BUILDING OUR FUTURE

ANNUAL REPORT 2010

GOLDCORP

AFTER A DECADE OF RESULTS...

We are Goldcorp. As North America's fastest-growing senior gold producer, we have led the industry by assembling an exceptional portfolio of high-quality assets. Operationally, we are dedicated to running efficient, low-cost mines, located in stable jurisdictions in the Americas.

AND A YEAR FOR THE RECORD BOOKS...

Thanks to strategic acquisitions, efficient operations and a skilled exploration team, we delivered a remarkable year: our proven and probable reserves have increased by 23%; our Peñasquito mine, about to become the largest gold mine in Mexico, is in commercial production; and our earnings increased 72% this year, with net income topping $1 billion for the first time ever.

WE'RE BUILDING OUR FUTURE

With six development projects underway – including the newly acquired Cerro Negro project in Argentina, where we have already nearly doubled gold reserves and resources – we are applying the same discipline and commitment to building a future of sustained prosperity for our shareholders.

DELIVERING SUPERIOR RETURNS OVER THE PAST TEN YEARS

In ten years, Goldcorp's stock has increased by over 1,400%, more than double that of our peers, and more than triple the gold price. During the same period, the Standard & Poor's (S&P) 500 index fell by 2%.

Peers include Barrick, Newmont, Kinross and Agnico. Source: Bloomberg data: January 1, 2001 to January 1, 2011

COVER: (Left to right) Chris Noob, George Gibson and Claude Fortin. Co-workers at Porcupine mine participate in a morning huddle. Chris Noob, pictured left, is a summer co-op student following in his father's footsteps to pursue a mining career. His father is a long-time Goldcorp employee.

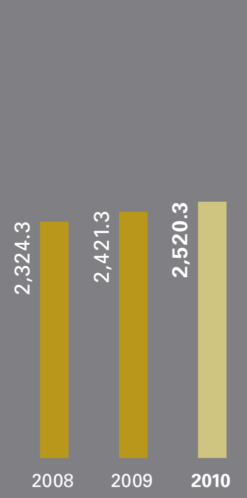
FINANCIAL HIGHLIGHTS

Financial (US$ millions)	2008	2009	2010
Revenues	$ 2,419.6	$ 2,723.6	**$ 3,799.8**
Earnings from operations	512.5	821.2	**1,469.5**
Adjusted net earnings	397.0	588.2	**1,010.5**
Cash flow from operations (before working capital changes)	938.3	1,184.3	**1,718.4**
Cash and cash equivalents at Dec. 31	262.3	874.6	**556.2**
Total assets at Dec. 31	19,001.5	20,948.7	**28,809.1**

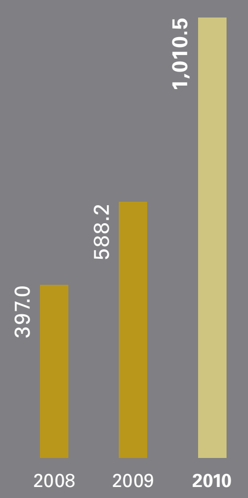
Operating			
By-product cash costs ($/oz)	$ 305	$ 295	**$ 274**
Gold production (koz)	2,324.3	2,421.3	**2,520.3**
Gold reserves (moz)	46.28	48.75	**60.06**
Silver production (koz)	9,681.8	12,798.5	**22,957**
Silver reserves (moz)	1,247.3	1,300.0	**1,294**
Copper production (klbs)	129,707	118,290	**116,017**
Copper reserves (mlbs)	1,373	1,228	**5,406**

Shareholders (US$)			
Adjusted earnings per share (basic)	$ 0.56	$ 0.80	**$ 1.37**
Cash flow from operations per share (before working capital changes)	1.31	1.61	**2.33**
Dividends ($ millions)	128.7	131.7	**154.4**
Share price at Dec. 31	31.53	39.34	**45.98**
Weighted average shares outstanding at Dec. 31 (millions)	712	731	**735**

