference between the stock value of the Company prior to acquisition of the Mercur property and the current stock value; (7) return of the mine and all the gold extracted by the Company to GSI or judgement for the amount of the value of the mine; (8) that the 15% profit be recalculated on the basis of the Company's actual investment and post-acquisition disbursements with credit for all gold produced regardless of disposition; (9) an accounting; and (10) punitive damages of $250,000,000.

The litigation had been delayed by procedural matters and matters related to the filing of a bankruptcy petition by Texaco, Inc. Discovery commenced in October, 1987. Extensive discovery has been completed but additional discovery remains to be done. The case has been scheduled for trial commencing April 30, 1990.

PB&L has advised the Company that, although discovery has not been completed, uncertainties exist in any litigation and disposition of the claims raised in the lawsuits may require a trial by jury, it is of the opinion that, to the extent the claims in the complaint are premised solely on the factual assertions reviewed by them in 1985 and to the extent that no material adverse facts are developed in discovery, these claims appear to be without merit and the likelihood of an unfavorable outcome to the Company with respect to these claims is relatively remote.

The opinion is based upon discovery to date and a review of the documentation available to and fully reviewed and assimilated by PB&L. To the extent that the claims in the lawsuit are based upon assertions other than the assertions reviewed by PB&L in 1985, or upon information received but not fully reviewed and assimilated to date or other undiscovered evidence, PB&L is unable to render an opinion at this time. Although discovery has not been completed, uncertainties exist in any litigation and disposition of the claims raised in the lawsuit may require a trial by jury, the Company is of the opinion that the lawsuit is without merit and intends to vigorously defend the action. The Company's opinion, as to claims in the lawsuit based upon assertions other than those reviewed by it in 1985, is based on its preliminary review of certain factual and legal matters. It is not possible to estimate the loss, if any, which might result from these alleged claims, but the award of substantial damages or the grant to GSI of equitable relief, such as the return of all or a portion of the Mercur Mine to GSI, could have a material adverse effect on the Company. Any such loss would be accounted for as adjustments of prior periods results.

(b) The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the business or financial position of the Company.

(c) As at December 31, 1989 under the Company's gold hedging program, the Company had purchased put options on 1,700,500 ounces of gold at an average put price of $417 per ounce with expiration dates varying over the next four years. To finance these put options the Company sold call options over the same period on 886,900 ounces of gold at an average call price of $461 per ounce with similar expiration dates. Also, 117,413 ounces of gold had been sold forward for delivery through December 1991, at an average price of $427 per ounce. Revenue is recognized as gold is delivered under these contracts. Under the terms of the guaranteed 5 1/4% notes payable and guaranteed 2% gold-indexed notes payable the Company is restricted from selling forward more than 50% of its annual consolidated gold production.

(d) The Company is currently expanding the Goldstrike Mine. As at December 31, 1989, the Company had entered into contracts and purchase commitments aggregating $3.2 million in connection with these activities. In addition to these commitments, the Company entered into a 15 year $30.1 million oxygen supply contract which requires monthly payments, commencing March 1, 1990, of $167,000. Approximately 33% of the payment is indexed to inflation.

(e) Based on a gold price of $403 per ounce, gold loans, deferred revenue and long-term liabilities estimated to be delivered or repaid in each of the next five years are as follows:

1990	$46,760
1991	49,646
1992	32,046
1993	44,589
1994	90,701

NOTE 14 - DIFFERENCES FROM UNITED STATES ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. United States generally accepted accounting principles differ in the following material areas:

(a) Certain deferred taxes relating to business combinations accounted for using the purchase method would not be carried forward. Accordingly, as at December 31, 1989 and 1988, deferred tax credits amounting to $5,174,000 and $5,598,000 would be eliminated and the carrying value of "Property, plant and equipment" would be reduced by similar amounts. As a result income taxes and depreciation for the year would be restated by $580,000, with no overall effect on net income.

(b) The decline in quoted market value of the Company's investment in publicly traded securities would be disclosed as a valuation allowance which would reduce "Investments" and "Shareholders' equity" by $2,438,000 and $23,719,000 as at December 31, 1989 and 1988 respectively.

(c) In 1986 one of the Company's subsidiaries would have been accounted for by the cost method.

(d) Current liabilities would be increased and long-term liabilities reduced by $21,428,000 and $75,800,000 as at December 31, 1989 and 1988 respectively representing the additional current portion of callable obligations under United States generally accepted accounting principles.

