MUNICIPAL MORTGAGE & EQUITY LLC
Form 4
June 09, 2005

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
JOSEPH MARK K

(Last) (First) (Middle)

621 EAST PRATT STREET, SUITE 300

(Street)

BALTIMORE, MD 21202

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
MUNICIPAL MORTGAGE & EQUITY LLC [MMA]

3. Date of Earliest Transaction (Month/Day/Year)
06/07/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chairman of the Board

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Shares	06/07/2005		M		3,750	A	$ 16.875	276,896.76	D	
Common Shares (1)	06/07/2005		S		3,750	D	$ 25.4364	273,146.76	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Common Shares	$ 16.875	06/07/2005		M			3,750	04/24/1998	04/24/2007	Common Shares	3,750	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JOSEPH MARK K 621 EAST PRATT STREET SUITE 300 BALTIMORE, MD 21202	X		Chairman of the Board	

Signatures

William S. Harrison	06/09/2005
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The sale in this Form 4 is effected pursuant to a Rule 10b5-1 trading plan.

Remarks:
William S. Harrison is signing as Attorney in Fact.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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(31

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Total shareholders' equity

	13,258
	3,850
Contingencies and commitments (notes 13 and 21)	
Total liabilities and shareholders' equity	
$	**20,049**
$	6,862

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

Consolidated Statements of Shareholders' Equity

Barrick Gold Corporation For the six months ended June 30 (in millions of United States dollars) (Unaudited)		**2006**		2005
Common shares (number in millions)				
At January 1		**538**		534
Issued on exercise of stock options		**2**		1
Issued on acquisition of Placer Dome (note 3)		**323**		-
At June 30		**863**		535
Capital stock (dollars in millions)				
At January 1	**$**	**4,222**	$	4,129
Issued on exercise of stock options		**48**		39
Recognition of stock option expense (note 19)		**13**		-
Shares and options issued on acquisition of Placer Dome (note 3)		**8,781**		-
At June 30	**$**	**13,064**	$	4,168
Retained earnings (deficit)				
At January 1	**$**	**(341)**	$	(622)
Net income		**683**		113
Dividends		**(96)**		(59)
At June 30	**$**	**246**	$	(568)
Accumulated other comprehensive income (loss) (note 20)	**$**	**(52)**	$	32
Total shareholders' equity at June 30	**$**	**13,258**	$	3,632

Consolidated Statements of Comprehensive Income

Barrick Gold Corporation (in millions of United States dollars) (Unaudited)	Three months ended June 30,				Six months ended June 30,			
		2006		2005		**2006**		2005
Net income	**$**	**459**	$	47	**$**	**683**	$	113
Other comprehensive income (loss), net of tax (note 20)		**7**		(24)		**(99)**		(37)
Comprehensive income	**$**	**466**	$	23	**$**	**584**	$	76

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

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Barrick Gold Corporation, Tabular dollar amounts in millions of United States dollars, unless otherwise shown. References to C$, A$, ARS and CLP are to Canadian dollars, Australian dollars, Argentinean pesos and Chilean Pesos respectively.

1> NATURE OF OPERATIONS

Barrick Gold Corporation ("Barrick" or the "Company") engages in the production and sale of gold and copper from underground and open-pit mines, including relate activities such as exploration and mine development. Our operations are mainly located in North America, South America, Africa, Australia Pacific and Russia/Central Asia. Our gold and copper production is sold into the world market.

2> SIGNIFICANT ACCOUNTING POLICIES

A Basis of Preparation

The United States dollar is the principal currency of our operations. These unaudited interim consolidated financial statements have been prepared in United States dollars and under United States generally accepted accounting principles ("US GAAP") for the preparation of interim financial information. Accordingly, they do not include all of the information and disclosures required by US GAAP for annual consolidated financial statements. The accounting policies used in the preparation of the accompanying unaudited interim consolidated financial statements are the same as those described in our audited consolidated financial statements and the notes thereto for the three years ended December 31, 2005, except as described below in note 2C. To ensure comparability of financial information, certain prior-year amounts have been material beyond proven and probable reserves; future costs and expenses to produce proven and probable reserves; future commodity prices and foreign currency exchange rates; the future cost of asset retirement obligations; the amounts of contingencies; preliminary and final estimates for fair value of acquired assets and liabilities and pre-acquisition contingencies; and assumptions used in the accounting for employee stock compensation such as stock price volatility, expected term and forfeiture rates for unvested awards. Using these estimates and assumptions, we make various decisions in preparing the financial statements including:

Ø The treatment of mine development costs as either an asset or an expense;
Ø whether long-lived assets are impaired, and if so, estimates of the fair value of those assets and any corresponding impairment charge;
Ø our ability to realize deferred income tax assets;
Ø the useful lives of long-lived assets and the measurement of amortization;
Ø the fair value of asset retirement obligations;
Ø the likelihood of loss contingencies occurring and the amount of any potential loss;
Ø whether investments are impaired;
Ø the amount of stock based compensation expense, including pro forma stock option expense in 2005; and
Ø the preliminary and final allocations of the purchase price in purchase business combinations.

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

reclassified to conform with the current year presentation.

In the opinion of management, all adjustments considered necessary for the fair presentation of results for the periods presented have been reflected in these financial statements. These unaudited interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and the notes thereto for the three years ended December 31, 2005.

The preparation of these financial statements requires us to make estimates and assumptions. The most significant ones are: quantities of proven and probable gold and copper reserves; the value of mineralized

B Consolidation

Through the acquisition of Placer Dome in first quarter 2006 we acquired interests in the Cortez, Turquoise Ridge and Porgera mines through unincorporated joint ventures under which we share joint control of operating, investing and financing decisions with the other joint venture partners. We use the proportionate consolidation method to account for our interests in these unincorporated joint ventures. For further information refer to note 22. We also acquired a 50% interest in the South Deep mine through the Placer Dome acquisition. Under a joint venture agreement we control this joint venture through the ability to exercise a casting vote at joint venture meetings, subject to certain protective rights held by the other joint venture partner. We consolidate 100% of this joint venture and record a non-controlling interest for the ownership interest held by the other joint venture partner. In second quarter 2006 we finalized a joint venture agreement with Goldcorp for the Pueblo Viejo project. Under the terms of the agreement we control this joint venture, so we consolidate 100% of this project and record a noncontrolling interest for the ownership interest held by the other joint venture partner.

C Accounting Changes

FAS 123R, Accounting for Stock-Based Compensation (FAS 123R)

On January 1, 2006, we adopted FAS 123R "Share Based Payments". Prior to this date we applied FAS 123 and accounted for stock options under the intrinsic value method, recording the compensation cost for stock options as the excess of the market price of the stock at the grant date of an award over the exercise price. Historically, the exercise price of the stock option equaled the market price of the stock at the grant date resulting in no recorded compensation cost. We provided pro-forma disclosure of the effect of expensing the fair value of stock options.

We adopted FAS 123R using the modified prospective method and our financial statements for periods prior to adoption, including the 2005 comparative financial statements, have not been restated. From January 1, 2006 we have recorded compensation expense for all new stock option grants based on the grant date fair value, amortized on a straight-line basis over the vesting period. We also recorded compensation expense for the unvested portion of grants prior to January 1, 2006, based on the grant date fair value calculated for pro-forma disclosure purposes for financial statements of fiscal periods prior to 2006, amortized on a straight-line basis over the remaining vesting period.

Total recorded compensation cost relating to stock options was $6 million for the three months ended June 30, 2006 and $13 million

FAS 151, Inventory Costs

FAS 151 specifies the general principles applicable to the pricing and allocation of certain costs to inventory. FAS 151 is the result of a broader effort by the Financial Accounting Standards Board (FASB) to improve the comparability of cross-border financial reporting by working with the International Accounting Standard Board (IASB) toward development of a single set of high-quality accounting standards. As part of that effort, the FASB and the IASB identified opportunities to improve financial reporting by eliminating certain narrow differences between their existing accounting standards. The accounting for inventory costs, in particular, abnormal amounts of idle facility expense, freight, handling costs, and spoilage, is one such narrow difference that the FASB decided to address by issuing FAS 151. As historically worded in ARB 43, Chapter 4, the term "abnormal" was not defined and its application could lead to unnecessary noncomparability of financial reporting. FAS 151 eliminates that term. Under FAS 151, abnormal amounts of idle facility expense, freight, handling costs and wasted materials are recognized as current period charges rather than capitalized to inventory. FAS 151 also requires that the allocation of fixed production overhead to the cost of inventory be based on the normal capacity of production facilities. FAS 151 is applicable prospectively from January 1, 2006 and we have modified our inventory accounting policy consistent with its requirements. Under our modified accounting policy for inventory, production-type costs that are abnormal are excluded from inventory and charged directly to cost of sales. Interruptions to normal activity levels at a mine could occur for a variety of reasons including seasonal shutdowns for statutory holidays, equipment failures and major maintenance activities, strikes, power supply interruptions and adverse weather conditions. When such interruptions occur we evaluate the impact on the cost of inventory produced in the period, and to the extent the actual cost exceeds the for the six months ended June 30, 2006 and is presented as a component of cost of sales, corporate administration and other expense consistent with the classification of other elements of compensation for those individuals who have been granted stock options. Compensation cost relating to stock options had an impact of $0.01 on earnings per share for the three months ended June 30 and $0.02 for the six months ended June 30, 2006. The adoption of FAS 123R and application to accounting for our Restricted Share Units (RSUs) and Deferred Share Units (DSUs) did not have any significant impact on our financial statements. See note 19 for further information.

cost based on normal capacity we expense any excess directly to cost of sales. The adoption of FAS 151 did not have any significant effect on our financial statements for the three months and six months ended June 30, 2006.

D Accounting Developments

FASB Interpretation No. 48 - Accounting for Uncertainty in Tax Positions

In June 2006, the FASB issued FIN No. 48 - Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109. The interpretation has been developed because of diversity in practice for accounting for uncertain tax positions. Some entities record tax benefits for uncertain tax positions as they are filed on the income tax return, while others use either gain contingency accounting or a probability threshold.

Under the interpretation, an entity should presume that a taxing authority will examine all tax positions with full knowledge of all relevant information. Therefore, when evaluating a tax position for recognition and measurement, consideration of the risk of examination is not appropriate. In applying the provisions of the interpretation, there will be distinct recognition and measurement evaluations. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, based solely on the technical merits, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the appropriate amount of the benefit to recognize. The amount of benefit to recognize will be measured as the maximum amount which is more likely than not, to be realized. The tax position should be derecognized in the first period when it is no longer more likely than not of being sustained. On subsequent recognition and measurement the maximum amount which is more likely than not to be recognized at each reporting date will represent management's best estimate given the information available at the reporting date, even though the outcome of the tax position is not absolute or final. Subsequent recognition, derecognition, and measurement should be based on new information. A liability for interest or penalties or both will be recognized as deemed to be incurred based on the provisions of the tax law, that is, the period for which the taxing authority will begin assessing the interest or penalties or both. The amount of interest expense recognized will be based on the difference between the amount recognized in accordance with this interpretation and the benefit recognized in the tax return. Under this interpretation, an entity will disclose its policy on the classification of interest and

users of financial statements generally have agreed. Others, however, have expressed concerns about the ability to apply the fair value measurement objective in GAAP, more recently in response to the FASB Proposal, Principles-Based approach to US Standard Setting. The FASB believes that, in part, those concerns result because there is limited guidance for applying the fair value objective in GAAP. The guidance that currently exists has evolved piecemeal over time. That guidance is dispersed among the many pronouncements that require fair measurements, and differences in that guidance have created inconsistencies that have added to the complexity in GAAP. In June 2003, the FASB added a separate fair value measurement project to its agenda to address those concerns. In June 2004, the FASB issued an Exposure Draft of a proposed Statement, Fair Value Measurements. The comment period ended on September 7, 2004.