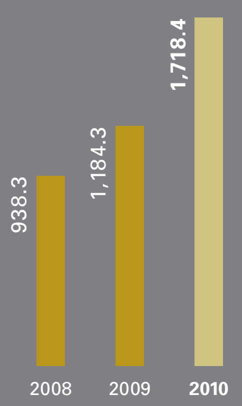
GOLD PRODUCTION
(koz)



ADJUSTED NET EARNINGS
($ millions)



CASH FLOW FROM OPERATIONS
($ millions)
(before working capital changes)



CANADA AND USA

OPERATING MINES

RED LAKE
ONTARIO, CANADA

Production	**703,300 oz**
Cash cost	**$297/oz**
Processing capacity	**3,100 tpd**
2P gold reserves	**4.12 moz**
Mine type	**Underground**

MUSSELWHITE
ONTARIO, CANADA

Production	**258,700 oz**
Cash cost	**$625/oz**
Processing capacity	**4,500 tpd**
2P gold reserves	**2.12 moz**
Mine type	**Underground**

PORCUPINE
ONTARIO, CANADA

Production	**265,900 oz**
Cash cost	**$595/oz**
Processing capacity	**12,000 tpd**
2P gold reserves	**3.29 moz**
Mine type	**Open pit, underground**

MARIGOLD
NEVADA, USA

Production	**91,200 oz**
Cash cost	**$678/oz**
Processing capacity	**33,000 tpd**
2P gold reserves	**1.55 moz**
Mine type	**Open pit**
Ownership	**66.7%**

WHARF
SOUTH DAKOTA, USA

Production	**73,300 oz**
Cash cost	**$645/oz**
Processing capacity	**7,800 tpd**
2P gold reserves	**0.60 moz**
Mine type	**Open pit**

DEVELOPMENT PROJECTS

COCHENOUR
ONTARIO, CANADA

Annual production (est.)	**250,000–275,000 oz**
Cash cost (est.)	**<$350/oz**
Processing capacity	**1,500 tpd**
2P gold reserves	**0**
M&I resource	**0**
Inferred resource	**2.70 moz**
Status	**Construction**

ÉLÉONORE
QUÉBEC, CANADA

Annual production (est.)	**+600,000 oz**
Cash cost (est.)	**<$400/oz**
Processing capacity	**7,000 tpd**
2P gold reserves	**3.03 moz**
M&I resource	**0.48 moz**
Inferred resource	**4.17 moz**
Status	**Construction**

CENTRAL AND SOUTH AMER

OPERATING MINES

ALUMBRERA
CATAMARCA, ARGENTINA

Production	**152,000 oz**
Cash cost	**$(619)/oz**
Processing capacity	**104,000 tpd**
2P gold reserves	**1.33 moz**
Mine type	**Open pit**
Ownership	**37.5%**

MARLIN
GUATEMALA

Production
Cash cost
Processing capa
2P gold reserve
Mine type

DEVELOPMENT PROJECTS

PUEBLO VIEJO
DOMINICAN REPUBLIC

Annual production (est.)	**415,000–450,000 oz**[1]
Cash cost (est.)	**$275–$300/oz**
Processing capacity	**24,000 tpd**
2P gold reserves	**9.46 moz**
M&I resource	**3.78 moz**
Inferred resource	**0.22 moz**
Status	**Construction**
First production	**2012**
Ownership	**40%**

[1] First five years of production.

CERRO BLANCO
GUATEMALA

2P gold reserves	**0**
M&I resource	**1.27 moz**
Inferred resource	**0.67 moz**
Status	**Scoping**
First production	**+2015**

CERRO N
ARGENTINA

2P gold reserve
M&I resource
Inferred resourc
Status
First production

PORTFOLIO AT-A-GLANCE

CERRO NEGRO
Argentina

RICA

	296,100 oz
	$(19)/oz
acity	6,000 tpd
s	1.53 moz
	Open pit, underground

NEGRO

s	2.07 moz
	2.66 moz
e	0.72 moz
	Construction
	2013

EL MORRO
CHILE

2P gold reserves	5.72 moz
M&I resource	0
Inferred resource	3.06 moz
Status	Feasibility
First production	2015
Ownership	70%

