AMERICAN BARRICK

A Growth Company

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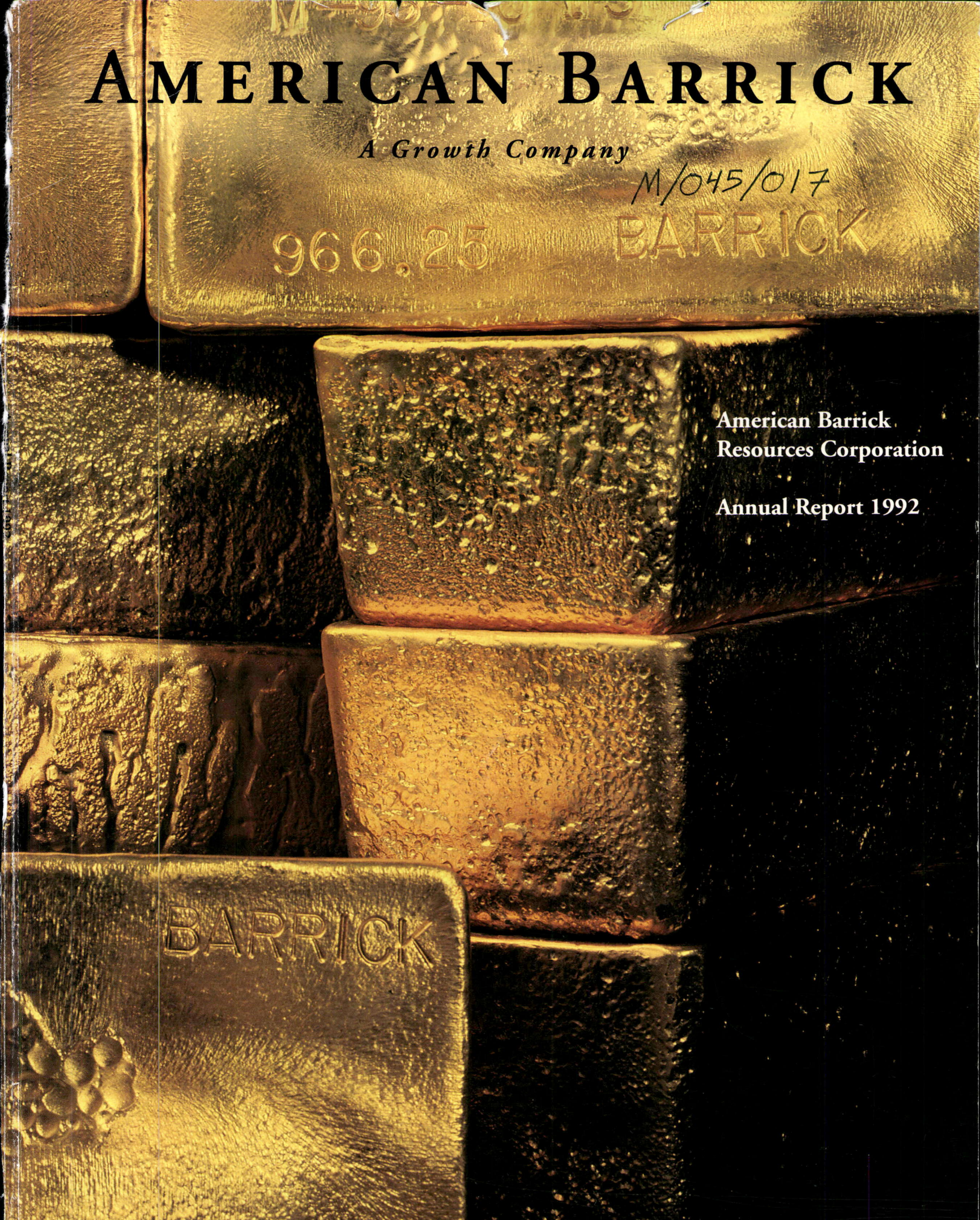

American Barrick Resources Corporation

Annual Report 1992

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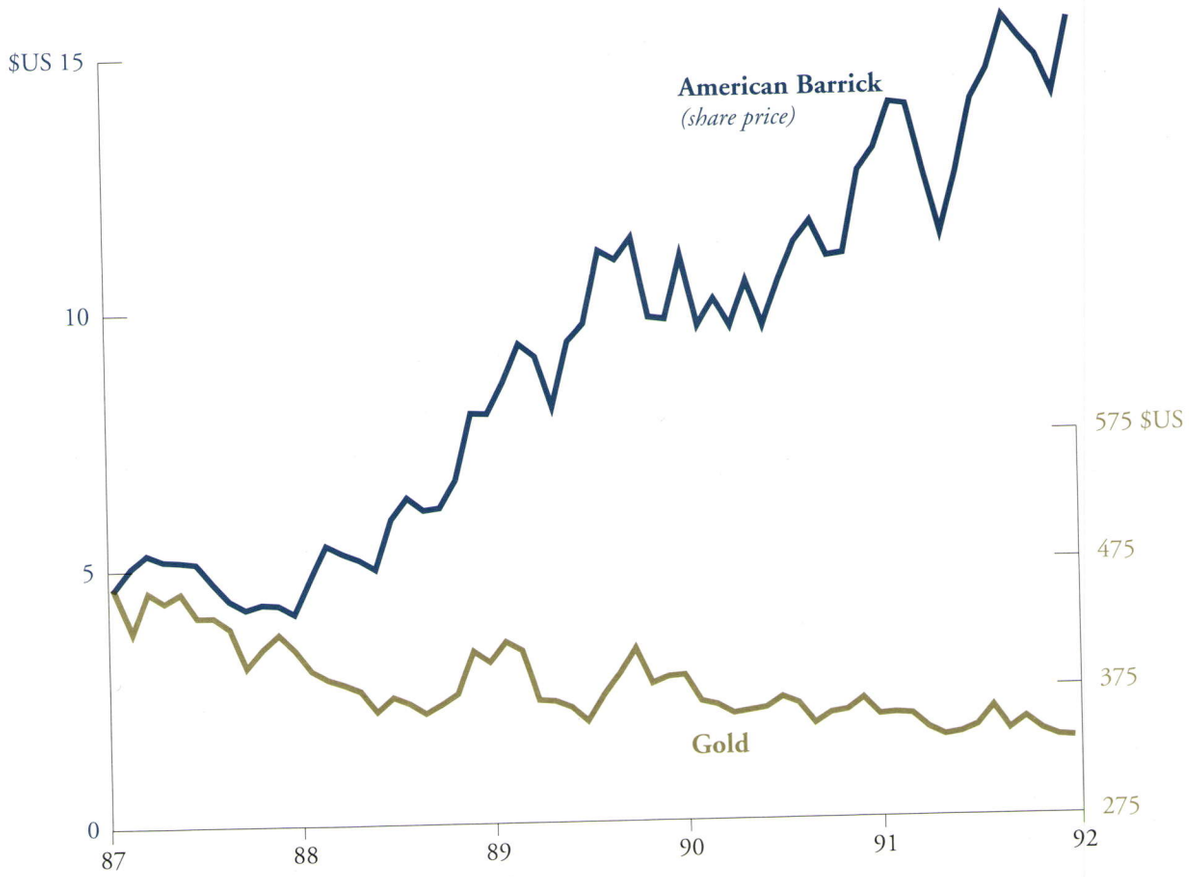
DIVISION OF
OIL GAS & MINING

The goal of American Barrick is to create value for its shareholders. It achieves this goal by maximizing the potential of its operations while minimizing financial risk. As a result, Barrick shares have tripled in value over the last five years, despite the decline in the gold price.



1992 Highlights

American Barrick has enjoyed a consistent record of growth. It is well-positioned to ensure this trend continues into the future.

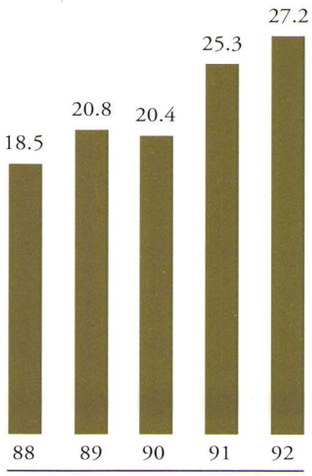
	1992	1991	% Change
Financial Results *(millions of US dollars)*			
Revenue from gold sales	**$540.4**	$344.7	57
Net income	**174.9**	92.4	89
Operating cash flow	**252.0**	157.8	60
Operations *(US dollars)*			
Gold production *(ounces)*	**1,325,432**	789,846	68
Operating cost per ounce	**$164**	$205	(20)
Cash cost per ounce	**$210**	$305	(31)
Per Share Data *(US dollars)**			
Net income *(fully diluted)*	**$0.61**	$0.34	79
Dividends	**$0.065**	$0.055	18
Common shares *(millions)*			
Outstanding at year end	**283.8**	281.8	
Weighted average			
Basic	**282.6**	272.9	
Fully diluted	**291.1**	276.6	
Financial Position *(millions of US dollars)*			
Cash and short-term investments	**$288.0**	$252.1	
Property, plant and equipment	**1,094.4**	921.7	
Long-term obligations	**322.2**	311.0	
Shareholders' equity	**992.7**	840.7	
Reserves *(ounces)*			
Proven and probable	**25,719,000**	24,377,000	
Possible	**1,437,000**	926,000	
	27,156,000	25,303,000	

* *Common shares and per share amounts reflect two-for-one share split, effective March 1, 1993*

Performance and Objectives

Gold Reserves

Performance: In-fill drilling at Goldstrike during 1992 resulted in a 19.3% increase in Betze-Post reserves. The Company's total reserves now exceed 27 million ounces.

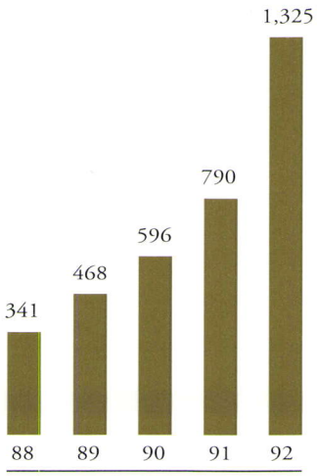


(millions of ounces)

Objective: Through the development of its existing properties and the acquisition of new properties, Barrick intends to continue to increase its reserve base.

Gold Production

Performance: Barrick became a million-ounce producer in 1992. High grades and outstanding performance at Goldstrike enabled the Company to exceed its four-year production target.

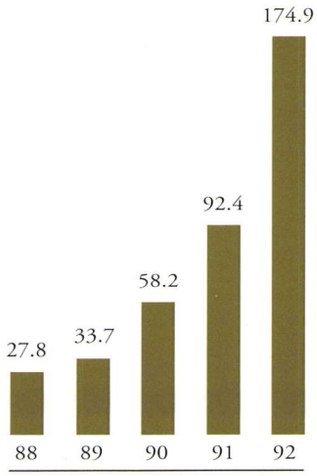


(thousands of ounces)

Objective: The Company plans to continue to increase production over the next three years based on the new mine plan for Goldstrike. Production should increase each year to an annual level of two million ounces by 1995.

Net Income

Performance: Net income rose 89% in 1992. Rising production, declining costs and Barrick's gold hedging program are the factors responsible for this pattern of growth.

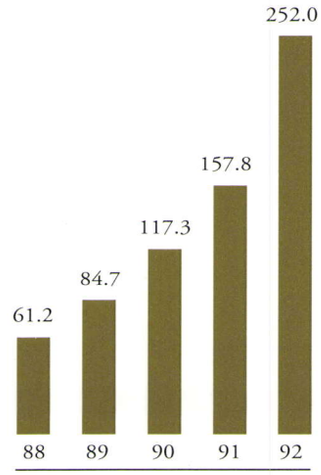


(millions of US dollars)

Objective: The Company will continue to focus on earnings growth by emphasizing the key components of income: increased production, lower costs and effective gold price hedging.

Operating Cash Flow

Performance: Consistent strength in earnings has increased cash flow dramatically in each of the last five years. Its biggest jump occurred in 1992 with a 60% increase.



(millions of US dollars)

Objective: Barrick has always concentrated on maximizing the cash flow value of its assets. Future cash flow will be significant as earnings rise and capital expenditures decline.

1992 was an outstanding year for American Barrick. It was rewarding to surpass the production goals we set in 1989 when the Betze Development Plan was announced and to benefit from the outstanding financial results that these accomplishments generated.

We achieved record levels of gold production, reserves, earnings and cash flow. We have now set higher goals for ourselves and are working hard toward their achievement.

"Barrick took steps during the year to increase annual production to two million ounces by 1995."

In 1992, Barrick produced over 1.3 million ounces, its operating costs dropped to $164 an ounce, reserves increased to 27.2 million ounces, net income rose 89% to $174.9 million, and cash flow increased to $252 million. Our unique gold price hedging program was again effective, providing the Company with a realized price of $422 an ounce, $77 above the average spot price for the year.

This performance demonstrates our continued commitment to the philosophy of maximizing operating potential and minimizing financial risk that has guided Barrick since its entry into the gold business in 1983. Our objective has always been to build a company that would be financially successful, entrepreneurially oriented and managed with a highly conservative financial strategy. The financing of our growth through equity and internally generated cash flow and the sheltering of our cash flow and earnings from gold price fluctuations through an extensive hedging program are all important components of this approach.

