

"In 1999, Homestake reached major milestones in all facets of its business," said Jack E. Thompson, Chairman and Chief Executive Officer. "Unfortunately, it happened at a time when the price of gold continued to set new lows. As a result, our achievements have not yet received a positive response in the market place. While we are disappointed about that, we did generate significant cash flows and record a profit in spite of a difficult economic environment. Homestake takes a long-term view of the current situation, and believes that this is the time to build a better, stronger company, capable of withstanding periods of low gold prices and positioned to reap the benefits of higher gold prices in the future. Our operations are top notch and so are our people. Our balance sheet is strong and we are determined to build the most successful gold company in the world. With our expanded production, reserve replacement and lower operating costs, we are on track to make it happen." (© PDA, Nov. 7/00)

HOMESTAKE MINING CO.  
Operation Highlights

www.homestake.com

"1999 Summary"

### United States

In the fourth quarter of 1999, the Ruby Hill mine in central Nevada produced 32,500 ounces of gold at an average cash cost of \$106 per ounce, compared to 27,700 ounces produced at an average cash cost of \$114 per ounce during the same period of 1998. The fourth quarter capped another record year for Ruby Hill. Total gold production amounted to 123,800 ounces, 7,300 ounces more than in 1998. The average cash cost for 1999 declined to \$104 per ounce, \$18 per ounce lower than in 1998. This exceptional record allowed Ruby Hill to remain Homestake's lowest cost operation for the second year in a row. Most importantly, in 1999, the mine achieved its excellent operating results without any accidents or injuries.

The Homestake mine in western South Dakota completed processing of the remaining open-pit ore stockpiles in the fourth quarter of 1999. The mine is continuing its efforts to streamline underground operations. As a result of the reduced quantity of open-pit ore in the fourth quarter of 1999, the mine produced 54,400 ounces of gold compared to 66,500 ounces during the same period of 1998. The mine's cash cost during the quarter averaged \$271 per ounce, compared to \$240 per ounce a year earlier. In 1999, the mine produced 212,700 ounces of gold, 64,700 ounces less than in 1998. The cash cost averaged \$261 per ounce, \$12 per ounce higher than in 1998. Additional initiatives to continue reducing operating costs at the mine are under way.

During the 1999 fourth quarter, Homestake's other US based operations contributed 68,400 ounces of gold at an average cash cost of \$207 per ounce. Of that amount, 33,100 ounces came from the 25%-owned Round Mountain operation in south-central Nevada. The average cash cost during the 1999 fourth quarter was \$192 per ounce, compared to \$310 per ounce a year earlier. During the fourth quarter of 1998, Homestake's share of gold production from Round Mountain was 23,500 ounces. In 1999, Round Mountain produced a record 541,800 ounces (100% basis) reflecting increased production from the mill, which processes higher-grade non-oxide ores. Constructed in 1997, the mill has been instrumental in increasing Round Mountain's gold production from 510,500 ounces in 1998 to its current level. With the higher gold output, the average cash cost declined to \$198 per ounce in 1999 from \$220 per ounce in 1998.

### Canada

In the fourth quarter of 1999, gold equivalent production from the Eskay Creek mine in northern British Columbia increased to 118,800 ounces, 7,000 ounces more than in the fourth quarter of 1998. These figures include 2.8 million and 2.6 million ounces of silver produced in the fourth quarters of 1999 and 1998, respectively. The average cash cost of production (including third-party smelter costs) for the 1999 fourth quarter was \$141 per equivalent ounce, the same as a year earlier. In 1999, the Eskay Creek mine set another milestone, producing 558,400 gold equivalent ounces, 53,600 ounces more than in 1998 (silver constituted 13.1 million ounces in 1999 and 11.7 million ounces in 1998). In 1999, the average cash cost was \$131 per equivalent ounce, \$2 per equivalent ounce less than in 1998. Eskay Creek has consistently set new operating records every year since it began production in 1995. The increased gold and silver output and the correspondingly lower cash cost

have been accomplished as a result of increased ore shipments to smelters and continued improvements in throughput and recovery at the gravity and flotation mill.