PEÑASQUITO
Zacatecas State, Mexico

MEXICO

OPERATING MINES

LOS FILOS
GUERRERO STATE, MEXICO

Production	306,100 oz
Cash cost	$423/oz
Processing capacity	70,000 tpd
2P gold reserves	5.47 moz
Mine type	Open pit, underground

EL SAUZAL
CHIHUAHUA STATE, MEXICO

Production	152,100 oz
Cash cost	$301/oz
Processing capacity	6,000 tpd
2P gold reserves	0.27 moz
Mine type	Open pit

PEÑASQUITO
ZACATECAS STATE, MEXICO

Production	168,200 oz
Cash cost	$(863)/oz
Processing capacity	130,000 tpd
2P gold reserves	18.57 moz
Mine type	Open pit

DEVELOPMENT PROJECTS

CAMINO ROJO
ZACATECAS STATE, MEXICO

2P gold reserves	0
M&I resource	3.44 moz
Inferred resource	0.55 moz
Status	Feasibility
First production	2014

NOCHE BUENA
ZACATECAS STATE, MEXICO

2P gold reserves	0
M&I resource	0.96 moz
Inferred resource	0.24 moz
Status	Scoping
First production	+2015

Today, we hold the best collection of assets in the industry and a growth pipeline that should see our production increase steadily in the years ahead.

Dear Shareholders,

2010 was another wonderful year to be in the gold business. Gold hit new highs and Goldcorp experienced record production that resulted in the highest earnings and highest cash flow in our history.

After years of acquisitions and expansion, management worked to balance our portfolio of assets to position Goldcorp for future production growth.

Looking forward, the fundamentals in the metals market show no sign of slowing down. Investment demand from both developed and developing countries continues to be strong. In China, demand for gold jewelry, bars and coins is setting new records. In India, the largest gold market, demand for gold jewelry rebounded and grew dramatically in 2010. As the global economy recovers, I expect this pattern to continue.

In the developed world, the growth of the gold ETF industry has created both awareness and demand for gold by both large and small investors. Another positive development was the fact that central banks around the world became net buyers of gold in 2010, reversing a 20-year pattern of selling. All these positive changes make me very optimistic about the price of gold going forward.

When asked how people should take advantage of this projected price rise, I point out that not all gold producers are equal. The reasons we are so proud of Goldcorp are many. The company has grown incredibly over the past eight years, from a junior company to one of the largest gold producers. Goldcorp has become an industry leader. Over this time we generated the highest investor returns compared to our peers. We've grown our production, our revenues and our earnings faster than anyone. Today, we hold the best collection of assets in the industry and a growth pipeline that should see our production increase steadily in the years ahead. As gold consumption increases and new gold resources become harder to find, it is easy to conclude that the value of our high quality assets will increase.

In closing, I would like to acknowledge our strong management team and the thousands of dedicated Goldcorp employees who contribute to our success. Through these years of rapid expansion, management has shown real skill in creating a company with a unified purpose across every operation and a shared vision that allows Goldcorp to progress and succeed. I have the greatest confidence in their ability to deal with any challenges we will face in the exciting future that I see for Goldcorp.

IAN TELFER
Chairman

To Our Valued Shareholders,

Goldcorp presents a unique value proposition among the world's gold companies. We provide both strong current cash flow driven by the lowest cash costs in the business and growth in gold production of 60% over the next five years.

Goldcorp's consistent focus on disciplined execution resulted in another outstanding year and provided an excellent vehicle for shareholders seeking exposure to gold. **We achieved record results on nearly every financial measure and set in place the building blocks for continued, profitable growth both in 2011 and for the long term.**

The on-time, on-budget completion of construction at the Peñasquito mine is a source of pride and marks the start of a new chapter for Goldcorp. The mine will be a key driver of our cash flow for decades to come, so its smooth ramp-up was an important operational milestone in a year filled with successes. We also completed several transactions that strengthened our portfolio of assets, optimized our balance sheet and enhanced our outstanding growth profile.