During 1992, we began to realize the benefits of the four-year, half-billion dollar Betze Development Plan at the Goldstrike Mine in Nevada. We reached the higher grade sulphide ore and made substantial progress in the completion of the processing facilities. During the year Barrick became a million-ounce producer and took steps to further increase annual production to two million ounces by 1995, well ahead of our original schedule.

This dramatic acceleration has been made possible by many factors, of which two need mentioning. One is the higher than originally estimated gold grade of the Betze-Post reserves. Indeed, such consistently higher grade allowed us to revise our reserves at Betze-Post upwards by 3.6 million ounces in 1992.

"We remain on the lookout for opportunities to increase reserves and production."

The other key factor was the signing of the joint mining and operating agreement with Newmont, our immediate neighbor at the Goldstrike Mine on the Carlin Trend. This agreement has enabled us to accelerate our mining program and access higher grade material more quickly. At this point, I should also mention that the development of this plan would not have been possible but for the outstanding performance – at all levels – of our nearly 1,500 people, executives, technicians and miners at Goldstrike. Their devotion, commitment and spirits were indispensible to the attainment of these outstanding results.

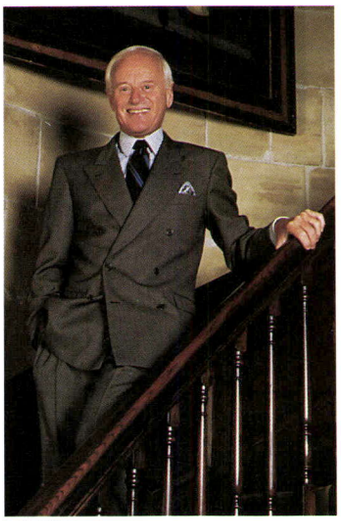
With this planned production increase at Goldstrike by 1995, we are able to phase in the opening of the Meikle Mine later than originally contemplated. This high grade gold mine, with its 400,000 ounces of anticipated annual production, will now begin operation in 1996.

As exciting as these developments are, Barrick remains an entrepreneurial company. We remain on the lookout for opportunities to increase reserves and production but only at prices that will add additional value for shareholders. Barrick is in a strong financial position and able to pursue these opportunities. We have a healthy, liquid balance sheet: close to $300 million in cash and short-term investments and shareholders' equity of nearly $1 billion.

While we are continuing to look for new reserves at our existing properties and to search out other prospects in the United States, we have decided to move beyond our North American base. We opened offices in Mexico and Chile, two less developed but highly prospective gold regions. With their improved economic and political climate, we are now prepared to make commitments to these countries. Only the geography has changed – our other criteria for acquisitions and development remain as rigorous as ever.

"We are dedicated to keep our focus on growth in earnings and cash flow, which we believe is the most effective way to create value for our shareholders."

We also continued to enjoy the benefits of our unique and extensive gold price hedging program. This program was one of the founding strategies of our Company, and was designed to implement our philosophy of prudent financing by protecting us from fluctuations in the gold price. We remain committed to it because it has worked for us.



In just three more years – 1995 – Barrick will be producing two million ounces of gold a year. It is a challenging goal, but we approach it with confidence. The properties, the people and the financing are all in place to achieve this goal. We are dedicated to keep our focus on growth in earnings and cash flow, which we believe is the most effective way to create value for our shareholders. Our Company's shares, which have risen in value by 18 times since 1983, confirm this belief.

In February 1993, the Board of Directors also continued our policy of increasing dividends in line with increases in earnings. In addition, a two-for-one share split was effected to make Barrick shares more accessible to investors.

As we continue to grow, American Barrick will remain loyal to the vision, the entrepreneurial spirit and the outstanding people of all backgrounds who have built this Company. We are now embarking on the next phase of growth.

Peter Munk
Chairman and Chief Executive Officer

February 24, 1993

A Growth Company

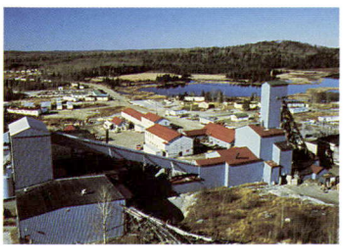
The story of American Barrick is one of exceptional growth – record performance, year after year. These achievements are the result of a corporate philosophy based on maximizing opportunities and minimizing risks. These principles will continue to guide Barrick in the future.

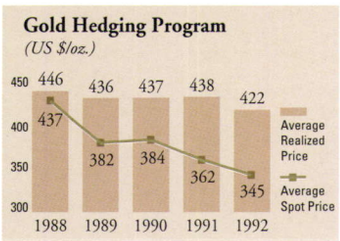
American Barrick entered the gold business in 1983 by acquiring interests in two small mines – Valdez Creek and Renabie (below). In that first year, the Company produced 3,000 ounces of gold.

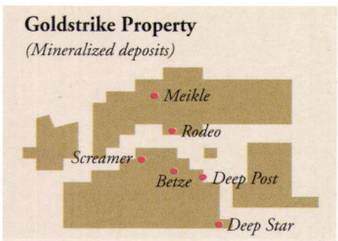
Barrick's comprehensive gold hedging program has consistently outperformed the spot gold price. In the last five years, the Company has received above-spot prices. It will continue to use this strategy to reduce risk and enhance yield in the future.

Barrick acquired Goldstrike at the beginning of 1987. Known reserves were 600,000 ounces. Reserves have increased to more than 25 million ounces, representing the largest reserve base on one property in North America. The opportunity remains excellent to expand these reserves further.

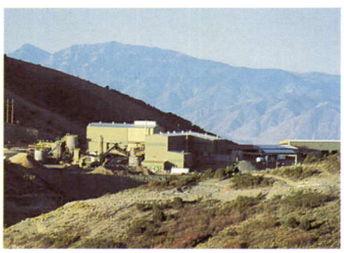
At the start of the Betze Development Plan, Goldstrike mined 38 million tons a year. Now the rate has more than tripled to 140 million tons. Skilled employees operate a fleet of electric shovels and 190-ton trucks 24 hours a day, using a computerized dispatch system to co-ordinate truck movements.





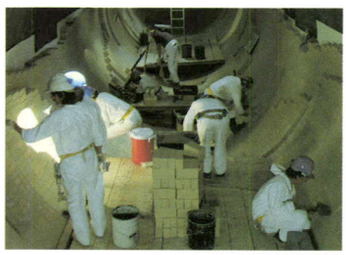


When it acquired the Camflo Mine in 1984, Barrick united two complementary strengths – Camflo's operational expertise and its own financial acumen. The resulting mix has made the Company one of the top gold producers in the world.



The Mercur Mine, acquired in 1985, signalled Barrick's entry into the ranks of the major gold producers. Production at Mercur was 79,105 ounces in the year prior to acquisition – and has been well over 100,000 ever since. It demonstrates the Company's ability to enhance the value of its acquisitions by raising production and lowering costs.

The four-year Betze Development Plan was launched in 1989, to develop the high grade sulphide ore at the Goldstrike Mine. It has already helped to increase annual production there to over 1.1 million ounces of gold. The program required a capital investment of over a half-billion dollars for mining and processing facilities.



The autoclaving process improves gold recovery from 30% to 90% in sulphide ore. It was originally used in aluminum processing. Barrick installed its first autoclave at Mercur in 1988. Since then it has installed six more at Goldstrike, which can process 15,000 tons of sulphide ore a day.

Barrick is committed to protecting the environment at all its operations. For example, the Company has established over $2 million in trust funds for riparian area replacement and long-term monitoring and mitigation at Goldstrike.

Barrick has built an enviable financial position during its first decade of operation: large cash balances, strong shareholders' equity and a low debt-to-equity ratio. As a result, the Company is well-positioned for acquisitions and development in the future.

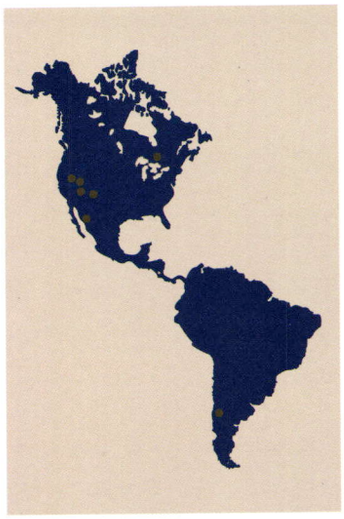
Barrick has now decided to pursue expansion opportunities beyond North America. It has established offices in Mexico and Chile, and will follow the same prudent investment principles that guide Company activities in North America.

Under the agreement with Newmont Gold Company, Barrick has developed an accelerated mine plan for the Betze-Post deposit. It provides access to higher grade material more quickly and, therefore, increases gold production.

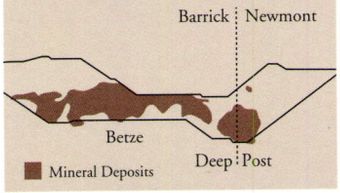
Financial Position
(1992)

(millions of US $)

Cash and short-term investments	288
Shareholders' equity	992
Debt-to-equity ratio	.32 to 1

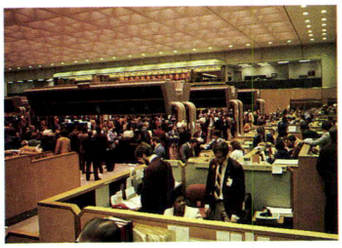


Goldstrike Cross-Section



Record annual increases in gold production demonstrate Barrick's ability to add value to its acquisitions. The Company has increased production every year – from 3,000 ounces in its first year of operation to over 1.3 million ounces in 1992.

At the beginning of 1992, the Company announced plans for one of the most significant new gold mines of the 1990s. When it opens in 1996, the Meikle Mine, located on the Goldstrike property, is expected to produce 400,000 ounces of gold a year. Operating costs should be approximately $125 an ounce.



Since the Company entered the gold industry in 1983, shareholder value has increased from $88 million to $5 billion, ranking Barrick eighth in market capitalization on The Toronto Stock Exchange. At Barrick, maximizing shareholder value is the top priority.

In 1992, the contributions of American Barrick's dedicated and talented people at its operations led to a 68% increase in gold production to 1,325,432 ounces.

Key developments during the year at Goldstrike, the Company's principal mining property, will ensure that the growth in production will continue. High grade sulphide ore and a new mining plan for Goldstrike should take overall gold production to two million ounces by 1995.

Goldstrike Mine, Nevada

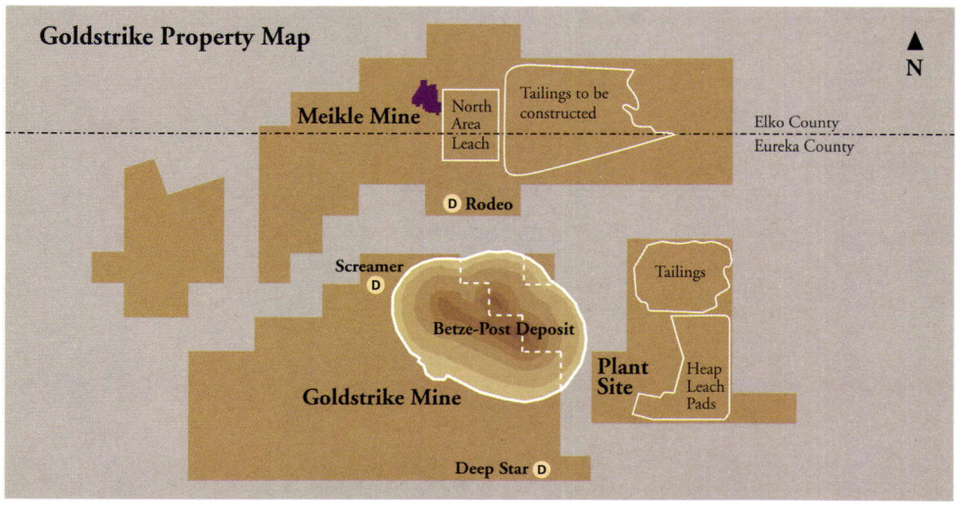
During 1992, the Betze Development Plan was virtually completed and the higher grade sulphide ore in the Betze pit was reached in the fourth quarter. Production in this quarter was 430,000 ounces of gold, 39% of the year's total production and the grade averaged 0.45 ounces of gold per ton for the sulphide ore. While the average reserve grade of the sulphide ore is 0.193 ounces of gold per ton, mining over the life of the pit will be in and out of the high grade material similar to that encountered in the fourth quarter. As a result, the Goldstrike Mine – a 7,000-acre expanse in the northern sector of the prolific Carlin Trend of Nevada – produced 1,108,219 ounces of gold in 1992, more than double the 546,146 ounces produced in 1991.

