

Summary of Peñasquito Technical Report - Goldcorp, December 31, 2007

History of Peñasquito Property

In 1998 Western Silver acquired the entire Peñasquito property from Kennecott. Glamis Gold Inc. acquired Western Silver on May 3, 2006. Goldcorp acquired Glamis in November 2006. (p. 25)

There is no previous mine development of any form in the immediate area of Chile Colorado or Peñasco deposits and as such no environmental liabilities are attached to the property. (p. 28)

Goldcorp owns 100% of the mineral rights to a large area covering approximately 39,000 hectares located in the north-eastern portion of the State of Zacatecas. The portion of this area referred to as the Peñasquito property lies approximately 27 km west of the town of Concepción del Oro in a wide, generally flat valley covered by coarse grasses and cacti. (p. 12)

Road access to the site is presently gained west out of Concepción del Oro approximately 15 km to the town of Mazapil and then a further 12 km west from Mazapil. (p. 29)

Surface Rights

Surface rights in the vicinity of the Chile Colorado and Peñasco pits are held by private individuals and three Ejidos. Signatures indicating agreement have been obtained for all three of the Ejidos and nearly all the private owners. Goldcorp currently is in negotiations to finalize surface rights to the land required for the project, assisted by a Mexican legal firm. (p.30)

Timeline of Current Project

The operating timeline for the project is as follows:

- Receipt of permits and commencement of construction in March 2007
- Pre stripping begins August 2007
- Oxide plant startup in July 1, 2008. Metal production late in 2008.
- Permit mine and mill expansion in 2007 and 2008
- Sulphide SAG Line 1 start up January 1, 2009, with a ramp-up of production to 65,000 TPD by August 2009
- Sulphide SAG Line 2 starts up January 1, 2010, with a ramp-up of production to 65,000 TPD by August 2010 bringing total sulfide production to 130,000 TPD. (p. 10)

Mineral Reserves and Resources

The following mineral reserves have been identified
Oxide 110,000,000 tonnes

Sulphide 807,000,000 tonnes
Waste 2,552,000,000 tonnes
Total 3,469,000,000 tonnes (p. 10)

The following mineral resources have been identified
Measured & Indicated Resources 1,596,000,000 tonnes
Inferred Resources 1,220,000,000 tonnes (p. 11)

Mineral Grades

Oxide Ore:

Gold 0.18 grams/tonne
Silver 18.1 grams/tonne

Sulphide Ore:

Gold 0.48 grams/tonne
Silver 30.8 grams/tonne
Lead 0.33%
Zinc 0.72% (p. 11)

Power Supply

Power will be brought in from the 400kV power line National grid system via a tapped-in point in reasonable proximity to the site. From this location, power will be transmitted at 400kV from the 400kV/400kV switchyard tap-in via a new overhead power line to the mine site main 400kV/69kV substation. Process water will be initially obtained from wells to be developed on site and supplemented during later development from pit dewatering. (p.14)

Smelters

The report notes that smelter terms and transportation prices are based on typical such prices, and not on specific negotiations with any particular smelter. It is expected that the lead will be processed in Mexico, and the Zinc concentrate shipped to Canada, Asia or Europe - transportation will be to respective Pacific and Atlantic ports. (p. 23)

Water

The Peñasquito project will apply for permits to pump up to 40 million m³ per year. Presently the required hydro-geological studies are being made that will prove to authorities (CNA), that the aquifers in the region have enough available water to provide this amount.

The first two phases of hydro-geological studies have concluded (ending in December 2006). A third phase is in progress for Cedros Basin and its estimated completion date is in December 2007. Based on the completed studies, a 4.6 million m3 concession was obtained on 26 August 2006. (p. 30)

Processing Capacity

The Chile Colorado/Azul and Peñasco mine plan will provide sulphide ore to a mill flotation plant that will produce two concentrates for sale: a lead concentrate and a zinc concentrate. Both concentrates will have gold and silver credits. Likewise, the mine plan will provide oxide and mixed ores to a heap leaching facility that will produce a silver and gold doré. (p. 86)

Capacity of the Sulfide processing plant is 130,000 tonnes per day. (p. 14) The EIA has been approved for the processing of 50,000 tonnes per day. (p. 28) Commercial sulphide production is scheduled for 17 years, total mine life is 19 years. (p. 86, 107)

Tailings Dam

The tailings dam will be lined with a synthetic liner. (p. 78)

Taxes

Goldcorp will take advantage of PITEX (Programa de Importacion Temporal para Producir Articulos de Exportacion) is a federal program allowing a waiver of import duties on imported items that will exported at the end of the project. (p. 101)

The report estimates that total federal income tax paid over the life of the mine will be \$2.0 billion. (p. 102)

Capital Costs

Capital Item / Price

Camp and Roads \$39 million

Mine Equipment \$274 million

Pre-Stripping \$111 million

Power Setup \$53 million

SAG Line #1 / SAG Line #2 / Infrastructure \$742 million

Tailing Dam and Reclaim \$53 million

Merrill-Crowe Plant and Pad \$48 million

Port \$28 million

Owner's Costs \$147 million

Initial Capital Total \$1,494 million

Sustaining Capital \$561 million (p. 102)

Life of Mine Costs

The following life-of-mine costs are anticipated where ore is defined as the combination of oxide and sulphide ore:

Mining Costs = \$3.74/tonne ore
Sulphide Process Costs = 3.71/tonne ore
Oxide Process Costs = 0.19/tonne ore
G&A Costs = 0.35/tonne ore
Lead Concentrate Shipping and Smelting = 1.06/tonne ore
Zinc Concentrate Shipping and Smelting = 2.34/tonne ore
Doré Shipping and Refining = 0.02/tonne ore
Total \$11.41/tonne ore

Cash Flows

After Tax Cash Flows (\$000) LOM
Income Statement
Revenues \$20,038,302
Production Cost 12,894,287
Income Taxes 2,003,904
Net Income \$5,140,111 (p. 104)

Annual Cash Flow Forecast (\$000)

2006	\$	(38,815)
2007	\$	(430,022)
2008	\$	(738,793)
2009	\$	(363,634)
2010	\$	(27,120)
2011	\$	178,041
2012	\$	336,492
2013	\$	523,290
2014	\$	520,563
2015	\$	435,409
2016	\$	466,444
2017	\$	511,168
2018	\$	567,144
2019	\$	534,574
2020	\$	431,935
2021	\$	436,164
2022	\$	539,297
2023	\$	353,305
2024	\$	210,669
2025	\$	221,733
2026	\$	324,174
2027	\$	163,876

2028 \$ (5,784)
Total \$ 5,150,111 (p.105)

Qualified Persons

Two of the three Qualified Persons (NI 43-101) who authored the Peñasquito technical report are currently employees of Goldcorp (Robert H. Bryson, Vice President, Engineering, Goldcorp and Reynaldo Rivera, Vice President, Exploration, Luismin S.A. de C.V., fully owned subsidiary of Goldcorp). (p. 149, 151)

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