DELIVERING RESULTS

In 2010, our operating teams delivered record production of over 2.52 million gold ounces at total cash costs* of just $274 per ounce on a by-product basis, and correspondingly, record revenues of $3.8 billion. Net earnings increased to a record $1.6 billion, while operating cash flow before changes in working capital* was $1.7 billion, an increase of 45% over last year. Realized gold prices increased 30%, highlighting the leverage to gold price increases provided by Goldcorp. Because of this strong financial performance, we were able to increase the dividend to $0.40 per share annually.

CANADA AND USA DELIVER CONSISTENCY AND EXCITING EXPLORATION SUCCESS

Red Lake continues to be a cornerstone mine in Goldcorp's portfolio. The team significantly exceeded our production guidance of 675,000 ounces, producing over 700,000 ounces and also delivered strong exploration results in the High Grade Zone. At Musselwhite, the discovery of a new, higher grade deposit called the Lynx zone was exciting news. Porcupine had good exploration results and work continues on the Hoyle Pond underground to help us better access new areas that will extend the mine life there.

MEXICO AND CENTRAL AMERICAN PERFORMANCE HIGHLIGHT DEPTH IN MANAGEMENT TEAM

The key operational success in Mexico was the start of commercial production and smooth ramp-up at Peñasquito, illustrating the depth of talent in our team responsible for building this huge operation. We expect gold production at Peñasquito to increase to 350,000 ounces in 2011. Silver production is also significant from this operation, contributing almost 14 million ounces to the company's 2010 results and growing to an expected 24 million ounces in 2011.

* Non-GAAP financial measures – see pages 72–73 of the 2010 MD&A.

Los Filos matured into a seasoned performer in 2010, becoming an important linchpin of Goldcorp's gold production in Mexico. With large and growing reserves at this highly prospective land package and optimized mine planning underway, the potential exists to grow the production profile at Los Filos even further.

In Guatemala, Marlin produced its one millionth ounce of gold in April 2010, and continues to generate tremendous cash flow. We expect record gold and silver production and continued exploration success from Marlin in 2011.

UNMATCHED GROWTH PROFILE AMONGST SENIOR PRODUCERS

Goldcorp's focus on disciplined execution also describes our approach to mergers and acquisitions. During 2010, we completed a total of six transactions that significantly upgraded and simplified our overall asset portfolio. The acquisitions of Cerro Negro and El Morro established two important new operating bases in South America while filling out and extending an already substantial growth pipeline. The addition of the Camino Rojo deposit near Peñasquito provides the opportunity for a strong, low-cost supplement to Peñasquito's robust gold production profile.

Goldcorp will be developing six new mines over the next five years, driving growth of 60% over that period. In the near term, Pueblo Viejo in the Dominican Republic, in which Goldcorp has a 40% stake, is expected to reach first production by the beginning of 2012. The Éléonore project in Québec should begin full scale construction this year and will be one of the largest gold mining operations in Canada. A recently completed pre-feasibility study update calls for robust, low-cost gold production. It is expected to average more than 600,000 ounces of gold production annually over an approximate 15-year mine life with life-of-mine cash costs expected to be below $400 per ounce. Goldcorp also recently completed a scoping study for the Cochenour gold project in Ontario, confirming the strong economics of a plan to develop the Bruce Channel deposit as an important source of supplemental gold production at Red Lake. The study anticipates an approximate 20-year mine life with expected production start-up at Cochenour in 2014.

RESERVE GROWTH, AGAIN

Goldcorp's track record of increasing reserves has been extended to a seventh consecutive year, with an increase in proven and probable gold reserves of 23% to 60.1 million ounces. Measured and indicated gold resources also increased by 13% to 25.7 million ounces in 2010. These results by our exploration team underscore the continued success of Goldcorp's strategy to complement organic growth in our existing districts with disciplined acquisitions.