(e) Long-term liabilities and other assets would be reduced by $2,545,000 and $3,989,000 as at December 31, 1989 and 1988 respectively representing the unamortized premium due on maturity of notes payable.

(f) The Company's second preferred shares, series A which are redeemable by the holder at any time, would be excluded from capital stock. Notes receivable from officers and directors relating to share purchase loans would be recorded as a reduction of capital stock. Costs incurred in raising capital, which have been charged directly to retained earnings, would be deducted from capital stock. As at December 31, 1989 and 1988 capital stock would be reduced by $6,038,000 and $5,925,000 respectively.

(g) Interest costs associated with properties under development and assets under construction would be capitalized and depreciation would be restated accordingly.

(h) The 1987 extraordinary item would be included in loss from discontinued operations.

(i) Any loss which may arise from the claims described in note 13(a) would be accounted for currently in the year in which the settlement occurs. Legal costs associated with the litigation would be expensed in the year incurred.

(j) Amortization of property acquisition and deferred mine costs by the units of production method would be based on recoverable proven and probable gold reserves.

(k) Bullion settlements receivable would be excluded from components of cash in the consolidated statements of changes in financial position. Accordingly, cash provided by operating activities would be reduced by $1,332,000 (1988 $7,050,000 and 1987 $402,000) and cash at end of year would be reduced by $10,196,000 (1988 $8,864,000 and 1987 $1,814,000).

(l) In December 1987 the United States Financial Accounting Standards Board ("FASB") issued its Statement of Financial Accounting Standards No. 96, Accounting for Income Taxes ("SFAS 96"). SFAS 96 establishes standards of financial accounting and reporting for income taxes that are currently payable and for the tax consequences of (i) income statement items included in taxable income of an earlier or later year than the year in which they are recognized in income, (ii) other events that create differences between the tax bases of assets and liabilities and their amount for financial reporting purposes and (iii) tax loss and tax credit carrybacks and carryforwards. In December 1989 FASB issued SFAS 103, which amends SFAS 96, to defer the effective date of SFAS 96 to fiscal years beginning after December 15, 1991. Companies have the option of applying the standard either retroactively or prospectively. The impact of the adoption of SFAS 96 on net income and financial position, based on United States accounting principles, has not been determined.

The following summary sets out the adjustments to the Company's reported net income in order to conform to accounting principles generally accepted in the United States:

	1989	*1988*	*1987*
Net income before extraordinary item as reported	**$35,765**	$30,495	$20,570
Change in share of earnings of subsidiary	**754**	-	-
Legal costs on Mercur lawsuit	**(1,021)**	(1,198)	-
Capitalized interest net of amortization	**476**	1,408	1,539
Depreciation adjustment on gold reserves	**(5,236)**	(1,803)	-
Other	**85**	63	118
Net income from continuing operations	**30,823**	28,965	22,227
Reclassification of extraordinary item	**-**	-	(1,751)
Net income for the period based on United States accounting principles	**$30,823**	$28,965	$20,476
Weighted average number of shares outstanding during the year (in thousands) - Primary	**122,156**	121,434	110,018
- Fully diluted	**122,323**	121,446	111,096
Net income per share from continuing operations - Primary and fully diluted	**$0.25**	$0.24	$0.20
Net income per share - Primary and fully diluted	**$0.25**	$0.24	$0.18

All warrants, options and convertible preferred shares have been treated as common stock equivalents.

The following summary sets out the differences between the Company's balance sheet components in accordance with accounting principles generally accepted in Canada and the United States:

	1989		*1988*	
	Canadian basis	**U.S. basis**	Canadian basis	U.S. basis
Investments (b)	**$32,526**	**$30,088**	$143,144	$119,425
Property, plant and equipment (a),(c),(j),(g)	**633,791**	**619,618**	455,776	447,381
Other assets (e),(f),(i)	**15,698**	**9,617**	14,958	8,785
Current liabilities (f),(d)	**88,779**	**110,207**	43,069	119,174
Long-term liabilities (d),(e)	**61,271**	**37,298**	91,834	12,045
Deferred income taxes (a),(g),(i),(j)	**16,387**	**8,244**	11,147	5,302
Capital stock (f)	**427,509**	**421,471**	325,562	319,637
Retained earnings (c),(f),(g),(i),(j)	**77,140**	**74,040**	49,799	51,113
Foreign currency translation adjustment	**20,869**	**20,442**	15,124	14,697
Investment allowance (b)	**-**	**(2,438)**	-	(23,719)

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements and all of the data included in this annual report have been prepared by and are the responsibility of the Board of Directors and Management of the Company. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimates and judgements based on currently available information. The Company has developed and maintains a system of internal accounting controls in order to assure, on a reasonable and cost effective basis, the reliability of its financial information.

