



Tom Schuets

News Release

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HOMESTAKE REPORTS LOWEST COSTS IN RECENT HISTORY

Third quarter 1999 highlights include:

- Net income of \$1.7 million or \$0.01 per share compared to a net loss of \$182.8 million or \$0.80 per share in the 1998 third quarter.
- Cash flow from operations of \$52.6 million compared to \$40.5 million.
- Total gold and gold equivalent production of 612,001 ounces, an increase of 60,825 ounces.
- An average cash cost of \$182 per ounce (the lowest in recent history), a decrease of \$20 per ounce.
- An average total cost of \$235 per ounce (the lowest in recent history), down \$20 per ounce.

(Note: All financial information is reported in U.S. dollars unless stated otherwise)

SAN FRANCISCO, CA, October 26, 1999-- Homestake Mining Company (NYSE: HM, ASX: HSM, TSE: HCX) reports net income of \$1.7 million or \$0.01 per share for the third quarter of 1999 compared to a net loss of \$182.8 million or \$0.80 per share for the third quarter of 1998. In the third quarter of 1999, Homestake recorded \$4.4 million in non-recurring charges (\$6.9 million pre-tax) primarily related to additional reclamation accruals at non-operating properties. The loss in the 1998 third quarter was attributed primarily to an after-tax write-down of certain assets and other unusual charges totalling \$165.9 million (\$187.9 million pre-tax). Cash flow from operations in the 1999 third quarter amounted to \$52.6 million, \$12.1 million more than in the third quarter of 1998. Homestake's average realized gold price in the third quarter of 1999 was \$278 per ounce compared to \$307 in 1998.

For the nine-month period ended September 30, 1999, Homestake recorded net income of \$0.9 million or zero cents per share, compared to a net loss of \$233.6 million or \$1.02 per share in the same period in 1998. Cash flow from operations for the first nine months of 1999 was \$100.2 million compared to \$103.3 million for the first nine months of 1998.

In the third quarter of 1999, Homestake reduced its long-term debt by \$3.3 million, bringing the total long-term debt reduction in the first nine months of the year to \$64.3 million.

In the third quarter, cash flow from operations included \$35 million realized from the close out of US dollar denominated forward sales contracts covering 245,000 ounces of gold maturing in the years 2001 to 2003. The transaction occurred on July 29, 1999, when the price of gold was \$254 per ounce. The pre-tax gain will be recorded in income at the time of the original maturity dates of these contracts. At September 30, 1999, Homestake's remaining hedge book covered approximately five per cent of its reserve base. The Company has virtually no unprotected call options in its hedge portfolio and no margin call requirements in any of its existing contracts. In addition, Homestake is not exposed currently to any mark-to-market earnings adjustments with respect to its precious metals hedging contracts. At September 30, 1999, these contracts had a fair value of approximately \$50 million.

During the third quarter of 1999, Homestake's total attributable production amounted to 612,001 ounces of gold and gold equivalent, 60,825 ounces more than in the same period in 1998. Cash and total production costs of \$182 and \$235 per ounce, respectively, were \$20 per ounce lower than for the same 1998 period. Both costs were the lowest quarterly costs in Homestake's recent history.

For the nine-month period, Homestake achieved record production, with total attributable output of 1.8 million ounces, representing a 114,333 ounce increase over the 1998 nine-month period. Cash cost of production averaged \$190 per ounce, \$23 per ounce less than in the same period in 1998. Total production cost averaged \$244 per ounce, \$24 per ounce lower than last year.

"This quarter represents an important milestone in Homestake's rich operating history," said Jack E. Thompson, Chairman and Chief Executive Officer. "Our continued record breaking production and reduction in operating costs is a true reflection of the hard work demonstrated by Homestake employees worldwide. They have a lot to be proud of. Homestake has never been stronger."

