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heap leach operation was scheduled for completion in the first quarter of 2002. Construction start-up is being delayed by current low gold and silver prices. In Australia, Barrick acquired the Cowal project, where a technical program is in progress. Preliminary estimates are for production of 250,000 ozpy of gold.

Company-wide, combined Barrick/Homestake gold production in 2001 increased to a record 6.1 million oz at production costs of \$162 per oz. Record production was recorded at Pierina, Peru; Round Mountain, Nev.; and in the Yilgarn district, Australia. Goldstrike, Nev. and Eskay Creek, British Columbia operations made strong contributions, and Barrick's newest mine, Bulyanhulu, in Tanzania, produced its first gold in 2001. At yearend 2001, Barrick had 82 million oz of proven and probable gold reserves.

For 2002, Barrick expects to produce 5.7 million oz of gold at total cash costs of \$167 per oz. The lower production, as compared with 2001, will be due principally to closure of five mines: El Indio and Agua de la Falda in Chile, Bousquet in Canada; and McLaughlin and Ruby Hill in the United States. The company expects exploration and business development expenses to decline to \$55 million this year from \$103 million in 2001. Capital expenditures for 2002 are planned at the lowest level in 14 years, \$354 million, including \$126 million of deferred stripping costs from prior years. In 2001, Barrick's capital expenditures totaled \$607 million.

In Canada, the Eskay Creek mine produced 320,784 oz of gold and 15.5 million oz of silver in 2001, the second best year in the mine's seven-year history. Productivity improvement underground, new equipment purchases, and relaxing of blending constraints led to an 8% improvement in tons mined during the year. In 2002, Eskay Creek production is expected to rise to 366,000 oz of gold and 16 million oz of silver at total cash costs of \$51 per equivalent ounce of gold. The mine is conducting an extensive exploration program to follow up on encouraging drill results from the fourth quarter of 2001.

Barrick has conducted a profitable hedging program for many years. In 2001, the company achieved a premium over the spot price of gold for the 14th year in a row, generating \$289 million in additional revenue. Overall, the combined Barrick/Homestake realized \$317 per oz of gold sold for the year, a \$46 per oz premium over the spot price. For 2002, Barrick intends to deliver *Canadian Precious Metals continued on page 20*

Candian Diamond Rush

by **George Werniuk**, Toronto, Canada-based geologist

Exploration for diamonds in Canada has been ongoing since at least 1960, initially resulting in the discovery of numerous kimberlites but no diamonds of note. The work was carried out primarily by large companies, often surreptitiously. The first in-situ diamonds were found in 1991 in the Northwest Territories (NWT) and since then diamonds have become mainstream exploration targets. Canada now produces 6% of the world's diamonds by value, that figure will rise to 10% when the Diavik Mine commences production.



Pits were blasted and then sampled by a small backhoe. The rock was loaded into 500-lb capacity sample bags. The bags were then slung by helicopter to tide water, loaded onto a barge, and floated out to a supply ship.

EKATI – CANADA'S FIRST DIAMOND MINE

Charles Fipke and his crew from Dia Met Minerals, credited for having discovered the Ekati deposits, first staked claims north of Lac de Gras in the Northwest Territories in June 1988. By 1991 exploration had advanced to the drilling stage and BHP-Utah Mines, Dia Met's partner, decided to drill-test a circular geophysical conductor under Point Lake. The first hole hit kimberlite from 450 to 950 feet where the hole ended. The 59 kg of core sample contained 65 microdiamonds (0.1 to 0.5 mm in at least one dimension) and 16 macrodiamonds (0.5 mm in one dimension). *Diamond Rush continued on page 20*