HOMESTAKE MINING COMPANY 1990 ANNUAL REPORT

ABOUT THE COVER

The personal items on our cover are used by some of the more than 2,000 skilled and dedicated employees who contribute to the process of converting ore to 99.99% pure refined gold like the bars shown.

THE COMPANY

Homestake is an international gold mining company with significant gold interests in the United States and Australia. The Company also has gold interests in Chile and Canada, in addition to other natural resource investments.

The Company increased its gold production for the ninth consecutive year to 1,175,220 ounces in 1990. Cash production costs increased by less than 3% to $271 an ounce. Gold reserves were 13.8 million ounces at year end.

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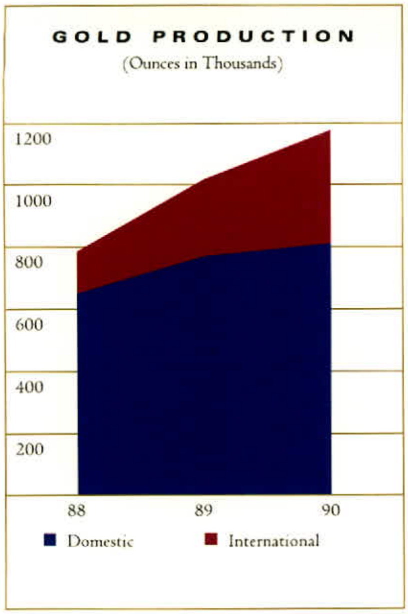
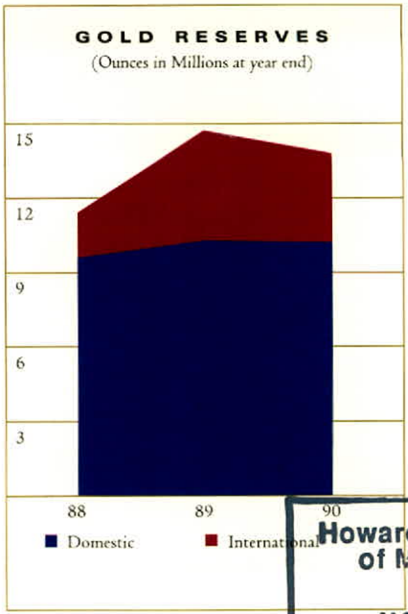
(In thousands, except per share and per ounce amounts and employees)[1]	1990	1989	1988
Revenues	$513,029	$425,283	$388,296
Net Income	$ 20,756	$ 53,324	$ 66,401
Per share	$.21	$.55	$.68
Capital Expenditures	$111,776	$181,229	$177,963
Working Capital	$316,095	$347,414	$363,559
Long-Term Debt	$ 72,446	$ 93,083	$ 60,250
Shareholders' Equity	$806,612	$800,261	$757,043
Shares Outstanding at Year End	99,128	98,236	97,499
Employees	2,094	2,096	2,109
Gold			
Production (ounces)	1,175.2	1,014.7	781.5
Cash Production Cost (per ounce)	$271	$264	$275
Reserves (contained ounces)	13,761	14,724	11,424
Price Realized (per ounce)	$383	$382	$437

[1] *Restated to classify base metals and uranium operations as discontinued.*





During 1990 we sold our lead and zinc business and the last remaining asset of our oil and gas business. In addition we closed our uranium operations. These events essentially returned the Company to its historical role as a pure gold play—as substantially all our operations are now involved with the production of gold.

HARRY M. CONGER,
CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER

Net income dropped to $20.8 million compared with $53.3 million in 1989 because gains from the sale of certain businesses were insufficient to offset a $32.6 million write-down of our Canadian venture.

Our restructuring has caused the Company to be sharply focused on gold at a time when gold's role in world economics is changing and gold's fundamentals begin to re-assert themselves. This letter sets forth my views on these changes and how Homestake is prepared to modify its operations and plans to take advantage of new opportunities.

Positive forces in the market suggest that demand for gold will continue to increase in the coming decade. Gold used for jewelry has increased substantially each year as higher discretionary incomes in many developing countries allow the purchase of jewelry by more and more people.

The role of gold as a financial reserve will grow as economic reforms in Eastern Europe and the rebuilding of the Middle East demand the security and stability that gold can bring to the re-establishment of trade and international financial transactions.

World gold production increased by more than 70% in the 1980s. I believe there are two important reasons why this trend will be reversed during the next decade.

First, South Africa has been the most significant gold producing country in our lifetime. That position of dominance is declining quickly. Last year South Africa accounted for less than 40% of free world production, a dramatic drop from 70% in the early 1970s. The political instability in that country has accelerated the upward pressure on production costs, at a time when the higher quality reserves in many of the country's older, richer gold mines are being exhausted. As social changes encompass all aspects of South African mining, increases in production costs will result.

Second, gold production in the United States and Australia will decline because many of the smaller, more easily recovered oxide ore bodies will be depleted soon. Cost increases also will make marginal gold deposits uneconomical.

In my view, the gold mining companies that will benefit from these circumstances will be those with long-lived reserves, with mines in politically stable countries, and with the financial resources to withstand the impact of volatile business cycles.

Homestake is well positioned to benefit from these changes in gold's fundamentals because —

□ our reserve and production base is large and relatively stable. The Company will continue to fund an active exploration program. As a result of our commitment to replace and even increase our reserve position, exploration and acquisition activities have increased our gold reserves in all but two years in the last decade.

□ our mines are located in the United States, Australia, Canada and Chile. This geographical diversity provides some protection from political risk and uncontrollable cost increases. Our current production costs are approximately average for the industry. We think our future costs will increase at a slower rate than those of our competitors because many others in the industry will begin mining the higher-cost refractory ore bodies similar to those which we have been mining for more than a decade.

□ our balance sheet is very strong, with little long-term debt and a large cash position. This gives us the financial flexibility to pursue gold reserve acquisition opportunities and to fund the development of new projects. It also means that the Company has preserved its ability to participate fully in strong gold markets since it does not need to sell gold in advance of production.

As an example of our commitment to the future, we plan to spend $23 million during the next five years to evaluate gold mineralization discovered more than a mile underground and three miles north of the existing Homestake mine in South Dakota. While the information we have to date does not ensure a new ore body, the similarities between the geologic structures of the prospect and the Homestake mine are very encouraging. From the existing mine, we will drive a three-mile long exploration drift at a depth of 6,800 feet. This drift will provide access to the area of mineralization that was discovered by surface drilling with deep drill holes. Because of the existing infrastructure the benefits of a discovery of a new ore system near the Homestake mine would be great.

In summary, there are significant changes taking place in the world gold market and in gold's fundamentals. These changes should stimulate the purchase of additional gold at a time when the production of gold will decline. Homestake's position compared to our competitors should improve because of our proven ability to control costs while others will face major cost increases.

I believe we will be successful during the 1990s because of our quality resources, skilled and dedicated people and financial strength. We have positioned Homestake to prosper in this environment by continuing to fund exploration activities, by controlling production costs, and by maintaining a strong financial position.

Harry M. Conger

February 21, 1991

Homestake's success over the last 115 years is based primarily upon four characteristics which differentiate it from most other gold mining companies. The quality and quantity of the Company's mineral reserves and the stability of its gold production represent **ASSETS** which we expect will increase in value well into the next century.

The Company takes pride in its leadership role in process **TECHNOLOGY**, and for many years has excelled in extracting gold from complex ores.

Homestake's **FINANCIAL STRENGTH** is based upon high cash balances and low levels of debt. The strength of the Company's balance sheet protects the shareholder's investment during periods of low gold prices and provides resources for the Company when investment opportunities become available.

These characteristics are enhanced by the skill and dedication of some of the most talented **PEOPLE** in the mining industry, who strive to increase the value of the Company by utilizing its resources in a manner that is both efficient and sensitive to the environment in which it operates.

A major portion of the value of any mining company is the quality and quantity of its mineral reserves. The continuity and stability of current and future earnings are based on the size and grade of the mineral **assets**. Those companies with long-lived reserves will provide the best return for their shareholders.

To provide reserves for the future, Homestake will continue to fund exploration in and around existing operations as well as in other areas where geologic structures suggest the possibility of additional gold deposits. Three of the Company's current operations are located within major mineral systems which have not been defined fully — the Homestake mine in South Dakota, the mines at the Kalgoorlie operations in Australia, and the Round Mountain mine in Nevada. Homestake allocates significant funds each year to explore and further define those mineral deposits.

Assets include not only the Company's mineral rights but the plants and equipment necessary to convert reserves into refined gold. The Company maintains its equipment in a manner which will optimize efficiency and effectiveness.

Homestake is the only major gold producer in the United States which has its own gold refinery. The Company's refined gold is of the highest quality and is acceptable for delivery to settle contracts on all the world's major precious metals exchanges.

In 1899, the Company established a reputation for leadership in process **technology** when Charles Merrill began experiments using cyanide solutions in sand leach tanks to enhance recovery from complex gold ores. The process increased gold recovery from 75% to 94% and is still in use today.

In the early 1970s, Homestake pioneered the use of activated carbon for gold recovery to replace the use of mercury. This early work with activated carbon led to newer technology and advancements in the gold recovery process such as today's commonly used heap leaching.

In the mid-1980s, the Company initiated the commercial use of autoclaves for processing sulfide gold ores. The autoclave is a large "pressure cooker" which alters the chemical composition of the ore through temperature and pressure. This pressure-leaching technology has provided an environmentally preferred method for extracting gold from refractory ores.

Homestake has used bacteria to separate metals and chemicals from waste water for nearly seven years. At the Homestake mine, waste water from the mine and mill is purified by bacteria through a patented process in an environmentally sensitive manner.

Premier


SUMMIT CONSTRUCTION SHOP
HOUSE
CRUSHER
LOW GRADE STOCKPILE
SHAFT
5300
5400
5520
5540


NO INJURY
18
AWARD
McLAUGHLIN
HOMESTAKE
GOLD

The skill and dedication of the PEOPLE who work at Homestake is exemplified by improvements to safety and efficiency records. Our U.S. operations have achieved a 69% reduction in injury rates over the last decade. Homestake's accident frequency rate now is below the mining industry average despite the fact that nearly 40% of its employees work underground.

Dedication to safety is exhibited by employees at the Homestake mine who voluntarily participate in mine rescue teams. Regional and national competitions are held regularly, and last year, like many in the past, a Homestake team took 1st place in the Western regional contest.