The consolidated financial statements have been audited by Coopers & Lybrand, Chartered Accountants. Their report outlines the scope of their examination and opinion on the consolidated financial statements.

Jeremy Garbutt,
Executive Vice-President and Chief Financial Officer

February 16, 1990

AUDITORS' REPORT

TO THE SHAREHOLDERS OF AMERICAN BARRICK RESOURCES CORPORATION

We have examined the consolidated balance sheets of American Barrick Resources Corporation as at December 31, 1989 and 1988 and the consolidated statements of income, retained earnings and changes in financial position for each of the three years in the period ended December 31, 1989. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1989 and 1988 and the results of its operations and the changes in its financial position for each of the three years in the period ended December 31, 1989 in accordance with generally accepted accounting principles in Canada applied on a consistent basis.

Coopers & Lybrand

Chartered Accountants

Toronto, Canada
January 29, 1990

COMMENTS BY INDEPENDENT AUDITORS FOR UNITED STATES READERS ON CANADA-UNITED STATES REPORTING CONFLICT

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when the financial statements are affected by a significant uncertainty such as that referred to in Note 13(a) of the financial statements. The above opinion is expressed in accordance with Canadian reporting standards which do not permit a reference to such an uncertainty in the auditors' report when the uncertainty is adequately disclosed in the financial statements.

Coopers & Lybrand

Chartered Accountants

Toronto, Canada
January 29, 1990

AMERICAN BARRICK RESOURCES CORPORATION

(in thousands of United States dollars except per share data)

SUMMARY QUARTERLY DATA (UNAUDITED)

1989	*First quarter*	*Second quarter*	*Third quarter*	*Fourth quarter*	*Year*
Revenue	**$46,551**	**$45,551**	**$50,208**	**$63,759**	**$206,069**
Income from operations	**16,984**	**17,556**	**20,267**	**31,524**	**86,331**
Gain (loss) on investments[1]	**-**	**(3,162)**	**3,687**	**(10,012)**	**(9,487)**
Net income for the period	**7,172**	**5,130**	**11,383**	**12,080**	**35,765**
Net income per share	**0.06**	**0.05**	**0.09**	**0.10**	**0.30**
1988					
Revenue	$27,384	$31,889	$38,477	$49,759	$147,509
Income from operations	9,839	14,419	15,441	21,509	61,208
Net income for the period	4,456	6,849	7,449	11,741	30,495
Net income per share	0.04	0.05	0.07	0.10	0.26
Fully diluted net income per share	0.04	0.05	0.06	0.10	0.25

[1] *Refer to Management's Discussion and Analysis of Financial Results.*

SUMMARY FINANCIAL DATA

The following table sets forth certain selected financial data with respect to the Company for the periods indicated.

	1989	*1988*	*1987*	*1986*	*1985*
Revenue	**$206,069**	$147,509	$92,127	$69,106	$37,327
Interest and other income	**21,945**	15,369	10,658	4,547	5,158
Net income from continuing operations	**35,765**	30,495	20,570	11,588	2,938
Net income from continuing operations per share	**0.30**	0.26	0.19	0.14	0.04
Net income (loss) for the year	**35,765**	30,495	18,819	11,588	(17,210)
Net income (loss) for the year per share	**0.30**	0.26	0.18	0.14	(0.22)
Total assets	**1,050,069**	700,835	675,782	318,884	165,329
Long term liabilities [1]	**61,271**	91,834	137,010	61,942	9,619
Deferred revenue [1]	**358,114**	164,300	142,103	47,598	65,894
Redeemable preferred shares	**-**	305	341	655	2,267
Cash dividends per share	**0.06**	0.04	0.02	-	-

The financial information set forth above is restated to conform with United States generally accepted accounting principles as follows:

	1989	*1988*	*1987*	*1986*	*1985*
Interest and other income	**$22,699**	$15,369	$10,658	$2,953	$3,222
Net income (loss) from continuing operations	**30,823**	28,965	22,227	10,154	1,269
Net income (loss) from continuing operations per share	**0.25**	0.24	0.20	0.12	0.01
Net income (loss) for the year	**30,823**	28,965	20,476	10,154	(18,879)
Net income (loss) for the year per share	**0.25**	0.24	0.18	0.12	(0.24)
Total assets	**1,027,377**	662,282	634,803	303,130	156,174
Long-term liabilities [1]	**37,298**	27,170	19,424	23,627	9,619
Deferred revenue [1]	**358,114**	149,175	142,252	47,865	60,519

[1] *Excludes current portion.*

[2] *Refer to notes 13 and 14 to the Consolidated Financial Statements for information regarding contingencies and differences between Canadian and United States generally accepted accounting principles.*

Market for the Company's shares and related shareholder matters

The Company's common shares are listed on the Toronto, Montreal, New York and Swiss stock exchanges and on the Paris Bourse. As at December 31, 1989 there were 6,867 registered shareholders of record of the Company's common shares. The following table sets forth the high and low prices of the Company's common shares as traded on The Toronto Stock Exchange on a quarterly basis for the current and preceding year. All share volumes and prices have been adjusted for the two-for-one share split effected by means of a stock dividend paid on December 29, 1989.

		Share Volume (thousands)	*High*	*Low*
1989	**First Quarter**	**19,017**	**C$13.81**	**C$9.75**
	Second Quarter	**9,342**	**14.56**	**11.44**
	Third Quarter	**16,981**	**16.00**	**12.44**
	Fourth Quarter	**19,682**	**20.00**	**13.50**
1988	First Quarter	19,108	C$14.38	C$11.00
	Second Quarter	9,916	13.88	11.63
	Third Quarter	10,038	12.50	9.13
	Fourth Quarter	9,410	11.19	9.50

The following table sets forth the high and low prices of the Company's common shares as traded on The New York Stock Exchange on a quarterly basis for the current and preceding year. All share volumes and prices have been adjusted for the two-for-one share split effected by means of a stock dividend paid on December 29, 1989.

		Share Volume (thousands)	*High*	*Low*
1989	**First Quarter**	**12,436**	**$11.56**	**$8.19**
	Second Quarter	**6,882**	**12.19**	**9.50**
	Third Quarter	**12,042**	**13.44**	**10.50**
	Fourth Quarter	**20,464**	**17.19**	**11.56**
1988	First Quarter	15,988	$11.44	$8.50
	Second Quarter	9,604	11.32	9.38
	Third Quarter	8,174	10.32	7.38
	Fourth Quarter	5,764	9.19	7.94

The closing price of the Company's common shares on December 31, 1989 on The Toronto Stock Exchange was C$18.375 and on the New York Stock Exchange was $15.8125.

Shareholders

Except as set out below, the Company is not aware of any material governmental laws, decrees or regulations in Canada that restrict the export or import of capital, including, but not limited to, foreign exchange controls, or controls that affect the remittance of dividends, interest or other payments to non-resident owners of the Company's securities. The Company is also not aware of any limitations imposed by Canadian law or by the charter or other constituent documents of the Company which limit the right of non-resident or foreign owners of the Company's common shares to hold or vote such shares.

The Investment Canada Act (Canada) ("the Act") restricts in certain circumstances the acquisition of control of Canadian business enterprises by non-Canadian individuals, corporations, governments or groups containing foreign members (collectively "non-Canadian") (i) through the acquisition of shares or property used in carrying on the business and (ii) through the establishment of a new business in Canada where the new business or expansion is unrelated to the existing business. The Act provides for a mechanism whereby these forms of foreign investment are subject to notification or review by a governmental agency known as "Investment Canada", in the case of investments which are subject to review, in order to establish whether a proposed investment is of "net benefit to Canada". The review provisions of the Act do not apply to purchases of shares or other securities where such purchases do not involve the acquisition of control. However, there is a rebuttable presumption under the Act that control has been acquired if the acquisition involves one-third or more of the voting rights attaching to all voting securities of a company. Accordingly any person seeking to acquire one-third or more of the voting securities of the Company should consult an appropriate legal advisor.