Homestake's 50%-owned Hemlo operation in northwestern Ontario consists of the David Bell and Williams underground mines and an open-pit mine. In June of 1999, the David Bell mill was closed and the Williams mill began treating the ores from both mines. This change enhanced the overall operating efficiency at Hemlo and triggered a series of further optimization initiatives including re-configuration of the grinding circuit, extension of underground working hours, a reduction of the contractor workforce and improved open-pit mine scheduling. As a result, in the fourth quarter of 1999, Homestake's 50% share of production was 80,000 ounces of gold, 9,400 ounces more than in the fourth quarter of 1998. Cash cost averaged \$189 per ounce, \$17 per ounce less than in the 1998 fourth quarter. In 1999, Homestake's 50% share of Hemlo production was 305,200 ounces, 18,900 ounces more than in 1998. The average cash cost was reduced to \$197 per ounce in 1999 from \$210 in 1998.

### Australia

In the fourth quarter of 1999, Homestake's 50%-owned Kalgoorlie operation in Western Australia completed its conversion from contract to owner mining. All three new 34-cubic yard shovels and eighteen 240-ton trucks are now in place. In addition, Kalgoorlie has commenced an expansion of the flotation section of its processing plant to improve recovery and accommodate additional quantities of the Super Pit ore which will replace decreasing amounts of feed from the Mt Charlotte mine, which is scheduled to cease operation later this year. In the fourth quarter of 1999, Homestake's share of Kalgoorlie production amounted to 106,000 ounces of gold, 7,200 ounces more than in the same period of 1998. Cash cost averaged \$228 per ounce, \$3 per ounce better than in the third quarter of 1999, but \$11 per ounce higher than a year ago, primarily as a result of a stronger Australian dollar. In 1999, Homestake's share of gold production amounted to 360,100 ounces, 30,100 ounces less than in 1998. Reported in the first half of 1999, this production shortfall was due to milling problems, which also caused the average cash cost to increase to \$235 per ounce in 1999 from \$229 per ounce in 1998.

Homestake's wholly-owned Yilgarn operations, consisting of the Plutonic, Darlot and Lawlers mines, produced 119,300 ounces of gold during the fourth quarter, 17,300 ounces less than a year earlier. Cash cost also increased to \$216 per ounce in 1999 from \$198 per ounce in 1998 reflecting increased development activity at these operations. In 1999, gold production from these mines, totaling 453,900 ounces, remained relatively unchanged compared to 1998 when gold output amounted to 459,400 ounces. Cash cost averaged \$208 per ounce, \$10 per ounce less than in 1998. Each of the Yilgarn mines recorded major achievements in 1999. Plutonic and Lawlers recorded their largest relative reserve increases (see below), Lawlers completed a major underground ramp and lateral development to reach recently discovered sources of ore and Darlot completed construction of the southern decline, which is designed to facilitate future production.

### South America

In October 1999, Homestake commenced an extensive exploration and evaluation program on the recently acquired Veladero property in northwestern Argentina. The current program, which will run until April 2000, will include 140,000 feet of drilling, a broad range of metallurgical testing and preliminary engineering and infrastructure assessment.

By the end of 1999, Homestake and its joint venture partner, Barrick Gold Corporation, had completed 34 drill holes totaling 36,000 feet. The initial phase was directed towards increasing the confidence level in the previously identified resources at both the Amable and Filo Federico deposits. The nature and continuity of mineralized inventory at these deposits have been confirmed. The work to upgrade this inventory to a reserve classification is currently under way. The first phase of this work is expected to be completed by June 2000. Drilling around these deposits has also been successful and limits to mineralization have yet to be established. In