The amount of gold produced per employee has increased for the 7th consecutive year. This ratio is one of the best in the industry and illustrates that as individuals, and as members of a team, Homestake employees are creative and productive. A suggestion program instituted at the Homestake mine in 1983 created an environment where new solutions are found for old problems. This program has resulted in significant savings to date.

Company-wide production costs did not increase at the same rate as inflation during the last ten years. An important reason for this accomplishment was the efficiency and experience of our workforce. Nearly 50% of the employees have served the Company for more than ten years.

In order to take advantage of investment and acquisition opportunities and to survive cycles of low gold prices, a mining company must have **FINANCIAL STRENGTH**. Homestake's record as the oldest continuously listed and traded stock on the New York Stock Exchange reflects investor's belief in that strength.

Homestake utilizes a conservative approach to accounting, choosing where possible to expense costs as incurred rather than deferring them into the future. This practice means future earnings will be less burdened by fixed costs.

So that its shareholders might capture the full benefit of increases in the price of gold, Homestake does not hedge its gold production. As a result of this policy, Homestake's earnings are more volatile than those of many other gold producers. The Company believes that its shareholders will achieve maximum benefit from such a policy over the long term.

The Company's cash balances of more than $300 million, together with long-term debt of only $72 million and unused lines of credit amounting to $245 million, provide the flexibility necessary to pursue acquisitions and development projects which will ensure the Company's long-term profitability, value and success.

Premier


HOMESTAKE MINING
SAN FRANCISCO
100
books of the Company, by endorsement
PFE PD
BANCO CENTRAL DE
CANADA
Lith. Britton, Rey & Co. S.F.

134 Canada/Northern
176 Southern South America
Golden Bear
El Hueso
Mineral Hill
Homestake
Fortnum
McLaughlin
Round Mountain
Kalgoorlie Operations
PACIFIC
OCEAN
SOUTHERN OCEAN
AUSTRALIA
CANADA

STATISTICAL SUMMARY

(Quantities in thousands)	1990	1989	1988
OUNCES OF GOLD PRODUCED[1]			
Homestake	388	382	390
McLaughlin	267	284	204
Round Mountain	121	80	58
Wood Gulch	15	20	-
Mineral Hill	20	5	-
Domestic production	811	771	652
HGAL			
–Kalgoorlie operations	221	161	94
–Fortnum	61	9	-
El Hueso	73	74	35
Golden Bear	9	-	-
International production	364	244	129
Homestake interest	1,175	1,015	781
Ounces attributable to minority interest	71	42	24
Total production	1,246	1,057	805
CASH PRODUCTION COSTS[2]/FULL PRODUCTION COSTS–PER OUNCE			
Homestake	$291/311	$301/322	$298/314
McLaughlin	228/342	203/321	235/346
Round Mountain	207/250	255/308	248/276
Wood Gulch	354/456	250/391	-
Mineral Hill	280/388	291/405	-
HGAL			
–Kalgoorlie operations	304/349	276/322	281/319
–Fortnum	199/229	260/291	-
El Hueso	295/440	292/423	290/470
Golden Bear[3]	N/M	-	-
Weighted average	$271/331	$264/329	$275/327

	December 31, 1990			December 31, 1989		
(Quantities in thousands)	Tons	Grade (oz/ton)	Contained Ounces	Tons	Grade (oz/ton)	Contained Ounces
GOLD ORE RESERVES (PROVEN AND PROBABLE)[1]						
Homestake						
–Underground	20,473	0.237	4,847	19,839	0.229	4,551
–Open Cut	8,641	0.122	1,058	9,020	0.122	1,100
McLaughlin						
–Sulfide	16,146	0.121	1,961	16,705	0.126	2,097
–Oxide	2,002	0.039	77	3,554	0.050	177
Round Mountain	64,213	0.033	2,096	68,144	0.032	2,195
Mineral Hill	498	0.288	143	546	0.320	174
Domestic reserves	111,973		10,182	117,808		10,294
HGAL						
–Kalgoorlie operations	36,545	0.085	3,099	40,798	0.093	3,790
–Fortnum	1,096	0.085	93	1,378	0.087	120
El Hueso	8,746	0.028	249	12,476	0.031	387
Golden Bear	261	0.528	138	246	0.540	133
International reserves	46,648		3,579	54,898		4,430
Total	158,621		13,761	172,706		14,724

[1] *Includes Homestake's proportionate interest: Homestake 100%, McLaughlin 100%, Round Mountain 25%, Wood Gulch 100%, El Hueso 100%, Mineral Hill 50%, Golden Bear 50%, HGAL - Kalgoorlie operations 40% and Fortnum 80%.*
[2] *Excludes depreciation, amortization, reclamation accruals, and corporate administrative and general expenses.*
[3] *Data for 1990 not meaningful due to extremely limited production.*

OVERVIEW

Homestake's net income in 1990 was $20.8 million compared with $53.3 million in 1989 and $66.4 million in 1988. Net income in 1990 consists of a loss of $19.0 million from continuing operations, offset by $39.8 million in income from discontinued operations. The 1990 loss from continuing operations includes a charge of $32.6 million for the write-down of the Company's investment in its 73.3%-owned Canadian subsidiary, North American Metals Corp. (NAM). Income from continuing operations excluding the NAM charge was $13.6 million for 1990, up from $2.1 million in 1989 but less than the $45.7 million earned in 1988 when average gold prices were significantly higher. Net income in 1988 also includes a one-time gain of $6.5 million from the sale of certain exploration properties and a $3.1 million gain resulting from a change in accounting for income taxes.

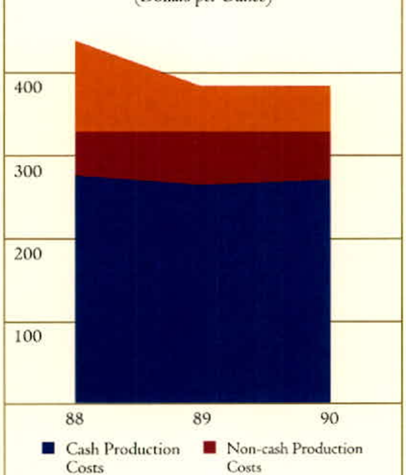
The consolidated financial statements for 1989 and 1988 have been reclassified to present the base metals and uranium businesses as discontinued operations. The Company sold its interest in base metals (The Doe Run Company) in May 1990 for a net gain of $41.8 million. Income from discontinued operations of $39.8 million in 1990 includes this gain, $6.5 million in after-tax income from base metals operations prior to the sale, a net gain of $1.0 million on the sale of the remaining asset of the oil and gas business by Homestake Sulphur Company (formerly Felmont Oil Corporation) and a net loss of $9.5 million from uranium activities. The net loss from uranium in 1990 includes an after-tax provision of $7.9 million for future holding and reclamation costs for the Company's New Mexico uranium operations, which were closed during the year.

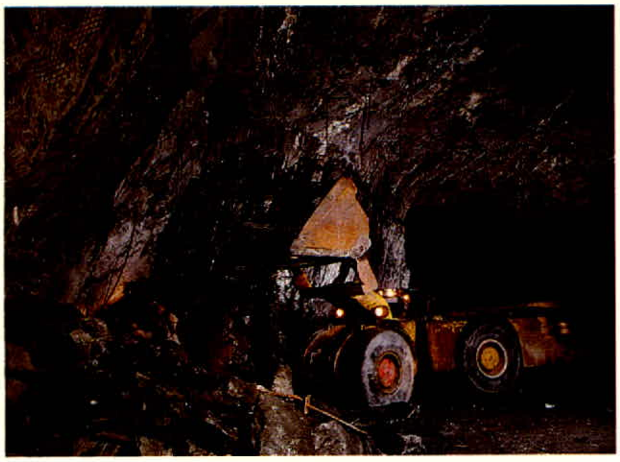
Income from discontinued operations in 1989 was $51.2 million, including $20.3 million from base metals operations, a net gain of $34.2 million on the sale of the oil and gas business, $1.5 million from oil and gas operations and a $4.8 million loss from uranium operations. In 1988, income from discontinued operations was $17.5 million, including $23.3 million from base metals operations and losses of $1.8 million and $4.0 million from the oil and gas business and uranium operations, respectively.

Revenues in 1990 were $513.0 million, including $482.3 million in product sales. In 1989 and 1988, total revenues were $425.3 million and $388.3 million, including product sales of $396.6 million and $349.2 million, respectively. The increase in revenues in 1990 compared with 1989 is due principally to a 21% increase in ounces sold. The average gold price of $383 realized by Homestake in 1990 was nearly the same as in 1989. Revenues increased in 1989 compared with 1988, principally due to a 30% increase in ounces sold. However, the average gold price dropped $55, or 13%, from 1988 to 1989. The price of gold, a key component of Homestake's profitability, is affected by periodic market price fluctuations over which the Company has no control.

GOLD OPERATING MARGINS

(Dollars per Ounce)





UNDERGROUND MINING AT THE HOMESTAKE MINE IN SOUTH DAKOTA

GOLD OPERATIONS

Earnings from gold operations were $66.4 million in 1990 before the $32.6 million write-down of the Company's investment in NAM, compared with $53.6 million in 1989 and $90.2 million in 1988. In 1990, Homestake produced more than one million ounces of gold for the second consecutive year. The Company's gold production increased 16% compared with 1989, and 1989 production was 30% higher than in 1988. All of Homestake's principal mines increased production during 1990 except for McLaughlin, where production declined by 6%.

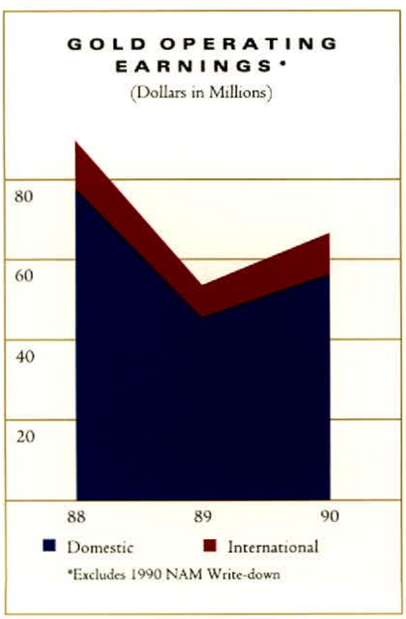
The Company's weighted average cash production costs have remained almost level over the past three years, increasing only 3% in 1990 compared with 1989. Inflationary pressures on such costs in recent years have been offset by constant efforts to improve operating efficiencies and increase production. Fluctuations in currency exchange rates between the United States and Australia, Canada and Chile also affect the Company's reported results.