FOCUS ON SAFETY AND SUSTAINABLE PROSPERITY

Goldcorp is committed to responsible mining and sustainable prosperity for all our stakeholders and our focus on corporate social responsibility programs throughout the organization continued during the year. We saw improvement in overall safety performance for the fourth consecutive year. We also completed the certification of all our nominated sites under the International Cyanide Management Code late in the year. We were gratified to see these and many other accomplishments recognized as Goldcorp was added to the Dow Jones Sustainability Index for North America.

LOOKING FORWARD

Goldcorp presents a unique value proposition among the world's gold companies. We provide both strong current cash flow driven by the lowest cash costs in the business and growth in gold production of 60% over the next five years. This unique status is evident in the numbers: we ended 2010 with both the highest dividend payout ratio and the best growth profile among the senior gold companies.

With a strong foundation going into 2011, we expect to increase gold production to between 2.65 and 2.75 million ounces at cash costs between $280 and $320 per ounce on a by-product basis and between $475 to $500 per ounce on a co-product basis.

With stable, low-cost and growing production from our existing mines and continued success in advancing our growth pipeline, we are optimistic that we will see a period of sustained high performance for Goldcorp in 2011 and beyond. We look forward to sharing that success with all of you in the year ahead.

I would like to thank Goldcorp's more than 11,500 employees and contractors for their dedication and commitment to excellence. I also wish to extend my appreciation to our Board of Directors. Their valued guidance and support have helped Goldcorp achieve another year of outstanding performance.