Operation Highlights

United States

Homestake's wholly owned Ruby Hill mine in central Nevada had a stellar third quarter, producing 33,002 ounces of gold at an average cash cost of \$94 per ounce. In the same period last year, Ruby Hill produced 27,743 ounces at an average cash cost of \$120 per ounce. This open-pit mine, discovered and developed by Homestake, is now the Company's lowest cost operation. In the first nine months of 1999, Ruby Hill produced 91,252 ounces of gold, 2,481 ounces more than in 1998. Total cash cost for the nine months averaged \$103 per ounce compared to \$125 per ounce for the same period last year. On September 11, Ruby Hill received a Nevada Excellence in Mine Reclamation Award, granted jointly by the Nevada Division of Minerals, Nevada Division of Environmental Protection, Nevada Division of Wildlife, the US Bureau of Land Management and the US Forest Service.

The Company's wholly owned Homestake mine continued to improve its productivity during the third quarter. This historic operation is now exclusively an underground mine. During the third quarter of 1999, it produced 55,503 ounces of gold at an average cash cost of \$250 per ounce compared to 64,470 ounces produced at an average cash cost of \$256 per ounce during the third quarter of 1998. The reduction in cash cost is particularly remarkable since lower cost open-pit mining was completed in 1998 and only declining quantities of stockpiled material were processed in the quarter. During the nine months ended September 30, 1999, the mine produced 158,266 ounces at an average cash cost of \$257 per ounce, compared to 210,865 ounces produced at an average cash cost of \$252 per ounce during the same period last year.

During the third quarter, Homestake's other US based operations contributed 72,667 ounces of gold at an average cash cost of \$211 per ounce. Of that amount, 37,188 ounces came from the 25% owned Round Mountain operation in south central Nevada. Cash cost there averaged \$198 per ounce. During the third quarter of 1998, Round Mountain contributed 34,571 ounces of gold at an average cash cost of \$200 per ounce. During the first nine months of this year, this large heap leach and mill operation contributed to Homestake 102,435 ounces of gold compared to 104,114 ounces last year. The average cash cost was unchanged at \$200 per ounce.

Canada

In the third quarter of 1999, gold equivalent production from the Eskay Creek mine in northern British Columbia increased by over 25% compared to the corresponding period in 1998. Production was 80,342 ounces of gold and 3.57 million ounces of silver, which corresponds to 153,239 ounces of gold equivalent. The cash cost of production averaged \$126 per ounce of gold equivalent, \$12 per ounce less than in the same period last year. During the same period in 1998, Eskay Creek produced 70,888 ounces of gold and 2.82 million ounces of silver, resulting in 121,966 gold equivalent ounces. The increase in production and the corresponding reduction in cash costs were accomplished as a result of increased tonnage of ore shipped to smelters and continued improvement in throughput and recovery at the gravity and flotation mill. During July, the mill, originally designed with a capacity of 150 tons of ore per day, processed 260 tons of ore per day on a sustained basis. During the first nine months of 1999, Eskay Creek produced 439,617 gold equivalent ounces compared to 393,049 in the corresponding 1998 period. Cash cost in the first nine months of 1999 averaged \$128 per ounce of gold equivalent, \$2 per ounce lower than in the corresponding 1998 period.

Homestake's 50% owned Hemlo operation in northwestern Ontario consists of the David Bell and Williams underground mines and the Williams mill, which commenced treating ores from David Bell as well as Williams in June of this year. As a result of this change and other operating initiatives, operating costs at the Hemlo operation continued to improve. During the third quarter, Homestake's share of gold production from Hemlo was 75,818 ounces, 2,408 ounces more than last year. During the same period, cash cost decreased from \$199 to \$183 per ounce. In the first nine months of 1999, Homestake's share of production from the combined David Bell and Williams mines was 225,231 ounces, 9,532 ounces more than during the same period last year. Average cash cost also dropped, from \$211 to \$200 per ounce.