Income from gold production in Australia will be taxed at the 39% general corporate rate beginning in 1991. No material impact on the Company's earnings is expected in 1991 due to the availability of certain carry-forward tax deductions.

GOLD OPERATIONS—DOMESTIC

Homestake Mine (South Dakota): Operating earnings from the mine were $28.9 million in 1990 compared with $22.8 million in 1989 and $49.6 million in 1988. The improvement in 1990 earnings was due mainly to higher mill head grade which increased production slightly from 1989 and reduced per ounce cash costs compared with the previous two years.

Ore is produced from the underground mine as well as from the recently reactivated surface operation known as the Open Cut – the site of the original gold strike. The combined average head grade milled in 1990 increased 3% compared with 1989 but was down 2% from 1988. The improved grade in 1990 compared with last year was due to processing ore from higher grade Open Cut zones, which are not expected to be encountered in 1991.



Although Open Cut ores contributed 21% of the mine's total 1990 gold output, the mine's continued success rests primarily on the grade and tonnage of ore produced from the underground mine. Exploration within the underground mine concentrated on areas above the 3,800-foot level and below the 6,800-foot level. A new ledge structure delineated at the 7,400-foot level in 1989 was developed in 1990. Results from this and other development activities added 254,000 ounces in excess of 1990 production to reserves during the year.

Based upon surface core drilling in 1990, the Company began the North Homestake Project, a five-year $23 million exploration program to investigate gold mineralization discovered more than a mile below the surface and approximately three miles north of the existing underground mine. A 17,000-foot drift originating within the present mine will provide access for underground exploration. In 1990, $4.4 million was expensed for this project.

Work began in 1990 on an $8.5 million mill expansion project. When completed late in 1991, mill capacity is expected to increase by 500 tons per day to 7,500 tons per day in order to process additional Open Cut ores.

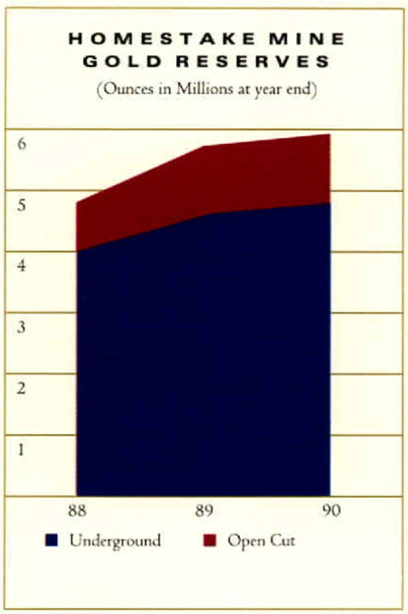
The expansion of the Open Cut, which was authorized in 1989, progressed further as key permits were obtained and relocation plans for public roads, residences and businesses continued. Mining in the expansion area is scheduled to begin in 1996.

McLaughlin Mine (California): Operating income from the McLaughlin mine was $12.2 million in 1990 compared with $17.0 million in 1989 and $19.1 million in 1988. The mine produced 6% fewer ounces in 1990 compared with record production in 1989. The principal reasons for the decrease in 1990 were lower oxide ore grade and unscheduled mill downtime.

Sulfide and oxide ores are milled at this open-pit operation. Pressure oxidation is required to process the sulfide ores. In December 1988 a parallel oxide circuit was completed which doubled mill capacity. Although oxide ores, which require a simpler processing technique, now account for approximately half of the total tons milled, they are of lower grade than the sulfide ores and currently provide less than one quarter of the mine's gold production. Combined mill head grade in 1990 was 14% lower than in 1989 due to a decrease in oxide ore grade. Combined ore grade is projected to decline further in 1991 as a high-grade sulfide zone is essentially mined out. Accelerated stripping will occur in 1991 in an effort to develop other high-grade sulfide ores.

The sulfide circuit experienced significant downtime during 1990 due to extensive maintenance on the autoclaves. Mill downtime combined with the decrease in oxide ore grade reduced production levels and caused cash costs to increase 12% from 1989 to 1990. Cash costs per ounce were higher in 1988 when the Company did not have the benefit of the parallel oxide circuit and gold production was much lower.

Exploration drilling began in 1990 on property south of the active pit, but results were not encouraging. Drilling and evaluation north and south of the mine continues in an attempt to extend the mine's perimeter. Other potential gold-bearing areas in the district will be investigated in 1991.



Round Mountain Mine (Nevada): The Company's operating income from its 25% interest in Round Mountain was $16.0 million in 1990, a significant increase over both the $6.0 million reported in 1989 and the $9.3 million in 1988. The 1990 increase was principally the result of a 27% increase in ore grade as well as improved recoveries at this open-pit heap leach operation. The Company's share of gold production in 1990 increased by 51% compared with 1989 and was more than double the output in 1988.

Cash costs per ounce in 1990 were 19% lower than in 1989 and 17% below 1988, due to the higher grade and to the benefit of an expansion completed in 1989. The expansion more than doubled processing capacity. The Manhattan mill, activated in 1989 to process high-grade ore, was closed in the fourth quarter of 1990 because anticipated cost benefits were not sustained. High-grade ores previously processed in the Manhattan mill will be leached at the Round Mountain facility in the future. Although closing the Manhattan mill will reduce operating expenses, costs per ounce may increase in 1991 due to projected decreases in grade at the Round Mountain mine.

Efforts to determine the potential for underground mining below the pit were terminated during the year after encountering poor ground conditions and discontinuous gold mineralization. Some of these mineralized zones may become mineable from the open pit in future years as mining deepens the pit.

AERIAL VIEW OF THE ROUND MOUNTAIN MINE IN CENTRAL NEVADA

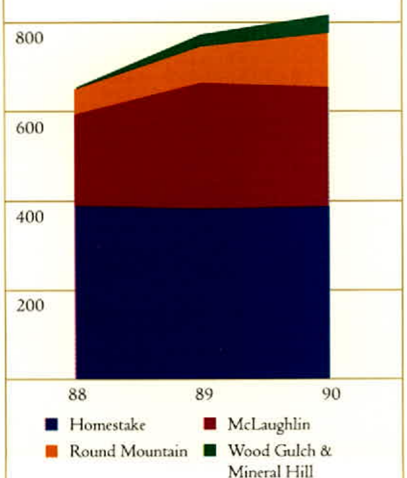
Mineral Hill Mine (Montana): Homestake recorded a $0.2 million operating loss in 1990 on its 50% venture interest in this underground mine compared with a similar loss for the four months the mine operated in 1989. Production rose significantly in 1990 compared with 1989 due to a full year of production.

Cash costs per ounce in 1990 were 4% lower than in start-up year 1989. Operational problems associated with mill design and processing methods restricted gold production in 1990, but are expected to be overcome in 1991.

Although the existing underground ore body is well defined, a modest exploration effort continues at prospective targets within the mine and in the immediate vicinity.

DOMESTIC GOLD PRODUCTION

(Ounces in Thousands)



Wood Gulch Mine (Nevada): Operation of this small open-pit heap leach mine began in late 1988 and processing ceased during 1990 after

HEAD FRAME OF HGAL'S MT. CHARLOTTE MINE
IN KALGOORLIE, WESTERN AUSTRALIA

the ore deposit was exhausted. The mine produced 14,900 ounces in 1990 and 19,800 ounces in 1989. A mine reclamation program began during 1990 with completion expected by year-end 1992.

GOLD OPERATIONS—INTERNATIONAL

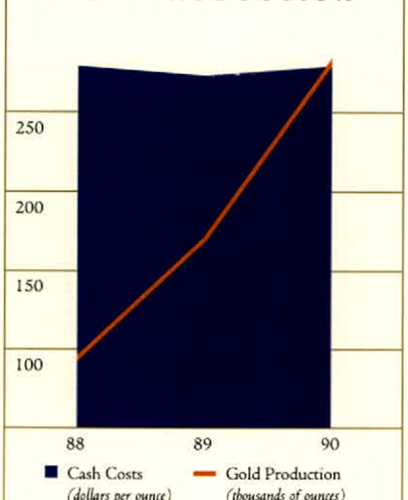
Homestake Gold of Australia Limited (HGAL): HGAL, 80%-owned by the Company, reported operating earnings of $20.6 million in 1990 compared with $11.0 million in 1989 and $14.0 million in 1988. The improvement in earnings in 1990 was due primarily to the Fortnum mine, which began operating in the last quarter of 1989. Earnings in 1989 declined from 1988 levels due to lower gold prices.

HGAL has a 50% interest in two open-pit mines, two underground mines, five mills, and two large roasters located at Kalgoorlie in Western Australia. In 1990, Homestake's share of consolidated Kalgoorlie gold production increased 37% from 1989 and more than doubled compared with 1988. The production improvement in 1990 was the result of processing significantly more ore through the new Fimiston mill and the Gidji roaster, both completed in 1989. The increase in Kalgoorlie gold production in 1989 compared with 1988 was the result of processing more tons from both underground and open-pit operations, following the acquisition of additional mining interests in 1989. A further expansion at the Fimiston mill is expected to double its capacity before the end of 1991 at a cost to HGAL of approximately $20 million.

Earnings from the Kalgoorlie operations declined 9% in 1990 despite significantly increased gold production. Cash production costs rose by 10% from 1989 primarily due to a 20% decrease in overall mill head grade, which was partially offset by improved milling performance. Costs were further affected in 1990 by labor-intensive, high cost mining at the Fimiston underground mine, where declining ore grade and higher production costs have adversely affected earnings. The owners are evaluating whether production at this mine should be curtailed further or if alternative bulk mining methods are feasible. Homestake's share of reserves at Kalgoorlie fell by 469,500 ounces in excess of 1990 production, primarily because most of the Fimiston underground reserves, uneconomic at current gold prices, were reclassified to mineral resource status and removed from ore reserves.

The Fortnum open-pit mine in Western Australia reported increased operating earnings in

HGAL COSTS AND GOLD PRODUCTION



1990, its first full year of operation. Homestake's 80% share of production was significantly higher than in 1989, when the mine operated for approximately three months. Cash production costs per ounce were 23% lower than in 1989. The improvement reflects the impact of a full year of efficient operation and excellent throughput and recovery. Higher grade ore zones are expected to be mined out in early 1991, substantially reducing subsequent gold production and earnings.

Exploration will continue concurrent with mine development.

El Hueso Mine (Chile): This open-pit heap leach operation reported an operating loss of $3.8 million in 1990 compared with a $3.0 million operating loss recorded in 1989 and a $1.8 million operating loss in 1988. Gold production was slightly below 1989 but more than twice the production in 1988 when Homestake acquired the operation in mid-year. Despite a 25% drop in overall grade in 1990, cash production costs have risen only 1% in each of the last two years as production has been maintained and labor and material costs have been contained. Future improvements will depend on efforts in 1991 to achieve higher recoveries and on further reductions in costs.