In the latest Exposure Draft, the FASB clarified that:

l A fair value measurement assumes an orderly transaction to sell or otherwise dispose of an asset or transfer a liability in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability.
l The inputs referred to within the fair value hierarchy are market inputs that reflect the assumptions that market participants in the principal (most advantageous) market would use in pricing an asset or liability and differ with respect to the extent to which they are observable. The fair value hierarchy gives the highest priority to observable market inputs and the lowest priority to unobservable market inputs.
l A fair value measurement must include all of the assumptions that market participants in the principal (most advantageous) market would consider in pricing the asset or liability, including assumptions about risk if the measurement is based on unobservable market inputs.

penalties and also disclose the reconciliation of the total amounts of unrecognized tax benefits at the beginning to the end of each period. On transition, the change in net assets due to applying the provisions of the final interpretation will be considered a change in accounting principle with the cumulative effect of the change treated as an offsetting adjustment to the opening balance of retained earnings in the period of transition. The interpretation is effective by the beginning of the first annual period beginning after December 15, 2006, with early adoption permitted. We are presently evaluating the impact of this interpretation on our financial statements.

Exposure Draft, Fair Value Measurements (FVM)

In many recent accounting pronouncements, the FASB has concluded that fair value information is relevant and

l In many cases, a transaction price will represent the fair value of an asset or liability at initial recognition, but not presumptively.

If adopted, the FVM statement will be effective for Financial Statements issues for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. After the final FVM statements is issued, we intend to complete our assessment of the impact on our financial statements.

Exposure Draft, Post-Retirement Benefit Obligations, including Pensions.
On March 31, 2006, the Financial Accounting Standards Board ("FASB") issue an exposure draft, Accounting for Post-Retirement Benefit Obligations, including Pensions. This guidance includes a requirement for a company to fully recognize the over funded or under funded status of its benefit plans on the balance sheet. Based on the exposure draft the new guidance will be effective for our December 31, 2006 financial statements. We are in the process of evaluating the potential impact of this exposure draft on our financial statements.

E Changes in Estimates
Gold Mineral Reserves
Effective December 31, 2005, we updated our estimates of proven and probable gold mineral reserves at each mineral property. Following the update of these estimates, we prospectively revised calculations of amortization of property, plant and equipment. The effect of the change in reserve estimates on amortization of property, plant and equipment for the three months ended June 30, 2006, was an increase in this expense by $2 million, and for the six months ended June 30, 2006, a decrease in this expense of $5 million.

3 BUSINESS COMBINATIONS

A Acquisition of Placer Dome Inc. ("Placer Dome")

Placer Dome Offer and Acceptance
In first quarter 2006 we acquired 100% of the outstanding common shares of Placer Dome. Placer Dome was one of the world's largest gold mining companies, and produced 3.6 million ounces of gold and 359 million pounds of copper in 2005. It had 12 mining January 20, 2006, with the results of operations of Placer Dome consolidated from January 20, 2006 onwards. The purchase cost was $10 billion and was funded through a combination of common shares issued, the drawdown of a $1 billion credit facility, and cash resources.

Value of 322.8 million Barrick common shares issued at $27.14 per share	$ 8,761
Value of 2.5 million fully vested stock options	20
Cash	1,239
Transaction costs	30
	$ 10,050

The measurement of the $27.14 common share component of the purchase consideration represents the average closing price on the New York Stock Exchange for the two days prior to and two days after the public announcement of our final offer for Placer Dome.

In accordance with the purchase method of accounting, the purchase cost will be allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. We intend to determine the final estimated fair values based on independent appraisals, discounted cash flows, quoted market prices, and estimates made by management. We expect that any excess of purchase cost over the net identifiable tangible and intangible assets acquired will represent goodwill that will be allocated to reporting units.

The following table sets forth a preliminary allocation of the purchase cost to assets and liabilities acquired, based on preliminary estimates of fair value. Our work on final valuation estimates for individual acquired assets and liabilities is furthest advanced in respect of inventories, derivatives and long-term debt. Valuations of property, plant and equipment, intangible assets, contingencies, deferred income tax assets/liabilities, and asset retirement obligations are less advanced due to the inherent complexity associated with the valuations. The purchase price allocation is preliminary and subject to adjustment over the course of 2006 on completion of the valuation process and analysis of resulting tax effects. In second quarter 2006 we adjusted the measurement of deferred tax assets and liabilities due to updates to valuation allowances and recognition of deferred tax liabilities at acquisition. These balances are subject to further adjustments over the course of 2006.

operations based in North America, South America, Africa and Australia/Papua New Guinea, as well as four projects that are in various states of exploration/development. Its most significant mines were Cortez in the United States, Zaldívar in Chile, Porgera in Papua New Guinea, North Mara in Tanzania and South Deep in South Africa. The most significant projects are Cortez Hills and Donlin Creek in the United States, and Pueblo Viejo in the Dominican Republic. We believe that the business combination between ourselves and Placer Dome is a unique opportunity to create a Canadian-based leader in the global gold mining industry, and strengthens our position, including in respect of reserves, production, growth opportunities, and balance sheet strength.

Accounting for the Placer Dome Acquisition

The Placer Dome acquisition has been accounted for as a purchase business combination, with Barrick as the accounting acquirer. We acquired Placer Dome on

Preliminary Purchase Price Allocation

Cash	$ 1,102
Inventories	435
Other current assets	255
Property, plant and equipment	3,484
Assets of discontinued operations	1,744
Other assets	303
Goodwill	7,670
Total assets	14,993
Current liabilities	669
Liabilities of discontinued operations	107
Derivative instrument liabilities	1,729
Long-term debt	1,251
Other long-term obligations	725
Total liabilities	4,481
Non-controlling interest	462
Net assets acquired	$ 10,050

At acquisition we recorded restructuring liabilities totaling $48 million that primarily relate to employee severance at Placer Dome offices that are being closed. In second quarter 2006 amounts totaling $19 million were paid, with $9 million outstanding at June 30, 2006. We expect to pay all the outstanding amounts by second quarter 2007.

Goodwill

We allocate goodwill arising from business combinations to reporting units acquired by preparing estimates of the fair value of the entire reporting unit and comparing this amount to the fair value of assets and liabilities (including intangibles) in the reporting unit. The difference represents the amount of goodwill allocated to each reporting unit. Upon finalization of the purchase price allocation we will calculate the amount of goodwill arising on the Placer Dome acquisition, identify the reporting units and allocate goodwill to those reporting units.

We will test goodwill for impairment annually in the fourth quarter of our fiscal year. This impairment assessment will involve estimating the fair value of each reporting unit that includes goodwill. We will compare this fair value to the total carrying amount of each reporting unit (including goodwill). If the fair value exceeds this carrying amount, then we will estimate the fair values of all identifiable assets and liabilities in the reporting unit, and compare this net fair value of assets less liabilities to the estimated fair value of the entire reporting unit. The difference will represent the fair value of goodwill, and if necessary, we will reduce the carrying amount of goodwill to this fair value.

Discontinued Operations

In second quarter 2006, Goldcorp Inc. ("Goldcorp") acquired from us all of Placer Dome's Canadian properties and operations (other than Placer Dome's office in Vancouver), including all mining, reclamation and exploration properties, Placer Dome's interest in the La Coipa mine in Chile, 40% of Placer Dome's interest in the Pueblo Viejo project in the Dominican Republic, certain related assets and, our share in Agua de la Falda S.A., which included our interest in the Jeronimo project (collectively, the "Assets of Discontinued Operations"). Goldcorp is responsible for all liabilities relating solely to the Assets of Discontinued Operations, including employment commitments and environmental, closure and reclamation liabilities (collectively, the "Liabilities Discontinued Operations").

The sales proceeds for the Assets of Discontinued Operations were $1,641 million. The aggregate net amount of assets and liabilities of discontinued operations were recorded in the preliminary purchase price allocation at this amount. The results of these operations were consolidated until closing, and are presented under "discontinued operations" in the income statement and cash flow statement. Interest has been allocated to the results from discontinued operations. No gain or loss arose on closing.

Pro Forma Consolidated Statement of Income

For the three month period ended June 30, 2005

($ millions of US dollars, except per share data in dollars)

	As reported Barrick Dome	Placer	Pro forma purchase adjustments[1]		Pro forma consolidated Barrick before sale of discontinued operations	Pro forma adjustments for sale of discontinued operations[2]		Pro forma consolidated Barrick
Sales	$ 463	$ 460			$ 923	$ (67)	(d)	$ 856
Costs and expenses								
Cost of sales[3]	266	317			583	(45)	(d)	538
Amortization	94	65			159	(9)	(d)	150
Corporate administration	19	15			34	-		34
Exploration	29	23			52	(7)	(d)	45
Project development expense	8	20			28	(1)	(d)	27
Other operating expenses	9	-			9	-		9
	425	440			865	(62)		803
Other income (expense)								
Interest income	11	13	2	(a)	26	-		26
Interest expense	(1)	(23)	(11)	(b)	(35)	11	(b)	(24)
Other	5	(7)			(2)	-		(2)
	15	(17)	(9)		(11)	11		-
Income before income taxes and other items	53	3	(9)		47	6		53
Income tax expense	(7)	(12)	4	(c)	(15)	(10)	(e)	(25)
Non-controlling interests	1	1			2	-		2
Equity in investees	-	1			1	(1)	(d)	-
Net income (loss)	$ 47	$ (7)	$ (5)		$ 35	$ (5)		$ 30
Earnings per share data:								
Net income (loss)								
Basic and diluted	$ 0.09	$ (0.01)						$ 0.03

[1] Adjustments to reflect certain estimated effects of purchase accounting.

[2] Adjustments to reflect the estimated effects of the sale of discontinued operations.

[3] Exclusive of amortization.

Pro Forma Consolidated Statement of Income

For the six month period ended June 30, 2005

($ millions of US dollars, except per share data in dollars)	As reported							
	Barrick	Placer Dome	Pro forma purchase adjustments[1]		Pro forma consolidated Barrick before sale of discontinued operations	Pro forma adjustments for sale of discontinued operations[2]		Pro forma consolidated Barrick
Sales	$ 947	$ 951			$ 1,898	$ (130)	(d)	$ 1,768
Costs and expenses								
Cost of sales[3]	537	636			1,173	(89)	(d)	1,084
Amortization	187	133			320	(18)	(d)	302
Corporate administration	36	32			68	-		68
Exploration	53	41			94	(13)	(d)	81
Project development expense	15	34			49	(2)	(d)	47
Other operating expenses	16	-			16	-		16
	844	876			1,720	(122)		1,598
Other income (expense)								
Interest income	19	26	3	(a)	48	-		48
Interest expense	(1)	(46)	(21)	(b)	(68)	21	(b)	(47)
Other	10	1			11	-		11
	28	(19)	(18)		(9)	21		12
Income before income taxes and other items	131	56	(18)		169	13		182
Income tax expense	(24)	(25)	8	(c)	(41)	(12)	(e)	(53)
Non-controlling interests	1	1			2	-		2
Equity in investees	(1)	6			5	(6)	(d)	(1)
Income before cumulative effect of changes in accounting principle	107	38	(10)		135	(5)		130
Cumulative effect of changes in accounting principle, net of tax	6	(14)	14		6	-		6
Net income	$ 113	$ 24	$ 4		$ 141	$ (5)		$ 136
Earnings per share data:								
Net income								
Basic	$ 0.21	$ 0.06						$ 0.16
Diluted	$ 0.21	$ 0.06						$ 0.16

[1] Adjustments to reflect certain estimated effects of purchase accounting.