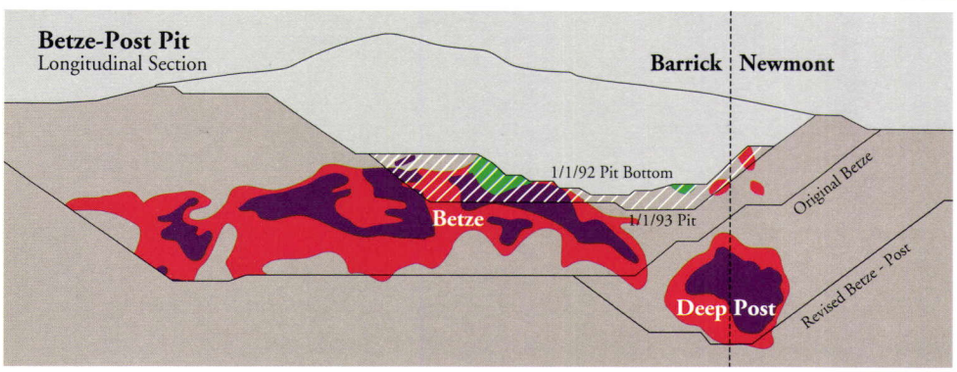
Operating costs declined significantly to $143 an ounce from $175 a year ago because of the sharp rise in production arising from the higher grades. In addition to the decline in operating costs, cash costs declined to $199 an ounce from $318 a year earlier and this continued a trend from 1990 when cash costs were $393 an ounce. This increase in production and decline in costs have had a major impact on Barrick's earnings and cash flow.

Goldstrike's ore reserves increased significantly at year end to 21 million ounces. This followed an in-fill drilling program and the subsequent application of pit geology and structure to the reserve calculations, undertaken to get a better understanding of the Betze-Post deposit. Betze-Post reserves increased by 19.3%, or 3.6 million ounces, and the average sulphide grade increased 10% to 0.193 ounces of gold per ton. Barrick believes that the average grade and total reserves of this deposit are still being underestimated. More precise information will be available as Goldstrike gains more experience in mining the high grade sulphides. The Company is optimistic that the average grade and the total reserve of this deposit will increase.

In 1992, the Mine moved 140.7 million tons of ore and waste, for an average of 386,000 tons per day, up from 127.8 million tons a year earlier. To sustain this high rate of mining, the Mine uses a fleet of 42-cubic yard electric shovels and 190-ton haulage trucks. A fourth shovel and six 190-ton trucks were added in 1992, bringing the total 190-ton truck fleet to 46 units. The selection of large capacity equipment helps keep mining costs low through economies of scale.

Despite the aggressive mining pace, the Mine continues to be successfully dewatered, well ahead of mining. The pit is dry, as the water table is close to





- Sulphide Ore *(>0.250 oz/ton)*
- Sulphide Ore *(0.065 – 0.250 oz/ton)*
- Oxide Ore

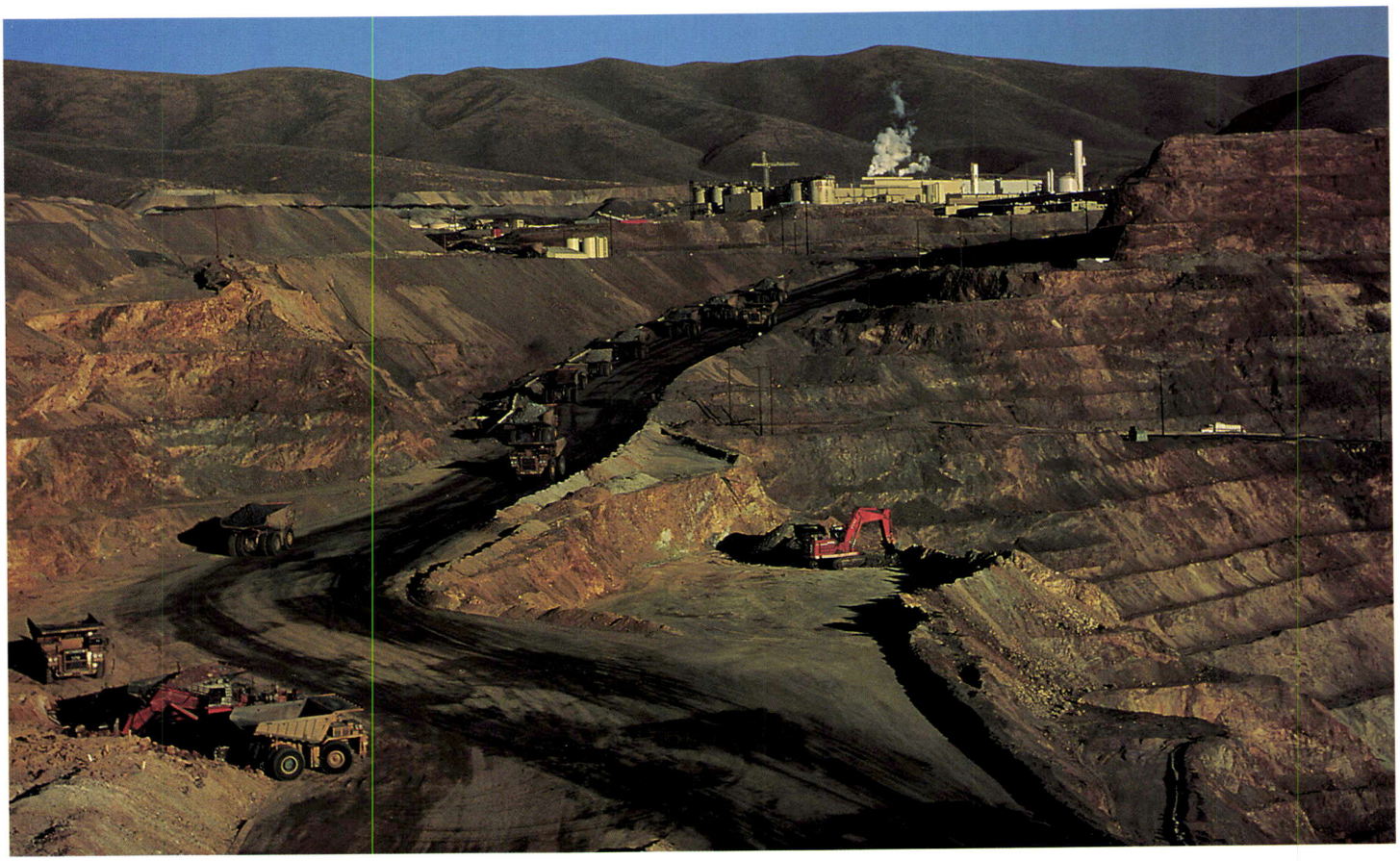
200 feet below the pit floor and approximately 700 feet below its original level.

The four-year Betze Development Plan entered its final stage during the year, with the timely commissioning of the second mill, the second and third autoclaves and the new oxygen plant. As a result, the processing capacity increased to 15,000 tons per day. When the final three autoclaves are commissioned in March 1993, the Plan will be complete and the entire processing capacity converted to sulphide ore.

All remaining oxide ore will be placed on the North Area heap leach pads, which were completed in early 1992. While heap leach and milled oxide ounces accounted for 21.6% and 17.5% respectively of total 1992 production, these sources of production will drop to less than 10% of 1993 production, with high grade sulphide ore becoming the mainstay of the Goldstrike operation from this point forward.

Capital expenditures during 1992 were $143.9 million for process facilities, including completion of two autoclaves, work on the the final three autoclaves and purchase of new mining equipment. Deferred stripping added an additional $71.3 million.

Total full-time employees at Goldstrike rose to 1,347 at year end and the annual turnover rate continued to decline in 1992, largely because of the high level of employee satisfaction with the Company. Significant advances were made during the year to enhance the operation's comprehensive safety program. The Mine was ranked among the top third of companies worldwide in a safety audit conducted by the International Loss Control Institute.



Beyond the steady stream of trucks on the main haul road of the Betze-Post pit lie the 15,000 ton-per-day Goldstrike processing facilities. To the right in the foreground is the east wall of the Betze-Post pit under which lies the Deep Post orebody.

As a part of the Newmont/Barrick agreement signed in December 1992, the life of mine plan has been revised for Goldstrike and the Betze pit expanded to become the Betze-Post pit. These changes will have a positive effect on the Mine's future production. Under the accelerated plan, mining will continue at the rate of 140 million tons a year rather than declining to 80 million tons a year as originally planned, allowing for more rapid access to the higher grade material.

In the expanded pit, mining will move in two directions at once: continuing west into the Betze deposit and eastward toward Deep Post. The result will be a larger and more economic pit that offers more flexibility in mining.

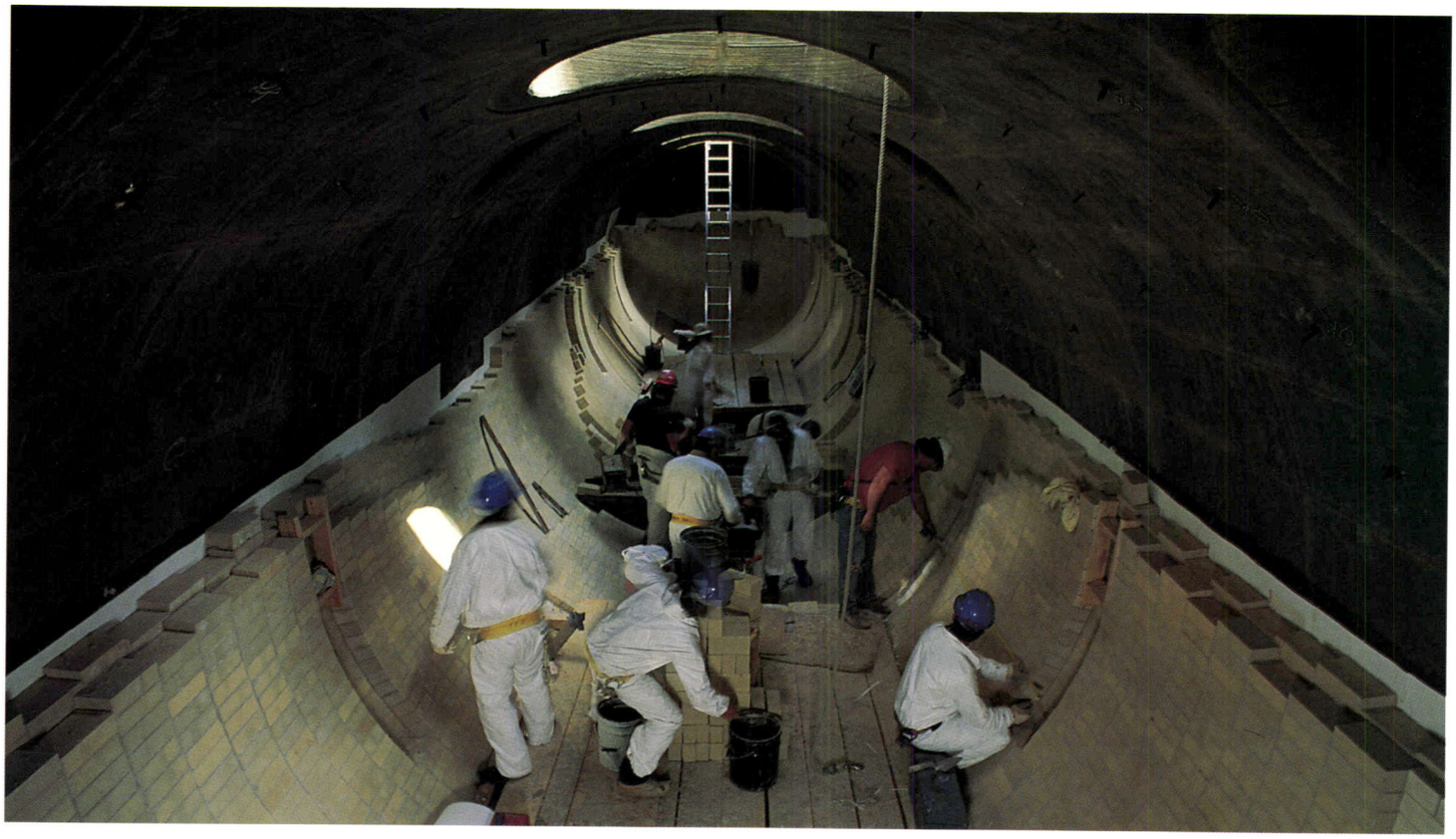
Costs for the expanded portion of the pit will be shared equally with Newmont on the basis of the ounces contained in Deep Post. Newmont has dedicated considerable land on the North Block for the purposes of this mining program. Barrick will also share the use of Newmont's bioleach technology once it is