Exploration efforts in 1990 did not add reserves to the mine. Reserves have been reduced by 21% based on drilling and mining experience. As a result, non-cash costs per ounce increased in 1990 and are expected to remain at approximately the same level in 1991.

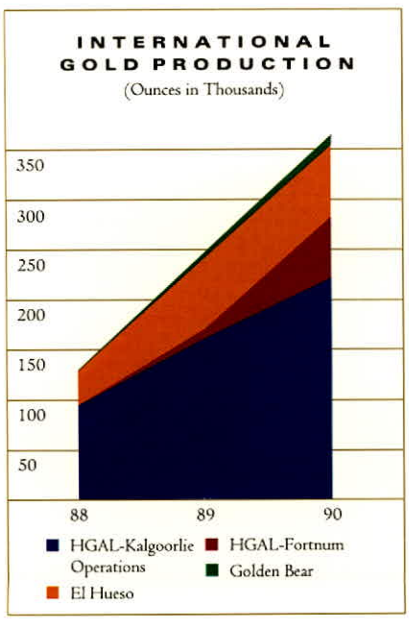
Golden Bear Mine (Canada): Homestake owns 73.3% of the stock of North American Metals Corp. (NAM), whose principal asset is a 50% interest in the Golden Bear mine in British Columbia. The project had major construction cost overruns before gold production began in early 1990. The operation then experienced a series of start-up difficulties and technical production problems, resulting in gold production that was substantially less than planned and a $6.7 million operating loss for the year before the NAM write-down.

Cash costs per ounce in 1991 will depend on mill performance, which had improved by year end. Non-cash costs will be reduced in the future as a result of the 1990 write-down of the Company's investment (See note 4 of the Notes to the Consolidated Financial Statements on page 30).

SULPHUR OPERATIONS

Homestake Sulphur Company owns a 16.7% interest in the Main Pass 299 sulphur deposit in the Gulf of Mexico. The deposit contains 67 million long tons of sulphur and associated oil and gas reserves of 39 million barrels of oil and 9 billion cubic feet of natural gas.

During 1990, the Company invested $37.0 million as its share of the development costs of the sulphur deposit and $25.5 million as its share of the cost to acquire and



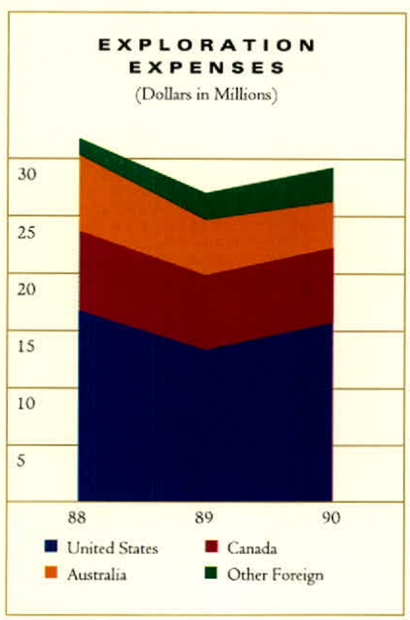
AERIAL VIEW OF THE MCLAUGHLIN MILL
IN NORTHERN CALIFORNIA

begin development of the oil and gas reserves which overlie the sulphur. The Company expects to invest a total of $140 million through 1992 to develop this project. Initial oil and gas production is scheduled for late 1991 and the first sulphur production is planned by mid-1992.

EXPLORATION

Homestake's worldwide mineral exploration expenses were $29.0 million in 1990 compared with $26.9 million and $31.7 million in 1989 and 1988, respectively. During 1990, almost all expenditures were for precious metals exploration. The Company spent approximately $0.2 million in 1990, $1.8 million in 1989 and $1.7 million in 1988 on sulphur exploration.

Precious metals exploration expenses in the United States were $15.5 million, an increase from $11.5 million in 1989 and $15.1 million in 1988. Approximately $4.4 million of the 1990 amount related to the North Homestake Project. International exploration expenses were $13.3 million in 1990, lower than the $13.6 million expense in 1989, and less than the $14.9 million in 1988 when the successful Fortnum exploration effort was completed.



During 1991, Homestake plans to concentrate a large percentage of its exploration budget in and around the Company's operating mines. Domestic resources also will be directed to other known productive gold areas in the western United States, especially Nevada. A key program will focus on the Tonkin Springs area of Nevada where a 51% interest was acquired in February 1991.

DISCONTINUED OPERATIONS

The Company sold its 42.5% partnership interest in The Doe Run Company base metals business in the second quarter of 1990 for $125 million and indemnification against all related liabilities. The Company's share of after-tax income from Doe Run operations was $6.5 million in 1990 prior to the sale, $20.3 million in 1989 and $23.3 million in 1988.

The Company also sold the last remaining asset of its discontinued oil and gas business for $9.2 million in the second quarter of 1990. Most of the Company's oil and gas operations were sold in 1989 for $121.4 million. Prior to the sale in 1989, oil and gas operations recorded after-tax income of $1.5 million compared with a loss of $1.8 million in 1988.

The Company ceased operations at its New Mexico uranium production facilities early in 1990 following an extended period of low product demand and prices. Operating losses were recorded in 1990, 1989 and 1988. Homestake recorded a pre-tax charge of $12 million in 1990 to increase its reserve for estimated future environmental, reclamation and holding costs associated with its uranium properties.

LIQUIDITY AND CAPITAL RESOURCES

Homestake's working capital at the end of 1990 was $316.1 million including $312.4 million held as cash and short-term investments. Working capital at the end of 1989 was $347.4 million including $261.5 million in cash and short-term investments. The ratio of current assets to current liabilities was 4.3 in 1990, compared with 4.9 in 1989.

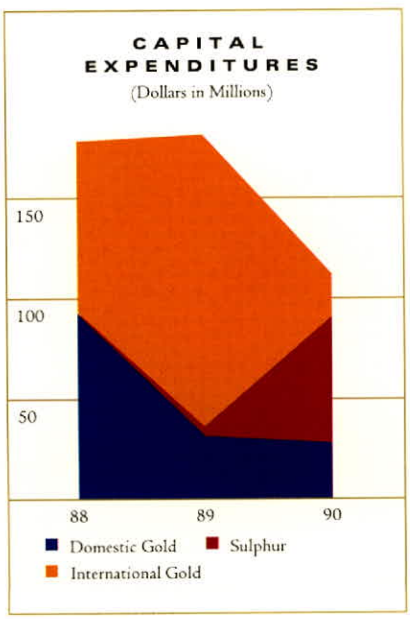
Capital additions during 1990 totalled $111.8 million. Major additions included $62.5 million for the Company's share of the Main Pass 299 sulphur project development costs, $18.0 million for additions to a mill and other facilities at Kalgoorlie and $5.3 million for an exploration property near the McLaughlin mine.

Capital expenditures primarily were funded by cash flow from continuing operations and by the proceeds from asset sales. In June 1990, HGAL sold and leased back title to the gold mining lease at its Fortnum mine. Proceeds of $23.2 million from this financing were applied against existing bank borrowings. In January 1991, HGAL completed a rights offering to raise additional equity. Homestake purchased 80.2 million shares for $56.3 million, increasing its ownership interest to 81.3%. The total proceeds of $63.8 million will be used to pay down bank debt, permit further investment in current gold production facilities and provide funds for future acquisition of gold mining properties. In a subsequent transaction Homestake further increased its ownership interest to 81.7%.

The Company maintains two revolving credit agreements totalling $245 million for use in meeting financing needs. No funds were drawn under these facilities in 1990. In 1988, the Company's Chilean subsidiary borrowed $35 million to acquire the El Hueso mine. Principal payments of $8 million were made during 1990. The balance due on the loan was $17.3 million at December 31, 1990. An additional $8 million in principal will be paid in 1991.

Capital expenditures are projected to increase during 1991 to approximately $135 million and will be funded from operating cash flow and existing cash balances. Major investments include approximately $76 million for the Company's share of the continued development of the Main Pass 299 sulphur project and over $20 million for the expansion of the Fimiston mill at Kalgoorlie. In addition, lesser amounts will be spent on a mill expansion at the Homestake mine and for new equipment and additions to the existing mill at the McLaughlin mine.

For a discussion of certain environmental matters, see note 13 of the Notes to the Consolidated Financial Statements on page 34.



STATEMENTS OF CONSOLIDATED INCOME

Homestake Mining Company and Subsidiaries

For the years ended December 31, 1990, 1989 and 1988 (In thousands, except per share amounts)	1990	1989	1988
REVENUES:			
Product sales	$482,292	$396,649	$349,173
Interest and dividends	25,871	20,432	22,427
Other income	4,866	8,202	16,696
	513,029	425,283	388,296
COSTS AND EXPENSES:			
Production costs	343,144	277,323	219,334
Depreciation, depletion and amortization	74,542	68,383	42,740
Administrative and general	36,140	32,168	29,961
Exploration	29,024	26,874	31,722
Interest expense	9,986	11,023	3,822
Other expense	1,123	2,436	1,321
Write-down of investment in North American Metals Corp.	32,600		
	526,559	418,207	328,900
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST	(13,530)	7,076	59,396
INCOME TAXES	(5,827)	(5,195)	(12,619)
MINORITY INTEREST	350	266	(1,036)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(19,007)	2,147	45,741
DISCONTINUED OPERATIONS:			
Base metals	48,273	20,260	23,311
Oil and gas	1,042	35,780	(1,807)
Uranium	(9,552)	(4,863)	(3,969)
INCOME FROM DISCONTINUED OPERATIONS	39,763	51,177	17,535
INCOME BEFORE CUMULATIVE EFFECT	20,756	53,324	63,276
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING FOR INCOME TAXES			3,125
NET INCOME	$ 20,756	$ 53,324	$ 66,401
PER SHARE AMOUNTS:			
Income (loss) from continuing operations	$(.19)	$.02	$.47
Income from discontinued operations	.40	.53	.18
Cumulative effect of change in accounting for income taxes			.03
NET INCOME PER SHARE	$ .21	$.55	$.68
AVERAGE SHARES USED IN THE COMPUTATION	98,656	97,740	97,382

See notes to consolidated financial statements.