		Year Ended December 31,					
		1999			1998		
	% Interest	Tons Processed (thousands)	Average Grade (oz/ton)	Ounces Produced (thousands)	Tons Processed (thousands)	Average Grade (oz/ton)	Ounces Produced (thousands)
<b>United States</b>							
Homestake	100	1,249	0.171	212.7	2,075	0.141	277.4
Ruby Hill	100	1,222	0.115	123.8	1,324	0.098	116.5
McLaughlin	100	2,834	0.070	121.5	2,839	0.077	128.7
Round Mountain	25	13,227	0.017	135.5	11,628	0.016	127.6
Pinson	50	66	0.031	6.0	852	0.038	17.3
Marigold	33	1,183	0.026	24.7	1,072	0.027	24.0
Subtotal United States				624.2	691.5		
<b>Canada</b>							
Eskay Creek <sup>(1)</sup>	100	193	3.138	558.4	162	3.195	504.8
Hemlo:				305.2			286.3
Williams	50	1,341	0.166	211.8	1,360	0.152	195.2
David Bell <sup>(2)</sup>	50	245	0.346	93.4	234	0.355	91.1
Snip <sup>(3)</sup>	100	71	0.665	42.3	160	0.693	99.3
Subtotal Canada				905.9	890.4		
<b>Australia</b>							
Kalgoorlie	50	5,835	0.070	360.1	6,236	0.071	390.2
Yilgarn:				453.9			459.4
Plutonic	100	3,344	0.082	236.5	3,249	0.089	255.5
Darlot	100	760	0.156	113.1	738	0.111	77.5
Lawlers	100	669	0.166	104.3	630	0.208	126.4
Peak Hill	67	435	0.050	21.5	468	0.052	23.8
Mt Morgans	80	-	-	-	802	0.074	52.3
Subtotal Australia				835.5	925.7		
<b>Chile</b>							
Agua de la Falda	51	162	0.239	24.4	157	0.216	24.1
Total Production <sup>(3)</sup>				2,390.0	2,531.7		
Minority Interests				-	(273.4)		
Homestake's Share				2,390.0	2,258.3		

<sup>1</sup> Ounces produced are expressed on a gold equivalent basis and include 68,100 (67,800 in 1998) ounces of gold and 2.8 million (2.6 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the fourth quarter, and 309,000 (282,100 in 1998) ounces of gold and 13.1 million (11.7 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the 12-month period.

<sup>2</sup> Ounces produced include 2,900 and 11,300 ounces of gold production in the quarter and 12-month periods, respectively, from the Quarter Claim in both 1999 and 1998.

<sup>3</sup> Includes ounces of gold contained in dore and concentrates.

	<b>Total Cash Costs</b> <i>(dollars per ounce)</i>				<b>Total Costs</b> <i>(dollars per ounce)</i>			
	1999		1998		1999		1998	
	4th Quarter	Year	4th Quarter	Year	4th Quarter	Year	4th Quarter	Year
<b>United States</b>								
Homestake	\$ 271	\$ 261	\$ 240	\$ 249	\$ 291	\$ 278	\$ 251	\$ 295
Ruby Hill	106	104	114	122	250	240	249	241
McLaughlin	224	223	226	219	310	337	368	346
Round Mountain	192	198	310	220	268	268	385	276
Pinson	-	242	537	446	-	242	582	485
Marigold	210	207	163	235	253	248	202	265
<b>Subtotal United States</b>	<b>208</b>	<b>207</b>	<b>228</b>	<b>221</b>	<b>279</b>	<b>278</b>	<b>298</b>	<b>295</b>
<b>Canada</b>								
Eskay Creek <sup>(1)</sup>	141	131	141	133	215	202	191	169
Hemlo:	189	197	206	210	217	231	241	247
Williams	189	201	206	217	216	235	241	254
David Bell	188	187	207	195	220	222	241	231
Snip <sup>(1)</sup>	-	208	230	205	-	208	403	347
<b>Subtotal Canada</b>	<b>160</b>	<b>157</b>	<b>173</b>	<b>166</b>	<b>216</b>	<b>212</b>	<b>230</b>	<b>214</b>
<b>Australia</b>								
Kalgoorlie <sup>(2)</sup>	228	235	217	229	271	276	257	278
Yilgarn:	216	208	198	218	253	244	244	266
Plutonic	204	221	205	226	240	262	262	292
Darlot	209	198	218	250	251	236	253	282
Lawlers	265	189	170	181	298	214	199	206
Peak Hill	200	183	304	280	194	192	358	307
Mt Morgans	-	-	46	213	-	-	66	239
<b>Subtotal Australia</b>	<b>221</b>	<b>219</b>	<b>206</b>	<b>224</b>	<b>260</b>	<b>257</b>	<b>248</b>	<b>271</b>
<b>Chile</b>								
Agua de la Falda	191	189	187	198	271	278	274	287
<b>Consolidated</b>								
<b>Weighted Average</b>	<b>\$ 197</b>	<b>\$ 192</b>	<b>\$ 201</b>	<b>\$ 202</b>	<b>\$ 250</b>	<b>\$ 246</b>	<b>\$ 255</b>	<b>\$ 258</b>
<b>Minority Interest</b>								
<b>Weighted Average</b>			<b>\$ 159</b>	<b>\$ 144</b>			<b>\$ 214</b>	<b>\$ 193</b>
<b>Homestake's Share</b>								
<b>Weighted Average</b>	<b>\$ 197</b>	<b>\$ 192</b>	<b>\$ 203</b>	<b>\$ 209</b>	<b>\$ 250</b>	<b>\$ 246</b>	<b>\$ 262</b>	<b>\$ 265</b>