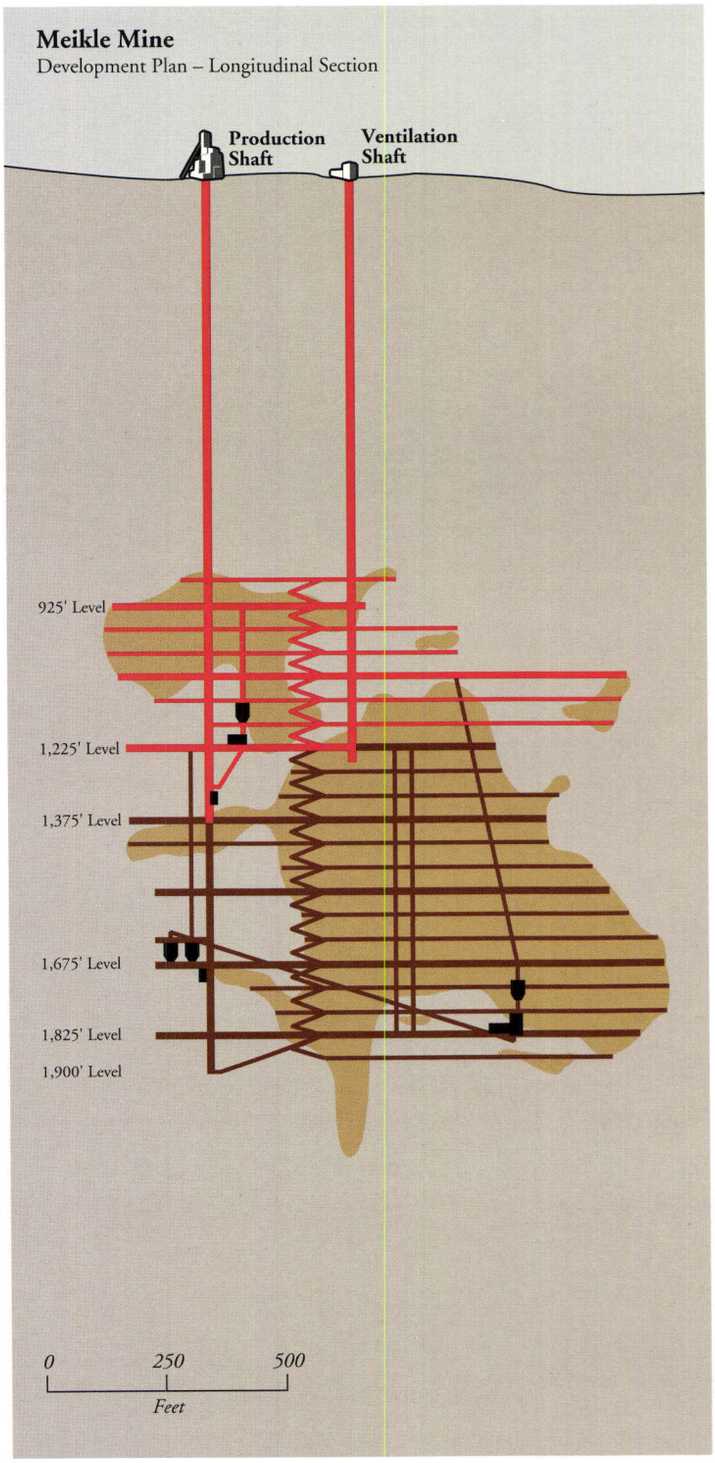
Construction workers install the double brick lining in one of the three new autoclaves coming into production in the first quarter of 1993. The brick lining acts as protection for the steel shell during the high temperature and high pressure operation.

commercialized, eventually allowing Barrick to process low-grade material currently classified as waste.

As a result of this new plan and the higher grade identified in the Betze-Post pit, Goldstrike is targeted to produce 1.3 million ounces in 1993, 1.5 million in 1994 and 1.8 million ounces in 1995.

At the same time, exploration work will continue on the Goldstrike property in 1993. As well as the added potential remaining in the Betze-Post pit, there are other excellent opportunities not only to replace reserves mined but to increase the property's reserves. Exploration will be concentrated on the north and west limits of the Betze deposit in the areas around the Screamer and Rodeo mineralization. Work will also be undertaken along the Post fault system, the 4500-foot stretch from Deep Post south to Deep Star.





Meikle Mine, Nevada

The Meikle Mine, announced in February 1992, lies one mile north of the Goldstrike Mine and currently has reserves of 4.8 million ounces of gold. Once in full production, it should average 400,000 ounces of gold per year, at an estimated cost of $125 per ounce.

The attractive economics reflect the high grade of the deposit – 0.61 ounces of gold per ton – and the Mine's proximity to Goldstrike, making it unnecessary to develop separate processing facilities.

Because of additional production in the next three years as a result of changes to the Betze-Post mine plan, Meikle will be brought into operation in 1996. The extended development time will permit the underground infrastructure to be more fully developed before production commences.

A substantial amount of engineering work was completed during the year. This work focussed on the design of the shaft and hoisting, ventilation and cooling, and backfill systems.

The shaft sinking contract has been awarded, with sinking of the ventilation and production shafts scheduled to start in mid-1993. Extensive metallurgical work confirmed the amenability of the Meikle ore to the autoclave process, with recoveries expected to exceed 90%.

Capital expenditures for the entire project remain in line with the original estimate of $180 million and were $21.6 million in 1992, primarily for dewatering and engineering.

Exploration drilling identified an area to the south of the main Meikle orebody with significant potential for increasing mineable ore reserves on the upper levels of the Mine. During 1993 a total of 29 holes will be drilled in this area to determine the extent of this zone and the addition to reserves.

This aerial view of the Mercur Mine, located 7,000 feet above sea level in the Oquirrh Mountains, shows the processing facilities (left) and the Sacramento pit (right) where mining is currently underway.

Mercur Mine, Utah

Mercur has always been a smooth and steady performer. In 1992 the Mine had another good year, producing 121,239 ounces at an average operating cost of $262 an ounce. A higher than planned oxide mill ore grade was the primary reason for the strong production performance.

The mill processed 1.8 million tons, averaging 4,908 tons per day, lower than planned due to extremely hard, jasperoid ores that were mined throughout the year. However, the head grade of the ore was higher than planned at 0.076 ounces per ton, compensating for the hard ore. Mill availability was excellent at 93.9%. Autoclave throughput was 850 tons per day and availability averaged 91%.

Ounces from leach production were lower as the Mine encountered less leach grade ore and the trend is expected to continue in 1993.

Production target for Mercur in 1993 is 112,000 ounces and operating costs are expected to be somewhat above 1992 levels.

Holt-McDermott Mine, Ontario

Gold production in 1992 was 46,325 ounces, compared with 60,728 ounces in 1991. While operating cost per ton remained low at $36, lower gold production raised operating cost per ounce to $356 compared with $331 a year earlier.

Expectations for 1992 were higher as mining began in the Mattawasaga Zone. However, during the year, it became apparent that certain areas in this Zone contained more internal dilution than estimated, particularly in the periphery of the orebody. An in-fill drilling program completed during the year reduced the drill hole spacing in the ore especially in the central part of the Zone, and resulted in a more complete understanding of the orebody. At the same time the reserves were reassessed resulting in a decline of 167,000 ounces, mostly in the peripheral areas, and an increase in grade of the remaining ore. In 1993, production will be mainly from the central part of the orebody. Gold production is targeted at 55,000 ounces with operating costs of $265 per ounce.

Pinson Mine, Nevada

Barrick's 26.25% share of production from this Mine, which is located northeast of Reno, Nevada, was 13,376 ounces at an operating cost of $260 per ounce. The decline in production from the prior year reflected the expected generally lower grades at the Mine. The Company's share of expected 1993 production is 11,500 ounces.

Camflo Mine, Quebec

After 28 years of successful operation as one of the lowest cost per ton underground mines, the Camflo Mine in northwestern Quebec was closed at year end. During its life, the Mine produced 1,750,500 ounces with an average grade of 0.17 ounces of gold per ton. In its final year, Camflo produced 36,273 ounces at an average cost of $164 per ounce. The Mine ceased underground production in December and the mill completed final processing in January 1993. Two people will remain on staff for a year to ensure the orderly reclamation of the property. Barrick has fully depreciated its interest in this property and has provided fully for all closure costs.

Robert M. Smith
President and Chief Operating Officer

Commitment to the Environment

For American Barrick, environmental protection is an integral part of the operations. Company personnel, some of them dedicated full time to environmental responsibilities, work hard to ensure the well-being of employees, communities, wildlife and the land itself.

Mine reclamation

Mining and reclamation proceed hand-in-hand. At Goldstrike and Mercur, waste areas are reclaimed while mining continues. Slopes are first contoured to blend with the surrounding hillsides, then covered with topsoil and finally seeded with native plants and grasses.

Goldstrike water

The water being discharged from the Goldstrike property is a valuable resource. One of Goldstrike's mine managers and a local rancher stand in a field of alfalfa in Boulder Valley, 10 miles southwest of the Mine, where irrigation has transformed the once-barren land.

Community facilities

In Elko, where most of the Goldstrike Mine's 1,347 employees and their families live, emphasis is placed on educational and recreational facilities. Mountain-view Elementary School, for example, was funded in part by the Company.

Wildlife

Pronghorn antelope thrive around the Goldstrike property. The Mine's discharge water supports grazing land and provides birds and animals with a source of drinking water as well.

Archaeology

During 1992 an archaeological survey team studied the northeast section of the Goldstrike property, where they identified some sites of cultural importance and excavated native artifacts for eventual display in the Nevada State Museum. An archaeologist is describing a hearth left by nomadic tribes.

Housing

Available housing in Elko could not have met Goldstrike's needs, so Barrick assisted in the development of apartments and three housing subdivisions. By ensuring the availability of quality family accommodation, Goldstrike has attracted a stable workforce that benefits the community as well as the Mine.

Tailings purification

Mill operator is checking the tailings treatment plant at the Mercur Mine which reduces the cyanide levels before the solution goes to the tailings pond. This step protects local wildlife should they come in contact with the tailings water.

As a Company committed to the gold mining industry, American Barrick recognizes that its success is interwoven with the well-being of its employees, the communities in which it operates, the land that it mines and the wildlife associated with that land. Barrick is therefore committed to the highest standards of employee safety, community involvement, and environmental protection.

Each Mine has employees with full-time environmental responsibility. At Goldstrike, there are eight people who report to the General Manager of the Mine. The General Manager, who also spends much of his time on environmental issues, reports to executive management. The Board of Directors receives a report on the environment at each board meeting to ensure compliance with the high standards of environmental responsibility that it sets for the Company.

Two visible aspects of environmental activity are land reclamation and wildlife protection. At both Mercur and Goldstrike, reclamation begins as soon as mining is completed in a particular sector. Waste areas are restored and reseeded. Perimeter fencing keeps large game from active Mine sites, enabling animals and birds to thrive in the vicinity. All mines set aside sufficient amounts not only for current environmental programs, but also for years of support and monitoring once operations have been completed.

American Barrick's commitment to the communities in which it operates is reflected in its contribution to local activities. Support focuses on educational and athletic opportunities for youth, as well as the needs of existing institutions such as schools, hospitals, municipal governments, fire departments and recreational and environmental groups.

The Company supports its employees both individually and as families. In addition to its support of education and housing, Barrick maintains a highly successful scholarship program.

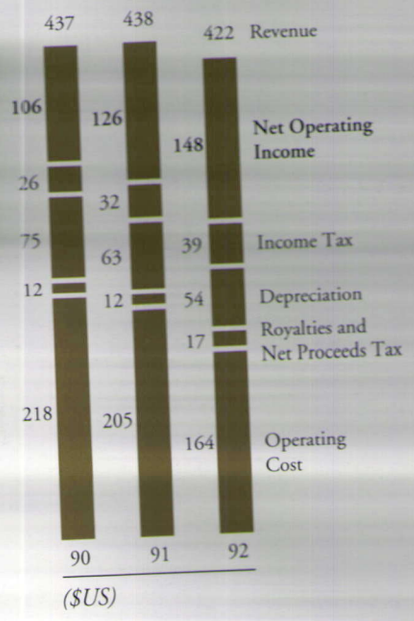
Management's Discussion and Analysis of Financial Results

Barrick reported record revenues, earnings and cash flow in 1992 as a result of higher production, lower costs and the gold price hedging program.

The principal factor in this strong performance was the Goldstrike Mine, where production rose 103% to 1,108,219 ounces and operating costs declined to $143 per ounce from $175 a year earlier.

Net Operating Income Per Ounce

Net operating income per ounce has increased in each of the last three years because of declining operating costs and lower depreciation.



Net income for the year rose 89% to $174.9 million, or $0.61 per share, on revenues of $553.8 million. This compares with net income of $92.4 million, or $0.34 per share, on revenues of $368.7 million in 1991 and $58.2 million, or $0.23 per share, on revenues of $283.1 million in 1990. Cash flow from operating activities increased accordingly to $252.0 million, up from $157.8 million in 1991 and $117.3 million in 1990. All per share numbers included in this Report reflect the Company's two-for-one share split announced in February 1993.

As indicated in the chart on this page, net operating income per ounce increased sharply in 1992. Lower operating and depreciation costs per ounce as a result of the growth at Goldstrike more than compensated for a slightly lower realized price under the Company's gold price hedging program. In 1993 and 1994 the Company's net operating income margin will remain in line with that of 1992 even if the average gold price realized is less because costs should continue to decline and production is expected to rise. Thus, earnings and cash flow should continue to rise in the future.

Revenues

Gold Sales

Higher production and the Company's gold price hedging program combined to produce significantly higher revenue from gold sales despite declining gold prices during 1992. Revenue from gold sales of 1,280,320 ounces was $540.4 million, up from $344.7 million on sales of 787,735 ounces reported in 1991 and $251.6 million on sales of 575,565 ounces in 1990. Gold sales revenue is expected to be higher in each of the next three years because of the production increases expected – 1.5 million ounces in 1993, 1.7 million ounces in 1994 and 2 million ounces in 1995. (For a report on the performance of the mining operations, see Management's Review of Operations, pages 10 to 17.)

