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Registration Effective August 27th and Now Operational

BARRICK GOLD (ABX $44.13, rated Overweight) TWO ACQUISITIONS BENEFIT RESOURCE BASE; EARNINGS SUFFER LOW GRADES

	2007E	2008E	2009E	2010E
Earnings per share revised 9-23	$1.28	$2.96	$2.53	$1.55
Gold	$685	$800	$750	$650
Copper	$3.20	$3.25	$3.00	$2.00

Barrick Gold agreed to pay about $0.8 billion plus its $1 billion-plus share of development capital spending for Arizona Star Resources (AZS $18), which owns 51% of the Cerro Casale copper-gold deposit promoted for almost a generation on the Maricunga Trend in Chile by the former Bema Gold and Placer Dome. The 51% stake in the 1 billion metric tonne deposit grading 0.25% copper and 0.7 grams per tonne gold contains 3 billion pounds of copper and 11.7 mm oz of gold attributable to 51%. The current 49% partner Kinross Gold is a fine firm.

One might estimate a 50% capital overrun to $1.5 billion at Cerro Casale and estimate ABX paid $0.15 per pound for the copper or $450 mm plus $1.85 billion or about $160 per oz for the gold. This is a reasonable acquisition price given $800 gold and $3.50 per pound current copper prices suggesting up to a 50% gross margin today, but vulnerable should metals prices fall over 25% or costs escalate.

We view the $141.5 mm Papua New Guinea acquisition of the Kainantu mine , 2 mm oz resource base not necessarily meeting ABX's documentation standards and 5,300 sq km exploration package as a "long-term project" that might need several years to properly evaluate. We presume Barrick will repeat its own exploration programs even though the prior owner, Highlands Gold, conducted some sort of regional stream sediment, rock chip grid, soil anomaly, mapping and geophysical program too. Such terrain is complicated and gold occurrences can be overlooked.

Third-quarter output was 230,000 oz less than 2006 and $89 per oz higher direct production costs than last year due to ore grades 10% below reserve grades and cost inflations, which caused earnings of $0.39 versus $0.45 last year and cash flow of $0.63 versus $0.87 per share last year.

ABX's worst performances were $1.46 per pound of copper direct costs at Osborne in Australia and $471 up from $364 per oz direct production costs with just a 2% output decline and A$ hedged at $0.75. Without hedging the Australian direct costs would have been nearer $600. ABX's currency hedging could be more valuable than some of the mines.

Fourth-quarter results should benefit from $90-$110 per oz gold prices higher than the $681 seen in the third-quarter and a 250,000 oz quarterly gold output rebound to 2.17 mm oz output rebound at similar $375 per oz direct costs, which should generate $190 mm and $75 mm in incremental gross margin each.

We chose to maintain our $0.62 per share fourth-quarter and $1.28 per share 2007 earnings estimates plus $2.96 per share for 2008 at $800 gold even though the $370 per oz direct costs present an earnings risk. Costs will benefit as planned ore grades rebound in the current quarter and in 2007.

SPECIFIC COST ISSUES

In addition to A$ appreciation and the poorer results of the Australian mines, amortization rose to $312 mm versus $184 mm in the quarter and $751 mm $509 mm in the nine months. ABX appears to be more conservatively depreciating certain assets more quickly.

Operating cash flow will "outperform" reported earnings owing to the more rapid depreciation rates.

Project development expense, which involves feasibility studies and metallurgical testing in the Dominican Republic, Alaska and elsewhere, rose to $49 mm versus $33 mm in the quarter and $151 mm vs $80 mm for the nine months. This "expense" is a favorable indicator necessary to future growth.

Income tax expense rose fell to $58 versus $101 mm last year, and was only 14% in the third-quarter. Ytd $326 mm in income taxes involve a 35.4% income tax rate, suggesting Barrick Gold provided too much for taxes in the first half. We expect a much higher fourth-quarter income tax provision in the 25% to 30% range.