Australia

The third quarter of 1999 represented an important period of change at Homestake's 50% owned Kalgoorlie operation in Western Australia as its open-pit mine converted from contract mining to a new owner-operated fleet. This change, coupled with full resolution of earlier problems associated with the Fimiston SAG mill, resulted in a marked improvement in production as well as cash operating costs. In the third quarter of 1999, Homestake's share of Kalgoorlie production amounted to 98,092 ounces of gold, 5,625 ounces more than in the same 1998 period. Cash cost averaged \$231 per ounce compared to \$215 per ounce a year earlier. The increase in cash cost was largely attributed to the strengthening of the Australian dollar, which rose in value from an average of US\$0.599 in the third quarter of 1998 to US\$0.651 in the third quarter of 1999. Unfortunately, the improvements achieved in the third quarter did not fully compensate for production shortfalls earlier in the year. During the first nine months, Homestake's share of Kalgoorlie production amounted to 254,016 ounces of gold, 37,377 ounces less than during the corresponding period last year. Cash cost averaged \$237 per ounce, \$5 per ounce higher than last year.

Homestake's wholly owned Yilgarn operations, consisting of the Plutonic, Darlot and Lawlers mines, produced 114,218 ounces of gold during the third quarter, 3,895 ounces less than a year earlier. The slight decrease was largely due to planned lower rates of production at both the Plutonic and Lawlers mines. Cash cost remained unchanged at \$191 per ounce. In the first nine months of 1999, however, the Yilgarn operations produced 334,590 ounces of gold, 11,814 ounces more than in the same period last year. This improvement was largely due to significantly higher output from Darlot's Centenary ore body, which commenced production late in 1998. Cash costs at Yilgarn for the 1999 nine-month period improved from \$226 to \$206 per ounce.

Chile

During the third quarter of 1999, Homestake concluded an agreement with Corporacion Nacional del Cobre Chile ("Codelco") to consolidate properties in the Potrerillos District near the Agua de la Falda mine in northern Chile. The mine is owned 51% by Homestake and 49% by Codelco. The agreement allows Homestake to expand its property position to control approximately 25,780 hectares of highly prospective ground around the mine, an eight-fold increase. In return, Homestake will contribute \$7 million, mostly towards exploration, as well as some of its own claims.

Exploration and Development

During the third quarter of 1999, Homestake carried out a broad range of exploration work in and around its operating mines. In addition, it recently mobilized drilling crews at the 60% owned Veladero project located in the highly prolific El Indio belt along the Chile-Argentina border. The \$13 million program will focus on step out drilling in and around previously defined deposits. Homestake, as project manager, is also continuing with metallurgical testing on the Veladero property. To date, this work has yielded encouraging results.

Corporate

During the third quarter of 1999, Homestake achieved further reductions in corporate overhead expenditures. The Company has been steadily reducing its overhead costs over the last 10 years. Corporate costs now average \$18 per ounce compared to \$23 per ounce in 1994 and \$30 per ounce in 1989. Homestake expects to achieve further gains in its overhead efficiency in the year 2000.

Homestake recorded \$4.2 million in pre-tax foreign currency exchange losses in the third quarter of 1999, compared to \$18.2 million in the same 1998 period. These losses were included in other income. In the first nine months of 1999, Homestake recorded pre-tax foreign currency gains of \$22.6 million, compared to losses of \$43.6 million in 1998. The current quarter's tax provision includes a \$6.4 million reversal of a provision for certain tax contingencies, which now have been resolved.

Homestake Mining Company is an international gold mining company with operations and exploration activities in the United States, Canada, Australia and Chile. The Company also has active exploration programs in Argentina. Homestake currently produces approximately 2.3 million ounces of gold annually from 14 operating mines. Shares of the Company's common stock are listed on the New York Stock Exchange, the Australian Stock Exchange and the Basel, Geneva and Zurich Stock Exchanges in Switzerland. Homestake Canada Inc. Exchangeable Shares are listed on the Toronto Stock Exchange. Homestake began gold mining operations over 120 years ago, and is one of the oldest listed companies on the New York Stock Exchange still in its original business. It has received numerous industry awards for its responsible environmental health and safety management programs. For additional corporate information, please visit Homestake Mining Company on the Internet at <http://www.homestake.com>.