[2] Adjustments to reflect the estimated effects of the sale of discontinued operations.
[3] Exclusive of amortization.

Basis of Presentation
This pro forma consolidated financial statement information has been prepared by us for illustrative purposes only to show the effect of the acquisition of 100% of Placer Dome by Barrick in the results for the three month period ended June 30, 2005 and the six month period ended June 20, 2005 had the acquisition taken place on January 1, 2005. Pro forma adjustments for the assumed effect of the sale of certain discontinued operations on the results of operations of Barrick have been reflected in this pro forma consolidated financial statement information. Pro forma information for the six months ended June 30, 2006 has not been presented because the inclusion of results for the period from January 1, 2006 to January 20, 2006 would not significantly impact the actual results for the period as reported.

The pro forma consolidated financial statement information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Actual amounts recorded upon finalization of the purchase price allocation and sale of discontinued operations will likely differ from those recorded in this pro forma consolidated financial statement information. Any potential synergies that may be realized and integration costs that may be incurred have been excluded from the pro forma financial statement information, including Placer Dome transaction costs and amounts payable under change of control agreements to certain members of management that are estimated at a combined total of $93 million. The information prepared is only a summary.

Pro Forma Assumptions and Adjustments

The pro forma consolidated statement of income for the three months ended June 30, 2005 and six months ended June 30, 2005 has been prepared from the statements of income for each of Barrick and Placer Dome for the period after giving pro forma effect to the acquisition of Placer Dome by Barrick and subsequent sale of discontinued operations as if both transactions had occurred on January 1, 2005.

The pro forma consolidated statement of income reflects the following adjustments.

(a) An increase in interest income of $2 million for the three months ended June 30, 2005 and of $3 million for the six months ended June 30, 2005 to reflect interest income earned on the cash proceeds generated by the assumed exercise of Placer Dome stock options.

(b) An increase in interest expense of $11 million for the three months ended June 30, 2005 and of $21 million for the six months ended June 30, 2005 to reflect the interest costs (net of amounts that would have been capitalized to Barrick development projects) relating to the cash component of the Offer that has been financed through temporary credit facilities. A decrease in interest expense of $11 million for the three months ended June 30, 2005 and of $21 million for the six months ended June 30, 2005 to reflect the assumed avoidance of interest on the temporary financing for the cash component of the Offer assuming the repayment of such

Pro Forma Earnings Per Share

(millions of shares or US dollars, except per share data in dollars)

	Three months ended June 30, 2005	Six months ended June 30, 2005
Actual weighted average number of Barrick common shares outstanding	535	535
Assumed number of Barrick common shares issued to Placer Dome shareholders	323	323
Pro forma weighted average number of Barrick common shares outstanding	858	858
Pro forma net income	30	136
Pro forma earnings per share - basic	0.03	0.16
Pro forma weighted average number of Barrick common shares outstanding	858	858
Dilutive effect of stock options	1	1
Pro forma weighted average number of Barrick common shares outstanding - diluted	859	859
Pro forma earnings per share - diluted	0.03	0.16

B Acquisition of Mineral Interest in Pakistan

On February 14, 2006, we entered into an agreement with Antofagasta PLC ("Antofagasta") to acquire 50% of Tethyan Copper Company's ("Tethyan") Reko Diq project and associated mineral interests in Pakistan. As part of the arrangement, we have agreed to reimburse Antofagasta approximately $115 million in cash representing 50% of the cost of acquisition, including proceeds to be paid to terminate claw-back rights to material interest in certain Tethyan's mineral interests, currently held by BHP Billiton. In June 2006, Antofagasta completed the acquisition of all the outstanding shares of Tethyan, as a result of which we are in the process of finalizing arrangements to complete the acquisition of our 50% interest in Reko Diq.

C Acquisition of NovaGold Resources Inc.

On July 24, 2006 we announced our intention to make an all cash offer of $14.50 per share for all the outstanding shares of NovaGold Resources Inc. ("NovaGold"). The acquisition of NovaGold would enable us to consolidate our interest in the Donlin Creek project in Alaska, USA, and acquire a 100% interest in the Galore Creek project in British Columbia, Canada, and a 100% interest in the Rock Creek open-pit gold deposit, in Nome, Alaska, which is targeted to begin production by late 2006 or early 2007. NovaGold's other financing from the receipt of cash proceeds from the sale of discontinued operations.

(c) A credit to tax expense of $4 million for the three months ended June 30, 2005 and of $8 million for the six months ended June 30, 2005 to reflect the tax effect of the pro forma purchase adjustments in (a) and (b).

(d) Adjustments to de-recognize the revenues and expenses for the three months ended June 30, 2005 and the six months ended June 30, 2005 relating to the discontinued operations.

(e) Adjustments to de-recognize income tax expense for the discontinued operations for the three months ended June 30, 2005 and the six months ended June 30, 2005 and to record the tax effect of other pro forma adjustments relating to the sale of discontinued operations.

assets at May 31, 2006 included cash of $184 million; and investments with a market value of about $66 million. Based on the outstanding common shares of NovaGold at July 24, 2006, the cost of acquiring 100% of NovaGold would be $1.53 billion on a fully diluted basis.

Also on July 24, 2006 we announced that we had reached an agreement with Pioneer Metals Corporation ("Pioneer"), whereby it will support Barrick's offer to acquire all its outstanding common shares for cash consideration of C$1.00 per share or approximately C$64.7 million on a fully diluted basis.

Pioneer has a portfolio of exploration properties and interests, including the Grace property which is adjacent to NovaGold's Galore Creek project.

4 > SEGMENT INFORMATION

In 2004, we adopted a regional business unit approach to the management of our mining operations. Our operations were organized geographically in the following regions: North America, South America, Australia/Africa, and Russia/Central Asia. We also maintained a separate exploration group to manage exploration projects on a global basis. Notwithstanding this management structure we reported information on a mine by mine basis to the chief operating decision maker, and therefore concluded that our operating segments represented individual mines and development projects. In 2006, upon completion of the Placer Dome acquisition and integration of the acquired Placer Dome mining operations, we created a separate Africa business unit distinct from Australia and added the Porgera Mine in Papua New Guinea to the Australia business unit, at the same time renaming it Australia Pacific. We revised the format of information provided to the chief operating decision maker to be consistent with our regional business unit structure, distinguishing between gold and copper mining operations. In first quarter 2006, we revised our operating segment disclosure to be consistent with the internal management structure and reporting format changes, with restatement of comparative information to conform to the current period presentation.

Income Statement Information

	Sales		Segment expenses		Segment income (loss)	
For the three month period ended June 30	**2006**	2005	**2006**	2005	**2006**	2005
Gold						
North America	**$ 535**	$ 259	**$ 264**	$ 158	**$ 209**	$ 51
South America	**232**	77	**71**	25	**135**	33
Australia Pacific	**306**	93	**157**	57	**114**	25
Africa	**140**	34	**96**	26	**16**	(1)
Russia/Central Asia	**-**	-	**-**	-	**-**	-
Copper						
South America	**295**	-	**62**	-	**223**	-
Australia Pacific	**48**	-	**24**	-	**21**	-
Exploration group	**-**	-	**44**	29	**(44)**	(29)
Segment total	**$ 1,556**	$ 463	**$ 718**	$ 295	**$ 674**	$ 79

	Sales		Segment expenses		Segment income (loss)	
For the three month period ended June 30	**2006**	2005	**2006**	2005	**2006**	2005
Gold						
North America	**$ 986**	$ 549	**$ 512**	$ 328	**$ 352**	$ 118
South America	**454**	132	**151**	40	**239**	58

Australia Pacific	**572**	195	**318**	112	**189**	62
Africa	**272**	71	**190**	57	**30**	(6)
Russia/Central Asia	**-**	-	**-**	-	**-**	-
Copper						
South America	**443**	-	**141**	-	**285**	-
Australia Pacific	**83**	-	**54**	-	**24**	-
Exploration group	**-**	-	**77**	53	**(77)**	(53)
Segment total	**$ 2,810**	$ 947	**$ 1,443**	$ 590	**$1,042**	$ 179

Reconciliation of Segment Income

	Three month period ended June 30		Six month period ended June 30	
	2006	2005	**2006**	2005
Segment income	**$ 674**	$ 79	**$ 1,042**	$ 179
Amortization of corporate assets	**(3)**	(5)	**(14)**	(9)
Project development expense	**(28)**	(8)	**(47)**	(15)
Corporate administration	**(31)**	(19)	**(65)**	(36)
Interest income	**25**	11	**52**	19
Interest expense	**(37)**	(1)	**(55)**	(1)
Other operating expenses	**(18)**	(9)	**(36)**	(16)
Other income (expense)	**11**	5	**(12)**	10
Income from continuing operations before income taxes and other items	**$ 593**	$ 53	**$ 865**	$ 131

Asset Information

	Amortization		Segment capital expenditures	
For the three month period ended June 30	**2006**	2005	**2006**	2005
Gold				
North America	**$ 62**	$ 50	**$ 61**	$ 54
South America	**26**	19	**65**	135
Australia Pacific	**35**	11	**109**	74
Africa	**28**	9	**31**	5
Russia/Central Asia	**-**	-	**-**	-
Copper				
South America	**10**	-	**6**	-
Australia Pacific	**3**	-	**-**	-
Segment total	**$ 164**	$ 89	**$ 272**	$ 268
Other items not allocated to segments	**3**	5	**2**	2
Enterprise total	**$ 167**	$ 94	**$ 274**	$ 270

	Amortization		Segment capital expenditures	
For the six month period ended June 30	**2006**	2005	**2006**	2005
Gold				
North America	**$ 122**	$ 103	**$ 93**	$ 79
South America	**64**	34	**154**	279
Australia Pacific	**65**	21	**195**	127
Africa	**52**	20	**54**	24
Russia/Central Asia	**-**	-	-	-
Copper				
South America	**17**	-	**11**	-
Australia Pacific	**5**	-	**-**	-
Segment total	**$ 325**	$ 178	**$ 507**	$ 509
Other items not allocated to segments	**14**	9	**4**	3
Enterprise total	**$ 339**	$ 187	**$ 511**	$ 512

5 > REVENUE AND SALES CONTRACTS

	Three month period ended June 30		Six month period ended June 30	
	2006	2005	**2006**	2005
Gold bullion sales				
Spot market sales	**$ 1,168**	$ 409	**$ 2,123**	$ 861
Gold sales contracts	**-**	38	**72**	38
	1,168	447	**2,195**	899
Concentrate sales	**45**	16	**89**	48
	$ 1,213	$ 463	**$ 2,284**	$ 947
Copper Sales				
Copper cathode sales	**$ 289**	$ -	**$ 434**	$ -
Concentrate sales	**54**	-	**92**	-
	$ 343	$ -	**$ 526**	$ -

In first quarter 2006 we acquired two copper mines through the Placer Dome acquisition. We sell copper under sales contracts entered into with customers. Under the terms of these copper sales contracts, copper prices are set on a specified future date based upon market commodity prices plus in some cases, price adjustments. Revenue is recognized on delivery when title and risk of loss pass to the customer, and collectability is reasonably assured. Revenue is measured using forward market prices on the expected date that final selling prices will be fixed. Variations occur between the price recorded on the date of revenue recognition and the actual final price under the terms of the contracts due to changes in market copper prices, which result in the existence of an embedded derivative in the accounts receivable. This embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as a component of revenue.