The average price realized was $422 per ounce compared with the Comex average gold price for the year of $345 per ounce. In the two prior years, Barrick's realized price compared favorably with the Comex average – in 1991 Barrick realized $438 per ounce versus $362 for Comex and $437 in 1990 versus Comex of $384.

Barrick can be fully hedged for the next couple of years at the substantially higher rates of production, noted above, at an average price of over $400 per ounce. Beyond that the Company has begun establishing an increasing floor

price for its future gold production by taking advantage of higher longer term forward premiums and the effect of compounding over time.

The forward premium is a function of interest rates and, therefore, is subject to gold lease rate and U.S. dollar interest rate movement. It is the difference between the interest rate earned on dollars from the sale of the borrowed gold and the interest rate paid to borrow the gold. The interest rate differential (contango) compounded over time generates the higher forward prices.

While Barrick has used several types of option strategies in the past, it has chosen spot deferred contracts in the past two years. These contracts are forward sales with the right to fix long-term delivery dates, thus earning a higher than normal premium (or contango) in the forward market. By taking advantage of the long end of the U. S. dollar yield curve, the Company is currently obtaining forward prices based on contango rates of up to 5% per year on longer dated positions compared with a current market one-year forward premium rate of approximately 2½%.

The right to fix long-term delivery dates is a function of the financial and reserve strength of the producer – two areas where Barrick has a unique and major advantage. The Company's reserve and financial strength enables it to arrange hedging lines that allow it to fix deliveries on these contracts up to ten years out which makes the strategy effective.

Interest and other income

Interest and other income of $13.3 million represents interest earned on the Company's surplus funds. The Company invests its surplus funds in high quality financial instruments. Interest income was lower than the $24 million earned in 1991 and $31.5 million in 1990 because average cash balances held during the year were lower and the average yield declined to 5% from the 8% earned in 1991. Two factors contributed to the lower yield on surplus funds: lower interest rates in general and the conversion of a significant portion of the Company's Canadian dollar balances to U.S. dollars in anticipation of a weakening in the Canadian dollar.

Interest income is expected to be lower in 1993 because of the lower interest rates and the high level of capital expenditures. However, it is expected to increase significantly in 1994 and 1995 as cash balances increase due to rising production and capital expenditures decline with the completion of major capital projects.

Costs and expenses

Operating costs

Higher production led to higher total operating costs of $234.2 million in 1992 compared with $175.4 million in 1991 and $132.4 million in 1990. On a per ounce basis and as a percentage of total revenue, however, operating costs continued to decline. Average operating costs were $164 per ounce for the Company compared with $205 per ounce in 1991 and $218 per ounce in 1990. Barrick's costs in 1993 are expected to remain in line with 1992 costs.

Lower operating costs of $143 per ounce at Goldstrike compared with $175 per ounce in 1991 were the reason for the decline in the Company's overall costs per ounce. The principle components of Goldstrike's operating costs are 50% for materials and supplies, 30% for wages, salaries and benefits and 20% for energy including electric power, diesel and propane. The energy tax recently proposed by the United States federal government, if approved, would add approximately $1 per ounce to Goldstrike's operating costs.

In 1992, royalties and net proceeds tax on a per ounce basis increased by $5 per ounce to $17 per ounce because of the net proceeds tax paid on income generated by the Goldstrike Mine. The amount payable under this tax will generally fluctuate with the average price received for gold sales and changes in production and costs. As the Goldstrike Mine is expected to be more profitable in 1993 and 1994, royalties and net proceeds tax should increase by approximately $2 per ounce.

Operating costs of $262 per ounce in 1992 at Mercur were higher than the 1991 costs of $240 per ounce and $237 per ounce in 1990 because of a decline in low cost heap leach production and a small decline in total production. Mercur's 1993 production is expected to be 112,000 ounces at an average cost of $290 per ounce.

Holt-McDermott's costs averaged $356 per ounce compared with $331 in 1991 and $298 per ounce in 1990 because of lower production resulting from more internal dilution than originally estimated. In 1993, production will be mainly from the central part of the orebody where a drilling program has confirmed a higher grade and better continuity of the orebody. Accordingly, production is expected to be 55,000 ounces at an average cost of $265 per ounce in 1993. All reclamation and site restoration costs have been accrued for the Camflo and Renabie mine closures.

Depreciation
Depreciation, depletion and amortization totalled $69 million in 1992 compared with $49.3 million in 1991 and $43 million in 1990, but has been declining on a per ounce basis with the growth in production and reserves at Goldstrike despite the significant capital expenditure program.

On a per ounce basis, depreciation was $54 compared with $63 in 1991 and $75 in 1990. Goldstrike's depreciation was $31 per ounce, lower than the $39 per ounce recorded in 1991 and 1990.

Included in 1992 depreciation was an additional charge of $8 per ounce to reflect the decline in gold reserves at Holt-McDermott. Total depreciation is expected to decline again to $45 per ounce in 1993 with the large production increases targeted for Goldstrike.

Administration
Administration costs include corporate office and expenses related to the overall management of the business which are not part of mine operating costs. The Company has been able to expand its operations and production without any significant increase in its administration costs. Administrative expense was $14.2 million in 1992 compared with $12 million in 1991 and $10.6 million in 1990. The Company is an active member of the World Gold Council and included in these expenses are costs levied by the Council based on production.

Income taxes
The Company's average effective tax rate increased to 21.5% in 1992 from 19.6% in 1991 and 24.9% in 1990 due to a lower amount of percentage depletion in relation to pretax financial income in 1992. Percentage depletion at Goldstrike is limited to 15% of gold sales because of the Mine's high profit margin.

As the majority of the Company's future profits will be generated in the United States, the effective tax rate is expected to remain at just over 20%. Reference is drawn to note 6 of the Financial Statements for a detailed income tax reconciliation and to note 9(d) for a discussion of the impact of recently issued accounting standards.

Capital expenditures
In 1992 Barrick invested $255.5 million in mine expansion, compared with $245.5 million in 1991 and $174.2 million in 1990. Of the total expenditures

in 1992, $215.3 million was spent at the Goldstrike Mine including $106.7 million in process facilities to complete two autoclaves and work on the final three, $71.3 million of deferred stripping, and $16.7 million for mine equipment. Meikle Mine development expenditures were $21.6 million for the year.

Capital expenditures at Mercur were $5.8 million, primarily for expansion of the tailings dam and $5.6 million at the Holt-McDermott Mine for underground development.

Expenditures will remain at about the same level in 1993 to cover the costs of completing the final three autoclaves, adding mining equipment required to enlarge the Betze-Post pit under the Newmont/Barrick agreement, increasing tailings capacity for the life of mine, and developing the Meikle Mine.

In 1994 and 1995, capital expenditures are expected to decline significantly to $124 million and $90 million respectively, with Meikle accounting for about half these expenditures. Deferred stripping charges are estimated to be approximately $55 million in 1993, $25 million in 1994 and will start to reverse in 1995 as the stripping in the Betze-Post pit drops below the average mine life stripping ratio. These capital expenditures can be funded from cash flow generated from operations.

Cash flow and liquidity

Cash flow provided by operating activities increased with the performance of the Company's operations. It rose to $252.0 million in 1992 compared with $157.8 million in 1991 and $117.3 million in 1990. By year end operating cash flow exceeded the Company's capital expenditure program.

However, during the course of the year, the Company modified the existing Goldstrike gold loan to provide access to the remaining 300,000 ounces of the facility prior to completion of the project. The Company used the funds to maintain a high level of liquidity during the intensive capital expenditure program which preceded the sharp increase in Goldstrike's production in the fourth quarter. Repayment of the Goldstrike gold loan facility will continue at the rate of 210,000 ounces per year.

During 1992 the Company paid dividends of $0.065 per share compared with $0.055 per share in 1991 and $0.04 in 1990. At its February 1993 board meeting, the Directors decided to increase the 1993 dividend in response to

the Company's strong financial performance. A semi-annual dividend of $0.04 per share was declared, payable June 15, 1993 to shareholders of record at the close of business on May 31, 1993.

In 1992, Barrick maintained its strong and liquid balance sheet despite its on-going development programs. The strong performance of the operations and a drawdown under the Goldstrike gold loan raised the Company's cash and short-term investments to $288 million. Shareholders' equity increased to $992.7 million at December 31, 1992 compared with $840.7 million in 1991 and $644.9 million in 1990 and the Company's debt-to-equity ratio remained low at .32 to 1.

Outlook

The Company begins 1993 with a strong balance sheet, 27.2 million ounces of reserves, a rising production profile, declining costs and an effective gold price hedging program. As a result, it will not only be able to meet its capital expenditure and debt repayment commitments, but should generate a significant increase in earnings and cash flow in the future. These funds will be available to support the Company's plans for acquisition and development.

Gregory C. Wilkins
Executive Vice-President and
Chief Financial Officer

Consolidated Statements of Income

American Barrick Resources Corporation
for the years ended December 31, 1992, 1991 and 1990
(in thousands of United States dollars except per share data)

	1992	1991	1990
Revenues			
Gold sales	**$ 540,437**	$ 344,725	$ 251,624
Interest and other income	**13,330**	23,961	31,487
	553,767	368,686	283,111
Costs and expenses			
Operating	**234,205**	175,357	132,356
Depreciation, depletion and amortization	**68,971**	49,277	42,954
Administration	**14,241**	11,951	10,570
Exploration	**4,310**	3,465	6,925
Interest on long-term obligations	**9,296**	9,427	12,787
Other	**–**	4,243	–
	331,023	253,720	205,592
Income before taxes	**222,744**	114,966	77,519
Income taxes *(note 6)*	**(47,804)**	(22,526)	(19,314)
Net income for the year	**$ 174,940**	$ 92,440	$ 58,205
Net income per share *(note 5)*			
Basic	**$ 0.62**	$ 0.34	$ 0.23
Fully diluted	**$ 0.61**	$ 0.34	$ 0.23

Consolidated Statements of Retained Earnings

American Barrick Resources Corporation
for the years ended December 31, 1992, 1991 and 1990
(in thousands of United States dollars except per share data)

	1992	1991	1990
Retained earnings at beginning of year	**$ 169,766**	$ 92,745	$ 46,230
Net income for the year	**174,940**	92,440	58,205
Dividends ($0.065 per share, 1991 - $0.055, 1990 - $0.04) *(note 5c)*	**(18,433)**	(15,000)	(11,263)
Costs incurred in raising capital	**–**	(419)	(427)
Retained earnings at end of year	**$ 326,273**	$ 169,766	$ 92,745

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flow

American Barrick Resources Corporation
for the years ended December 31, 1992, 1991 and 1990
(in thousands of United States dollars)

	1992	1991	1990
Cash provided by (used in) operating activities			
Net income	**$ 174,940**	$ 92,440	$ 58,205
Non-cash items:			
Depreciation, depletion and amortization	**68,971**	49,277	42,954
Deferred income taxes	**8,139**	14,526	13,207
Other	**(25)**	1,541	2,957
	252,025	157,784	117,323
Cash provided by (reinvested in) working capital			
Bullion settlements and other receivables	**9,371**	(7,282)	(4,652)
Inventories and prepaid expenses	**1,926**	5,763	(11,793)
Accounts payable and accrued liabilities	**19,460**	3,968	(6,838)
Cash provided by operating activities	**282,782**	160,233	94,040
Cash provided by (used in) investment and development activities			
Property, plant and equipment	**(255,457)**	(245,543)	(174,171)
Short-term investments	**(6,934)**	(54,764)	–
Investments	**–**	–	30,798
Other	**(9,818)**	(3,039)	(16,890)
Cash (used in) investment and development activities	**(272,209)**	(303,346)	(160,263)
Cash provided by (used in) financing activities			
Capital stock	**11,308**	118,395	107,198
Gold loans and long-term liabilities			
Proceeds	**77,000**	–	–
Repayments	**(40,172)**	(76,806)	(21,940)
Dividends	**(18,433)**	(15,000)	(11,263)
Other	**(3,105)**	1,826	(1,019)
Cash provided by financing activities	**26,598**	28,415	72,976
Increase (decrease) in cash	**37,171**	(114,698)	6,753
Cash at beginning of year	**197,376**	311,778	304,673
Foreign currency translation adjustment	**(8,222)**	296	352
Cash at end of year	**$ 226,325**	$ 197,376	$ 311,778

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets

American Barrick Resources Corporation
as at December 31, 1992 and 1991
(in thousands of United States dollars)

	1992	1991
Assets		
Current assets		
Cash	**$ 226,325**	$ 197,376
Short-term investments	**61,698**	54,764
Bullion settlements and other receivables	**25,100**	35,193
Inventories and prepaid expenses *(note 2)*	**40,248**	41,114
	353,371	328,447
Property, plant and equipment *(note 3)*	**1,094,402**	921,701
Other assets	**56,520**	56,189
	$ 1,504,293	$ 1,306,337
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 58,804**	$ 54,532
Dividend payable	**–**	3,105
Current portion of long-term debt, deferred revenue and other liabilities *(note 4)*	**79,968**	54,624
	138,772	112,261
Long-term debt *(note 4)*	**260,098**	262,996
Deferred revenue and other liabilities *(note 4)*	**62,117**	47,989
Deferred income taxes *(note 6)*	**50,577**	42,438
	511,564	465,684
Shareholders' equity		
Capital stock *(note 5)*	**664,410**	653,102
Retained earnings	**326,273**	169,766
Foreign currency translation adjustment	**2,046**	17,785
	992,729	840,653
	$ 1,504,293	$ 1,306,337

Commitments and contingent liabilities (note 8)
See accompanying notes to consolidated financial statements.

