



BARRICK

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June 28, 2011

Ms. Amanda Romero
Mr. Christopher Avery
Business and Human Rights Resource Centre

Re: Barrick Gold Corporation statement on June 8, 2011, request by the organization FOCO-INPADE for review of alleged OECD Guidelines' violations in Argentina

Dear Ms. Romero and Mr. Avery:

Barrick Gold Corporation ("Barrick") wishes to respond to your June 16, 2011, invitation to comment for your readership on a complaint concerning two of our projects in Argentina. We understand that a coalition in Argentina led by the organization FOCO-INPADE (Citizen Participation Forum for Justice and Human Rights - Institute for Participation and the Development of Argentina) has requested that the Argentine National Contact Point ("NCP") for the OECD Guidelines for Multinational Enterprises ("OECD Guidelines") review certain aspects of Barrick's Pascua-Lama and Veladero projects in the province of San Juan Province, Argentina.

We must emphasize that we are still reviewing the 64-page request we received along with your invitation of June 16. Indeed, the Company has not yet received formal notification from the NCP along with a copy of the request and an invitation to reply. When it receives the appropriate invitation from the NCP, it will respond in greater detail. The Company also understands that the NCP will conduct an initial assessment to determine whether the allegations in the request –which appear to focus on environmental impact, monitoring, and reporting for the Pascua-Lama and Veladero projects –warrant further review under the criteria set forth in the OECD Guidelines. This letter therefore represents only some preliminary comments on certain issues that appear to be raised by the request, and is not a definitive response.

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The Company denies that its operation of these projects is in violation of the OECD Guidelines. The Company has endorsed the OECD Guidelines for its worldwide operations, and carries out the Pascua-Lama and Veladero projects in Argentina consistent with the OECD Guidelines. FOCO-INPADE claims, however, that the Pascua-Lama project and the Veladero project have violated certain principles in the

OECD Guidelines contained in the Prologue and Chapters I and II (Concepts and Principles and General Policies) and Chapters III (Disclosure) and V (Environment). They express particular concern with the environmental protection measures for the projects and related transparency issues, with monitoring of and reporting on the water supply, and with other environmental protections including the protection of glaciers.

These claims are false, misleading, or lack supporting evidence. Moreover, the allegations groundlessly discredit our engagement in the host country, as well as affect the mining industry, its workers, and the public and private institutions that have participated in the evaluation and approval of all documentation filed for approval of the Pascua-Lama and Veladero projects, on a timely basis and in accordance with all applicable provincial and national level laws, which Barrick strictly follows in all countries where it operates. Accordingly, we believe it is necessary to clarify for your readers several important aspects of the environmental impact review, monitoring, and reporting processes for these projects.

The FOCO-INPADE allegations of improper presentation of environmental impact studies, and a lack of transparency of financial and environmental information concerning the Pascua-Lama and Veladero projects, are false.

Both the Veladero and Pascua-Lama projects have received environmental approval from the competent authorities in Argentina (i.e. approval of their Environmental Impact Report (IIA, by its Spanish acronym)).¹ Additionally, Barrick has fulfilled the obligation to submit mandatory environmental updates to such IIAs: Both the original IIAs and their updates are publicly-available information. These reviews have been transparent, participatory, and based upon input from a variety of professional, government, civic society, and community sources.

In addition to the work of our own Environmental Department staff, all environmental documents prepared for Veladero and Pascua-Lama, as well as their updates, have been prepared and reviewed with the participation of external professionals from several different countries, representing professional credentials and experience in several different areas of expertise relevant to the Projects.

As a result, the preparation of the IIA, for Pascua-Lama, for example, involved a multi-disciplinary team of over 100 professionals, including geologists, civil engineers, mining engineers, acoustical engineers, geographers, hydrologists, landscape architects, glaciologists, lawyers, sociologists, engineers, chemists, biologists, anthropologists, archeologists, and cartographers from Argentina, Chile, Australia, France, South Africa, Canada and the United States. It also includes the

¹ The Pascua-Lama project, which does not become operational until 2013, also has been subject to scrutiny of Chilean regulatory authorities, which also granted environmental approval for the project.

work of 8 international consultancy firms and input from academic experts at several universities including: University of Atacama, University of La Serena, from Chile, and University of British Columbia and University of Waterloo, from Canada.

The legal process of approving the IIAs included an open and transparent public consultation process, during which organizations and the general public could submit their questions and concerns. This feedback was taken into account prior to any approvals issued by the competent and relevant authorities. In addition to the public consultation, the environmental evaluation process included the participation of other public entities, institutes and authorities, such as the Department of Mines, the National Institute of Agriculture, the Office for Conservation of Protected Areas of San Juan, the Secretary of State for Public Health, the Center for Mining Environmental Pollution Prevention (CIPCAMI), the National Institute of Seismic Prevention (INPRES), the Office for Environmental Management at the Secretariat of Environment, the Department of Energy, the Institute for Hydrobiological Development (INDESHI), the National Water Institute-Regional Groundwater Center (INA-CRAS), the Department of Water and the National University of San Juan (UNSJ), who actively intervened in the process prior to the environmental approval. During the environmental assessment process for Veladero and Pascua-Lama, Barrick duly provided additional information and reports answering queries and concerns raised by third parties intervening in the process.