At June 30, 2006, we had fixed-price gold sales contracts allocated to our development projects, principally to Pascua-Lama and Pueblo Viejo for 6.5 million ounces and 3.0 million ounces respectively of future gold production. The allocation of these contracts will help reduce gold price risk at

As at June 30, 2006 ($ millions)	Mark-to-Market Value
Project Gold Sales Contracts	(3,148)
Corporate Gold Sales Contracts	(1,086)
Floating Price Gold Sales Contracts	(96)
	(4,330)

[1] At spot gold price of $614 per ounce.

Floating spot price sales contracts were previously fixed-price forward sales contracts for which, in accordance with the terms of our master trading agreements, we have elected to receive floating spot gold and silver prices, adjusted by the difference between the spot price and the contract price at the time of such election. Floating prices were elected for these contracts so that we could economically regain spot gold price leverage under the terms of delivery into these contracts. Floating price mechanisms were elected for these contracts at a time when the then current market price was higher than the fixed-price in the contract, resulting in a mark-to-market on these contracts (at June 30, 2006) of negative $96 million, which equates to an average reduction to the future spot sales price of approximately $135 per ounce, when we deliver gold at spot prices against these contracts. At June 30, 2006, we held gold lease rate swaps, under which we receive a fixed gold lease rate, and pay a floating gold lease rate, on a notional 1.0 million ounces of gold spread from 2005 to 2013. The swaps are associated with fixed-price gold sales contracts with expected delivery dates beyond 2006. Lease rate swaps are classified as non-hedge derivatives (note 15B).

Pascua-Lama and Pueblo Viejo and may help secure financing for construction. In addition to the gold sales contracts allocated to Pascua-Lama and Pueblo Viejo, we had 2.8 million ounces of fixed-price corporate gold sales contracts. We also had a further 0.7 million ounces of floating-price gold sales contracts. The mark-to-market on these contracts (at June 30, 2006) was as follows:

In addition to our fixed-price gold sales contracts, at June 30, 2006, we had 224 million pounds of copper put options outstanding with a net fair value of $5 million (note 15B).

6 > COST OF SALES

	Three month period ended June 30				Six month period ended June 30			
	Gold		Copper		Gold		Copper	
	2006	2005	**2006**	2005	**2006**	2005	**2006**	2005
Cost of goods sold[1]	**$ 581**	$ 289	**$ 87**	$ -	**$1,158**	$ 573	**$ 194**	$ -
By-product revenues[2]	**(38)**	(37)	**(1)**	-	**(72)**	(66)	**(1)**	-
Royalty expense[3]	**37**	13	**-**	-	**70**	26	**2**	-
Mining taxes	**8**	1	**-**	-	**15**	4	**-**	-
	$ 588	$ 266	**$ 86**	$ -	**$1,171**	$ 537	**$ 195**	$ -

1 Cost of goods sold includes accretion expense at producing mines of $7 million (2005 - $3 million) in the three months ended June 30, 2006 and $13 million (2005 - $6 million) in the six months ended June 30, 2006. The cost of inventory sold in the period reflects all components capitalized to inventory, except that, for presentation purposes, the component of inventory cost relating to amortization of property, plant and equipment is classified in the income statement under "amortization". Some companies present this amount under "cost of sales". The amount presented in amortization rather than cost of sales was $164 million in the three months ended June 30, 2006 (2005 - $89 million), and $325 million (2005 - $178 million) in the six months ended June 30, 2006.

2 We use silver sales contracts to sell a portion of silver produced as a by-product. Silver sales contracts have similar delivery terms and pricing mechanisms as gold sales contracts. At June 30, 2006, we had fixed-price commitments to deliver 15.5 million ounces of silver at an average price of $6.35 per ounce, and floating spot price sale contracts for 5.8 million ounces, over periods of up to 10 years. The mark-to-market on the silver sales contracts (at June 30, 2006) was negative $74 million.

3 Through the acquisition of Placer Dome we acquired various royalty obligations at the Placer Dome mines. All production at Cortez is subject to a 1.5% gross smelter return ("GSR") royalty, with a further GSR royalty over the Pipeline/South Pipeline deposit (graduating from 0.4% to 5.0% based on the price of gold) and a net value royalty of 5% over a portion of the Pipeline/South Pipeline deposit. Production at the Porgera mine is subject to a 2% net smelter royalty payable to the National Government Department of Mining, which then distributes it to the Enga Provincial government, the Porgera District Authority, and local landowners. Production in Queensland and Western Australia is subject to a royalty ranging from 2.5% to 2.7% of gold revenues.

7 > OTHER INCOME (EXPENSE)

	Three month period ended June 30		Six month period ended June 30	
	2006	2005	**2006**	2005
Non-hedge derivative gains (note 15B)	**$ 25**	$ 3	**$ 4**	$ 9
Gains on sale of assets	**5**	-	**6**	1
Gain on Kabanga transaction	**-**	15	**-**	15
Environmental remediation costs[1]	**(7)**	(9)	**(10)**	(14)
Gains (losses) on sale of investments	**-**	-	**(1)**	9
World Gold Council fees	**(5)**	(2)	**(9)**	(4)
Currency translation losses	**(5)**	(1)	**(4)**	(5)
Pension and other post-retirement benefit expense	**(1)**	(1)	**(2)**	(2)
Other income (expense)	**(1)**	-	**4**	1
	$ 11	$ 5	**$ (12)**	$ 10

[1] Included costs at development projects and closed mines and changes in the expected costs of AROs at closed mines.

In second quarter 2006, a loaded skip and 6.7 kilometers of rope fell 1.6 kilometers down the South Deep mine's Twin Shaft complex during routine maintenance, causing extensive damage but no injuries. Repair costs for assets that were damaged are being expensed as incurred. We are insured for property damage and a portion of business interruption losses, and we have initiated the claims process in connection with this event. Any insurance recoveries will be recorded as other income at the time that realization of the insurance claim is deemed probable and the amount is reliably estimable.

In second quarter 2006, we completed the sale of our interest in the Cerro Casale project to a third party, consistent with the terms of an agreement that had been entered into by Placer Dome prior to the date we acquired Placer Dome. No gain or loss was recorded on closing.

Pension and Other Post-Retirement Benefit Expense[1]

	Three month period ended June 30		Six month period ended June 30	
	2006	2005	**2006**	2005
Expected return on plan assets	**$ (5)**	$ (3)	**$ (11)**	$ (6)
Service cost on benefit obligation	**2**	-	**3**	-
Interest cost on benefit obligation	**5**	3	**12**	6
Actuarial losses	**1**	1	**1**	2
	$ 3	$ 1	**$ 5**	$ 2

[1] For the three months ended June 30, 2006, $1 million of pension expense that relates to active employees at producing mines is included in cost of sales, and $1 million is included in Corporate administration (2005-$nil). For the six months ended June 30, 2006, $2 million of pension expense is included in cost of sales and $1 million is included in Corporate administration (2005-$nil).

8 > INCOME TAX EXPENSE

	Three month period ended June 30		Six month period ended June 30	
	2006	2005	**2006**	2005
Current	**$ 108**	$ 8	**$ 195**	$ 19
Deferred	**10**	(1)	**(2)**	5
	$ 118	$ 7	**$ 193**	$ 24
Reduction of deferred tax liability	**-**	-	**(31)**	-
Tax rate changes	**13**	-	**13**	-
	$ 131	$ 7	**$ 175**	$ 24
Effective income tax rate, excluding tax rate changes and reduction of deferred tax liability	**20%**	13%	**22%**	18%

The primary reasons why our actual effective income tax rate differs from the 38% Canadian statutory rate are due to certain allowances and special deductions unique to extractive industries, and also because we operate in multiple tax jurisdictions that have different tax rates than the Canadian federal and provincial rates. We have performed a preliminary measurement of deferred tax assets and liabilities, as well as a preliminary assessment of tax contingencies and valuation allowances for the acquired Placer Dome operations. Upon finalization of the purchase price allocation we will complete the determination of tax assets and liabilities acquired, which could differ from the taxpayers who have made the functional currency election, and in respect of debt that existed at the time the election was made, the ID provided clarification that unrealized foreign exchange gains that currently exist on intercompany debt will not crystallize upon repayment of the debt. The effect of the ID was recorded as a $31 million reduction of deferred tax liabilities.

In second quarter 2006, a new federal rate change was enacted in Canada that lowered the applicable tax rate. The impact of this tax rate change was to reduce net deferred tax assets in Canada by $35 million that was recorded as a component of deferred income amounts recorded at June 30, 2006.

In first quarter 2006, an interpretative decision (ID) was issued by the Australia Tax Office that clarified the tax treatment of currency gains and losses on foreign denominated liabilities. Under certain conditions, for

tax expense. Also in second quarter 2006, on change of tax status of a Canadian subsidiary we recorded a deferred income tax credit of $22 million, to reflect the impact on the measurement of deferred income tax assets and liabilities.

9 > EARNINGS PER SHARE

($ millions, except shares in millions and per share amounts in dollars)	Three month period ended June 30		Six month period ended June 30	
	2006	2005	**2006**	2005
Income from continuing operations	**$ 458**	$ 47	**$ 684**	$ 107
Plus: interest on convertible debentures	**1**	-	**2**	-
Plus: interest on preferred shares	**1**	-	**1**	-
Income available to common shareholders and after assumed conversations	**$ 460**	$ 47	**$ 687**	$ 107
Weighted average shares outstanding				
Basic	**863**	535	**820**	535
Effect of dilutive securities				
Stock options	**4**	1	**4**	1
Convertible debentures	**9**	-	**9**	-
Preferred shares	**2**	-	**2**	-
Diluted	**878**	536	**835**	536
Earnings per share - basic and diluted				
Income from continuing operations				
Basic	**$ 0.53**	$ 0.09	**$ 0.83**	$ 0.20
Diluted	**$ 0.52**	$ 0.09	**$ 0.82**	$ 0.20
Income before cumulative effect of change in accounting principle				
Basic	**$ 0.53**	$ 0.09	**$ 0.83**	$ 0.20
Diluted	**$ 0.53**	$ 0.09	**$ 0.82**	$ 0.20
Net Income				
Basic	**$ 0.53**	$ 0.09	**$ 0.83**	$ 0.21
Diluted	**$ 0.53**	$ 0.09	**$ 0.82**	$ 0.21

10 > OPERATING CASH FLOW - OTHER ITEMS

	Three month period ended June 30		Six month period ended June 30	
	2006	2005	**2006**	2005
Adjustments for non-cash income statements items:				
Currency translation (gains) losses	**$ 2**	$ (1)	**$ 1**	$ 2
Accretion expense	**9**	5	**17**	10
Accounting change (note 2C)	**-**	-	**-**	(6)
Deferred income tax expense (recovery) and tax rate changes (note 8)	**23**	(1)	**(20)**	5
Stock option expense (note 2C)	**6**	-	**13**	-
Gains on sale of assets (note 7)	**(5)**	-	**(6)**	(1)
(Gains) Losses on sale of investments (note 7)	**-**	-	**1**	(9)
Gain on Kabanga transaction (note 7)	**-**	(15)	**-**	(15)

Cash flow arising from changes in:				
Accounts receivable	**(23)**	(10)	**(42)**	(4)
Goods and services taxes recoverable	**19**	24	**12**	7
Inventories	**(103)**	(51)	**(101)**	(74)
Accounts payable	**(46)**	(2)	**(74)**	30
Other assets and liabilities	**143**	17	**212**	(6)
Payments of reclamation costs (note 16)	**(8)**	(6)	**(14)**	(14)
Other net operating activities	**$ 17**	$ (40)	**$ (1)**	$ (75)

11 > INVENTORIES

	Gold		Copper	
	At June 30, 2006	At Dec. 31, 2005	At Jun. 30, 2006	At Dec. 31, 2005
Ore in stockpiles	**$ 460**	$ 360	**$49**	$ -
Ore on leach pads	**84**	34	**74**	-
Work in process	**79**	47	**3**	-
Gold doré/bullion	**116**	32	**-**	-
Copper cathodes	**-**	-	**77**	-
Concentrate	**3**	47	**-**	-
Mine operating supplies	**256**	133	**17**	-
	998	653	**220**	-
Non-current ore in stockpiles[1]	**(271)**	(251)	**(70)**	-
	$ 727	$ 402	**$ 150**	$ -

[1] Ore that we do not expect to process in the next 12 months.