Signed on behalf of the Board

Peter Munk
Director

C.W.D. Birchall
Director

American Barrick Resources Corporation
(tabular dollar amounts in thousands of United States dollars)

Note 1 Accounting Policies

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

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada. As described in note 9, 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

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

The Company's principal subsidiaries are Barrick Goldstrike Mines Inc. (Goldstrike Mine and Meikle Mine), Barrick Resources (USA) Inc. (Mercur Mine), and Barrick Holdings Co. (Pinson Mine). All subsidiaries are directly or indirectly wholly-owned. The Company owns the Holt-McDermott Mine directly.

b. Short-term investments

Short-term investments, which comprise a liquid, high quality, diversified, fixed income portfolio, are carried at the lower of cost and quoted market value.

c. Translation of foreign currencies

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, 1992 of $15,739,000 resulted from the weakening of the Canadian dollar ("C$") relative to the United States dollar. In 1991 and 1990 the changes of $361,000 and $1,056,000 resulted from changes in the value of the Canadian dollar. The Canadian to United States dollar exchange rate prevailing at December 31, 1992 was $0.7867, 1991 - $0.8654, 1990 - $0.8618 and the average exchange rate for 1992 was $0.8273, 1991 - $0.8728 and 1990 - $0.8570.

d. 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.

e. 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 operating expenses 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 capitalized until such assets are put in service at which time the capitalized costs are depreciated in accordance with the policies described above.

(v) *Mineral exploration*
Mineral exploration expenditures are charged to income as incurred. Expenditures incurred on properties identified as having development potential 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.

f. Reclamation and site restoration costs

Estimated reclamation and site restoration costs are charged to income over the estimated life of the mine by the units of production method based on recoverable proven, probable and possible gold reserves.

g. Hedging transactions

In order to protect against the impact of falling gold prices, the Company enters into hedging transactions which not only provide a minimum price for future production, but also allow the Company to take advantage of increases in the gold price. Hedging transactions include spot deferred and forward sales contracts, option contracts and gold loans. Contracted prices on spot deferred and forward sales and options are recognized in gold sales as production is delivered to meet the commitment. Initially, a gold loan is recorded as debt at the price realized from the sale of the borrowed gold. Subsequently, a gold loan is carried at the value based on the market price of gold prevailing at each balance sheet date. The unrealized gain or loss resulting from the "mark to market" adjustment is recorded as deferred revenue or as other assets as appropriate. As the Company delivers gold from production to repay the loan, gold sales are recorded at the initial price realized, reducing the debt and the deferred revenue or other assets balances accordingly.

h. Income taxes

Unremitted earnings of the Company's United States subsidiaries have been indefinitely reinvested and accordingly no provision has been made for taxes on repatriation of these earnings.

Note 2 Inventories and Prepaid Expenses

	1992	1991
Current:		
Gold in process	**$ 20,169**	$ 24,147
Mine operating supplies	**18,891**	16,228
Prepaid expenses	**1,188**	739
	$ 40,248	$ 41,114
Non-Current (included in property, plant and equipment):		
Ore in stockpiles	**$ 15,760**	–

Note 3 Property, Plant and Equipment

	1992			1991		
	Cost	**Accumulated Depreciation**	**Net**	Cost	Accumulated Depreciation	Net
Property acquisition and deferred mine costs						
Goldstrike	**$ 249,746**	**$ 41,395**	**$ 208,351**	$ 220,094	$ 23,354	$ 196,740
Mercur	**38,048**	**24,226**	**13,822**	34,701	19,912	14,789
Holt-McDermott	**55,669**	**23,758**	**31,911**	57,385	14,196	43,189
Other	**7,734**	**5,878**	**1,856**	49,842	43,121	6,721
Buildings and mill equipment	**304,258**	**37,959**	**266,299**	205,947	36,688	169,259
Mine equipment	**172,656**	**64,949**	**107,707**	157,082	48,978	108,104
Corporate	**14,662**	**2,899**	**11,763**	8,300	2,254	6,046
	$ 842,773	**$ 201,064**	**641,709**	$ 733,351	$ 188,503	544,848
Deferred stripping costs - Goldstrike			**290,082**			227,879
- Mercur			**10,929**			9,887
Construction in progress - Goldstrike			**86,373**			109,711
Property under development - Meikle			**32,268**			10,686
Ore in stockpiles and other			**33,041**			18,690
			452,693			376,853
			$ 1,094,402			$ 921,701

Note 4 Long-Term Debt, Deferred Revenue and Other Liabilities

	1992	1991	**1992**	1991
	Long-Term Debt		Deferred Revenue and Other Liabilities	
Gold loans				
Goldstrike	**$ 249,600**	$ 265,575	**$ 53,423**	$ 40,643
Mercur	**11,960**	19,365	**3,415**	4,032
Term loan - Goldstrike	**64,935**	–	**–**	–
Guaranteed 2% gold-indexed notes	**–**	11,054	**–**	–
Reclamation provisions	**–**	–	**5,521**	5,440
Other	**10,788**	12,258	**2,541**	7,242
	337,283	308,252	**64,900**	57,357
Current portion	**77,185**	45,256	**2,783**	9,368
	$ 260,098	$ 262,996	**$ 62,117**	$ 47,989

Gold and term loans

Goldstrike

On March 22, 1989 the Company through Barrick Goldstrike Mines Inc. ("Barrick Goldstrike") completed a 1,050,000 ounce gold loan facility. The loan is collateralized by the assets of the Goldstrike Mine, which are included in these financial statements at a book value of $1,105,941,000 and a guarantee of the Company.

Long-term debt includes the 750,000 ounces drawn down to date valued at the year end spot rate of $333 per ounce (1991 - $354 per ounce). Deferred revenue and other liabilities include a gain arising on the early repayment of a previous gold loan and the adjustment made to value the current loan at market prices prevailing at each balance sheet date. The gold loan bears interest at gold base rate plus 1% (2.1982% per annum at December 31, 1992).

During the year the Company modified the existing gold loan to provide access to the remaining 300,000 ounces of the facility prior to the completion date. Long-term debt includes $64,935,000 drawn down to date, net of repayments (equivalent to 195,000 ounces valued at the year end spot rate of $333 per ounce) of this facility. The term loan, which is denominated in dollars, bears interest at LIBOR plus 1¼% (5.0180% at December 31, 1992).

The total available amount under the gold loan facility reduces semi-annually by 10% of the original loan commitment commencing December 31, 1992. The loan has a termination date of June 30, 1997. The period of the repayments 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 June 30, 2000.

Under the terms of the gold loan agreement the Goldstrike Mine is obligated to meet two performance related completion tests. The first test has been met and the final completion test requires that the Betze Development Plan be substantially complete and the Goldstrike Mine meet certain economic criteria by December 31, 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 assets net of liabilities subject to this restriction are included in these financial statements at a book value of $700,311,000. Barrick Goldstrike and the Company have also agreed to usual terms and conditions which will not unduly restrict operations.

Mercur

On May 31, 1988 the Company, through Barrick Resources (USA) Inc. ("Barrick Resources"), completed a 125,000 ounce, seven-year revolving gold loan. The gold loan bears interest at gold base rate plus .75% (1.875% per annum at December 31, 1992) and is collateralized by the assets of the Mercur Mine, which are included in these financial statements at a book value of $66,232,000, 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. Included in long-term debt is the remaining ounces to be delivered of 35,938 ounces (1991 - 54,688 ounces) valued at the year end spot rate of $333 per ounce (1991 - $354 per ounce). Deferred revenue and other liabilities include the adjustment made to value the loan at market prices prevailing at each balance sheet date.

Deliveries of gold under the Company's gold loans in each of the next five years are as follows: 1993 – 33,750 ounces, 1994 – 224,063 ounces, 1995 – 213,125 ounces 1996 – 210,000 ounces and 1997 – 105,000 ounces.

Note 5 Capital Stock

a. Authorized capital

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.

b. Issued and outstanding shares

Details of issued and outstanding shares are as follows:

Common shares	Issued	Amount
Outstanding at December 31, 1989	128,314,783	$ 427,509
Issued during 1990		
For cash	5,678,660	107,198
Outstanding at December 31, 1990	133,993,443	534,707
Issued during 1991		
For cash	6,925,060	118,395
Outstanding at December 31, 1991	140,918,503	653,102
Two-for-one share split	140,918,503	–
Issued during 1992		
For cash	1,942,100	11,308
Outstanding at December 31, 1992	283,779,106	$ 664,410

c. Common shares

All references to common shares that follow reflect a two-for-one share split which will be effected on March 1, 1993 by means of a share dividend of one common share for each common share held which is payable to shareholders of record on February 19, 1993. The aggregate amount added to the stated capital of the common shares in connection with the share dividend will be $1.00.

d. Common share purchase options

There are common share purchase options outstanding, expiring at various dates to December 3, 1999 for 9,121,600 common shares at prices between C$6.3125 and C$19.3125 per share. Of the share purchase options outstanding at December 31, 1992, 3,005,400 (1991 – 2,501,400, 1990 – 7,164,760) shares are currently exercisable. As at December 31, 1992, 5,067,356 (1991 – 3,641,850, 1990 – 2,951,944) common shares were available for granting of options. The following summary sets out the activity in common share purchase options:

	1992	1991	1990
Outstanding at beginning of year	**10,450,000**	10,447,400	11,041,000
Granted	**717,000**	5,886,000	852,000
Exercised at an average price of C$7.36 per share (1991 – C$4.52, 1990 – C$4.60)	**(1,941,800)**	(5,849,800)	(1,354,800)
Cancelled	**(103,600)**	(33,600)	(90,800)
Outstanding at end of year	**9,121,600**	10,450,000	10,447,400

e. 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 282,642,818 shares (1991 – 272,876,574 shares, 1990 – 260,198,656 shares).

Fully diluted net income per share reflects the dilutive effect of the exercise of the options outstanding as at December 31, 1992. The number of shares for the fully diluted net income per share calculation was 291,145,502 shares (1991 – 276,632,774 shares, 1990 – 264,198,656 shares).

Interest on the funds which would have been received had the options been exercised of $2,895,000, net of income tax, has been imputed at a rate of 6% per annum.

Note 6 Income 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:

	1992	1991	1990
Canadian federal income tax rate	**38.0%**	38.0%	38.0%
Increase (decrease) resulting from:			
Resource and depletion allowances	**(10.0)**	(12.0)	(12.2)
United States tax rates	**(6.7)**	(6.4)	(6.5)
Non-deductible depreciation and depletion arising from acquisitions	**1.1**	3.3	6.1
Non-taxable income	**–**	(2.5)	–
Capital losses	**–**	–	1.2
Miscellaneous	**(0.9)**	(0.8)	(1.7)
Effective rate of income tax expense	**21.5%**	19.6%	24.9%
The principal timing differences and their tax effect are as follows:			
Deferred revenue	**$ (776)**	$ (441)	$ (946)
Depreciation, depletion and amortization	**3,689**	(2,752)	(12,078)
Deferred mining and exploration costs	**(15,348)**	(10,612)	(5,747)
Capitalized expenditures	**183**	(2,586)	(1,123)
Alternative minimum tax carryforward	**3,768**	1,143	5,892
Other items	**345**	722	795
	$ (8,139)	$ (14,526)	$ (13,207)
Income (loss) before income taxes:			
United States	**$ 241,905**	$ 122,956	$ 80,149
Canada	**(19,161)**	(7,990)	(2,630)
	$ 222,744	$ 114,966	$ 77,519
Details of income tax expense are as follows:			
United States – federal			
Current	**$ (39,482)**	$ (7,780)	$ (5,892)
Deferred	**(11,674)**	(14,690)	(10,040)
Canadian			
Current	**(183)**	(220)	(215)
Deferred	**3,535**	164	(3,167)
	$ (47,804)	$ (22,526)	$ (19,314)

Note 7 **Business Segments**

The Company operates in the gold mining industry in two geographic areas: Canada and the United States.

	1992	1991	1990
Revenues			
Gold sales			
United States	**$ 505,416**	$ 301,495	$ 201,192
Canada	**35,021**	43,230	50,432
	$ 540,437	$ 344,725	$ 251,624
Depreciation, depletion and amortization			
United States	**$ 44,454**	$ 30,673	$ 20,890
Canada	**24,517**	18,604	22,064
	$ 68,971	$ 49,277	$ 42,954
Net income			
Operating income			
United States	**$ 251,329**	$ 131,366	$ 81,554
Canada	**(14,068)**	(11,275)	(5,240)
	237,261	120,091	76,314
Exploration	**(4,310)**	(3,465)	(6,925)
General corporate income (expenses), net	**(10,207)**	(1,660)	8,130
Income taxes	**(47,804)**	(22,526)	(19,314)
	$ 174,940	$ 92,440	$ 58,205
Identifiable assets by geographic area			
United States	**$ 1,230,912**	$ 941,086	$ 754,144
Canada	**67,351**	91,861	102,631
Identifiable assets	**1,298,263**	1,032,947	856,775
Corporate assets	**144,332**	218,626	270,393
Investments	**61,698**	54,764	19,715
Total assets	**$ 1,504,293**	$ 1,306,337	$ 1,146,883

Note 8 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 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, Texaco, 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 a 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 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) 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 judgment 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 the 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 judgment 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 the disposition; (9) an accounting; and (10) punitive damages of $250,000,000.