FINANCIAL SUMMARY

HOMESTAKE MINING COMPANY
Condensed Statements of Consolidated Operations
(in thousands, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	1999	1998	1999	1998
Revenues				
Gold and ore sales	\$ 165,279	\$ 187,361	\$ 493,582	\$ 592,387
Sulfur and oil sales	4,786	5,123	13,982	16,921
Interest income	4,218	4,894	12,010	14,452
Other income	1,685	(13,960)	34,348	(28,750)
Total Revenues	<u>175,968</u>	<u>183,418</u>	<u>553,922</u>	<u>595,010</u>
Costs and Expenses				
Production costs	115,869	127,909	348,442	406,215
Depreciation, depletion and amortization	33,387	33,617	101,246	107,109
Administrative and general expense	10,913	12,409	32,659	36,586
Exploration expense	8,041	16,902	29,153	41,536
Interest expense	4,885	5,485	13,503	15,813
Business combination and integration costs	-	-	4,764	20,710
Write-downs and other unusual charges	6,886	187,884	10,386	209,824
Other expense	390	2,078	2,771	2,876
Total Expenses	<u>180,371</u>	<u>386,284</u>	<u>542,924</u>	<u>840,669</u>
Income (Loss) Before Taxes and Minority Interests	(4,403)	(202,866)	10,998	(245,659)
Income and Mining Taxes	5,933	15,340	(11,088)	12,998
Minority Interests	217	4,693	1,004	(923)
Net Income (Loss)	<u>\$ 1,747</u>	<u>\$ (182,833)</u>	<u>\$ 914</u>	<u>\$ (233,584)</u>
Net Income (Loss) Per Share - Basic and Diluted	<u>\$ 0.01</u>	<u>\$ (0.80)</u>	<u>\$ 0.00</u>	<u>\$ (1.02)</u>
Average Shares Used in the Computation	<u>260,232</u>	<u>229,231</u>	<u>259,838</u>	<u>229,015</u>

Components of Income (Loss) Before Taxes and Minority Interests
(in thousands - pretax)

	Three months ended September 30,		Nine months ended September 30,	
	1999	1998	1999	1998
Income (loss) before significant items, taxes and minority interests	\$ 6,681	\$ 3,255	\$ 4,676	\$ 28,503
Significant items:				
Business combination and integration costs	-	-	(4,764)	(20,710)
Write-downs and other unusual charges	(6,886)	(187,884)	(10,386)	(209,824)
Severance and other termination costs	-	-	(1,165)	-
Foreign exchange gains (losses)	(4,198)	(18,237)	22,637	(43,628)
Total significant items	<u>(11,084)</u>	<u>(206,121)</u>	<u>6,322</u>	<u>(274,162)</u>
Income (loss) before taxes and minority interests	<u>\$ (4,403)</u>	<u>\$ (202,866)</u>	<u>\$ 10,998</u>	<u>\$ (245,659)</u>

FINANCIAL SUMMARY**HOMESTAKE MINING COMPANY**
Condensed Consolidated Balance Sheets
(in thousands)

	<u>September 30,</u> <u>1999</u>	<u>December 31,</u> <u>1998</u>
Assets		
Cash and equivalents	\$ 198,038	\$ 147,519
Short-term investments	72,319	154,346
Other current assets	152,400	152,732
Property, plant and equipment - net	1,127,712	1,102,739
Other noncurrent assets	79,983	94,561
Total	<u>\$ 1,630,452</u>	<u>\$ 1,651,897</u>
Liabilities and Shareholders' Equity		
Accounts payable and accrued liabilities	\$ 127,939	\$ 148,721
Current portion of long-term debt	41,620	-
Long-term debt	256,851	357,410
Other long-term liabilities	207,195	168,178
Deferred income and mining taxes	230,706	230,567
Minority interests in consolidated subsidiaries	6,933	7,825
Shareholders' equity	759,208	739,196
Total	<u>\$ 1,630,452</u>	<u>\$ 1,651,897</u>