In first quarter 2006, we performed a preliminary assessment of the value of inventory acquired through the Placer Dome acquisition. We plan to complete this assessment later this year and there is some possibility that the amounts recorded in first quarter 2006 could change on finalization of the purchase price allocation.

12 > INVESTMENTS

A Available-for-sale Securities

	At Jun. 30, 2006		**At Dec. 31, 2005**	
	Fair value	**Gains in OCI**	**Fair Value**	**Gains in OCI**

B Equity Method Investments

	At June 30, 2006		At Dec. 31, 2005	
	Fair value[1]	**Carrying amount**	Fair value[1]	Carrying amount
Highland Gold Mining PLC	**$ 135**	**$ 130**	$ 134	$ 131
Diamondex Resources Limited	**8**	**8**	6	7
	$ 143	**$ 138**	$ 140	$ 138

[1] Based on the closing market stock price.

13 > PROPERTY, PLANT AND EQUIPMENT

The following assets were not being amortized.

	Carrying amount at June 30, 2006	Carrying amount at December 31, 2005	Targeted timing of production start-up 2006
Development projects			
Ruby Hill	**50**	35	2007
Pascua-Lama	**396**	340	2009
Cortez Hills[1]	**37**	-	2009
Buzwagi exploration project	**102**	102	-
Other exploration projects[1]	**245**	-	-
Total	**$ 830**	$ 477	

1 Through the Placer Dome acquisition we acquired interests in various development and exploration projects. Amounts recorded at June 30, 2006 are based on preliminary purchase price allocations, which are subject to change after valuations are finalized later in 2006.

Securities in an unrealized gain position				
Benefit plans:[1]				
Fixed-income securities	**$ 4**	**$ -**	$ 4	$ -
Equity securities	**16**	**1**	17	1
Other investments:				
Equity securities	**58**	**27**	38	11
Restricted cash[3]	**151**	**-**	3	-
Bonds[4]	**15**	**-**	-	-
	$ 244	**$ 28**	$ 62	$ 12
Securities in an unrealized loss position				
Strategic investments:				
Equity securities[2]	**$ 10**	**$ (3)**	$ -	$ -
	$ 254	**$ 25**	$ 62	$ 12

1 Under various benefit plans for certain former Homestake executives, a portfolio of marketable fixed-income and equity securities are held in a rabbi trust that is used to fund obligations under the plans.
2 All securities have been in a continuous unrealized loss position for less than three months.
3 Includes $150 million of restricted cash relating to the demand financing facility.
4 Bonds with maturity greater than 90 days.

In second quarter 2006, production began at our Cowal mine and we began amortizing mine property, plant and equipment.

Commitments
In addition to entering into various operational commitments in the normal course of business, we had commitments of approximately $60 million at June 30, 2006 for construction activities at our development projects. We also have a commitment of $115 million under an acquisition agreement with Antofagasta to acquire an interest in the Reko Diq project in Pakistan (see note 313). We also have commitments under our offers to acquire NovaGold and Pioneer as described in note 3C.

Donlin Creek Mining Venture Agreement
Through the acquisition of Placer Dome, we acquired a 30% participating interest in the Donlin Creek Joint Venture. The Donlin Creek project is a large refractory gold deposit in Southwestern Alaska, under lease from two Alaska aboriginal corporations until 2015 and so long thereafter as mining operations are carried out at the Donlin Creek property. The Donlin Creek property is

being explored and developed under a Mining Venture Agreement between NovaGold and wholly owned subsidiaries of Barrick entered into in November 2002. Under the terms of such agreement, Barrick currently holds a 30% interest in the project with the right to increase that interest to 70% by satisfying the following conditions on or before November 12, 2007: (1) funding of $32 million of exploration and development expenditures on the project; (2) delivering a feasibility study to NovaGold; and (3) obtaining the approval of Barrick's Board of Directors to construct a mine on the property. At the end of March 2006, Barrick satisfied the funding condition. Barrick is currently taking the steps necessary to complete the required feasibility study.

14> OTHER ASSETS

	At Jun. 30, 2006	At Dec. 31, 2005
Derivative instruments	**$ 186**	$ 177
Deferred income tax sets	**497**	141
Other	**260**	99
	$ 943	$ 517

15> FINANCIAL INSTRUMENTS

A Debt Obligations

		Three months ended June 30				Three months ended March 31				
	At Jun.30, 2006	**2006 Proceeds**	**2006 Repayments**	2005 Proceeds	2005 Repayments	2006 Proceeds	2006 Repayments	2005 Proceeds	2005 Repayments	At Dec.31, 2005
Long-term debt										
7.50% debentures	**$ 490**	**$ -**	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ 490
5.80% notes	**397**	**-**	**-**	-	-	-	-	-	-	397
4.87% notes	**348**	**-**	**-**	-	-	-	-	-	-	348
Veladero financing	**240**	**1**	**-**	11	-	2	-	24	-	237
Bulyanhulu financing	**102**	**-**	**17**	-	14	-	-	-	-	119
Variable-rate bonds	**63**	**-**	**-**	-	-	-	-	-	-	63
Capital leases	**9**	**-**	**3**	-	-	2	-	-	1	4
	86	**-**	**5**	28	-	-	2	25	-	93

Peru lease facilities										
Peruvian bonds	**100**	**50**	**-**	50	-	-	-	-	-	50
Bonds, unsecured[1]	**757**	-	-	-	-	-	-	-	-	-
8.50% series B Preferred Securities[2]	**79**	**-**	**-**	-	-	-	-	-	-	-
Medium-term notes[3]	**107**	-	-	-	-	-	-	-	-	-
2.75% senior convertible debentures[4]	**299**	**-**	**-**	-	-	-	-	-	-	-
First credit facility[5]	**490**	**-**	**510**	-	-	1,000	-	-	-	-
	3,567	**51**	**535**	89	14	1,004	2	49	1	1,801
Less: current portion	**(674)**	**-**	**-**	-	-	-	-	-	-	(80)
	2,893	**51**	**535**	89	14	1,004	2	49	1	1,721
Short-term debt										
Demand financing facility[6]	**150**	**-**	**-**		-	-	-	-	-	-
Second credit facility[7]	**-**	**-**	**337**	-	-	37	-	-	-	-
	150	**-**	**337**	-	-	37	-	-	-	-
	$ 3,043	**$ 51**	**$ 872**	$ 89	$ 14	$ 1,041	$ 2	$ 49	$ 1	$ 1,721

[1] At varying interest rates ranging from 6.37% to 7.75%, with an aggregate principal amount of $700 million. Maturities as follows: $100 million in 2007; $100 million in 2015; $200 million in 2033; $300 million in 2035.

[2] The Series B Preferred securities have a principal amount of $77 million and mature in 2045. The Securities are redeemable, in whole or in part: on or after December 17, 2006 at the principal amount plus accrued and unpaid interest to the date of redemption (the "Maturity amount'); or before December 17, 2006, by paying the "Make Whole Amount", which is the greater of the Maturity Amount and the present value of scheduled payments to December 17, 2006 plus the present value of the Maturity Amount at December 17, 2006, discounted to the redemption date at the treasury rate plus 0.5%, plus accrued and unpaid interest. The Maturity Amount, or Make-Whole Amount, will be paid in cash unless we elect to pay by delivering our common shares to the Trustee of the Securities, who will sell such shares and pay the cash proceeds to the holders. Based on the closing market share price on June 30, 2006 an election to settle the principal amount in common shares would result in the issuance of about 3.7 million common shares.

[3] The notes have a principal amount of $96.0 million, with interest rates ranging from 6.64% to 8.05%. The notes mature at various times between 2009 and 2026.

[4] The convertible debentures mature in 2023 and have a principal amount of $230 million. At any time prior to October 15, 2023, upon the occurrence of various conditions, holders of the Securities will have the right to convert each $1,000 principal amount into about 39.52 common shares, representing a conversion price of about $25.31 per common share. The conditions include, but are not limited to: If the closing price of our common shares exceeds 120% of the "Conversion Price" in effect for at least 20 trading days in the 30 consecutive trading days ended on the last trading day of the immediately preceding quarter; If for five consecutive trading days, during which each day the trading price per $1,000 principal amount of the Securities was less than 98% of the product of the closing price of the common shares and the then current "Conversion Rate" on the conversion date; and if the Securities have been called for redemption but only such Securities may be converted. We may redeem the Securities at any time on or after October 20, 2010 and prior to maturity, in whole or in part, at a prescribed redemption price that varies depending upon the date of redemption from 100.825% to 100% of the principal amount, plus accrued and unpaid interest. Holders of the Securities can require the repurchase of the Securities for 100% of their face value on October 15, 2013 and October 15, 2018. For accounting purposes the convertible debentures are classified as a "conventional convertible debenture" and the conversion feature has not been bifurcated from the host contract.

[5] In the second quarter, we repaid $510 million of our existing credit facility. In early August 2006, we increased our $1 billion credit facility to $1.5 billion and $1.01 billion remains undrawn. The facility, which is unsecured, matures in 2011.

[6] We have a demand financing facility that permits borrowings of up to $150 million. The facility requires cash to be placed on deposit with the lender in an amount equal to draw downs. The net effective interest rate is 0.4% per annum. At June 30, 2006, $150 million, had been drawn on the facility and an equal amount had been placed on deposit that is included in restricted cash on our balance sheet (see note 12).

[7] At June 30, 2006, we had unused bank lines of credit of $765 million with an international consortium of banks. In the second quarter, $337 million of this facility was repaid. Of the primary facility of $850 million, $85 million remains utilized to support letters of credit granted for bonding and reclamation purposes. The credit facility is fully committed until 2010. The undrawn facility is available for general corporate purposes. The majority of these facilities are at long-term interest rates determined with reference to market LIBOR rates. The bank lines of credit require the borrower to maintain a consolidated tangible net worth (the aggregate amount of assets after deducting therefrom all current liabilities, goodwill and other like intangibles) of $1.5 billion.