Homestake Mining Company and Subsidiaries

December 31, 1990 and 1989 (In thousands, except per share amounts)	1990	1989
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	$ 105,926	$ 197,298
Short-term investments	206,474	64,233
Receivables:		
Trade	20,960	15,064
Interest and other	10,578	12,153
Inventories:		
Finished products	11,745	15,189
Ore and in-process	23,907	24,383
Supplies	25,302	25,593
Net current assets of discontinued operations		68,860
Other	6,974	14,057
Total current assets	411,866	436,830
PROPERTY, PLANT AND EQUIPMENT (AT COST)	986,875	918,333
Accumulated depreciation, depletion and amortization	(368,705)	(298,488)
Net property, plant and equipment	618,170	619,845
INVESTMENTS AND OTHER ASSETS:		
Mining securities	7,582	16,671
Other assets	43,602	16,028
Total investments and other assets	51,184	32,699
	$1,081,220	$1,089,374
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 34,833	$ 27,295
Accrued liabilities:		
Payroll and other compensation	11,561	17,448
Income taxes	2,876	13,648
Severance and other taxes	2,889	2,661
Other	20,857	20,364
Current portion of long-term debt	22,755	8,000
Total current liabilities	95,771	89,416
LONG-TERM LIABILITIES:		
Long-term debt	72,446	93,083
Other long-term obligations	45,733	32,462
Total long-term liabilities	118,179	125,545
DEFERRED INCOME TAXES	51,474	64,043
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	9,184	10,109
SHAREHOLDERS' EQUITY:		
Capital stock, $1 par value per share:		
Preferred - 10,000 shares authorized; no shares outstanding		
Common - 250,000 shares authorized; shares outstanding (net of treasury shares): 1990, 99,128; 1989, 98,236	99,177	98,990
Other capital	83,244	76,465
Retained earnings	639,807	638,771
Treasury stock (49 shares in 1990 and 754 shares in 1989)	(551)	(8,479)
Accumulated currency translation adjustments	(4,411)	(2,891)
Unrealized loss on mining securities	(10,654)	(2,595)
Total shareholders' equity	806,612	800,261
	$1,081,220	$1,089,374

See notes to consolidated financial statements.

Homestake Mining Company and Subsidiaries

For the years ended December 31, 1990, 1989 and 1988
(In thousands)

	Common Stock	Other Capital	Retained Earnings	Treasury Stock	Accumulated Currency Translation Adjustments	Unrealized Loss on Mining Securities	Total
BALANCES,							
JANUARY 1, 1988	$ 99,021	$ 75,617	$558,076	$(19,334)	$(10,509)	$	$702,871
Net income			66,401				66,401
Dividends paid			(19,485)				(19,485)
Exercise of stock options		(281)		896			615
Stock issued to employee savings plan		434		1,313			1,747
Currency translation adjustments					7,266		7,266
Unrealized loss on mining securities						(2,372)	(2,372)
BALANCES,							
DECEMBER 31, 1988	99,021	75,770	604,992	(17,125)	(3,243)	(2,372)	757,043
Net income			53,324				53,324
Dividends paid			(19,545)				(19,545)
Exercise of stock options	(31)	(535)		2,940			2,374
Stock issued:							
Employee savings plan		404		1,596			2,000
Other		826		4,110			4,936
Currency translation adjustments					352		352
Unrealized loss on mining securities						(223)	(223)
BALANCES,							
DECEMBER 31, 1989	98,990	76,465	638,771	(8,479)	(2,891)	(2,595)	800,261
Net income			20,756				20,756
Dividends paid			(19,720)				(19,720)
Exercise of stock options	160	3,496		3,704			7,360
Stock issued:							
Employee savings plan	27	1,124		890			2,041
Other		2,159		3,334			5,493
Currency translation adjustments					(1,520)		(1,520)
Unrealized loss on mining securities						(8,059)	(8,059)
BALANCES,							
DECEMBER 31, 1990	$ 99,177	$ 83,244	$639,807	$ (551)	$ (4,411)	$(10,654)	$806,612

See notes to consolidated financial statements.

Homestake Mining Company and Subsidiaries

For the years ended December 31, 1990, 1989 and 1988 (In thousands)	1990	1989	1988
CASH FLOWS FROM OPERATIONS:			
Income (loss) from continuing operations	$ (19,007)	$ 2,147	$ 45,741
Reconciliation to cash provided by continuing operations:			
Depreciation, depletion and amortization	74,542	68,383	42,740
Write-down of investment in North American Metals Corp.	32,600		
Gain on disposal of assets and mining securities	(222)	(2,432)	(8,511)
Deferred income taxes	(16,800)	6,375	4,739
Other non-cash items - net	2,909	85	(20)
Effect of changes in operating working capital items:			
Receivables	(4,321)	(6,457)	(5,283)
Inventories	6,187	(16,638)	(12,068)
Accounts payable	7,538	7,385	4,378
Accrued liabilities	(9,486)	(6,493)	(33,645)
Other	7,607	(7,500)	4,761
Net cash provided by continuing operations	81,547	44,855	42,832
Net cash provided (used) by discontinued operations	(27,619)	50,428	16,285
Net cash provided by operations	53,928	95,283	59,117
INVESTMENT ACTIVITIES:			
Decrease (increase) in investments	(153,806)	66,215	69,131
Additions to property, plant and equipment	(111,776)	(86,441)	(107,018)
Acquisitions		(98,570)	(71,110)
Proceeds from sale of assets and mining securities	478	7,402	1,989
Investment in mining securities		(2,925)	(12,033)
Net proceeds from sales of discontinued operations	134,165	121,412	
Investment activities of discontinued operations	(3,007)	(17,252)	(11,223)
Net cash used in investment activities	(133,946)	(10,159)	(130,264)
FINANCING ACTIVITIES:			
Proceeds from notes payable		15,670	9,136
Proceeds from long-term debt	25,695	122,294	35,000
Repayments of long-term debt and notes payable	(32,223)	(108,485)	(2,275)
Dividends paid	(19,720)	(19,545)	(19,485)
Treasury stock issued	14,894	9,310	2,362
Net cash provided (used) by financing activities	(11,354)	19,244	24,738
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(91,372)	104,368	(46,409)
CASH AND EQUIVALENTS, JANUARY 1	197,298	92,930	139,339
CASH AND EQUIVALENTS, DECEMBER 31	$105,926	$197,298	$ 92,930

See notes to consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Consolidated financial statements include Homestake Mining Company (Company) and its majority-owned subsidiaries and undivided interests in mining ventures after elimination of intercompany amounts. The Company owns approximately 80% of the stock of Homestake Gold of Australia Limited (HGAL) and 73.3% of the stock of North American Metals Corp. (NAM), with the remaining public interests shown as Minority Interest in Consolidated Subsidiaries in the accompanying consolidated financial statements. Undivided interests in mining operations (the Round Mountain gold mine and the Mineral Hill Joint Venture in the United States, HGAL's interests in gold mining operations in Kalgoorlie, Western Australia including the Kalgoorlie Mining Associates (KMA) partnership and NAM's interest in the Golden Bear Joint Venture in Canada) are reported using pro-rata consolidation whereby the Company reports its proportionate share of assets, liabilities, income and expenses.

Inventories are stated at the lower of cost or market. The cost of gold derived from the Company's major domestic operations is determined by the last-in, first-out method (LIFO). The cost of other inventories is determined primarily by averaging methods.

Exploration costs, including those incurred through partnerships and joint ventures, are charged to operations in the year incurred.

Preoperating and development costs relating to new mines and major programs at existing mines are capitalized. Ordinary mine development costs to maintain production and underground equipment acquisitions are charged to operations as incurred.

Depreciation, depletion and amortization of mining properties, mine development costs and major plant facilities are computed principally by the units-of-production method (based on estimated proven and probable ore reserves). Proven and probable ore reserves reflect estimated quantities of commercially recoverable reserves which the Company believes can be recovered in the future from known mineral deposits. Such estimates are based on current and projected costs and product prices. Equipment and other plant facilities are depreciated by straight-line or accelerated methods principally over estimated useful lives of five to ten years.

Reclamation costs and related accruals are based principally on estimated environmental and regulatory requirements and are accrued and charged against income over the operating life of the facility, principally by the units-of-production method.

Mining securities are carried at the lower of aggregate cost or market. Realized gains and losses are included in net income. Unrealized losses are reported as a reduction in shareholders' equity, except that significant declines in market value judged to be permanent are recognized in the determination of net income.

Product sales are reported as products are delivered to customers.

Income Taxes: Deferred income taxes are determined on the liability method in accordance with Statement of Financial Accounting Standards No. 96 (SFAS 96), "Accounting for Income Taxes." Deferred income taxes arise from temporary differences (primarily accelerated depreciation) between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred income taxes are provided for the change in the Company's deferred income tax liability during the year, including the effect of tax rate changes enacted during the year.

Foreign Currency: Substantially all assets and liabilities of foreign subsidiaries are translated at exchange rates in effect at the end of each quarter. Accumulated currency translation adjustments are included as a separate component of shareholders' equity. Realized gains and losses are included in determining net income.

Pension Plans: Pension costs related to domestic employees are determined using the projected unit credit actuarial method. The Company funds its pension plans through annual contributions.

Net income per share is computed based upon the weighted average number of common shares outstanding. The effect of common stock equivalents is not significant.

Reclassifications: Certain amounts in 1989 and 1988 have been reclassified to present base metals and uranium operations as discontinued operations (see note 3). In 1990 the Company classified as production costs certain production-related overhead costs incurred at its operating facilities. Previously these costs were included in administrative and general expense. Such costs totaling $19.7 million and $18.7 million in 1989 and 1988, respectively, have been reclassified in the accompanying statements of consolidated income to conform to the 1990 presentation. Certain other amounts for 1989 and 1988 also have been reclassified to conform to the 1990 presentation.

2. STATEMENTS OF CONSOLIDATED CASH FLOWS

The Company considers all highly liquid debt instruments with a maturity of three months or less at the date of purchase to be cash equivalents.

Additional disclosures of cash and non-cash activities follow:

(In thousands)	1990	1989	1988
Cash paid during the year for:			
Interest, net of amount capitalized	$10,272	$10,815	$ 3,863
Income taxes	53,854	12,036	49,178

Income taxes paid in 1990 include approximately $13 million accrued in 1989 for the gain on sale of the oil and gas operations and approximately $23 million for the 1990 gain on sale of the Company's base metals partnership interest.

Income taxes paid in 1988 include approximately $35 million related to a 1987 gain on sale of 20% of the stock of HGAL.

Non-cash activities: See note 6 for information about 1990, 1989 and 1988 transactions with Galactic Resources Ltd. (Galactic).