Initially, litigation was 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 some additional discovery remains to be done.

On February 16, 1990, the court issued a Memorandum Decision granting defendants' motion for partial summary judgment on all claims based on the allegations that GSI had been improperly converted to a 15% net profits owner. On March 15, 1990, the court entered an order which, based upon the summary judgment, dismissed two claims from the lawsuit in their entirety and dismissed some seven other claims in part. The ruling resolved in the Company's favour the first and third assertions referenced above made by GSI prior to June 1985. GSI has appealed the ruling to the Utah Supreme Court. On January 9, 1992, the Utah Supreme Court dismissed the appeal with the provision that GSI may renew its appeal upon conclusion of the trial on all issues.

The Company, Getty and Texaco have filed a number of additional motions for summary judgment directed at GSI's remaining claims. The court recently granted motions concerning the right of first refusal, the conspiracy claim, reformation of the contracts, rescission and the claim for trespass, conversion, and interference with possessory rights, and partially granted motions concerning breach of fiduciary duties and good faith and the contractual obligation to furnish a feasibility study. The remaining motions were denied by the court. Trial has been set for July 19, 1993.

PB&L has advised the Company that, although discovery has not been completed, uncertainties exist in any litigation and disposition of some of the claims raised in the lawsuits may require a trial by jury, it is of the opinion that, to the extent the remaining claims in the complaint are premised solely on the remaining 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 remaining 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 undiscoverable 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 remaining claims in the lawsuit are without merit and intends to vigorously defend the action. The Company's opinion, as to remaining 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 part of its gold hedging program the Company has entered into agreements with several major financial institutions to deliver gold. Realization under these agreements is dependent upon the ability of the counterparties to perform in accordance with the terms of the agreements. As at December 31, 1992 the Company had entered into contractual arrangements to deliver 3,941,827 ounces at prices ranging from $350 to $545 per ounce. Delivery under these "spot deferred" contracts can be deferred at the Company's option for up to five to ten years depending on the individual contract. Further, the Company had purchased short-term put options and written short-term call options expiring at various dates over the next six months, which if exercised, would become spot deferred contracts with delivery deferred as previously described. As at December 31, 1992, the Company had put options on 400,000 ounces and call options on 800,000 ounces at an average price of $328 and $349 per ounce respectively. In addition, the Company had purchased put options on 410,000 ounces at an average price of $432 per ounce, with various expiry dates over the next two years. To pay for the cost of these puts the Company has written call options on 158,000 ounces expiring at various dates over the next two years at an average price of $449 per ounce. The aggregate unrealized excess of the net market value of the Company's hedge position over the spot gold price of $333 per ounce as at December 31, 1992 amounted to $230 million.

(d) The Company has entered into two 15-year oxygen supply contracts. The first contract which commenced on March 1, 1990, requires minimum monthly payments of $118,000. The second contract which commenced in 1992 requires monthly payments of $597,000 for the first two years of the contract with 32% of the payment indexed to inflation and monthly payments of $612,000 for the remainder of the 15-year term with 33% of the payment indexed to inflation. During the year $5.4 million was paid under the contracts.

Note 9 Differences from United States Accounting Principles

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. United States generally accepted accounting principles ("US GAAP") differ in the following material areas:

(a) Any loss which may arise from the claims described in note 8(a) would be accounted for currently in the period in which the settlement occurs.

(b) Effective January 1, 1990, the Company changed its method of accounting for mineral exploration expenditures. Under generally accepted accounting principles in Canada this change was made retroactively. Under US GAAP the cumulative effect of the change in accounting method would be made in the year of the change.

(c) Net income per share would be calculated based upon the weighted average numbers of shares outstanding during each year plus common stock equivalents, such as common share purchase options unless they are antidilutive. Primary income per share would be computed as if common share purchase options were exercised at the beginning of the year, and as if funds obtained thereby were used to purchase common shares of the Company at the average market price during the year. Fully diluted net income per share would be calculated as if the proceeds from the exercise of common share purchase options were used to purchase the Company's common shares at its average market price during the year or its market value at the end of the year whichever is higher.

(d) For purposes of reconciling net income as reported to net income based on US GAAP, the Company plans to adopt Financial Accounting Standards No. 109, "Accounting for Income Taxes" in 1993 on a prospective basis. Adoption of this new standard is not expected to have a material effect on net income based on US GAAP.

(e) Other differences between Canadian and US GAAP do not have a material effect, either collectively or individually, on net income.

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:

	1992	1991	1990
Net income for the year as reported	**$ 174,940**	$ 92,440	$ 58,205
Effect of other Canadian versus US GAAP differences	**–**	(2,193)	(2,521)
Net income before change in accounting policy	**174,940**	90,247	55,684
Cumulative effect of change in accounting for mineral exploration costs	**–**	–	(29,378)
Net income for the year based on US GAAP	**$ 174,940**	$ 90,247	$ 26,306
Weighted average number of shares outstanding during the year *(in thousands)* - Primary	**285,178**	274,728	265,090
- Fully diluted	**285,478**	275,032	265,332
Net income per share for the year before change in accounting policy *(dollars)* - Primary and fully diluted	**$ 0.61**	$ 0.33	$ 0.21
Adjustment to reflect change in accounting for mineral exploration costs - Primary and fully diluted	**$ –**	$ –	$ (0.11)
Net income per share for the year *(dollars)* - Primary and fully diluted	**$ 0.61**	$ 0.33	$ 0.10

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 judgments 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.

Gregory C. Wilkins
Executive Vice-President and Chief Financial Officer
Toronto, Canada
February 24, 1993

Auditors' Report to the Shareholders of American Barrick Resources Corporation

We have audited the consolidated balance sheets of American Barrick Resources Corporation as at December 31, 1992 and 1991 and the consolidated statements of income, retained earnings and cash flow for each of the three years in the period ended December 31, 1992. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1992 and 1991 and the results of its operations and the changes in its cash flow for each of the three years in the period ended December 31, 1992 in accordance with generally accepted accounting principles in Canada.

Coopers & Lybrand

Chartered Accountants
Toronto, Canada
January 29, 1993, except as to the effect of the share split referred to in note 5c which is as of February 8, 1993.

Comments by Independent Auditors for United States Readers on Canada-United States Reporting Differences

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 8(a) of these financial statements and when there is a change in accounting principle that has a material effect on the comparability of a Company's financial statements such as the change described in note 9(b) of these financial statements. Our 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 and which do not require a reference to such a change in accounting principle in the auditors' report when the change is properly accounted for and adequately disclosed in the financial statements.

Coopers & Lybrand

Chartered Accountants
Toronto, Canada
January 29, 1993

Supplemental Information

American Barrick Resources Corporation
(in thousands of United States dollars except per share data)

Summary quarterly data (unaudited)

1992	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**	**Year**
Revenues	**$ 86,464**	**$ 118,601**	**$ 146,504**	**$ 202,198**	**$ 553,767**
Net income for the period	**23,159**	**36,754**	**49,494**	**65,533**	**174,940**
Net income per share -basic	**0.08**	**0.13**	**0.18**	**0.23**	**0.62**
-fully diluted	**0.08**	**0.13**	**0.18**	**0.22**	**0.61**
1991					
Revenues	$ 80,527	$ 94,404	$ 99,465	$ 94,290	$ 368,686
Net income for the period	15,593	24,571	28,194	24,082	92,440
Net income per share - basic and fully diluted	0.06	0.09	0.10	0.09	0.34

Summary financial data

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

	1992	1991	1990	1989	1988
Revenues	**$ 553,767**	$ 368,686	$ 283,111	$ 228,014	$ 162,878
Net income for the year	**174,940**	92,440	58,205	33,735	27,837
Net income for the year per share	**0.61**	0.34	0.23	0.14	0.12
Total assets	**1,504,293**	1,306,337	1,146,883	1,015,207	669,337
Long-term debt[1]	**260,098**	262,996	331,401	387,029	215,534
Deferred revenue & other liabilities[1]	**62,117**	47,989	31,193	32,356	40,600
Cash dividends per share	**0.065**	0.055	0.04	0.03	0.02

The financial information set forth above is restated to conform with United States generally accepted accounting principles as follows: [2]

	1992	1991	1990	1989	1988
Net income for the year	**$ 174,940**	$ 90,247	$ 26,306	$ 30,823	$ 28,965
Net income for the year per share	**0.61**	0.33	0.10	0.13	0.12
Total assets	**1,487,712**	1,289,973	1,131,719	1,027,377	662,282
Long-term debt[1]	**260,098**	262,996	331,401	363,056	150,870
Pro-forma amounts had the accounting policy for mineral exploration costs been applied retroactively:					
Net income for the year	**174,940**	90,247	55,684	30,630	26,826
Per share – primary and fully diluted	**0.61**	0.33	0.21	0.13	0.11

[1] *Excludes current portion.* [2] *Refer to notes 8 and 9 to the consolidated financial statements for information regarding contingencies and the differences between Canadian and United States generally accepted accounting principles.*

Summary Reserve, Operating and Financial Information

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. At gold prices of $330 per ounce, reserves would be reduced by 6%.

Reserve information	**December 31, 1992**			December 31, 1991		
	Tons	**Grade (ounces/ton)**	**Contained Ounces**	Tons	Grade (ounces/ton)	Contained Ounces
Goldstrike Mine, Nevada						
Proven and probable	**112,120,800**	**0.180**	**20,159,000**	145,345,000	0.127	18,448,000
Possible	**6,214,500**	**0.135**	**841,000**	5,311,000	0.055	293,000
Meikle Mine, Nevada						
Proven and probable	**7,176,000**	**0.625**	**4,485,000**	7,176,000	0.625	4,485,000
Possible	**702,000**	**0.486**	**341,000**	702,000	0.486	341,000
Mercur Mine, Utah						
Proven and probable	**14,061,000**	**0.053**	**739,800**	16,594,000	0.053	876,300
Possible	**1,299,000**	**0.059**	**76,500**	1,497,000	0.057	84,700
Holt-McDermott Mine, Ontario						
Proven and probable	**1,390,000**	**0.181**	**251,200**	2,803,000	0.160	447,300
Possible	**1,112,000**	**0.160**	**178,400**	1,332,000	0.154	205,500
Pinson Mine, Nevada (26.25%)						
Proven and probable	**1,307,100**	**0.064**	**83,700**	1,592,000	0.063	100,500
Camflo Mine, Quebec						
Proven and probable	–	–	–	188,000	0.106	19,900
Possible	–	–	–	51,000	0.038	1,900
Proven and probable			**25,718,700**			24,377,000
Possible			**1,436,900**			926,100
Total			**27,155,600**			25,303,100

The Goldstrike Mine and the Meikle Mine reserves, which represent 95% of the Company's estimated total contained ounces, have been audited by Pincock, Allen & Holt, Inc., an independent natural resources consulting firm.

The Company has carefully prepared and verified the ore reserve figures presented above and believes that its method of estimating reserves has been verified by mining experience.

These figures are estimates, however, and no assurance can be given that the indicated quantities of gold will be produced. 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 orebodies or the processing of new or different ore grades, could affect the Company's profitability in any particular accounting period.