Dividends

In 1989, the Company paid cash dividends of $0.06 (C$0.075) per share, $0.03 (C$0.0375) on June 15 and $0.03 (C$0.0375) on December 15. Common share dividends of $0.04 (C$0.05) per share were paid in 1988, $0.02 (C$0.025) on June 15 and $0.02 (C$0.025) on December 15.

The Company anticipates that cash dividends, if any, in the foreseeable future will be modest. The Company's intention is to retain most of its earnings to support current operations, to fund exploration and development projects and to fund acquisitions of North American gold properties. The Company is prohibited under certain of its financing arrangements from distributing to its shareholders in any year an amount exceeding net income of the previous year.

The Income Tax Act (Canada) imposes a tax of 25% on non-residents of Canada who receive dividends from corporations resident in Canada, which tax is required to be withheld by the corporation at the time the dividend is paid. Generally, the Canada-United States Income Tax Convention (the "Convention") reduces the rate of tax on dividends to 15%. The Convention further reduces the rate of tax on dividends to 10% if the dividend is paid to a United States corporation which beneficially owns at least 10% of the voting shares of the corporation resident in Canada. Therefore, except where the shareholder is a United States corporation holding 10% or more of the voting shares of the Company, dividends paid by the Company to residents of the United States will be subject to a withholding tax of 15%.

Reserves

Although the Company has carefully prepared and verified the ore reserve figures presented in this Annual Report and believes that its method of estimating reserves has been verified by mining experience, such figures are estimates, and no assurance can be given that the indicated level of gold recovery will be realized. Market price fluctuations of gold may render ore reserves containing relatively lower grades of gold mineralization uneconomic. Moreover, short-term operating factors relating to the ore reserves, such as the need for orderly development of ore bodies or the processing of new or different ore grades, may cause the Company to be unprofitable in any particular accounting period.

DIRECTORS AND OFFICERS

DIRECTORS

▲●▼ **Howard L. Beck**
Toronto, Ontario
Barrister and Solicitor

●▼ **C. William D. Birchall**
Nassau, Bahamas
Chief Financial Officer,
Arlington Investments Limited

■ **Marshall A. Cohen**
Toronto, Ontario
President and Chief Executive Officer,
The Molson Companies Limited

David J. Davies
London, England
Chairman,
Johnson Matthey plc

Jeremy Garbutt
Toronto, Ontario
Executive Vice-President and Chief Financial Officer,
American Barrick Resources Corporation

■ **David H. Gilmour**
New York, New York
Vice-Chairman,
Arlington Investments Limited

● **John A. Hall**
Toronto, Ontario
Representative,
National Investors Management Limited

David R. Hinde
London, England
Executive Director,
Corporate Finance,
Samuel Montagu & Co. Limited

▲■ **Angus A. MacNaughton**
San Francisco, California
President,
Genstar Investment Corporation

▲ **Peter Munk**
Toronto, Ontario
Chairman and Chief Executive Officer,
American Barrick Resources Corporation

▲ **P. Anthony Novelly**
St. Louis, Missouri
President and Chief Executive Officer,
Apex Oil Company

▼ **Joseph L. Rotman**
Toronto, Ontario
President,
Roy-L Resources Limited

▲ **Robert M. Smith**
Oakville, Ontario
President and Chief Operating Officer,
American Barrick Resources Corporation

OFFICERS

Peter Munk
Chairman of the Board and Chief Executive Officer

Angus A. MacNaughton
Deputy Chairman

Robert M. Smith
President and Chief Operating Officer

Jeremy Garbutt
Executive Vice-President and Chief Financial Officer

Alan R. Hill
Senior Vice-President,
Operations

Paul M. Kavanagh
Senior Vice-President,
Exploration

Brian K. Meikle
Senior Vice-President,
Development

M. Isabel Mulligan
Senior Vice-President,
Investor Relations

Gregory C. Wilkins
Senior Vice-President,
Finance

Kenneth G. Thomas
Vice-President,
Metallurgy and Construction

Louis Dionne
Vice-President,
Canadian Operations

John W. Lill
Vice-President,
United States Operations

William R. Robertson
Vice-President and Secretary

Robert B. Wickham
Treasurer

André R. Falzon
Controller

HONORARY DIRECTOR

Norman J. Short
Victoria, British Columbia

▲ *Member of the Executive Committee*
● *Member of the Audit Committee*
■ *Member of the Compensation and Nominating Committee*
▼ *Member of the Stock Option Committee*