COST OUTLOOK IN 2008

ABX believes strongly believes it will not suffer any continuation of its direct production cost escalation from $227 in 2005 to $282 in 2006 to $350 per oz in 2007, of which it attributes $21 in cash flow of $0.2006 to the Placer Dome acquisition and $55 in 2007 to adverse ore grade and stripping factors. Thus, it attributes only $47 of the $123 per oz cost increase to inflation in inputs, other inflation, exchange rates, price-related royalties or price-related production taxes net of productivity initiatives.

Barrick notes its production ore grades in 2007 will be 10%-12% below its reserve grades, and the ore grades and stripping ratios will reverse to its benefit in 2008. Thus, it is plausible that $20 to $40 of the $55 per oz adverse impact from these factors will weigh in ABX's favor to offset other cost inflations or reduce costs in 2008.

Barrick Gold's next four major gold mines will have costs ranging from nil (byproducts paying all costs at Pascua-Lama in Chile) to $300 per oz including Cortez Hills to depth, Pueblo Viejo and Buzwagi among the four.

Further, full adverse exchange rate effects will not be suffered until 2010 as the entire 2007 and 2008 and part of 2009 have been hedged at A$ $0.76 and C$0.84. Some fuel hedging also is in place, although energy costs indirectly impact many goods or services.

While Barrick probably will calculate year-end 2007 gold reserves at a three year average price near $575 up from $475 per oz last year, Barrick expects reserve changes from new resources discovered and evaluated and relatively less from gold price changes because most of Barrick Gold's deposits have clear ore to waste contacts.

COST CONTROL OUTLOOK

We have estimated a relatively constant cost outlook for Barrick Gold in 2007-10, which may be optimistic. We have estimated a cost decline curve in 2011-13 as we do not expect strong foreign currencies such as the A$ or $81 per barrel crude oil to last indefinitely.   Clearly risks of further cost inflation exist, and represent an "execution risk" to our $2.96 per oz earnings estimate for 2008 at $800 gold and $3.25 copper..

New mines should improve the cost mix over time. In addition to the four Barrick contemplates (Buzwagi, Cortez Hills, Pascua-Lama and Cortez Hills), more are conceivable.

The additional new mines include 70%-owned Donlin Creek, 37.5%-owned Reko Diq copper-gold in Baluchistan and the non-gold mines 50%-owned Kabanga nickel in Tanzania and Fedorova and Sedibelo in platinum group minerals.

Barrick also has been clever in a tire production line joint venture with Yokohama, an electricity vendor long-term contract in the Dominican Republic and an internet based competition to identify a way to improve 6% silver metallurgical recoveries at the Velodero mine in Argentina.

BEST STRUCTURE FOR KEY NONGOLD ASSETS

Barrick will consider sale, spinoff or IPO of its 50% stake in Kabanga nickel in Tanzania, Fedorova platinum in Russia or Sedibelo platinum in South Africa. It is possible that each of these could be securitized or restructured to command values of over $1 billion each or over $5 billion in total.

For example, the Kabanga 2.7 billion pound nickel resource easily could be worth well over $1.00 per pound owing to its 2.7% ore grade, quick permitting outlook and potential moderate capital spending under $1 billion since smelting and refining will take place in existing plant in Sudbury, Ontario.

Barrick's half of Kabanga might be worth $1 billion @ $1 per pound in situ values net its share of capital, or $2.5 billion @ $2 per pound of nickel in situ values.

GOLD MARKET OUTLOOK RAISED

The October 31st 0.25% further Fed interest rate cut benefited gold prices, which may rise above $800 per oz. At the moment our 2008 gold price outlook could be conservative.

On September 19th we raised our gold price estimate to $685 from $675 for 2007, to $800 from $650 for 2008 and to $750 from $650 for 2009 while keeping $650 from 2010 owing to the nearly $1 trillion global injection of funds to banking systems, 0.5% September 18th U.S. rate cut, weaker dollar and widespread banking fraud in the U.S. This scenario warms the hearts of the $3,000 gold believers, who are looking smarter daily

Printing money can only enhance the gold market. A nearly $1 trillion global injection to the world financial system, 0.75% rate cut, record oil prices and related stimulus can only benefit gold. It isn't clear to us that these measures will remedy loans or bonds for which borrower employment was not verified, but we just aren't qualified to be a monetary policymaker.

Reported inflation continues to be minimal, which suggests to us that we have the best economic statistics that our policymakers can make up.