Barrick also conducts outreach programs and arranges for interested persons to visit our operations. These programs are focused on providing clear and concise information to interested parties about our ventures, the conditions in which we operate, and how we contribute to social, economic and local development. We offer these programs to facilitate understanding of how our operations and projects actually work and to create the opportunity for dialogue to address concerns that may exist in the communities around our projects.

The Company also complies with several regulations that facilitate transparency of information on these projects. The balance sheets of Minera Argentina Gold S.A (Veladero) and Barrick Exploraciones Argentinas S.A. (Pascua-Lama, Argentinean side), both Barrick subsidiaries in Argentina, are duly presented each year to the General Inspectorate of Justice (IGJ, by its Spanish acronym), as required by law in Argentina. Also, as a company traded publicly on the Toronto and New York stock exchanges, Barrick complies with public disclosure and transparency laws and regulations regarding disclosure of material relevant information concerning worldwide operations. Indeed, the public disclosures of the Company contain additional information about financial and environmental aspects of both the Pascua-Lama and the Veladero projects.

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FOCO-INPADE also seeks to alter systems for monitoring and reporting on the projects' impact on local water systems in Argentina. This effort is based in large part on unfounded allegations over the management of cyanide and of the impact on the Jáchal River. We believe that the extensive environmental management, monitoring, and reporting systems in place are appropriate. Further, based upon those, we have not found evidence of contamination of the local water system related to our exploration and exploitation in these projects.

Barrick is subject to permanent and strict controls and environmental audits by enforcement authorities, who take their own samples of the various environmental components and perform their own analysis, comparing the results with the information that the company files to the authorities through its own environmental monitoring program. This environmental monitoring program for the Veladero project consists of more than 100 points for monitoring of surface water and groundwater, and many others for air, flora and fauna. The Pascua-Lama monitoring program will have similar characteristics, with 49 monitoring points in Chilean territory and 38 in Argentine territory, 26 of which will be automated and provide real-time data accessible to the authorities and the general public. These checkpoints will be inspected, monitored and audited regularly and independently. All the information resulting from the auditing and monitoring activity is held by the competent governmental authorities and is subject to public access as well.

Additionally, as part of its open doors policy to the community, Barrick invites the community to assist directly in monitoring activities through a participatory monitoring program consisting of visits and sampling made by individuals and organizations. This program is already being performed in Veladero and will be applied in Pascua-Lama when the operation phase begins.

- About the use of cyanide: the mineral leaching processing system implemented at Veladero is a closed circuit and therefore is designed to have no emissions to the environment. This means that the cyanide solution is kept circulating within the system without contact with fresh water streams, either surface or underground flows in the area, or any other environmental component. Additionally, this process is subject to the permanent environmental monitoring carried out by Barrick and controls by the authorities to compare the results of such monitoring. Moreover, in 2007, based upon independent audits, the Veladero project received certification under the International Cyanide Management Code (for more information, see http://www.cyanidecode.org/signatory_barrickgold.php) and the ISO 14001 environmental management standard.

- About the arsenic in the Jáchal River: FOCO-INPADE recklessly imply that the Company is responsible for arsenic levels in the Jáchal River, even though these levels were measured months *before* the Veladero project began operation in September 2005. The Jáchal River has specific features that have been investigated in the past 40 years by different agencies, which have unanimously confirmed that the natural levels are high in boron and arsenic and that these characteristics reflect

natural conditions, not human activity. The environmental impact studies for Veladero and Pascua-Lama have arrived to the same conclusion.

The suggestion made by FOCO-INPADE that our operations are the cause of disease among the people who live in the surrounding are therefore totally unfounded. The Veladero project started operations in September 2005 and has been constantly monitored and audited since its construction. Pascua-Lama is still in its construction phase. There is no evidence of pollution or disease affecting people as a consequence of Barrick's mining activities in San Juan. Such assertions without any justification represent a lack of acknowledgement and respect of all studies, controls and audits conducted by the competent authorities, and also affect Barrick's reputation as a company committed to the implementation of strict programs to control hazards such as air pollution, water and biodiversity. Further, we are concerned that these unfounded allegations may needlessly generate confusion in the community, with whom we work on an ongoing basis to provide information about our activities. We therefore are prepared to engage with the local community as needed on these issues.

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A third issue we would like to clarify relates to the protection of glaciers. We would like to confirm that the allegations by FOCO-INPADE of damage to glaciers and water resources arising from our mining activities are false and unfounded.

Barrick protects water resources and does not perform any mining activities on or under glaciers. Barrick is fully compliant with the requirements of all valid and applicable glacier protection legislation in the Province of San Juan (including Provincial Law N° 8.144 for the protection of glaciers which sets forth the creation of a Provincial Glacier Inventory). Additional information on the applicable legal regime is provided in the Company's most recent annual report.

Both Veladero and Pascua Lama's approved IIAs (and the baselines included therein) have assessed and considered measures for protection of glaciers and water resources. Barrick follows a strict set of technical and environmental standards and permits which include conditions requiring constant monitoring, based on internationally accepted best practices.

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We appreciate this opportunity to explain to your readers why we believe there is no basis for alleging violation of the OECD Guidelines in the Pascua-Lama and Veladero projects. As noted above, the Company also will continue to examine the 64-page request in detail and, following receipt of the formal notification from the NCP, it will provide a detailed response to the NCP. Meanwhile, the Company will continue its program of environmental management, monitoring, and reporting for both the Veladero and Pascua-Lama projects, and will continue to develop and operate these projects consistent with the OECD Guidelines.