Interest

	Three month period ended June 30				Six month period ended June 30			
	2006		**2005**		**2006**		2005	
	Interest cost	**Effective rate[1]**	Interest cost	**Effective rate[1]**	**Interest cost**	**Effective rate[1]**	Interest cost	Effective rate[1]
7.50% debentures	**12**	9.9%	**10**	**8.1%**	**$ 24**	**9.6%**	$ 19	7.8%
5.80% notes	**6**	6.1%	**6**	**6.1%**	**12**	**6.1%**	12	6.1%
4.87% notes	**4**	4.6%	**4**	**4.6%**	**9**	**5.2%**	9	5.2%
Veladero financing	**7**	11.3%	**4**	**7.3%**	**13**	**11.0%**	9	7.6%
Bulyanhulu financing	**2**	6.2%	**3**	**8.9%**	**3**	**5.9%**	6	9.1%
Bonds, unsecured	**11**	5.6%	**-**	-	**19**	**5.6%**	-	-
8.50% series B Preferred Securities	**1**	4.4%	-	-	**2**	**5.5%**	-	-
Medium-term notes	**1**	5.1%	-	-	**2**	**5.2%**	-	-
2.75% senior convertible debentures	**1**	2.0%	-	-	**3**	**2.1%**	-	-
Variable-rate bonds	-	-	-	**-**	**1**	**3.7%**	1	2.0%

Peruvian bonds	**2**	6.6%	**1**	**4.5%**	**2**	**4.6%**	1	2.3%
Peru lease facilities	**1**	5.1%	**1**	**6.1%**	**3**	**6.3%**	2	4.8%
Demand financing facility[3]	**5**	9.1%	-	**-**	**6**	**8.9%**	-	-
First credit facility[2]	**11**	5.4%	-	-	**20**	**5.2%**	-	-
Second credit facility	**2**	5.2%	-	-	**5**	**5.1%**	-	-
Other interest	**1**	-	**2**	-	**1**	-	-	-
	67		**31**		**125**		59	
Less: interest allocated to discontinued operations	**(7)**		-		**(21)**		-	
Less: interest capitalized	**(23)**		**(30)**		**(49)**		(58)	
	37		**1**		**55**		1	
Cash interest paid	**93**		**25**		**104**		52	
Amortization of debt issue costs	**3**		**2**		**6**		3	
Amortization of fair value premium	**(4)**		-		**(6)**		-	
Losses on interest rate hedges	**3**		**1**		**5**		1	
Increase (decrease) in interest accruals	**(28)**		**3**		**16**		3	
Interest cost	**67**		**31**		**$ 125**		$ 59	

[1] The effective rate includes the stated interest rate under the debt agreement, amortization of debt issue costs and the fair value premium and the impact of interest rate contracts designated in a hedging relationship with long-term debt.
[2] Interest paid on the First Credit Facility drawdown of the $1 billion, to provide funding to pay for the cash component of the Placer Dome acquisition, was reimbursed to US from Goldcorp in May.
[3] We have a demand financing facility that permits borrowings of up to $150 million. The facility requires cash to be placed on deposit with the lender in an amount equal to draw downs. The net effective interest rate is 0.4% per annum.

Debt Maturities (Principal Repayments)

	2006	2007	2008	2009	2010 and thereafter
7.50% debentures	**$ -**	$ 500	$ -	$ -	$ -
5.80% notes	**-**	-	-	-	400
4.87% notes	**-**	-	-	-	350
First credit facility	**-**	-	-	-	490
Veladero financing	**28**	55	45	50	59
Bulyanhulu financing	**17**	34	34	17	-
Bonds, unsecured	**-**	100	-	-	600
8.50% series B Preferred Securities	**-**	-	-	-	77
Medium-term notes	**-**	-	-	16	80
2.75% senior convertible debentures	**-**	-	-	-	230
Variable-rate bonds	**-**	-	-	-	63
Peruvian bonds	**-**	-	-	-	100
Demand financing facility	**-**	45	15	15	75
	$ 45	$ 734	$ 94	$ 98	$2,524
Minimum annual payments under capital leases	**$ 8**	$ 20	$ 16	$ 16	$ 30

B Derivative Instruments ("Derivatives")
Placer Dome Acquisition
Through the acquisition of Placer Dome in first quarter 2006 we acquired the following derivative positions:

	Notional amount	Fair value at Jan. 20, 2006[1]
Gold sold forward contracts (millions of ounces)	7.0	$ (1,544)
Gold bought forward contracts (millions of ounces)	0.3	14
Gold options (millions of ounces)	1.0	(188)
Silver contracts (millions of ounces)	6.5	(11)
A$ currency contracts (A$ millions)	133	22

[1] Fair values on January 20, 2006 are preliminary and gains or losses recorded are subject to adjustment on finalization of valuations.

Gold sold forward contracts were designated as cash flow hedges at the date of acquisition. The Placer gold cash flow hedge position has since been eliminated, with 3.0 million ounces having been eliminated in second quarter 2006. Approximately 6.2 million ounces of the acquired Placer Dome positions received hedge accounting treatment for the period from the date of acquisition to the date they were eliminated, and under which they had a designated date and price against specific future gold sales.

Summary of Derivatives at June 30, 2006[1]

	Notional Amount by Term to Maturity			Accounting Classification by Notional Amount			Fair Value
	Within 1 year	2 to 5 years	Total	Cash flow hedge	Fair value hedge	Non-Hedge	
US dollar interest rate contracts							
Receive-fixed swaps (millions)	$ 500	$ 100	$ 600	$ -	$ 500	$ 100	$ (14)
Pay-fixed swaps (millions)	-	125	125	-	-	125	(8)
Net notional position	$ 500	$ (25)	$ 475	$ -	$ 500	$ (25)	$ (22)
Currency contracts							
C$:US$ contracts (C$ millions)	C$ 271	C$ 361	C$ 632	C$ 632	-	-[2]	$ 74
A$:US$ contracts (A$ millions)	A$ 819	A$ 1,561	A$ 2,380	A$ 2,317	-	A$ 63	$ 94
ARS:US$ contracts (ARS millions)	18	-	18	18	-	-	-
CLP:US$ Contracts (CLP billions)	32	-	32	-	-	32	-
Commodity contracts							
Gold sold forward contracts (thousands of ounces)	631	364	995	-	-	995	$ (297)
Gold bought forward contracts (thousands of ounces)	995	-	995	-	-	995	9
Copper purchased put option contracts (millions of pounds)	224	-	224	145	-	79	6
WTI forward and option contracts (thousands of barrels)	614	1,761	2,375	1,992	-	383	53
MOPS bought forward contracts (thousands of barrels)	55	-	55	55	-	-	-
Propane bought forward contracts (millions of gallons)	10	-	10	9	-	1	4
Natural gas bought forward contracts (millions of Btu)	1	-	1	-	-	1	(1)

1 Excludes gold sales contracts and gold lease rate swaps (see note 5).

2 Non-hedge currency contracts with a notional amount of $40 million were economically closed out by entering into offsetting positions albeit with differing counterparties.

US Dollar Interest Rate Contracts

Fair value hedges

Receive-fixed swaps totaling $500 million have been designated against the 71/2% debentures as a hedge of the variability in the fair value of the debentures caused by changes in Libor.

Non-hedge contracts

Currency Contracts

Cash flow hedges

Currency contracts under which we sell US dollars and buy foreign currencies totaling C$632 million, A$2,317 million, and ARS 18 million have been designated against forecasted local currency denominated expenditures as a hedge of the variability of the US dollar amount of those expenditures caused by changes in currency exchange rates.

We use gold lease rate swaps to achieve a more economically optimal term structure for gold lease rates implicit in fixed-price gold sales contracts (see note 5). The valuation of gold lease rate swaps is impacted by market US dollar interest rates. Our non-hedge pay-fixed swap position largely mitigates the impact of changes in US dollar interest rates on the valuation of gold lease rate swaps.

We have $100 million of receive-fixed swaps, which economically hedge the variability of forecasted interest receipts on our cash balances caused by changes in Libor. We have concluded these contracts no longer meet the "highly effective" criterion in FAS 133 due to differences in the frequency of cash receipts.

Commodity Contracts

Cash flow hedges

Commodity contracts totaling 2,047 thousand barrels of crude oil and 9 million gallons of propane have been designated against forecasted purchases of these commodities for expected consumption at our mining operations.

Gold sold forward contracts acquired through the Placer Dome acquisition were designated in first quarter 2006 against forecasted gold sales as a hedge of the variability in market prices on future sales. Hedged items were identified as the first stated quantity of ounces of forecasted sales in a future month. These hedge contracts have been terminated or de-designated and the effective portion of changes in fair value of the gold contracts has been recorded in OCI until the forecasted gold sale impacts earnings.

Copper put options totaling 145 million pounds have been designated against forecasted copper sales as a hedge of the variability in market prices on future sales. Hedged items are identified as the first stated quantity of pounds of forecasted sales in a future month. Prospective hedge effectiveness is assessed using a dollar offset method. The prospective assessment involves comparing the effect of theoretical shifts in forward copper prices on the fair value of both the actual hedging derivative and a hypothetical derivative. The retrospective assessment involves comparing the effect of historic changes in copper prices each period on the fair value of both the actual and hypothetical derivative. The effective portion of changes in fair value of the copper contracts is recorded in OCI until the forecasted copper sale impacts earnings.

Non-hedge contracts

Non-hedge fuel contracts are used to mitigate the risk of oil price changes on consumption at the Lagunas Norte mine. On completion of regression analysis, we concluded that the contracts do not meet the "highly effective" criterion in FAS 133 due to currency and basis differences between contract prices and the prices charged to the mines by oil suppliers. Despite not qualifying as an accounting hedge, the contracts protect the Company to a significant extent from the effects of oil price changes.

Non-hedge copper contracts are used to mitigate the risk of copper price changes on copper sales at the Osborne and Zaldívar mines. We concluded that these contracts do not meet the "highly effective" criterion in FAS 133 because of differences in the underlyings in the copper price exposure and the derivative instrument.

Non-hedge Derivative Gains (Losses)[1]

	Three month period ended June 30		Six month period ended June 30	
	2006	2005	**2006**	2005
Non-hedge derivatives				
Commodity contracts	**$ 22**	$ 2	**$ 2**	$ 6
Currency contracts	**-**	(1)	**(5)**	1
Interest rate contracts	**1**	-	**3**	1
Share purchase warrants	**1**	(1)	**2**	-
	24	-	**2**	8
Hedge ineffectiveness				
Ongoing hedge inefficiency	**1**	3	**2**	-
Due to changes in timing of hedged items	**-**	-	**-**	1
	$ 25	$ 3	**$ 4**	$ 9

[1] Non-hedge derivative gains (losses) are classified as a component of other income/expense (see note 7).

Cash Flow Hedge Gains (Losses) in OCI

	Commodity price hedges			Currency hedges			Interest rate hedges		
	Gold	Copper	Fuel	Operating costs	Administration costs	Capital expenditures	Cash balances	Long-term debt	Total
At Dec. 31, 2005	$ -	$ -	$ 38	$ 102	$ 30	$ 39	$ (2)	$ (18)	$ 189
Effective portion of change in fair value of hedging instruments	(148)	(13)	16	50	13	3	(2)	-	(81)
Transfers to earnings:									
On recording hedged items in earnings	67	-	(8)	(41)	(8)	(2)	-	-	8
Hedge ineffectiveness due to changes in timing of hedged items	-	-	-	-	-	-	-	-	-
At June 30, 2006	$ (81)	$ (13)	$ 46	$ 111	$ 35	$ 40	$ (4)	$ (18)	$ 116
Hedge gains/losses classified within	Gold sales	Copper sales	Cost of sales	Cost of sales	Administration	Amortization	Interest expense	Interest cost	
Portion of hedge gain (loss) expected to affect earnings in the next twelve months[1]	$ (93)	$ (19)	$ 18	$ 68	$ 19	$ 2	$ (3)	$ (1)	$ (8)

[1] Based on the fair value of hedge contracts at June 30, 2006.