FINANCIAL SUMMARY

HOMESTAKE MINING COMPANY
Condensed Statements of Consolidated Cash Flows
(in thousands)

	Three months ended September 30,		Nine months ended September 30	
	1999	1998	1999	1998
Cash Flows from Operations				
Net income (loss)	\$ 1,747	\$(182,833)	\$ 914	\$ (233,584)
Reconciliation to net cash provided by operations:				
Depreciation, depletion and amortization	33,387	33,617	101,246	107,109
Deferred gains on close-out of forward sales contracts	34,956	-	34,956	-
Write-downs and other unusual charges	6,886	187,884	10,386	200,945
Gains on asset disposals	(1,889)	(1,420)	(2,740)	(3,274)
Deferred taxes, minority interests and other	(21,179)	(10,949)	(13,289)	(30,497)
Effect of changes in operating working capital items	(1,346)	14,176	(31,288)	62,641
Net cash provided by operations	<u>52,562</u>	<u>40,475</u>	<u>100,185</u>	<u>103,340</u>
Investment Activities				
Decrease (increase) in short-term investments	11,122	(11,938)	84,409	(23,169)
Capital additions	(34,706)	(20,440)	(70,340)	(54,313)
Proceeds from asset sales	2,196	8,057	4,291	15,898
Decrease (increase) in restricted cash	(20)	(220)	11,796	(649)
Other	-	(357)	-	185
Net cash provided by (used in) investment activities	<u>(21,408)</u>	<u>(24,898)</u>	<u>30,156</u>	<u>(62,048)</u>
Financing Activities				
Net debt borrowings (repayments)	(3,336)	485	(64,340)	(7,598)
Dividends paid	-	-	(12,085)	(11,933)
Common shares issued	-	918	6,707	1,956
Other	-	(757)	-	1,774
Net cash provided by (used in) financing activities	<u>(3,336)</u>	<u>646</u>	<u>(69,718)</u>	<u>(15,801)</u>
Effect of Exchange Rate Changes on Cash and Equivalents	<u>2,590</u>	<u>(200)</u>	<u>(10,104)</u>	<u>(2,397)</u>
Net Increase in Cash and Equivalents	<u>\$ 30,408</u>	<u>\$ 16,023</u>	<u>\$ 50,519</u>	<u>\$ 23,094</u>

		Third Quarter						
		1999			1998			
	%	Tons	Average	Ounces	Tons	Average	Ounces	
	Interest	Processed	Grade	Produced	Processed	Grade	Produced	
		(thousands)	(oz/ton)	(thousands)	(thousands)	(oz/ton)	(thousands)	
United States								
Homestake	100	381	0.152	55.5	521	0.130	64.5	
Ruby Hill	100	350	0.109	33.0	282	0.109	27.8	
McLaughlin	100	716	0.067	29.9	718	0.073	32.9	
Round Mountain	25	3,660	0.015	37.2	2,560	0.016	34.6	
Pinson	50	-	-	0.7	207	0.036	3.2	
Marigold	33	318	0.029	4.8	234	0.019	5.2	
Subtotal United States				161.1				168.2
Canada								
Eskay Creek ⁽¹⁾	100	50	3.337	153.2	42	2.927	121.9	
Hemlo:				75.8			73.4	
Williams	50	318	0.170	51.4	338	0.151	48.6	
David Bell ⁽²⁾	50	63	0.343	24.4	58	0.391	24.8	
Snip ⁽³⁾	100	-	-	0.2	42	0.762	28.3	
Subtotal Canada				229.2				223.6
Australia								
Kalgoorlie	50	1,612	0.071	98.1	1,485	0.073	92.5	
Yilgarn:				114.3			118.1	
Plutonic	100	870	0.087	62.1	816	0.093	67.1	
Darlot	100	195	0.153	28.4	177	0.139	22.7	
Lawlers	100	168	0.148	23.8	163	0.187	28.3	
Peak Hill	67	123	0.045	5.5	121	0.051	5.7	
Mt Morgans	80	-	-	-	257	0.056	11.9	
Subtotal Australia				217.9				228.2
Chile								
Agua de la Falda	51	40	0.262	3.8	44	0.206	5.4	
Total Production				612.0				625.4
Minority Interests				-				(74.2)
Homestake's Share				612.0				551.2