3. DISCONTINUED OPERATIONS

Base metals: In May 1990, the Company sold its 42.5% partnership interest in The Doe Run Company (Doe Run) for $125.0 million in cash and indemnification against all related liabilities. The Company recorded an after-tax gain of $41.8 million on the disposition.

The Company's investment in Doe Run was accounted for using the equity method. Net assets of discontinued operations on the accompanying consolidated balance sheet at December 31, 1989 includes $49.1 million related to base metals. Summarized results of the discontinued base metals operations are as follows:

(In thousands)	1990	1989	1988
Equity earnings	$ 9,994	$26,331	$29,762
Income tax provision	(3,557)	(6,071)	(6,451)
Income from operations	6,437	20,260	23,311
Gain on disposal (net of income taxes of $23,119)	41,836		
Income from discontinued operations - base metals	$48,273	$20,260	$23,311

Oil and gas: During 1989 the Company sold substantially all of its oil and gas operations for $121.4 million. The remaining oil and gas asset was sold in 1990 for $9.2 million. The Company realized after-tax gains of $1.0 million and $34.2 million in 1990 and 1989, respectively.

Net assets of discontinued operations on the accompanying consolidated balance sheet at December 31, 1989 includes $9.4 million related to oil and gas. Summarized results of the discontinued oil and gas operations are as follows:

(In thousands)	1990	1989	1988
Total revenues		$30,553	$42,716
Income (loss) before taxes		2,828	(2,273)
Income tax (provision) credit		(1,294)	466
Income (loss) from operations		1,534	(1,807)
Gain on disposal (net of income taxes of $576 in 1990 and $21,377 in 1989)	$ 1,042	34,246	
Income (loss) from discontinued operations - oil and gas	$ 1,042	$35,780	$(1,807)

Uranium: During 1990 the Company closed its New Mexico uranium facilities and recorded an additional $12.0 million charge to cover estimated future reclamation and holding costs associated with the uranium properties. The Company has decided to discontinue its uranium business. Accordingly, operating results of this business segment are included in the accompanying statements of consolidated income as discontinued operations.

Net assets of discontinued operations reported on the accompanying consolidated balance sheet at December 31, 1989 includes $10.4 million related to uranium. Other assets (non-current) at December 31, 1990 and 1989 include $19.5 million and $6.2 million, respectively, of long-term receivables and other assets related to uranium operations. Accrued reclamation costs include amounts related to uranium (see note 10). Summarized results of the discontinued uranium operations are as follows:

(In thousands)	1990	1989	1988
Total revenues	$ 30	$ 1,160	$ 9,435
Loss before taxes	(14,472)	(7,368)	(5,924)
Income tax credit	4,920	2,505	1,955
Loss from discontinued operations - uranium	$ (9,552)	$ (4,863)	$ (3,969)

4. WRITE-DOWN OF INVESTMENT IN NORTH AMERICAN METALS CORP.

In 1988 the Company acquired 73.3% of the common stock of NAM for $24 million and subsequently advanced NAM approximately $37 million for construction and development and operating costs of NAM's principal property, a 50% interest in the Golden Bear mine located in northwestern British Columbia. Golden Bear has experienced cost overruns and start-up difficulties and production problems since commencing operations in January 1990. In the third quarter of 1990, the minority interest's share of losses exceeded their equity in NAM, and as a result, the Company began absorbing 100% of NAM's losses. The Company's share of operating losses for 1990 was $6.7 million.

Based upon current proven and probable reserves, a substantial increase in gold prices above current levels would be required to permit recovery of the Company's remaining investment. Accordingly, in the fourth quarter of 1990 the Company recorded a write-down of $32.6 million on its investment in NAM. At December 31, 1990 the balance of the Company's investment was approximately $22 million.

5. FINISHED PRODUCT INVENTORIES

At December 31, 1990 and 1989 the cost of certain domestic gold inventories carried on the LIFO basis aggregated $7.3 million and $10.4 million, respectively. Such inventories would have approximated $15.0 million and $18.1 million, respectively, if stated at the lower of market or current year average production costs.

6. ACQUISITIONS AND INVESTMENTS

Kalgoorlie Operations - In 1989 HGAL increased its interest in KMA from 48% to 50% and acquired a 50% joint venture interest in other gold mining properties in the Kalgoorlie district of Western Australia. The other 50% interest is controlled by Gold Mines of Kalgoorlie, a publicly traded Australian mining company, and its affiliates (GMK). The total cost of the transaction was approximately $95 million.

HGAL and GMK share all costs equally. However, HGAL receives less gold than its 50% venture interest from certain properties contributed by GMK. The amount depends upon costs, gold prices and production from a portion of the principal open-pit mine until 35.7 million tons of ore have been mined from such area. HGAL expects to receive 47% of total production from the consolidated operations.

NAM - See note 4 for information about the Company's investment in and advances to NAM.

El Hueso Mine - In 1988 the Company acquired a ten-year lease on an operating gold mine in Chile for $51.2 million and paid $8.8 million for working capital. This acquisition was partially funded by the proceeds from a $35 million loan (see note 9).

Galactic Resources Ltd. - During 1988, in a series of transactions, the Company acquired 3.5 million shares of Galactic in exchange for $10.2 million and a 50% interest in the Company's Bodie, California exploration properties. Under the terms of the Bodie sale agreement, the Company received annual installment payments of one million Galactic shares in 1989 and 1990 and in each year transferred an additional 25% interest in the Bodie property to Galactic. In August 1990, the agreement was amended and the final adjustment to the sales price was deferred from August 1990 to August 1991. As amended, the Company would receive in August 1991 approximately 8.6 million shares (based on the market price of Galactic shares at the end of 1990), which would result in the Company owning approximately 26% of the then outstanding shares of Galactic.

Other income in 1988 includes an $8.2 million non-cash gain from the sale of the Bodie properties. The Company recognized no income in 1989 or 1990 with respect to Galactic shares it received in connection with the Bodie sale.

At December 31, 1990, the Company held 5.5 million shares of Galactic (a 12.1% interest) carried at a value of $6.9 million. Because of the size of the holding and restraints on transfer under the Bodie agreement, the net realizable value of the Galactic shares currently held and to be received in 1991 may be less than the market value of the shares.

Main Pass 299 - The Company owns a 16.7% cotenancy interest in the Main Pass 299 sulphur deposit in the Gulf of Mexico.

In May 1990, the Main Pass 299 co-tenants purchased the oil and gas reserves overlying the sulphur deposit. The Company paid approximately $22.8 million as its share of the acquisition.The oil and gas reserves were purchased to facilitate development of the sulphur deposit.

The Main Pass 299 co-tenants are developing the sulphur and oil and gas deposits. During 1990, the Company's share of capital development costs, including capitalized interest, was approximately $37.0 million for sulphur and $2.7 million for oil and gas. The company expects to invest a total of $140 million through 1992 to develop this project.

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at December 31 was as follows:

(In thousands)	1990	1989
Mining properties and development costs	$377,677	$311,165
Plant and equipment	589,760	544,982
Land and royalty interests	7,885	14,912
Construction and mine development in progress	11,553	47,274
	$986,875	$918,333

8. INCOME TAXES

In 1988 the Company adopted SFAS 96. The cumulative effect of this accounting change increased 1988 net income by $3.1 million or $.03 per share.

The provision for income taxes consists of the following:

(In thousands)	1990	1989	1988
Current:			
Federal	$13,678	$ 5,706	$ 9,393
State	161	1,698	2,446
Foreign	228	170	1,190
	14,067	7,574	13,029
Deferred:			
Federal	(7,740)	(2,721)	(114)
State	(500)	342	(296)
	(8,240)	(2,379)	(410)
	$ 5,827	$ 5,195	$12,619

The provision for income taxes is based on pre-tax income (loss) from continuing operations before minority interest as follows:

(In thousands)	1990	1989	1988
United States	$ 37,821	$17,813	$66,811
Foreign	(51,351)	(10,737)	(7,415)
	$(13,530)	$ 7,076	$59,396

Major items causing the Company's income tax provision to differ from the federal statutory rate of 34% were:

(In thousands)	1990	1989	1988
Income tax at statutory rate	$ (4,600)	$ 2,406	$20,195
Percentage depletion	(8,398)	(4,431)	(9,111)
Alternative minimum tax (net of carryforward)		2,566	1,106
State income taxes, net of Federal benefit	(224)	1,346	1,419
Non-deductible foreign losses	18,191	3,502	
Other - net	858	(194)	(990)
	$ 5,827	$ 5,195	$12,619

9. LONG-TERM DEBT

Long-term debt at December 31 consists of:

(In thousands)	1990	1989
Australian borrowings (due 1991-1995)	$42,951	$40,833
Notes payable - Chile (due 1991-1993)	17,250	25,250
Pollution control bonds:		
Lawrence County, South Dakota (due 2003)	18,000	18,000
State of California (due 2004)	17,000	17,000
	95,201	101,083
Less current portion	22,755	8,000
	$72,446	$93,083

In June 1990, HGAL sold and leased back the title to its Fortnum gold mining lease in Western Australia. This transaction is accounted for in the Company's consolidated financial statements as a financing transaction. Proceeds of $23.2 million from the sale were applied against HGAL's existing bank borrowings. Capitalized financing costs of $1.5 million are being amortized over the life of the lease. The lease requires quarterly payments of $1.1 million plus interest through September 30, 1995. Interest is based on the average yield for Australian three-month commercial bills plus 0.9%. The lease may be extended for two consecutive five-year terms with quarterly payments of interest only. At December 31, 1990 the remaining balance was $22.1 million and the interest rate was 14.5%.

HGAL has an $11.6 million term loan and a $30.9 million three-year revolving credit facility. Interest is based on Singapore interbank borrowing rates (for U.S. dollar denominated loans) or Bank Bill/Swap Rate (for Australian dollar denominated loans). Principal payments on the term loan are due in ten equal semi-annual installments beginning September 1991. The facility is secured by HGAL's assets. At December 31, 1990, $11.6 million was outstanding under the term loan and $9.3 million was outstanding under the revolving loan. The interest rate was 13.3% at December 31, 1990.

During 1988 Minera Homestake Chile, S.A., a wholly-owned subsidiary, borrowed $35 million from a U.S. bank for use in the acquisition of the El Hueso Mine. Interest is based on LIBOR or bank certificate of deposit rates. The interest rate was 9.0% and 9.1% at December 31, 1990 and 1989, respectively. Annual principal payments of $8.0 million in 1991 and 1992 and $1.3 million in 1993 are required.