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We had raised our 2008 onwards gold price estimate in August to $650 from $575 per oz when we upgraded Barrick Gold to Overweight on August 2nd and wrote on Goldcorp on August 29th.

Table 1:Barrick Gold Earnings Model ($ Mil.)

	2003	2004	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Gold Sales	1,974	1,822	3,557	4,312	5,364	6,728	5,726	4,609	5,054	5,022
Silver Sales	51	102	103	173	180	168	396	384	384	384
Copper and molybdenum sales			520	1,152	1,265	1,143	1,055	997	997	997
Other Revenues	10	8	8							
Total Revenues	**2,035**	**1,932**	**4,188**	**5,636**	**6,809**	**8,039**	**7,177**	**5,990**	**6,436**	**6,403**
Production Costs	1,134	1,071	2,419	2,736	3,184	3,129	2,893	2,836	2,892	2,854
Depreciation	522	452	656	735	902	826	694	712	762	758
SG&A	83	71	139	142	140	145	145	150	155	160
Exploration Expense	137	141	291	290	415	415	420	425	435	445
Interest Expense, net	44	19	98	126	0	0	0	0	0	0
Other Expense (Income)	(107)	133	5	47	(67)	100	100	75	75	75
Pretax Income	**222**	**45**	**580**	**1,560**	**2,234**	**3,424**	**2,925**	**1,792**	**2,116**	**2,111**
Income Taxes	(5)	203	(85)	(348)	(559)	(856)	(731)	(448)	(529)	(528)
After-Tax Charges	(17)		(6)	294	(563)					
Net Income	**200**	**248**	**489**	**1,506**	**1,113**	**2,568**	**2,194**	**1,344**	**1,587**	**1,583**
Avg. Shares Out	539.0	534.0	857.9	855	866.0	866.5	867.0	867.5	868.0	868.5
EPS	**0.37**	**0.46**	**0.57**	**1.76**	**1.28**	**2.96**	**2.53**	**1.55**	**1.83**	**1.82**
CFPS	1.09	0.83	0.93	2.49	2.17	3.67	3.12	2.24	2.55	2.54
Dividends per Share	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
BVPS	6.48	6.67	14.70	16.61	17.46	20.19	22.49	23.81	25.40	26.99

	2003	2004	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Total Gold Production (000 oz	**5,510**	**4,958**	**9,107**	**8,643**	**8,250**	**8,410**	**7,635**	**7,091**	**7,776**	**7,726**
Total Copper Production (mm	**425**	**413**	**359**	**367**	**395**	**352**	**352**	**499**	**499**	**499**
Total Silver Production (mm c	**17**	**23**	**15**	**15**	**15**	**14**	**33**	**32**	**32**	**32**
Hedged Gold Price ($/oz)	340	399	330	331	340	350	361	372	383	394
Hedged Gold Ounces (000)	4,120	1,750	20,000	12,300	9,500	8,567	7,633	7,633	7,633	7,633
Hedge Exercised	0	0	0	0	0	0	0	0	0	0
Estimated open market Gold Pr	365	410	440	600	685	800	750	650	650	650
Avg Realized Gold Price ($/oz	**363**	**391**	**439**	**541**	**650**	**800**	**750**	**650**	**650**	**650**
Avg Silver Price ($/oz)	4.65	6.00	6.90	11.50	12.00	12.00	12.00	12.00	12.00	12.00
Avg Realized Copper Price ($	0.80	1.29	1.52	3.06	3.20	3.25	3.00	2.00	2.00	2.00