Goldstrike Mine, Nevada (100% owned)

Reserve information	**December 31, 1992**			December 31, 1991		
	Tons	**Grade (ounce/ton)**	**Contained Ounces**	Tons	Grade (ounces/ton)	Contained Ounces
Proven and probable:						
Sulphide	**100,816,000**	**0.195**	**19,664,000**	94,909,000	0.173	16,460,000
Oxide - Leach	**11,304,800**	**0.044**	**495,000**	40,405,000	0.021	841,000
Oxide - Mill	–	–	–	10,031,000	0.114	1,147,000
Possible:						
Sulphide	**5,108,200**	**0.154**	**788,000**	1,952,000	0.111	216,000
Oxide - Leach	**1,106,300**	**0.048**	**53,000**	2,959,000	0.017	50,000
Oxide - Mill	–	–	–	400,000	0.068	27,000
Proven and probable			**20,159,000**			18,448,000
Possible			**841,000**			293,000
Total			**21,000,000**			18,741,000

Operating information	**1992**	1991
Total tons mined (ore and waste)	**140,697,558**	127,759,262
Oxide Ore:		
Tons of ore milled	**2,460,150**	1,510,432
Average grade: ounces per ton	**0.105**	0.090
Recovery rate: %	**75.0**	82.7
Sulphide Ore:		
Tons of ore milled	**2,135,072**	731,936
Average grade: ounces per ton	**0.351**	0.172
Recovery rate: %	**90.0**	88.4
Ounces of gold produced from:		
Milled oxide ore	**193,564**	112,794
Autoclave sulphide ore	**675,006**	111,037
Leached ore	**239,649**	322,315
Total ounces produced	**1,108,219**	546,146
Operating cost per ounce sold	**$ 143**	$175
Cash cost per ounce produced	**$ 199**	$318

Financial information *(thousands of dollars)*		
Gold sales	**$ 448,180**	$ 237,981
Operating costs excluding financing costs	**152,184**	95,416
Royalties and resource taxes	**20,145**	7,946
Income from operations	**$ 275,851**	$ 134,619
Capital expenditures	**$ 143,919**	$ 150,694
Deferred stripping costs	**$ 71,347**	$ 79,383

Mercur Mine, Utah (100% owned)

Reserve information	**December 31, 1992**			December 31, 1991		
	Tons	**Grade (ounces/ton)**	**Contained Ounces**	Tons	Grade (ounces/ton)	Contained Ounces
Proven and probable:						
Oxide - Mill	**4,809,000**	**0.072**	**346,200**	6,223,000	0.072	446,800
Oxide - Leach	**5,148,000**	**0.031**	**159,600**	6,180,000	0.031	188,500
Refractory	**4,104,000**	**0.057**	**234,000**	4,191,000	0.058	241,000
Possible:						
Oxide (Mill & Leach)	**1,057,000**	**0.051**	**54,100**	1,208,000	0.051	61,400
Refractory	**242,000**	**0.093**	**22,400**	289,000	0.081	23,300
Proven and probable			**739,800**			876,300
Possible			**76,500**			84,700
Total			**816,300**			961,000

Operating information	**1992**	1991
Total tons mined (ore and waste)	**11,834,649**	11,788,761
Oxide Ore:		
Tons of ore milled	**1,485,412**	1,512,224
Average grade: ounces per ton	**0.076**	0.068
Recovery rate: %	**78.0**	79.0
Refractory Ore:		
Tons of ore milled	**310,971**	319,262
Average grade: ounces per ton	**0.072**	0.067
Recovery rate: %	**75.0**	69.0
Ounces of gold produced from:		
Milled oxide ore	**87,550**	80,659
Autoclave refractory ore	**16,760**	14,831
Leached ore	**16,929**	31,790
Total ounces produced	**121,239**	127,280
Operating cost per ounce sold	**$ 262**	$240
Cash cost per ounce produced	**$ 259**	$249

Financial information *(thousands of dollars)*		
Gold sales	**$ 51,973**	$ 55,894
Operating costs excluding financing costs	**32,278**	30,681
Royalties and resource taxes	**1,463**	1,418
Income from operations	**$ 18,232**	$ 23,795
Capital expenditures	**$ 4,801**	$ 4,040
Deferred stripping costs	**$ 1,042**	$ 2,824

Other Mines

	Holt-McDermott Mine *(100% owned)*		Camflo Mine *(100% owned)*		Pinson Mine *(26.25% owned)*	
	1992	1991	**1992**	1991	**1992**	1991
Operating information						
Tons of ore milled	**453,348**	655,219	**299,421**	291,451	**142,893**	145,549
Average grade: ounces per ton	**0.110**	0.101	**0.129**	0.091	**0.093**	0.099
Recovery rate: %	**93.5**	92.3	**94.2**	93.8	**78.9**	83.9
Ounces of gold produced from milled ore	**46,325**	60,728	**36,273**	25,001	**10,424**	12,060
Ounces of gold produced from leached ore	–	–	–	–	**2,952**	3,444
Total ounces produced	**46,325**	60,728	**36,273**	25,001	**13,376**	15,504
Operating and cash cost per ounce	**$356**	$331	**$164**	$295	**$260**	$238
Financial information *(thousands of dollars)*						
Gold sales	**$ 19,395**	$ 26,391	**$ 15,311**	$ 10,941	**$ 5,578**	$ 6,872
Operating costs excluding financing costs	**16,375**	19,938	**5,938**	7,371	**3,438**	3,742
Royalties and resource taxes	**283**	110	**–**	–	**125**	253
Closure costs	**–**	–	**1,976**	1,724	**–**	–
Income from operations	**$ 2,737**	$ 6,343	**$ 7,397**	$ 1,846	**$ 2,015**	$ 2,877
Development, exploration and capital expenditures	**$ 5,581**	$ 7,302	**$ –**	$ –	**$ 156**	$ 508

Production and Cost Summary

	Gold Production *(ounces)*		Operating Cost* *(US$ per ounce)*		Cash Cost *(US$ per ounce)*	
	1992	1991	**1992**	1991	**1992**	1991
Goldstrike Mine	**1,108,219**	546,146	**$ 143**	$ 175	**$ 199**	$ 318
Mercur Mine	**121,239**	127,280	**262**	240	**259**	249
Holt-McDermott Mine	**46,325**	60,728	**356**	331	**356**	331
Camflo Mine	**36,273**	25,001	**164**	295	**164**	295
Pinson Mine**	**13,376**	15,504	**260**	238	**260**	238
Renabie Mine**	**–**	15,187	**–**	301	**–**	301
	1,325,432	789,846	**$ 164**	$ 205	**$ 210**	$ 305

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

** *Barrick's proportional share.*

Glossary

Autoclave system - oxidation process in which high temperatures and pressures are applied to convert refractory sulphide mineralization into amenable oxide ore.

Bench - A system of mining an open pit ore body in stages or steps.

Carbon-in-leach (C-I-L) - a recovery process in which a slurry of gold ore, free carbon granules and cyanide are mixed together. The cyanide dissolves the gold content and the gold is adsorbed on the carbon; the carbon is subsequently separated from the slurry for further gold removal.

Deferred stripping costs - Mining costs associated with waste rock removal that 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. Deferred stripping costs serve to spread the costs associated with waste rock removal over the life of the mine.

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 orebody.

Ounces - troy ounces of a fineness of 999.9 parts per 1,000 parts, equal to 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 - That part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Reserves are customarily stated in terms of ore when dealing with metalliferous minerals. There are three categories of 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.

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

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

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 – associated with sulphide minerals (primarily pyrite) that have not been oxidized. Some sulphide ore may require autoclave treatment prior to milling.

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

The Production of Gold

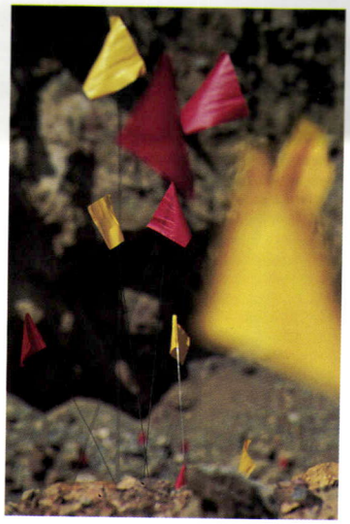
Producing gold is an around the clock operation. Barrick uses the latest technology and large scale operations to produce gold with maximum efficiency. At the same time, it ensures the safety of its employees and protects the quality of the environment in which it operates.

Loading the drill hole

The first stage in removing material from the pit is to fracture the ore body. Blast holes are drilled on a pattern of 18- to 32- foot centers depending on the type of material. As the holes are drilled, samples of the cuttings are taken for assay to determine grade and other metallurgical characteristics. These holes are filled with a blasting agent consisting of a mixture of fertilizer and diesel fuel and are detonated. Up to one million tons of material are broken at one time.

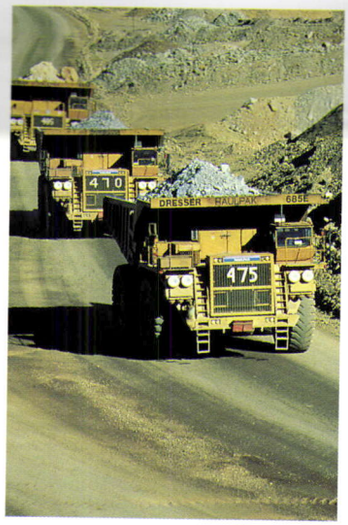
Grading

The assay information from the drill holes is geostatistically analyzed to divide the broken rock into different blocks which are assigned a unique number. Each block represents a category of material. The blocks are marked out on the blasted rock with flags and numerical signposts to indicate either ore or waste. Associated with the unique number are the average grade and metallurgical characteristics for ore blocks.



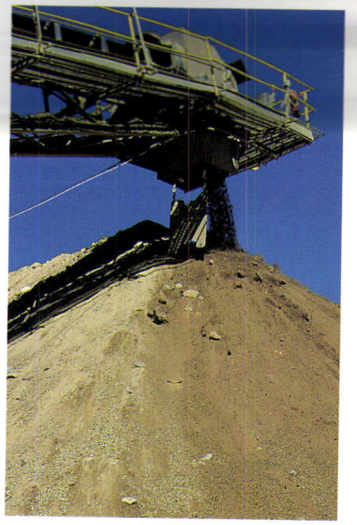
Mining

As the shovel mines through the blasted material, the shovel operator tells the central dispatch computer which block is being loaded. The computer informs the truck operator of the correct destination for the material and keeps track of the number of tons taken from the block and the delivery point of the material. In areas of waste, mining is conducted on bench heights of 40 feet, using 42-cubic yard shovels and 190-ton trucks. More selective mining on 20-foot benches, using smaller equipment, is used in ore.



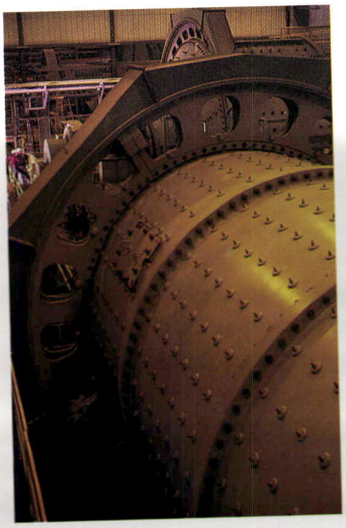
Crushing

Once the ore is mined, it is blended in stockpiles of various grades and metallurgical characteristics. This material is fed from the stockpiles to the crusher where it is crushed into pieces not larger than eight inches in size. It is then placed on a reclaim pile where it is transferred by underground conveyor to the SAG mill (semi-autogenous grinding).



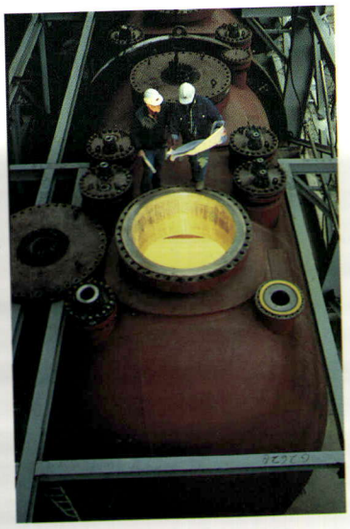
Grinding Circuit

In the SAG mill, water and small steel balls are added to the ore. The ore is ground into a coarse slurry. The coarse slurry is put through the ball mill, where it is ground to a fine powder and fed to a thickener to remove excess water. From the thickener, the slurry goes into the carbon-in-leach (C-I-L) circuit for oxide ore or through an acidulation process and preheating for sulphide ore, following which it is pumped to an autoclave vessel.



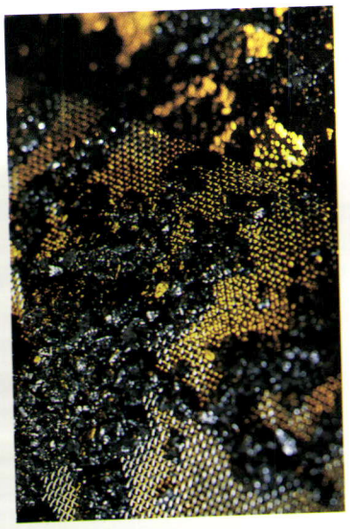
Autoclaving

In the autoclave vessel, heat, pressure and oxygen oxidize the sulphide ore, which dramatically improves the gold recovery rate. As part of this process, the slurry turns from grey to bright red in color as it is oxidized. In the autoclave, sulphide ore is oxidized in 60 minutes – in nature it takes millions of years. After neutralization with lime, the slurry goes to a C-I-L circuit.



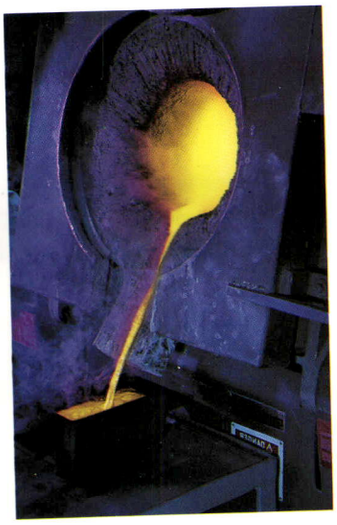
C-I-L Circuit

In the C-I-L circuit a cyanide solution and carbon particles are added. The gold is leached out of the ore by the cyanide and adsorbed onto the carbon. The carbon particles, which are coarser than the slurry, are held in the tanks by a series of screens. Slurry runs through in one direction and carbon is pumped periodically in the opposite direction continually upgrading the gold content of the carbon.



Gold Recovery

The carbon is pumped into stripping vessels where the gold is removed from the carbon by a hot cyanide solution. The solution is passed through electrowinning cells where the gold is plated onto steel wool. When loaded, the steel wool is smelted in an electric furnace at 1,300 degrees C with flux to remove the impurities. The doré bars, which at Goldstrike are more than 90% pure, are then sent to an outside refinery and processed into bars of .9999 pure gold.



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