The Company pays interest monthly on the pollution control bonds based on variable short-term tax-exempt obligation rates. The rates at December 31, 1990 and 1989 were 6.1% and 6.6%, respectively. No principal payments are required until cancellation, redemption or maturity. Bondholders have the right to tender the bonds for payment at par at any time on seven days notice. The Company has arrangements with underwriters to remarket any tendered bonds and with a bank to provide liquidity and credit support to the Company and to purchase and hold for up to 15 months any tendered bonds that the underwriters are unable to remarket. The Company has certain rights with respect to bond redemption and changes in the interest rate terms.

The Company has two revolving loan agreements providing a total availability of $245 million. No funds have been borrowed under either agreement.

Interest costs of $10.0 million, $11.0 million and $3.8 million were expensed in 1990, 1989 and 1988, respectively. During 1990, 1989 and 1988 the Company capitalized interest of $1.8 million, $3.2 million and $0.1 million, respectively, related to interest incurred during the period required to develop certain assets.

Long-term debt maturing during each of the five years subsequent to 1990 is $22.8 million, $14.6 million, $7.9 million, $6.6 million and $5.6 million, respectively.

10. OTHER LONG-TERM OBLIGATIONS

Other long-term obligations at December 31 consist of:

(In thousands)	1990	1989
Accrued reclamation costs (see notes 1, 3 and 13)	$29,616	$20,392
Other	16,117	12,070
	$45,733	$32,462

The Company accrues for estimated future reclamation obligations related to certain of its mining operations. These accruals are based upon the Company's interpretation of current environmental and regulatory requirements, and are subject to change.

11. EMPLOYEE PLANS

The Company has several pension plans covering substantially all domestic employees. Plans covering salaried and other non-union employees provide pension benefits based on years of service and the employee's highest compensation during any 60 consecutive months prior to retirement. Plans covering union employees provide defined benefits for each year of service.

Pension expense for 1990, 1989 and 1988 for Company sponsored plans for domestic employees included the following components:

(In thousands)	1990	1989	1988
Service cost - benefits earned during the year	$ 3,834	$ 2,727	$ 2,628
Interest cost on projected benefit obligation	10,558	8,785	7,841
Actual return on assets	(2,113)	(18,176)	(14,168)
Net amortization and deferral	(8,299)	10,200	6,555
Early retirement program cost			703
	$ 3,980	$ 3,536	$ 3,559

Assumptions used in determining pension expense and the status of the plans for 1990, 1989 and 1988 include a discount rate of 8% and an assumed rate of increase in compensation of 6%. The assumed long-term rate of return on assets was 8.5% in 1990 and 8% in 1989 and 1988.

The funded status and amounts recognized for pension plans in the Company's consolidated balance sheets are shown in the following table:

	December 31, 1990 Plans Where		December 31, 1989 Plans Where	
(In thousands)	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets
Actuarial present value of benefit obligations:				
Vested benefits	$ (99,171)	$ (6,000)	$ (93,036)	$(4,100)
Accumulated benefits	$(106,331)	$ (6,550)	$ (94,165)	$(4,100)
Projected benefits	$(126,938)	$(11,826)	$(112,714)	$(5,500)
Plan assets at fair value[1]	127,935		131,856	
Plan assets in excess of (less than) projected benefit obligation	997	(11,826)	19,142	(5,500)
Unrecognized net loss (gain)	190	1,139	(18,966)	(1,248)
Unrecognized net transition obligation (asset) amortized over 15 years	(6,131)	1,640	(6,501)	1,823
Unrecognized prior service cost	1,362	2,003	2,143	
Pension liability recognized in the consolidated balance sheets	$ (3,582)	$(7,044)	$ (4,182)	$(4,925)

[1] *About 42% and 50% of the plan assets were invested in fixed-rate insurance contracts and the balance was invested in listed stocks and bonds in 1990 and 1989, respectively.*

HGAL participates in several benefit funds covering its employees and, through its ownership of a 50% interest in the consolidated Kalgoorlie operations, the employees of Kalgoorlie Consolidated Gold Mines. HGAL's share of contributions to these funds for 1990, 1989 and 1988 was $1.2 million, $0.8 million and $0.3 million, respectively.

All full-time domestic salaried employees of the Company are eligible to participate in the Company's defined contribution savings plan. The Company's matching contribution, made in the form of Homestake common stock, was $1.6 million in 1990 and 1989 and $1.4 million in 1988.

The Company provides certain health care benefits for retired employees, primarily retirees of the Homestake mine. These benefits are expensed as paid. Such payments for retired employees were $1.1 million, $1.0 million and $0.9 million in 1990, 1989 and 1988, respectively.

Statement of Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions" was issued in December 1990 and must be implemented by the Company no later than 1993. The statement requires accrual of the expected cost of such benefits during employee service periods. The effect of the adoption of the Statement on the Company has not been determined.

Under the Company's stock option plans, options to buy 1.5 million common shares at an average price of $15 per share were outstanding at December 31, 1990, of which 0.9 million shares were exercisable. An additional 2.2 million shares were available for future grants at December 31, 1990.

Stock options exercised:

	1990	1989	1988
Shares	514,485	260,997	80,000
Stock appreciation rights	63,025	13,850	
	577,510	274,847	80,000
Average price per share	$13	$12	$8

12. CAPITAL STOCK

Each share of common stock includes and trades with a right. Rights are not exercisable currently but become exercisable on the 10th business day after any person, entity or group ("the Acquiring Person") acquires 20% or more of the Company's common stock or announces a tender or exchange offer which would result in such entity acquiring 20% or more of the Company's common stock. When exercisable, each right entitles its holder to purchase from the Company one one-hundredth of a share of Series A Participating Cumulative Preferred Stock, par value $1 per share, at a price of $75. If the Company is subsequently involved in a merger or other business combination involving the Acquiring Person each right will entitle its holder to purchase certain securities of the surviving company. Rights also provide for protection against self-dealing transactions by the Acquiring Person.

Rights expire November 2, 1997 and may be redeemed by the Board of Directors of the Company for $.01 per right at any time before they become exercisable and by the Board of Directors, with the approval of a majority of directors independent of the Acquiring Person, at any time until (i) the 10th business day after the Acquiring Person acquires 20% or more of the Company's common stock or (ii) the holders of the rights become entitled to exercise such rights in respect of transactions involving the Acquiring Person described above or (iii) November 2, 1997.

13. CONTINGENCIES

Environmental: The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) imposes heavy liabilities on persons who discharge hazardous substances. In 1983, the Environmental Protection Agency (EPA) published a National Priorities List (NPL), in order of priority, of known or threatened releases of such substances.

An 18-mile stretch of Whitewood Creek in the Black Hills of South Dakota is site number 21 on the NPL.

EPA asserts that discharges of tailings by mining companies, including the Company, for more than 100 years have contaminated soil and water. In August 1990, the Company signed a consent decree with EPA that requires the Company to perform remedial work for Whitewood Creek. The work is scheduled to be completed in 1992. The Company estimates that the cost of all work required by the decree will be between $1 million and $2 million, depending upon the results of initial field evaluation.

The tailings facility at the Company's uranium mill near Grants, New Mexico is site number 754 on the NPL. EPA asserts that leachate from the tailings has contaminated a shallow aquifer that serves nearby residential subdivisions. The Company continues to operate an injection and collection system that has improved the quality of the aquifer to levels that comply with state groundwater standards. EPA has concluded that the Grants mill and tailings facility are not contributing significantly to radon concentrations in the subdivisions.

The State of New Mexico has made a claim against the Company for unspecified natural resource damages resulting from the Grants tailings. The State of South Dakota has made a similar claim as to the Whitewood Creek tailings. The Company denies all liability for damages at the two CERCLA sites.

The Company believes that the ultimate resolution of these matters will not have a material adverse impact on its financial condition.

Commitments: The Company has entered into various commitments in the ordinary course of its business, including commitments to perform assessment work and other obligations necessary to maintain or protect its interests in mining properties, financing and other obligations to joint venturers and partners under venture and partnership agreements and commitments under federal and state environmental health and safety permits.

14. SEGMENT AND GEOGRAPHIC INFORMATION

The Company primarily is engaged in gold mining and related activities. Interests in partnerships and joint ventures are included in segment operations and identifiable assets. In determining operating earnings, which are defined as revenues less operating costs and expenses, none of the following items has been included: mineral exploration costs, corporate income and expense, and income taxes. Identifiable assets represent those assets used in a segment's operations. Corporate assets are principally cash and equivalents, short-term investments and assets related to operations not required for business segment disclosure.

Sales to individual customers exceeding 10% of the Company's consolidated revenues were as follows: in 1990 gold sales of $131.9 million, $73.1 million and $51.5 million to three customers; in 1989 gold sales of $70.5 million and $55.8 million to two customers; in 1988 gold sales of $62.2 million, $51.9 million and $49.1 million to three customers. The Company believes that the loss of any of these customers would have no material adverse impact on the Company because of the active worldwide market for gold.

SEGMENT INFORMATION

(In thousands)	1990	1989	1988
REVENUES:			
Gold	$ 482,292	$ 396,649	$349,173
Interest, dividends and other[1]	30,737	28,634	39,123
	$ 513,029	$ 425,283	$388,296
OPERATING EARNINGS:			
Gold[2]	$ 33,782	$ 53,613	$ 90,243
Mineral exploration	(29,024)	(26,874)	(31,722)
Net corporate income (expense)[1]	(18,288)	(19,663)	875
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST	$ (13,530)	$ 7,076	$ 59,396
DEPRECIATION, DEPLETION AND AMORTIZATION:			
Gold	$ 73,452	$ 67,003	$ 40,950
Corporate	1,090	1,380	1,790
	$ 74,542	$ 68,383	$ 42,740
EXPLORATION EXPENSE:			
Gold	$ 28,811	$ 25,112	$ 30,012
Sulphur project	213	1,762	1,710
	$ 29,024	$ 26,874	$ 31,722
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT:[3]			
Gold	$ 46,528	$ 175,744	$170,450
Corporate:			
Sulphur project	62,550	4,381	1,917
Other	2,698	1,104	5,596
	$ 111,776	$ 181,229	$177,963
IDENTIFIABLE ASSETS AS OF DECEMBER 31:			
Gold	$ 624,718	$ 626,412	$508,901
Corporate:			
Cash and short-term investments	312,400	261,531	223,378
Sulphur project	67,847	5,351	1,770
Other	76,255	127,220	104,229
Net current assets of discontinued operations		68,860	135,022
	$1,081,220	$1,089,374	$973,300

[1]Includes $8.2 million gain from sale of mineral properties in 1988.
[2]Includes $32.6 million write-down in 1990 of the Company's investment in North American Metals Corp.
[3]Does not include working capital portion of acquisitions in 1989 and 1988 of $3.8 million and $0.2 million, respectively.