16 > ASSET RETIREMENT OBLIGATIONS (AROs)

At January 1, 2006	**$ 446**
AROs acquired through Placer Dome Acquisition[1]	**171**
AROs incurred in the period	**6**
Impact of revisions to expected cash flows	
Adjustments to carrying amount of assets	**(3)**
Settlements	
Cash payments	**(14)**
Settlement gains	**(2)**
Accretion	**17**
At June 30, 2006	**621**
Current portion	**(44)**
	$ 577

1 Amounts are based on preliminary estimates and subject to adjustment on finalization of valuations.

Deferred income tax assets	
Tax losses	$ 355
Derivative instruments	381
Other	80
Valuation allowances	(445)
	371
Deferred income tax liabilities:	
Capital assets	(595)
Other	(130)
Net deferred tax liaibility	$ (354)
Classification:	
Current assets	$2
Non-current assets	296
Current liabilities	(46)
Non-current liabilities	(606)
	$(354)

17 > DEFERRED INCOME TAXES

On acquisition of Placer Dome, we recorded deferred income tax assets and liabilities based on the preliminary purchase price allocation. The amounts of recorded deferred income tax assets, liabilities, and associated valuation allowance are preliminary. Our assessment of the amounts recorded is not yet complete and will also be affected by any adjustments to the recorded amounts of other assets and liabilities.

In second quarter 2006 we updated our preliminary measurement of deferred tax assets and liabilities due to reflect a more advanced assessment of valuation allowances and the measurement of deferred tax liabilities at acquisition. These balances are subject to further adjustments over the course of 2006. Amounts of recorded deferred income tax assets and liabilities at the date of acquisition, based on this preliminary allocation, comprise:

Loss and Tax Carry Forwards Acquired Through the Placer Dome Acquisition:

Country	Category		Expiry
Australia	Operating losses	$ 454	n/a
Canada	Non-capital losses	365	2006-2016
	Net capital losses	-	n/a
	Investment tax credit	3	2009-2014
Chile	Operating losses	35	n/a
South Africa	Non-capital losses	134	n/a
Tanzania	Non-capital losses	-	n/a
US	Operating - regular tax	82	2019-2029
	Operating - Alternative minimum tax	135	2019-2025
	Alternative minimum tax credits	22	n/a
Other	Operating losses	124	2006-2014

18 > CAPITAL STOCK

A Common Shares

In first quarter 2006, we issued 322.8 million shares in connection with the acquisition of Placer Dome. In the three months ended June 30, 2006, we declared and paid dividends in US dollars totaling $0.11 per share (three months ended June 30, 2005: $0.11 per share).

B Exchangeable Shares

In connection with a 1998 acquisition, Barrick Gold Inc. ("BGI") issued 11.1 million BGI exchangeable shares, which are each exchangeable for 0.53 of a Barrick common share at any time at the option of the holder, and have essentially the same voting, dividend (payable in Canadian dollars), and other rights as 0.53 of a Barrick common share. BGI is a subsidiary that holds our interest in the Hemlo and Eskay Creek mines.

At June 30, 2006,1.4 million BGI exchangeable shares were outstanding, which are equivalent to 0.7 million Barrick common shares (2005 - 0.7 million common shares). While there are exchangeable shares outstanding, we are required to present summary consolidated financial information relating to BGI.

Summarized Financial Information for BGI

	Three month period ended June 30		Six month period ended June 30	
	2006	2005	**2006**	2005
Total revenues and other income	**$ 97**	$ 46	**$ 144**	$ 98
Less: costs and expenses	**(38)**	(19)	**(80)**	(76)
Income before taxes	**$ 59**	$ 27	**$ 64**	$ 22
Net income	**$ 56**	$ 25	**$ 59**	$ 20

	At June 30 2006	At Dec. 31, 2005
Assets		
Current assets	**$ 65**	$ 119
Non-current assets	**62**	88
	$ 127	$ 207
Liabilities and shareholders'		

Dome acquisition (see note 3A). The Canadian dollar share options have a weighted average exercise price of C$28.78, an aggregate intrinsic value of C$68.6 million and an average remaining contractual term of 4.6 years. The US dollar share options have a weighted average exercise price of US$23.50, an aggregate intrinsic value of US$43.0 million and an average remaining contractual term of 5.9 years.

At June 30, 2006, 10.6 million Canadian dollar share options and 1.9 million US dollar share options were fully vested. The Canadian dollar options have an average exercise price of C$29.16, an aggregate intrinsic value of C$57.8 million and an average remaining contractual term of 3.9 years. The US dollar share options have an average exercise price of US$20.87, an aggregate intrinsic value of US$16.5 million and an average remaining contractual term of 6.1 years.

For the three months ended June 30, 2006, 0.9 million Canadian dollar share options and 0.4 million US dollar share options were exercised. The Canadian options exercised had an intrinsic value of C$5.6 million. The US dollar share options exercised had an intrinsic value of US$1.6 million for the three months ended June 30, 2006, Canadian dollar share options with a fair market value of C$1.4 million and US share options with a fair market value of US$0.6 million vested.

For the six months ended June 30, 2006,1.8 million Canadian dollar share options and 0.7 million US dollar share options were exercised. The Canadian options exercised had an intrinsic value of C$12.6 million and the US share options exercised had an intrinsic value

equity		
Other current liabilities	**11**	25
Intercompany notes payable	**406**	390
Other long-term liabilities	**43**	43
Deferred income tax liabilities	**4**	12
Deficit	**(337)**	(263)
	$ 127	$ 207

19> STOCK-BASED COMPENSATION

At June 30, 2006, 13.7 million Canadian dollar share options and 7.0 million US dollar share options were outstanding, including 1.9 million share options assumed in the Placer of US$7.2 million. For the six months ended June 30, 2006, Canadian dollar share options with a fair market value of C$4.8 million and US share options with value of US$1.5 million vested.

For the three and six months ended June 30, 2005, we utilized the intrinsic value method of accounting for stock options and no compensation expense was recorded. If compensation expense had been determined in accordance with the fair value provisions of SFAS No. 123 pro-forma net income and net income per share would have been as follows:

Stock Option Expense

($ millions, except per share amounts in dollars)	Three month period ended June 30 2005	Six month period ended June 30 2005
Pro forma effects		
Net income, as reported	$ 47	$ 113
Stock option expense	$ (8)	$ (15)
Pro forma net income	$ 39	$ 98
Net income per share:		
As reported[1]	$0.09	$0.21
Pro forma[1]	$0.07	$0.18

[1] Basic and diluted.

20> OTHER COMPREHENSIVE INCOME (LOSS) ("OCI")

	Three month period ended June 30		Six month period ended June 30	
	2006	2005	**2006**	2005
Accumulated OCI at beginning of period				
Cash flow hedge gains, net of tax of $31, $91, $61, $95	**$ 84**	$199	**$128**	$206
Investments, net of tax of $nil, $nil, $nil, $nil	**28**	15	**12**	21
Currency translation adjustments, net of tax of $nil, $nil, $nil, $nil	**(143)**	(146)	**(143)**	(146)
Additional pension liability net of tax of $nil, $nil, $nil, $nil	**(28)**	(12)	**(28)**	(12)
	$ (59)	$56	**$(31)**	$69
Other comprehensive income (loss) for the period:				
Changes in fair value of cash flow hedges	**(34)**	5	**(81)**	26
Changes in fair value of investments	**(3)**	(5)	**12**	(2)
Less: reclassification adjustments for gains/losses recorded in				

earnings:				
Transfers of cash flow hedge gains to earnings				
On recording hedged items in earnings:	**35**	(32)	**8**	(63)
Hedge ineffectiveness due to changes in timing of hedged items	**-**	-	**-**	(1)
Investments:				
Losses realized on sale	**-**	-	**1**	(9)
Other comprehensive loss, before tax	**(2)**	(32)	**(60)**	(49)
Income tax recovery related to OCI	**9**	8	**39**	12
Other comprehensive income (loss), net of tax	**$ 7**	$(24)	**$(21)**	$(37)
Accumulated OCI at June 30				
Cash flow hedge gains, net of tax of $32, $83, $32, $83	**84**	180	**84**	180
Investments, net of tax of $nil, $nil, $nil, $nil	**25**	10	**25**	10
Currency translation adjustments, net of tax of $nil, $nil, $nil, $nil	**(143)**	(146)	**(143)**	(146)
Additional pension liability net of tax of $10, $nil, $10, $nil	**(18)**	(12)	**(18)**	(12)
	$(52)	$32	**$(52)**	$32

21 > LITIGATION AND CLAIMS

Wagner Complaint

On June 23, 2003, a complaint was filed against Barrick and several of its current or former officers in the U.S. District Court for the Southern District of New York. The complaint is on behalf of Barrick shareholders who purchased Barrick shares between February 14, 2002 and September 26, 2002. It alleges that Barrick and the individual defendants violated U.S. securities laws by making false and misleading statements concerning Barrick's projected operating results and earnings in 2002. The complaint seeks an unspecified amount of damages. Other parties on behalf of the same proposed class of Barrick shareholders filed several other complaints, making the same basic allegations against the same defendants. In September 2003, the cases were consolidated into a single action in the Southern District of New York. The Plaintiffs filed a Consolidated and/or Amended Complaint on November 5, 2003. On January 14, 2004, Barrick filed a motion to dismiss the complaint. On September 29, 2004, the Court issued an order granting in part and denying in part Barrick's motion to dismiss the action. The Court granted the plaintiffs leave to file a Second Amended Complaint, which was filed on October 20, 2004. The Plaintiffs filed a Third Amended Complaint on January 6, 2005. On May 23, 2005, Barrick filed a motion to dismiss part of the Third Amended Complaint. On January 31, 2006, the Court issued an order granting in part and denying in part Barrick's motion to dismiss. On March 10, 2006, Barrick moved for reconsideration of a portion of the Court's January 31, 2006 Order. On April 3, 2006, plaintiffs moved for reconsideration of a portion of the Court's January 31, 2006 Order. We intend to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

Wilcox Complaint

On September 8, 2004, two of our U.S. subsidiaries, Homestake Mining Company of California ("Homestake California") and Homestake Mining Company ("Homestake") were served with a First Amended Complaint by persons alleging to be current or former residents of a rural area near the former Grants Uranium Mill. The Complaint, which was filed in the U.S. District Court for the District of New Mexico, named Homestake and Homestake California, along with an unspecified number of unidentified defendants, as defendants. The plaintiffs allege that they have suffered a variety of physical, emotional and financial injuries as a result of exposure to radioactive and other hazardous substances. The Complaint seeks an unspecified amount of damages. On November 25, 2005, the Court issued an order granting in part and denying in part a motion to dismiss the claim. The Court granted the motion and dismissed plaintiffs' claims based on strict and absolute liability and ruled that plaintiffs' state law claims are pre-empted by the Price-Anderson Act. Plaintiffs filed a Third Amended Complaint on April 10, 2006, which increased the number of plaintiffs from 26 to 28 and omitted the claims previously dismissed by the Court, but otherwise did not contingencies and we expect that the preliminary assessments at June 30 2006 will be finalized later in 2006. Consequently, it is possible that our final assessment of these matters, including the required amounts of recorded liabilities and related disclosures may differ from the preliminary positions.