Source: Company Reports; JT Very Independent Research, LLC Estimates

SOURCES:	2003	2004	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Net Income	200.0	248.0	401.0	1,506	1,112.7	2,568.0	2,193.7	1,344.1	1,587.2	1,583.4
Depreciation and amort.	522.0	452.0	427.0	735.0	902.3	826.1	694.5	712.1	762.1	758.5
Deferred Taxes	(49.0)	(225.0)	(30.0)	(109.0)	(139.6)	(214.0)	(182.8)	(112.0)	(132.3)	(132.0)
Minority Interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other noncash, net	(86.0)	(34.0)								
Debt		974.0	179.0	2,189.0			600.0	500.0		
Equity	(125.0)	(46.0)	92.0	74.0						
Asset Sales	9.0	43.0	3.0	2,858.0	200.0					
Other, net	(27.0)	37.0	(73.0)	(199.0)						
Total Sources	**444.0**	**1,449.0**	**999.0**	**7,053.9**	**2,075.4**	**3,180.1**	**3,305.4**	**2,444.3**	**2,217.0**	**2,210.0**
USES OF FUNDS:										
Capital Spending	322.0	824.0	1,104.0	1,087.0	1,450.0	2,000.0	2,000.0	2,000.0	2,000.0	2,000.0
Acquisitions/Investments	55.0	38.0	79.0	514.0						
Dividends	118.0	118.0	118.0	191.0	190.5	190.6	190.7	190.9	191.0	191.1
Hedge Debt Repayment				1,675.0	140.0	140.0	140.0			
Debt Repayments	23.0	41.0	59.0	1,581.0	500.0				250.0	250.0
Increase in Noncash W.C.										
Increase in Cash-Equivalent	(74.0)	428.0	(361.0)	2,005.9	(205.1)	849.5	974.7	253.4	(223.9)	(231.1)
Total Uses of Funds	**444.0**	**1,449.0**	**999.0**	**7,053.9**	**2,075.4**	**3,180.1**	**3,305.4**	**2,444.3**	**2,217.0**	**2,210.0**
Cash Balances	**969.8**	**1397.8**	**1037.0**	**3042.9**	**2837.7**	**3687.2**	**4661.9**	**4915.3**	**4691.4**	**4460.3**

Source: John Tumazos Very Independent Research, LLC

Table 3: Barrick Balance Sheet

($ millions)

	2004	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Cash and Equivalents	1,398	2,375	3,043	2,838	3,687	4,662	4,915	4,692	4,460
Receivables	58	200	234	322	372	387	340	357	356
Total Inventories	215	687	931	681	804	718	599	644	640
Other current assets	286	412	588	638	738	738	738	738	738
Total Current Assets	1,957	3,674	4,796	4,479	5,601	6,505	6,592	6,431	6,195
Gross Plant, Property & Equip.	8,344	15,508	16,323	17,773	19,773	21,773	23,773	25,773	27,773
Less Accumulated Depreciation	4,953	5,380	6,115	7,017	7,843	8,538	9,250	10,012	10,771
Net PP&E	3,391	10,128	8,335	10,755	11,929	13,235	14,523	15,761	17,002
Investment in Novagold, Highland Gold and others			973	973	973	973	973	973	973
Capitalized Mining Cost	226	0	0	0	0	0	0	0	0
Goodwill		3,611	5,930	5,930	5,930	5,930	5,930	5,930	5,930
Other Assets	700	1,417	1,339	1,339	1,339	1,339	1,339	1,339	1,339
Total Assets	**6,274**	**18,829**	**21,373**	**23,476**	**25,772**	**27,982**	**29,357**	**30,433**	**31,439**
Short-Term Debt	0	232	863	863	863	863	863	863	863
Accts. Payable & Other Current Liab.	418	875	989	2,679	2,806	2,691	2,619	2,777	2,867
Total Current Liabilities	418	1,107	1,852	3,542	3,669	3,554	3,482	3,640	3,730
Long-Term Debt	1,655	2,828	3,244	2,744	2,744	3,244	3,644	3,294	2,944
Reclamation & Closure Liabilities	499	682	843	848	853	858	863	868	873
Deferred Income Taxes	139	114	798	658	444	262	150	17	-115
Other long-term liabilities	0	1,487	437						
Minority Interest	0	0	0	563	563	563	563	563	563
Common Equity	3,563	12,611	14,199	15,121	17,499	19,502	20,655	22,051	23,443
Total Liabilities & Equity	**6,274**	**18,829**	**21,373**	**23,476**	**25,772**	**27,982**	**29,357**	**30,433**	**31,439**
Accts Rec / Sales	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Inventory / Sales	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
AP & Other CL / Sales	21.6%	20.9%	17.5%	39.3%	34.9%	37.5%	43.7%	43.1%	44.8%