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

<sup>2</sup> Includes the effect of insurance proceeds received and credited to processing costs of \$4.8 million in the 12-month period.

**Proven & Probable Reserves at December 31,**

	1999				1998				
	% Interest	100% Basis			Homestake's Share of Contained Ounces (thousands)	100% Basis			Homestake's Share of Contained Ounces (thousands)
		Tons (thousands)	Average Grade (oz/ton)	Contained Ounces (thousands)		Tons (thousands)	Average Grade (oz/ton)	Contained Ounces (thousands)	
<b>United States</b>									
Homestake	100	7,911	0.228	1,802	1,802	11,118	0.216	2,401	2,401
Ruby Hill	100	3,773	0.110	417	417	5,082	0.109	553	553
McLaughlin	100	7,825	0.056	438	438	10,934	0.057	626	626
Round Mountain	25	320,062	0.018	5,875	1,469	358,597	0.018	6,375	1,594
Marigold	33	19,090	0.032	613	204	19,120	0.033	639	213
<b>Subtotal United States</b>					<b>4,330</b>				<b>5,387</b>
<b>Canada</b>									
Eskay Creek	100	1,610	1.496	2,409	2,409	1,552	1.683	2,611	2,611
Hemlo:		32,649	0.168	5,500	2,725	34,965	0.169	5,926	2,927
Williams	50	27,992	0.144	4,028	2,014	29,952	0.148	4,431	2,216
David Bell <sup>(1)</sup>	50	4,657	0.316	1,472	711	5,013	0.298	1,495	711
Snip	100	-	-	-	-	66	0.662	44	44
<b>Subtotal Canada</b>					<b>5,134</b>				<b>5,582</b>
<b>Australia</b>									
Kalgoorlie	50	203,046	0.067	13,530	6,765	170,600	0.067	11,440	5,720
Yilgarn:		18,976	0.131	2,489	2,489	19,323	0.113	2,189	2,189
Plutonic	100	7,985	0.107	854	854	9,281	0.073	677	677
Darlot	100	8,660	0.148	1,280	1,280	9,022	0.154	1,393	1,393
Lawlers	100	2,331	0.152	355	355	1,020	0.117	119	119
Peak Hill	67	-	-	-	-	605	0.046	28	19
<b>Subtotal Australia</b>					<b>9,254</b>				<b>7,928</b>
<b>Chile</b>									
Agua de la Falda	51	525	0.180	94	48	670	0.185	124	63
<b>Total Gold</b>				<b>33,167</b>	<b>18,766</b>			<b>32,956</b>	<b>18,960</b>
<b>Silver</b>									
Eskay Creek	100	1,610	68.300	110,000	110,000	1,552	72.700	112,816	112,816

<sup>1</sup> Includes a 25% net profits interest in Quarter Claim.