		Year-to-Date					
		1999			1998		
% Interest	Tons Processed (thousands)	Average Grade (oz/ton)	Ounces Produced (thousands)	Tons Processed (thousands)	Average Grade (oz/ton)	Ounces Produced (thousands)	
United States							
Homestake	100	889	0.178	158.3	1,587	0.141	210.9
Ruby Hill	100	948	0.110	91.3	968	0.103	88.8
McLaughlin	100	2,102	0.071	93.7	2,117	0.079	97.8
Round Mountain	25	9,445	0.017	102.4	9,348	0.016	104.1
Pinson	50	66	0.031	5.6	702	0.037	14.1
Marigold	33	924	0.025	17.6	746	0.026	17.4
Subtotal United States				468.9	533.1		
Canada							
Eskay Creek ⁽¹⁾	100	146	3.201	439.6	123	3.283	393.0
Hemlo:				225.2			215.7
Williams	50	1,003	0.165	157.1	1,025	0.148	144.2
David Bell ⁽²⁾	50	185	0.335	68.1	183	0.359	71.5
Snip ⁽³⁾	100	71	0.665	42.1	121	0.725	78.8
Subtotal Canada				706.9	687.5		
Australia							
Kalgoorlie	50	4,286	0.069	254.0	4,683	0.071	291.4
Yilgarn:				334.6			322.8
Plutonic	100	2,487	0.082	167.6	2,473	0.084	179.1
Darlot	100	566	0.154	83.4	558	0.102	53.0
Lawlers	100	501	0.177	83.6	477	0.201	90.7
Peak Hill	67	367	0.049	17.5	352	0.054	18.3
Mt Morgans	80	-	-	-	712	0.077	46.5
Subtotal Australia				606.1	679.0		
Chile							
Agua de la Falda	51	118	0.243	16.4	119	0.201	17.5
Total Production				1,798.3	1,917.1		
Minority Interests				-	(233.1)		
Homestake's Share				1,798.3	1,684.0		

¹ Ounces produced are expressed on a gold equivalent basis and include 80,300 (70,900 in 1998) ounces of gold and 3.6 million (2.8 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the third quarter, and 240,900 (214,300 in 1998) ounces of gold and 10.3 million (9.1 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the year-to-date period.

² Ounces produced include 2,900 and 8,500 ounces of gold production in the quarter and year-to-date periods, respectively, from the Quarter Claim in both 1999 and 1998.

³ Includes ounces of gold contained in ore and concentrates.

Handwritten notes:

Total 1999 Est. } Au = 321, 200 oz (9990 kg)
 Ag = 13.9 Moz (432 339 kg) }
 592.8 Moz Au equiv. (18.4M kg)
 1 oz Au = 44.83 oz Ag