GEOGRAPHIC INFORMATION

(In thousands)	1990	1989	1988
REVENUES:			
U.S.	$ 346,042	$ 312,300	$323,360
Australia	135,031	83,059	51,624
Chile	28,102	29,440	13,312
Canada	3,854	484	
	$ 513,029	$ 425,283	$388,296
OPERATING EARNINGS (LOSS):			
U.S.	$ 56,262	$ 45,640	$ 77,996
Australia	20,589	10,977	14,013
Chile	(3,793)	(3,004)	(1,766)
Canada[2]	(39,276)		
	$ 33,782	$ 53,613	$ 90,243
EXPLORATION EXPENSE:			
U.S.	$ 15,724	$ 13,290	$ 16,798
Australia	3,994	4,796	6,695
Chile	1,321	390	389
Canada	6,469	6,544	6,804
Other foreign	1,516	1,854	1,036
	$ 29,024	$ 26,874	$ 31,722
IDENTIFIABLE ASSETS AS OF DECEMBER 31:			
U.S.	$ 836,038	$ 798,434	$808,747
Australia	180,552	176,848	55,123
Chile	34,167	45,090	57,152
Canada	30,463	69,002	52,278
	$1,081,220	$1,089,374	$973,300

INDEPENDENT AUDITORS' REPORT

The Shareholders and Board of Directors of Homestake Mining Company:

We have audited the accompanying consolidated balance sheets of Homestake Mining Company and subsidiaries as of December 31, 1990 and 1989, and the related statements of consolidated income, consolidated shareholders' equity and consolidated cash flows for each of the three years in the period ended December 31, 1990. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Homestake Mining Company and subsidiaries at December 31, 1990 and 1989, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1990 in conformity with generally accepted accounting principles.

As discussed in note 8 to such consolidated financial statements, in 1988 the Company changed its method of accounting for income taxes to conform with the Statement of Financial Accounting Standards No. 96.

Deloitte & Touche

San Francisco, California
February 21, 1991

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Homestake Mining Company and Subsidiaries

The accompanying consolidated financial statements of Homestake Mining Company and subsidiaries are prepared by the Company's management in conformity with generally accepted accounting principles. Management is responsible for the fairness of the financial statements, which include estimates based on judgments.

The Company maintains accounting and other control systems which management believes provide reasonable assurance that financial records are reliable for the purposes of preparing financial statements and that assets are properly safeguarded and accounted for. Underlying the concept of reasonable assurance is the premise that the cost of control should not be disproportionate to the benefits expected to be derived from control. The Company's internal control system is reviewed by its internal auditors and by the independent auditors in connection with their audit of the Company's consolidated financial statements.

The Audit Committee of the Board of Directors, composed entirely of outside directors, meets periodically with management, internal auditors and the independent auditors to discuss the annual audit, internal control, internal auditing and financial reporting matters. The independent auditors and the internal auditors have direct access to the Audit Committee.

HM Conger

Harry M. Conger
Chairman of the Board and Chief Executive Officer

Gene G. Elam

Gene G. Elam
Vice President, Finance and Chief Financial Officer

FIVE-YEAR SELECTED FINANCIAL DATA[1]

Homestake Mining Company and Subsidiaries

(In thousands, except per share amounts)	1990	1989	1988	1987	1986
Revenues	$513,029	$425,283	$388,296	$475,997	$252,444
Income (loss) from continuing operations	(19,007)[2]	2,147	45,741	139,794[4]	16,563
Income from discontinued operations	39,763	51,177	17,535	6,613	6,013
Net income	20,756[2]	53,324	66,401[3]	146,407[4]	22,576
Per share:					
Income (loss) from continuing operations	(.19)[2]	.02	.47	1.44[4]	.17
Income from discontinued operations	.40	.53	.18	.07	.06
Net income	.21[2]	.55	.68[3]	1.51[4]	.23
Total assets	1,081,220	1,089,374	973,300	894,096	674,875
Long-term debt	72,446	93,083	60,250	35,000	35,000
Other long-term obligations	45,733	32,462	26,454	24,315	23,124
Minority interest in consolidated subsidiaries	9,184	10,109	10,067	7,949	
Dividends paid per share	.20	.20	.20	.125	.10

[1]Five-year selected financial data reflects 1989 adoption of pro-rata consolidation for KMA and presents base metals, oil and gas and uranium operations as discontinued operations. All per share information reflects the two-for-one stock split effective November 16, 1987.
[2]Includes expense of $32.6 million (no tax benefit) or $.33 per share from the write-down of the Company's investment in North American Metals Corp.
[3]Includes $3.1 million or $.03 per share from the cumulative effect of the change in accounting for income taxes.
[4]Includes $94.9 million or $.98 per share from after-tax gain on sale of 20% of the stock of HGAL.

SELECTED QUARTERLY DATA

(In thousands, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
1990:					
Revenues	$125,660	$127,811	$123,583	$135,975	$513,029
Income (loss) from continuing operations	9,660	307	1,713	(30,687)[1]	(19,007)[1]
Income (loss) from discontinued operations	3,589	36,969	(60)	(735)	39,763
Net income	13,249	37,276	1,653	(31,422)[1]	20,756[1]
Per share:					
Income (loss) from continuing operations	.10		.02	(.31)[1]	(.19)[1]
Income (loss) from discontinued operations	.03	.38		(.01)	.40
Net income	.13	.38	.02	(.32)[1]	.21[1]
Dividends paid	.05	.05	.05	.05	.20
1989:					
Revenues	$ 91,218	$106,448	$104,358	$123,259	$425,283
Income (loss) from continuing operations	520	2,117	(3,511)	3,021	2,147
Income from discontinued operations	6,618	18,803	5,524	20,232	51,177
Net income	7,138	20,920	2,013	23,253	53,324
Per share:					
Income (loss) from continuing operations	.01	.02	(.04)	.03	.02
Income from discontinued operations	.06	.20	.06	.21	.53
Net income	.07	.22	.02	.24	.55
Dividends paid	.05	.05	.05	.05	.20

[1]Includes expense of $32.6 million (no tax benefit) or $.33 per share from the write-down of the Company's investment in North American Metals Corp.

COMMON STOCK PRICE RANGE

(Prices as quoted on the New York Stock Exchange)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
1990: High	$23.63	$20.25	$23.50	$21.50	$23.63
Low	17.13	15.75	16.75	15.25	15.25
1989: High	$14.88	$14.38	$16.75	$20.63	$20.63
Low	12.00	12.50	12.63	14.38	12.00

BOARD OF DIRECTORS

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Chairman of the Board and Chief Executive Officer
Case, Pomeroy & Company, Inc.

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President
Case, Pomeroy & Company, Inc.

HARRY M. CONGER
Chairman of the Board and Chief Executive Officer
Homestake Mining Company

*G. ROBERT DURHAM
Former Chairman
Phelps Dodge Corporation

DAVID K. FAGIN
President and Chief Operating Officer
Homestake Mining Company

DOUGLAS W. FUERSTENAU
Professor, Department of Materials Science and Mineral Engineering
University of California, Berkeley

WILLIAM A. HUMPHREY
Executive Vice President
Homestake Mining Company

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Professor of Accounting
Graduate School of Business
Stanford University

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Former Executive Vice President
Castle & Cooke, Inc.

*JOHN NEERHOUT, JR.
Executive Vice President and Director
Bechtel Group, Inc.

*STUART T. PEELER
Petroleum Industry Consultant

GLEN L. RYLAND
President
RYCO, Inc.

BERNE A. SCHEPMAN
President
The Adair Company

**Member of Audit Committee*

OFFICERS

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Chairman of the Board and Chief Executive Officer

DAVID K. FAGIN
President and Chief Operating Officer

WILLIAM A. HUMPHREY
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Senior Vice President

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Vice President, Finance and Chief Financial Officer

LEE A. GRABER
Vice President, Corporate Development

RICHARD R. HINKEL
Vice President, Human Resources

RICHARD A. HOLWAY
Vice President, Marketing

WILLIAM G. LANGSTON
Vice President and General Counsel

WILLIAM F. LINDQVIST
Vice President, Exploration

ROBERT A. REVELES
Vice President, Government Affairs

ALLEN S. WINTERS
Vice President, Mine Operations

ROBERT L. WATSON
Controller

JONATHAN J. WILLIAMS
Treasurer and Secretary

DENNIS B. GOLDSTEIN
Corporate Counsel and Assistant Secretary

THOMAS H. WONG
Assistant Treasurer and Assistant Secretary

RICHARD J. STOEHR
Senior Consultant to Chairman of the Board and Chief Executive Officer

CORPORATE HEADQUARTERS

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Allen S. Winters, Vice President, Mine Operations

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Gary A. Loving, General Manager

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Ronald D. Parker, General Manager

ANNUAL MEETING OF SHAREHOLDERS

A proxy statement will be mailed to each shareholder in March. The annual shareholders' meeting will be held at 11 A.M. on Tuesday, May 14, 1991 in the Penthouse Board Room of Wells Fargo Bank N.A., 420 Montgomery Street, San Francisco, California.

FORM 10-K

A copy of the Form 10-K Report filed with the Securities and Exchange Commission may be obtained without charge by writing to the Secretary, Homestake Mining Company, 650 California Street, San Francisco, California 94108-2788.

SUPPLEMENTAL INFORMATION BOOKLET

A booklet containing statistical and supplemental financial information may be obtained without charge by writing to the Manager of Investor and Public Relations, Homestake Mining Company, 650 California Street, San Francisco, California 94108-2788.

DIVIDEND REINVESTMENT PLAN

Those shareholders interested in Homestake's Dividend Reinvestment Plan should contact the Transfer Agent.

SUBSIDIARIES

Homestake Mining Company of California
Homestake Canada Ltd.
Homestake Gold of Australia Limited
Homestake International Minerals Ltd.
Homestake Mineral Development Company
Homestake Nevada Corporation
Minera Homestake Chile, S.A.
North American Metals Corp.
Homestake Sulphur Company

TRANSFER AGENT AND REGISTRAR

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Corporate Agency Service Center
P.O. Box 37002
San Francisco, CA 94137
Telephone: (415) 624-4100

EXCHANGE LISTINGS

The Company's common stock is listed on the New York Stock Exchange; the Stock Exchange, London; the Frankfurt Stock Exchange; the Paris Bourse and on the Basel, Geneva and Zurich stock exchanges in Switzerland. The shares are listed under the stock symbol HM.

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