Golden Sunlight Mine

Placer Dome's subsidiary, Golden Sunlight Mines, Inc. is presently a co-defendant with the Montana Department of Environmental Quality ("DEQ") in a lawsuit filed in the Montana District Court by five environmental groups against the Record of Decision that was issued by the DEQ on June 29, 1998. The lawsuit alleges that the permit approving the pit expansion violates certain Montana regulations and the Montana Constitution because it did not include certain reclamation requirements, primarily the partial backfilling of the open pit, the cost of which has been estimated at approximately $55 million. The matter remains pending before the courts in Montana. No accruals have been made for the potential cost of the partial back-fill option.

Marcopper Mine Complaint

Placer Dome and Marcopper Mining Corporation ("Marcopper") are named as defendants (the "Defendants") in two complaints detailed below (the "Complaints") filed in the Regional Trial Court (the "Court"), Fourth Judicial Region, Boac, Marinduque, Philippines respecting the alleged damages arising from the mining operations of the Marcopper mine. The Marcopper mine is located on the island province of Marinduque, 165 kilometers southeast of Manila in the Philippines. Since the commissioning of the Marcopper mine in 1969, the mine has been owned and operated by Marcopper. The Marcopper mine ceased mining operations in 1996. Placer Dome indirectly owned a minority shareholding in Marcopper until it divested all of its interests in Marcopper in 1997.

materially alter the claims asserted. An Initial Scheduling Order has been issued by the Court. We intend to defend the action vigorously. No amounts have been accrued for any potential loss under this complaint.

Cowal Project
Opponents of Barrick's Cowal project continue to pursue various claims, legal proceedings and complaints against the project and the Company's compliance with its permits and licenses. Barrick has and will continue to vigorously defend such actions. No amounts have been accrued for any potential loss under this complaint.

Placer Dome Litigation and Claims
Through the acquisition of Placer Dome we inherited certain pre-existing litigation and claims that are described in this note. We are presently assessing these pre-acquisition

In April 2001, a complaint was filed in the Court (the "Mogpog Complaint") by Rita Natal and 60 other individuals (the "Mogpog Plaintiffs") against the Defendants. The claim made against the Defendants is for recovery of damages in the total amount of P41,193,267 (approximately US$750,000) arising from alleged tortious acts and omissions by the Defendants that contributed to the siltation and flooding of the Mogpog River in Marinduque, Philippines. The Mogpog Plaintiffs also seek an order for the closure and removal of the Marcopper Mine dumps and an order compelling the complete rehabilitation and restoration of the Mogpog River to its natural state. In July 2004, the Court dismissed the case on its own motion on grounds that the Mogpog Plaintiffs had not complied with the

Court's prior orders with respect to service of the Mogpog Complaint and had not diligently prosecuted the case. In August 2004, the Plaintiffs filed a motion for reconsideration of the dismissal order. By order issued November 22, 2004, the Court granted the motion for reconsideration reinstating the claims against Marcopper only and dismissing the motion against Placer Dome. Subject to appeal, the case stands dismissed against Placer Dome. No appeal has been commenced by the Mogpog Plaintiffs. To date, the Court has not affected service of the Mogpog Complaint on Placer Dome. Based on evaluations of the Mogpog Complaint and the applicable law, management believes that Placer Dome should not be liable for damages or held responsible for other claims.

In July 2004, a complaint was filed in the Court (the "Calancan Bay Complaint") framed as a proposed class action against the Defendants for alleged total damages of P49.192 billion (approximately US$900 million) relating to the deposit of tailings from the Marcopper Mine into Calancan Bay (located off the northern part of Marinduque). The class of plaintiffs (the "Calancan Bay Plaintiffs") is fishermen who are residents of barangays (communities) that surround Calancan Bay. The Calancan Bay Plaintiffs also claim to be suing on behalf of future generations of unborn Calancan Bay residents. Among other matters, the Calancan Bay Complaint alleges that the Defendants' decision to deposit mine tailing into Calancan Bay over a 16 year period has resulted in serious health problems and a general loss of livelihood. To date, the Court has not affected service of the Calancan Bay Complaint on Placer Dome. Management believes based on the applicable law, that the case is not suitable for determination as a class action, that the damages alleged are significantly overstated and that, in any event, Placer Dome should not be liable for such damages. If the Calancan Bay Complaint proceeds, the company intends to vigorously defend against all claims made. No amounts have been accrued for any potential loss under either the compensation for the costs of restoring the environment, an order directing Placer Dome to undertake and complete "the remediation, environmental cleanup, and balancing of the ecology of the affected areas," and payment of the costs of environmental monitoring. The Complaint addresses the discharge of mine tailings into Calancan Bay, the 1993 Maguila-guila dam breach, the 1996 Boac river tailings spill, and alleged past and continuing damage from acid rock drainage. The Complaint asserts that Placer Dome is responsible for alleged environmental degradation with consequent economic damages and impacts to the environment in the vicinity of the Marcopper mine that was owned and operated by Marcopper Mining Corporation ("Marcopper"). Placer Dome indirectly owned a minority shareholding of 39.9% in Marcopper until the divestiture of its shareholding in 1997.

At the time of the amalgamation of Placer Dome and Barrick Gold Corporation, a variety of motions were pending before the District Court, including motions to dismiss the action for lack of personal jurisdiction and for *forum non conveniens* (improper choice of forum). However, on June 29, 2006, the Province filed **a** Motion to join Barrick Gold Corporation as an additional named Defendant and for leave to file a Third Amended Complaint. The Company has until August 16, 2006 to respond to these new motions from the Province. We will challenge the claims of the Province on various grounds and otherwise vigorously defend the action. No amounts have been accrued for any potential loss under the complaint in the preliminary purchase price allocation.

Lawyers Environmental Action Team ("LEAT") Complaint

On July 29th, 2003, LEAT filed a complaint (the "Complaint") with the Tanzanian Commission for Human Rights and Good Governance ("the Commission") in its own capacity as well as allegedly on behalf of some 1,260 former small-scale miners, peasant farmers and land owners

Mogpog Complaint or the Calancan Bay Complaint in the preliminary purchase price allocation.

Marinduque Complaint

Placer Dome has been named the sole defendant in a Complaint filed on October 4, 2005, by the Provincial Government of Marinduque, an island province of the Philippines ("Province"), with the District Court in Clark County, Nevada. The action was removed to the Nevada Federal District Court on motion of Placer Dome. The Province seeks "to recover damages for injuries to the natural, ecological and wildlife resources within its territory", but "does not seek to recover damages for individual injuries sustained by its citizens either to their persons or their property". In addition to damages for injury to natural resources, the Province seeks

(collectively, the "Complainants") against Placer Dome and a number of high-ranking Tanzanian government officials and former officials (collectively, the "Respondents"). The Complaint is founded on alleged human and constitutional rights violations by the Respondents arising from the allegedly forced eviction of the Complainants from the North Mara mine site property (the "Property").

Several types of relief are being sought by the Complainants from the Commission, including a request to convene a public hearing in order to obtain fair and reasonable compensation of approximately $51 million (primarily relating to alleged property damages of the

Complainants as a result of their eviction from the Property), and an order requiring the Tanzanian Minister of Energy and Minerals to suspend or cancel any mineral rights granted to Placer Dome and to "afresh" the Agreement between Placer Dome and the Tanzanian Government concerning the payment of royalties, taxes and other charges (with a view to increasing such amounts to be paid). The Commission has convened a hearing on certain preliminary issues respecting the Complaint. Management believes, on balance, that the Complaint will not be successful and, in particular, that it will not adversely impact Placer Dome's title to its mining concessions. No amounts have been accrued for any potential loss under the complaint in the preliminary purchase price allocation.

SUMMARY FINANCIAL INFORMATION (100%)

Income Statement and Cash Flow Information

	Three month period ended June 30		Six month period ended June 30	
	2006	2005	**2006**	2005
Revenues	**$ 444**	$ 243	**$ 850**	$ 496
Costs and expenses	**336**	198	**720**	429
Net Income	**$ 108**	$ 45	**$ 130**	$ 67
Operating activities[1]	**$ 109**	$ 61	**$ 240**	$ 142
Investing activities[1]	**$ (53)**	$ (9)	**$ (104)**	$ (20)
Financing activities[12]	**$ (48)**	$ (52)	**$ (120)**	$ (117)

[1] Net cash inflow (outflow)

[2] Includes cash flows between the joint ventures and joint venture partners.

Porgera Complaint

In early 2006, a summons was served on, among others, certain of the participants in the Porgera mine joint venture, including Placer Dome (PNG) Limited (which holds a 50% interest in, and is manager of, the joint venture), and various governmental entities in a lawsuit (the "Complaint") brought in the courts of Papua

Balance Sheet Information

	At June 30, 2006	At Dec. 31, 2005
Assets		
Inventories	**$ 326**	$ 176
Property, plant and equipment	**923**	504
Other assets	**128**	87

New Guinea by a number of individuals. The Complaint, which was filed ostensibly as a class action, alleges that the Porgera mine joint venture has been improperly discharging wastes and other contaminants into the Porgera River and adjacent areas, causing damage to human health and the environment. The damages sought were unspecified.

On May 3, 2006, at a hearing on the defendant's motion to strike the Complaint, the Court granted the plaintiff's lease to withdraw the proceedings, ordering that the plaintiffs' would not be permitted to recommence proceedings until they had remedied certain defects in the Complaint and had satisfied the Court's order to pay the defendant's costs.

22 > UNINCORPORATED JOINT VENTURES

Our major interests in proportionately consolidated unincorporated joint ventures are a 50% interest in the Kalgoorlie Mine in Australia; a 50% interest in the Round Mountain Mine in the United States; a 50% interest in the Hemlo Mine in Canada; and a 33% interest in the Marigold Mine in the United States. In first quarter 2006 we also acquired interests in certain unincorporated joint ventures through the acquisition of Placer Dome, including: a 60% interest in the Cortez Mine in the United States; a 75% interest in the Porgera Mine in Papua New Guinea; and a 75% interest in the Turquoise Ridge mine in the United States.

	$1,377	$ 767
Liabilities		
Current liabilities	**$ 167**	$ 123
Long-term obligations	**206**	105
	$ 373	$ 228

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ADDITIONAL INFORMATION

Investors and security holders are advised to read the tender offer statement by Barrick Gold Corporation related to the proposed tender offer for the outstanding common shares of NovaGold Resources Inc. when it becomes available, because it will contain important information. Investors and security holders may obtain a free copy of the tender offer statement when it becomes available and other documents filed by Barrick Gold Corporation with the SEC at the SEC's website at www.sec.gov. The tender offer statement may also be obtained for free when it becomes available from Barrick Gold Corporation on the website or by directing a request to Barrick Gold Corporation's investor relations department.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain information included in this press release, including any information as to our future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute "forward-looking statements." The words "expect", "will", "intend", "estimate" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Barrick to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future

performance. These risks, uncertainties and other factors include, but are not limited to: changes in the worldwide price of gold or certain other commodities (such as copper, silver, fuel and electricity) and currencies; changes in U.S. dollar interest rates or gold lease rates; risks arising from holding derivative instruments; ability to successfully integrate acquired assets; legislative, political or economic developments in the jurisdictions in which the Company carries on business; operating or technical difficulties in connection with mining or development activities; employee relations; the speculative nature of gold exploration and development, including the risks of diminishing quantities or grades of reserves, adverse changes in our credit rating, contests over title to properties, particularly title to undeveloped properties; and the risks involved in the exploration, development and mining business. These factors are discussed in greater detail in the Company's most recent Form 40-F/Annual Information Form on file with the US Securities and Exchange Commission and Canadian provincial securities regulatory authorities.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.