	Total Cash Costs (dollars per ounce)				Total Costs (dollars per ounce)			
	1999		1998		1999		1998	
	3rd Quarter	Year to Date	3rd Quarter	Year to Date	3rd Quarter	Year to Date	3rd Quarter	Year to Date
United States								
Homestake	\$ 250	\$ 257	\$ 256	\$ 252	\$ 267	\$ 273	\$ 313	\$ 308
Ruby Hill	94	103	120	125	228	236	235	239
McLaughlin	232	223	220	217	316	346	339	339
Round Mountain	198	200	200	200	265	268	253	251
Pinson	-	242	607	425	-	242	651	462
Marigold	180	206	282	262	235	246	330	288
Subtotal United States	200	206	222	219	267	278	300	295
Canada								
Eskay Creek ⁽¹⁾	126	128	138	130	195	198	170	162
Hemlo:	183	200	199	211	221	236	235	249
Williams	192	205	211	221	232	241	248	259
David Bell	165	187	175	192	198	223	209	228
Snip ⁽¹⁾	-	208	173	199	-	208	303	332
Subtotal Canada	145	156	162	164	203	211	208	209
Australia								
Kalgoorlie ⁽²⁾	231	237	215	232	269	278	259	283
Yilgarn:	191	206	191	226	226	241	232	276
Plutonic	194	229	201	235	230	270	252	304
Darlot	195	194	200	264	234	230	228	296
Lawlers	180	170	162	185	207	193	187	208
Peak Hill	179	179	261	273	194	192	281	292
Mt Morgans	-	-	253	234	-	-	273	261
Subtotal Australia	209	218	206	230	245	255	247	279
Chile								
Agua de la Falda	167	188	203	202	275	280	296	291
Consolidated								
Weighted Average	\$ 182	\$ 190	\$ 195	\$ 203	\$ 235	\$ 244	\$ 248	\$ 258
Minority Interest								
Weighted Average			\$ 144	\$ 142			\$ 194	\$ 189
Homestake's Share								
Weighted Average	\$ 182	\$ 190	\$ 202	\$ 213	\$ 235	\$ 244	\$ 255	\$ 268

¹ For comparison purposes, costs per ounce include estimated third-party costs incurred by smelter owners and others to produce marketable gold and silver.

² Includes the effect of insurance proceeds received and credited to processing costs of \$0.2 million and \$4.8 million in the 1999 third quarter and year-to-date periods, respectively.

		Third Quarter					
		1999			1998		
	% Interest	Tonnes Processed (thousands)	Average Grade (gr/tonne)	Ounces Produced (thousands)	Tonnes Processed (thousands)	Average Grade (gr/tonne)	Ounces Produced (thousands)
United States							
Homestake	100	346	5.21	55.5	473	4.47	64.5
Ruby Hill	100	318	3.74	33.0	255	3.73	27.8
McLaughlin	100	650	2.31	29.9	651	2.51	32.9
Round Mountain	25	3,320	0.52	37.2	2,322	0.54	34.6
Pinson	50	-	-	0.7	188	1.22	3.2
Marigold	33	289	1.00	4.8	212	0.66	5.2
Subtotal United States				161.1	168.2		
Canada							
Eskay Creek ⁽¹⁾	100	45	114.28	153.2	38	100.24	121.9
Hemlo:				75.8			73.4
Williams	50	288	5.82	51.4	307	5.19	48.6
David Bell ⁽²⁾	50	57	11.74	24.4	53	13.39	24.8
Snip ⁽³⁾	100	-	-	0.2	38	26.09	28.3
Subtotal Canada				229.2	223.6		
Australia							
Kalgoorlie	50	1,462	2.42	98.1	1,347	2.51	92.5
Yilgarn:				114.3			118.1
Plutonic	100	789	3.00	62.1	740	3.18	67.1
Darlot	100	177	5.23	28.4	161	4.75	22.7
Lawlers	100	152	5.06	23.8	148	6.41	28.3
Peak Hill	67	112	1.53	5.5	110	1.76	5.7
Mt Morgans	80	-	-	-	233	1.93	11.9
Subtotal Australia				217.9	228.2		
Chile							
Agua de la Falda	51	37	8.96	3.8	40	7.06	5.4
Total Production				612.0	625.4		
Minority Interests				-	(74.2)		
Homestake's Share				612.0	551.2		