**Mineralized Material at December 31,**

	% Interest	1999				1998			
		100% Basis			Homestake's Share of Contained Ounces (thousands)	100% Basis			Homestake's Share of Contained Ounces (thousands)
		Tons (thousands)	Average Grade (oz/ton)	Contained Ounces (thousands)		Tons (thousands)	Average Grade (oz/ton)	Contained Ounces (thousands)	
<b>United States</b>									
Homestake	100	14,229	0.250	3,563	3,563	12,113	0.259	3,142	3,142
Ruby Hill	100	7,325	0.072	529	529	7,352	0.109	529	529
Round Mountain	25	126,244	0.016	2,032	508	108,285	0.018	1,604	401
Pinson	50	-	-	-	-	6,106	0.057	345	173
<b>Subtotal United States</b>					<b>4,600</b>				<b>4,245</b>
<b>Canada</b>									
Eskay Creek	100	499	0.435	217	217	467	0.448	209	209
Hemlo:		8,816	0.117	1,032	516	8,799	0.117	1,032	516
Williams	50	8,171	0.118	962	481	8,154	0.118	962	481
David Bell	50	645	0.109	70	35	645	0.109	70	35
Snip	100	-	-	-	-	24	0.667	16	16
<b>Subtotal Canada</b>					<b>733</b>				<b>741</b>
<b>Australia</b>									
Kalgoorlie	50	208,250	0.076	15,735	7,868	240,210	0.075	18,006	9,003
Yilgarn:		25,674	0.161	4,134	4,134	30,983	0.170	5,259	5,259
Plutonic	100	18,720	0.177	3,313	3,313	23,188	0.181	4,191	4,191
Darlot	100	3,424	0.112	382	382	4,090	0.130	532	532
Lawlers	100	3,530	0.124	439	439	3,705	0.145	536	536
Mt Morgans	100	5,290	0.096	510	510	5,290	0.096	510	408
Other	Various	16,931	0.071	1,198	598	18,686	0.075	1,405	821
<b>Subtotal Australia</b>					<b>13,110</b>				<b>15,491</b>
<b>Chile</b>									
Agua de la Falda	51	145	0.151	22	11	-	-	-	-
Jeronimo		16,595	0.169	2,800	1,428	16,595	0.169	2,800	1,428
<b>Subtotal Chile</b>					<b>1,439</b>				<b>1,428</b>
<b>Argentina</b>									
Veladero	60	147,500	0.038	5,600	3,360	-	-	-	-
<b>Total Gold</b>				<b>37,372</b>	<b>23,242</b>			<b>34,857</b>	<b>21,905</b>
<b>Silver</b>									
Eskay Creek		499	12.100	6,058	6,058	467	11.700	5,482	5,482
Veladero		147,500	0.680	100,200	60,120	-	-	-	-
<b>Total Silver</b>				<b>106,258</b>	<b>66,178</b>			<b>5,482</b>	<b>5,482</b>