Source: Company Reports, John Tumazos Very Independent Research, LLC Estimates

INVESTMENT VIEWPOINT AND PRICE OBJECTIVE

We rate Barrick Gold Overweight with a price target of $50 per share based on 25 to 30 times average 2010 to 2013 earnings estimates at $650 per oz gold price forecasts and $2.00 copper, or alternatively 20 times estimated 2008 earnings at $800 gold and $3.25 copper. We also note that proven and probable reserves estimated at $475 gold (before recovery losses and $100 lower price basis than AngloGold) were steady at 123 mm oz down 1 mm oz adjusted for the sale of the 50% stake in South Deeps. Reserves would grow 10 mm oz at a $100 per oz higher price. Silver reserves are 964 mm oz. The 60 mm oz non-reserve mineralization appears greatly understated. Surface outcrops at 37.5%-owned Reko Diq in Pakistan have been drilled to 900 meter thick homogenous findings of 0.6% copper with about 0.45 grams per tonne gold or 13 pounds of copper and one-60th ounce of gold per tonne before recovery loss. Potential to double 48%-owned Pueblo Viejo in the Dominican Republic exists. Numerous excellent exploration opportunities exist.

RISKS

Risks to our investment thesis include the gold price, which could hurt results on the downside, but should it spike would increase Barrick's mark-to-market loss on its hedge book, hurt investor psychology and could require the company to deliver into its hedges at a large opportunity cost, for which the stock market might discount the stock. Future results, including detailed geological and metallurgical analysis, from the exploration activities may not turn out to be favorable. Other risks include ore grades, permitting issues, currency shifts and the weaker dollar as it increases production costs in Australia, as well as weak jewelry demand, reserve replacement, and other various operating issues, which could be a negative to costs.

CHANGE IN THIS RESEARCH OPERATION

This report reflects research coverage by JTVIR, LLC. In no way shape or form should it be misconstrued as involving Prudential Equities Group (PEG), which shut down on June 6, 2007 as noted. The continuation of that same quarterly or full year earnings estimate for 2007 as JTVIR, LLC should not be construed or mistaken to involve PEG, which shut down on June 6, 2007. Certain data, such as the logic of the earnings model, are similar owing to the same primary author, but this coverage initiation herein involves a different entity and no employment or affiliation with the former Prudential Equity Group, LLC.

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JTVIR is not a broker-dealer, and conducts no trades. Its primary business is to provide "unbundled" metals and paper industry securities and market research to institutions or corporations in a zero commission, electronic execution, electronic dissemination, unbundled format for a specified annual fee structure.

Our investment rating system for securities recommendations is Overweight, Neutral Weight or Underweight. Overweight or Underweight recommendations are estimated to vary from the relative performance of the S&P 500 by more than 10% annually, and the intended time horizon is up to 24 months. Our securities research is intended for institutional investors that might buy up to 10% of a given company, and as such focuses more towards longer-term dynamics impacting the net present value of future cash flows rather than "day trading" sorts of near-term issues.

Neither JTVIR, its members or is employees own or have a financial interest in any securities discussed in this report. Our policy is full disclosure.

Our policy permits personal trading in the metals or paper industries, though no positions were taken in companies within regular research coverage after July 2001 after joining Prudential Financial and until after one month of completed New Jersey registration of JTVIR. Our policy is that any personal trading must be consistent with our recommendation, made two business days or more AFTER a recommendation or change in recommendation and held for a minimum of 30 days or one month. We believe it is virtuous for a securities analyst to "put his or her money where his mouth is" to invest consistent with the recommendation to clients after such recommendation has been made, and we disagree with some restrictions made upon broker-dealer employees after 2000 era scandals.

Our policy permits up to three directorships and up to five consulting projects, advisory assignments or financial advice to corporations that might supplement, backcheck or substitute for certain services of a large investment banking firm. For example, we would accept an engagement to evaluate investment banking advice on behalf of a manufacturing company concerned whether advice is sincere or intended to maximize fees. Currently no such relationships exist.

Our policy is full disclosure of any advisory relationship or conflict going back three years. None currently exist.