	% Interest	Year-to-Date					
		1999			1998		
		Tonnes Processed (thousands)	Average Grade (gr/tonne)	Ounces Produced (thousands)	Tonnes Processed (thousands)	Average Grade (gr/tonne)	Ounces Produced (thousands)
United States							
Homestake	100	806	6.08	158.3	1,440	4.82	210.9
Ruby Hill	100	860	3.76	91.3	878	3.51	88.8
McLaughlin	100	1,907	2.42	93.7	1,921	2.70	97.8
Round Mountain	25	8,568	0.57	102.4	8,481	0.56	104.1
Pinson	50	60	1.06	5.6	637	1.28	14.1
Marigold	33	838	0.87	17.6	677	0.89	17.4
Subtotal United States				468.9	533.1		
Canada							
Eskay Creek ⁽¹⁾	100	132	109.62	439.6	111	112.44	393.0
Hemlo:				225.2			215.7
Williams	50	909	5.64	157.1	930	5.08	144.2
David Bell ⁽²⁾	50	168	11.48	68.1	166	12.28	71.5
Snip ⁽³⁾	100	65	22.77	42.1	110	24.82	78.8
Subtotal Canada				706.9	687.5		
Australia							
Kalgoorlie	50	3,888	2.36	254.0	4,249	2.43	291.4
Yilgarn:				334.6			322.8
Plutonic	100	2,256	2.80	167.6	2,243	2.89	179.1
Darlot	100	514	5.28	83.4	506	3.49	53.0
Lawlers	100	454	6.05	83.6	432	6.88	90.7
Peak Hill	67	333	1.67	17.5	319	1.85	18.3
Mt Morgans	80	-	-	-	646	2.62	46.5
Subtotal Australia				606.1	679.0		
Chile							
Agua de la Falda	51	107	8.32	16.4	108	6.88	17.5
Total Production				1,798.3	1,917.1		
Minority Interests				-	(233.1)		
Homestake's Share				1,798.3	1,684.0		

¹ Ounces produced are expressed on a gold equivalent basis and include 80,300 (70,900 in 1998) ounces of gold and 3.6 million (2.8 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the third quarter, and 240,900 (214,300 in 1998) ounces of gold and 10.3 million (9.1 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the year-to-date period.

² Ounces produced include 2,900 and 8,500 ounces of gold production in the quarter and year-to-date periods, respectively, from the Quarter Claim in both 1999 and 1998.

³ Includes ounces of gold contained in dore and concentrates.

Homestake Mining Company
Consolidated Production Costs per Ounce ⁽¹⁾
(dollars per ounce of gold)

	Third Quarter		Year-to-Date	
	1999	1998	1999	1998
Consolidated Totals				
Direct mining costs	\$166	\$174	\$175	\$186
Deferred stripping adjustments	(3)	4	(4)	-
Costs of third-party smelters	15	13	15	13
Cash Operating Costs	<u>178</u>	<u>191</u>	<u>186</u>	<u>199</u>
Royalties	3	3	3	3
Production taxes	1	1	1	1
Total Cash Costs	<u>182</u>	<u>195</u>	<u>190</u>	<u>203</u>
Depreciation and amortization	47	49	48	51
Reclamation	6	4	6	4
Total Production Costs	<u><u>\$235</u></u>	<u><u>\$248</u></u>	<u><u>\$244</u></u>	<u><u>\$258</u></u>
 Homestake Attributable Production:				
Cash Operating Costs	\$178	\$197	\$186	\$208
Total Cash Costs	\$182	\$202	\$190	\$213
Total Production Costs	<u><u>\$235</u></u>	<u><u>\$255</u></u>	<u><u>\$244</u></u>	<u><u>\$268</u></u>

¹ Homestake reports per ounce production costs in accordance with the "Gold Institute Production Cost Standard".

Nov. 24 }
Dec. 8 (bar)

TC → fax = Dave Caulfield / Cheryl
Mon. → 10:30 (TGS)

(Tracy)

3:30 - TGS → Caulfield

Jan. 5th

Donna (Dec. 27th)

Fri

fax → Peter Holbek
re Myra Falls
(Dean Crick)

1998	1999	2000	2001
2174	2180	2178	2182
4	4	4	4
13	13	13	13
185	178	185	182
3	3	3	3
1	1	1	1
190	185	190	185
48	48	48	48
8	8	8	8
224	222	224	222
2208	2186	2187	2178
2213	2190	2202	2182
2268	2244	2258	2235

Homestake reports per ounce production costs in accordance with the "Gold Institute Production Cost Standard."