		Year Ended December 31,					
		1999			1998		
	% Interest	Tonnes Processed (thousands)	Average Grade (gr/tonne)	Ounces Produced (thousands)	Tonnes Processed (thousands)	Average Grade (gr/tonne)	Ounces Produced (thousands)
<b>United States</b>							
Homestake	100	1,133	5.851	212.7	1,882	4.829	277.4
Ruby Hill	100	1,109	3.947	123.8	1,201	3.356	116.5
McLaughlin	100	2,571	2.390	121.5	2,576	2.637	128.7
Round Mountain	25	11,999	0.565	135.5	10,549	0.548	127.6
Pinson	50	60	1.061	6.0	773	1.301	17.3
Marigold	33	1,073	0.886	24.7	973	0.925	24.0
Subtotal United States				624.2	691.5		
<b>Canada</b>							
Eskay Creek <sup>(1)</sup>	100	175	107.466	558.4	147	109.418	504.8
Hemlo:				305.2			286.3
Williams	50	1,216	5.684	211.8	1,234	5.205	195.2
David Bell <sup>(2)</sup>	50	222	11.832	93.4	212	12.158	91.1
Snip <sup>(3)</sup>	100	65	22.765	42.3	145	23.733	99.3
Subtotal Canada				905.9	890.4		
<b>Australia</b>							
Kalgoorlie	50	10,587	2.396	360.1	5,657	2.432	390.2
Yilgarn:				453.9			459.4
Plutonic	100	3,034	2.824	236.5	2,947	3.048	255.5
Darlot	100	689	5.337	113.1	670	3.801	77.5
Lawlers	100	607	5.681	104.3	572	7.123	126.4
Peak Hill	67	589	1.710	21.5	425	1.781	23.8
Mt Morgans	80	-	-	-	728	2.534	52.3
Subtotal Australia				835.5	925.7		
<b>Chile</b>							
Agua de la Falda	51	147	8.197	24.4	142	7.397	24.1
Total Production <sup>(3)</sup>				2,390.0	2,531.7		
Minority Interests				-	(273.4)		
Homestake's Share				2,390.0	2,258.3		

<sup>1</sup> Ounces produced are expressed on a gold equivalent basis and include 68,100 (67,800 in 1998) ounces of gold and 2.8 million (2.6 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the fourth quarter, and 309,000 (282,100 in 1998) ounces of gold and 13.1 million (11.7 million in 1998) ounces of silver contained in ore and concentrates sold to smelters in the 12-month period.

<sup>2</sup> Ounces produced include 2,900 and 11,300 ounces of gold production in the quarter and 12-month periods, respectively, from the Quarter Claim in both 1999 and 1998.

<sup>3</sup> Includes ounces of gold contained in dore and concentrates.

		Fourth Quarter					
		1999			1998		
	% Interest	Tonnes Processed (thousands)	Average Grade (gr/tonne)	Ounces Produced (thousands)	Tonnes Processed (thousands)	Average Grade (gr/tonne)	Ounces Produced (thousands)
<b>United States</b>							
Homestake	100	327	5.289	54.4	442	4.829	66.5
Ruby Hill	100	249	4.592	32.5	322	2.979	27.7
McLaughlin	100	664	2.296	27.8	655	2.466	30.9
Round Mountain	25	3,431	0.547	33.1	2,058	0.514	23.5
Pinson	50	-	-	0.4	136	1.507	3.2
Marigold	33	358	0.957	7.1	296	0.993	6.6
Subtotal United States				155.3	158.4		
<b>Canada</b>							
Eskay Creek <sup>(1)</sup>	100	42	100.616	118.8	37	97.705	111.8
Hemlo:				80.0			70.6
Williams	50	307	5.804	54.7	304	5.514	51.0
David Bell <sup>(2)</sup>	50	54	12.892	25.3	47	11.678	19.6
Snip <sup>(3)</sup>	100	-	-	0.2	35	20.445	20.5
Subtotal Canada				199.0	202.9		
<b>Australia</b>							
Kalgoorlie	50	1,405	2.488	106.0	1,409	2.432	98.8
Yilgarn:				119.3			136.6
Plutonic	100	777	2.919	68.9	704	3.527	76.4
Darlot	100	176	5.505	29.7	163	4.829	24.5
Lawlers	100	153	4.574	20.7	140	7.877	35.7
Peak Hill	67	59	1.911	4.0	105	1.610	5.5
Mt Morgans	80	-	-	-	82	1.610	5.8
Subtotal Australia				229.3	246.7		
<b>Chile</b>							
Agua de la Falda	51	40	7.817	8.1	34	8.938	6.6
Total Production <sup>(3)</sup>				591.7	614.6		
Minority Interests				-	(40.3)		
Homestake's Share				591.7	574.3		