Numerous prior investment banking relationships existed prior to three years history to the pre-1997 time frame under the employment of Donaldson, Lufkin and Jenrette or Oppenheimer & Co., Inc. Some of these we can recollect included 14 different gold mine valuations or sales for Barrick Gold, LAC Minerals (later acquired by Barrick), Addington Resources (gold assets in Montana acquired by Canyon Resources), Westworld Industries (Bolivian assets acquired by Battle Mountain Gold later acquired by Newmont Mining), Coeur d'Alene Mines, Crown Resources (acquired by Kinross Gold), Freeport-McMoRan Gold (acquired by Minorco later AngloGold later Queenstake Resources), FMC Gold (later renamed Meridian Gold) and others. Sole managed initial public offerings included Reliance Steel & Aluminum and Huntco. Lead-managed initial public offerings included American Steel & Wire (later acquired by Birmingham Steel) and lead-managed underwritings included Quanex. Co-managed underwritings included the IPO of Century Aluminum and offerings for AK Steel, Kaiser Aluminum, Agnico-Eagle Mines, Cameco and others. Asset sales or purchase advisories, fairness opinion or trusteeships were done for Thypin Steel (sold to Ryerson Tull), Cyclops Corp. (sold to Armco later sold to AK Steel), Allegheny Corp., Bethlehem Steel, the U.S. Dept. of Justice pursuant to the June 1984 merger of LTV and Republic Steel to sell the Gadsden, AL integrated flat-rolled mill, Cobre Copper, and others. Typically more than five investment banking assignments were evaluated, partly executed or "due diligenced" for any completed transaction. Some examples we can recall for which a prospectus was either drafted or partly drafted indicating much work included stock underwritings not completed for Wheeling-Pittsburgh Steel, Steel Dynamics, Atlas Corp., Webco, Sharon Steel, IPSCO, Co-Steel Inc., and others.

ANALYST UNIVERSE COVERAGE:

John C. Tumazos, CFA: Rio Tinto, Louisiana-Pacific, Nucor Corp., Newmont Mining, U.S. Steel, International Paper, BHP Billiton, MeadWestvaco Corp., Antofagasta PLC, Allegheny Technologies, Alcoa Inc., Inco Limited, Bowater, Inc., Temple-Inland, Barrick Gold, Abitibi-Consolidated, Weyerhaeuser Co., Alcan Inc., Smurfit-Stone Container, Plum Creek Timber, Worthington Industries, Goldcorp Inc., AngloGold Ashanti, Freeport McMoRan Copper & Gold, Novelis Inc., FNX Mining.

Dynatec is a company not continued in the research coverage of JTVIR, LLC that was previously included in the prior June 6, 2007 Prudential Equities Group universe owing to a pending takeover by Sherritt International.

In accordance with applicable rules and regulations, we note above parenthetically that our stock ratings of "Overweight," "Neutral Weight," and "Underweight" most closely correspond with the more traditional ratings of "Buy," "Hold," and "Sell," respectively; however, please note that their meanings are not the same. (See the definitions above.) We believe that an investor's decision to buy or sell a security should always take into account, among other things, that the investor's particular investment objectives and experience, risk tolerance, and financial circumstances. Rather than being based on an expected deviation from a given benchmark (as buy, hold and sell recommendations often are), our stock ratings are determined on a relative basis (see the foregoing definitions).

There is no intention to "balance" the number of Overweight or Underweight ratings, as instances of broad over- or under-performance among basic industrials may occur. JTVIR makes each investment judgment in a "bottoms up" manner based on the assets of each individual company.

Price Target – Methods/Risks

The methods used to determine the price target generally are based on future earning estimates, product performance expectations, cash flow methodology, historical and/or relative valuation multiples. The risks associated with achieving the price target generally include customer spending, industry competition and overall market conditions.

Additional risk factors as they pertain to the analyst's specific investment thesis can be found within the report.

Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. Any statements nonfactual in nature constitute only current opinions, which are subject to change.

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Additional information on the securities discussed herein is available upon request**.** The applicable disclosures can be obtained by writing to: John Tumazos Very Independent Research, LLC, 11 Yellow Brook Road, Holmdel, NJ 07733 Attn: John C. Tumazos.