CHUCK JEANNES
President and Chief Executive Officer

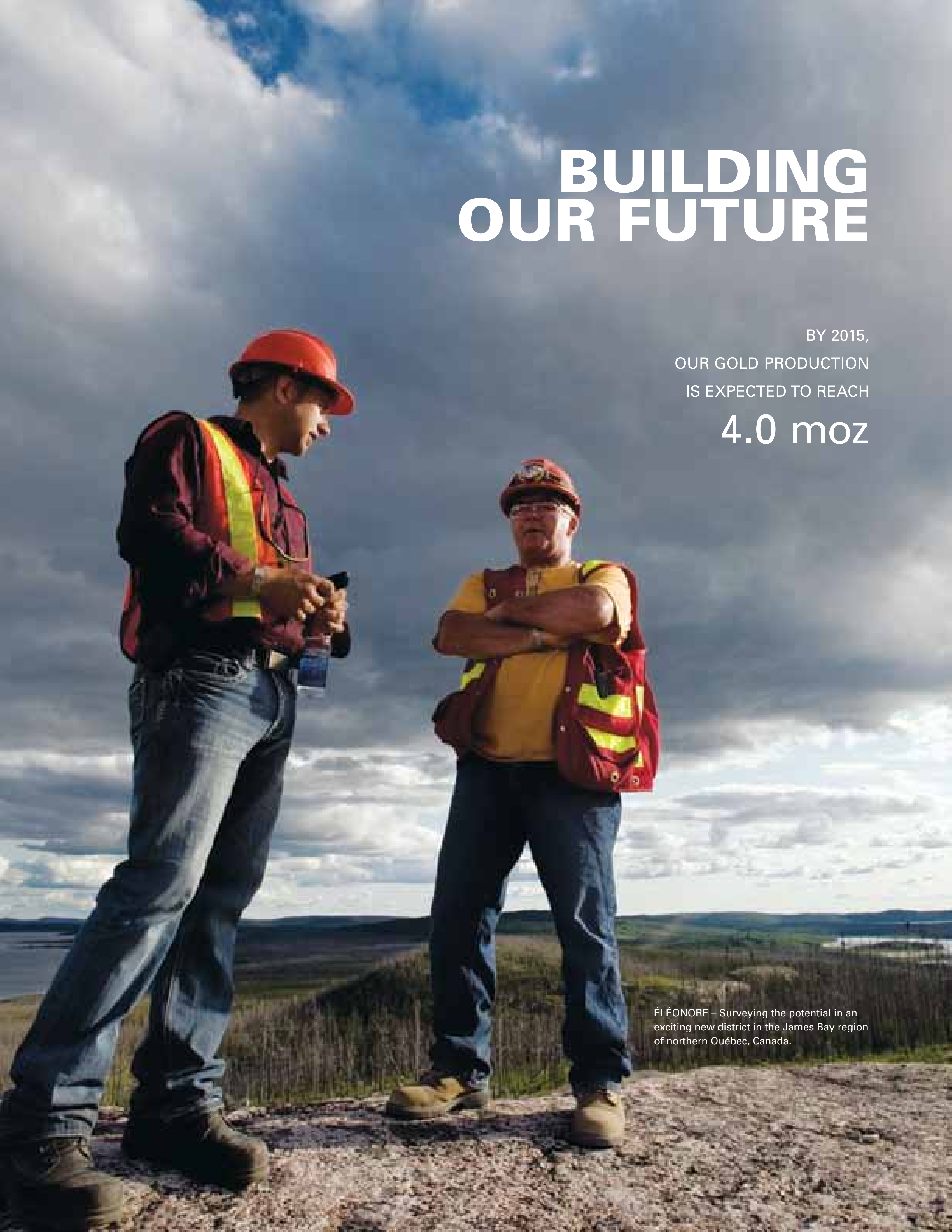
SCORECARD

Target met Target partially met Target missed

	2010 TARGET	PROGRESS	2010 ACHIEVEMENT	2011 TARGET
Operational Performance				
Gold production (oz)	2.6 million		Record production of 2.52 million, within 1% of target	2.65–2.75 million
Cash cost/oz (by-product)	$350		$274	$280–$320
Reserve replacement	>48.75 million ounces (represents 2009 year end reserves)		Reserves grew 23% in 2010 to 60.1 million ounces	Ongoing exploration success, following seven consecutive years of reserve growth
Complete construction of Peñasquito	On-time start of commercial production; smooth ramp-up		Peñasquito produced 168,200 ounces; now positioned to generate strong cash flow in 2011 and well into the next decade	Gold production of 350,000 ounces
Strategic Initiatives				
Financing and liquidity	Accelerate cash flow and earnings; maintain strong balance sheet		Cash flow increased 45% from 2009 and adjusted earnings increased 72% from 2009. Strong balance sheet was maintained	Accelerate cash flow and earnings; maintain strong balance sheet
Relative total shareholder returns	Outperform the gold price		The return on Goldcorp shares was 13.5%; the return on the gold price was 29.5%	Outperform the gold price
Dividend policy	Increase monthly dividends		Doubled dividend to US$0.03/month	Revisit dividend policy annually
Business development	Improve asset mix to ensure long-term growth		Executed disciplined acquisition strategy with acquisition of three new projects (Cerro Negro, El Morro (70%) and Camino Rojo); divested non-core assets	Focus on earlier stage exploration and development projects
Sustainability Performance				
Environment	Achieve Cyanide Management Code certification at Los Filos, Porcupine and Red Lake		All three targeted mines achieved certification; all nominated properties are now certified	
Sustainability	Bring greater awareness to Goldcorp's commitment to sustainable prosperity		Added to Dow Jones Sustainability Index	

BUILDING OUR FUTURE

BY 2015,
OUR GOLD PRODUCTION
IS EXPECTED TO REACH
4.0 moz



ÉLÉONORE – Surveying the potential in an exciting new district in the James Bay region of northern Québec, Canada.

IN 2010, WE PRODUCED A RECORD

2.52 moz

OF GOLD AT A VERY LOW TOTAL CASH COST OF $274 PER OUNCE

"Over the past few years we've successfully built our operating processes around the need to continually grow the six key pillars of our business: People; Safety; Partnerships; Margins; Reserves; and Production. We simultaneously brought Peñasquito through construction and into production. Going forward, we'll continue with the same level of discipline to building multiple projects in parallel, while also ensuring our existing operations are doing things better and smarter – what we call 'Operating for Excellence.'"

STEVE REID
Executive Vice President
and Chief Operating Officer

Goldcorp closed 2010 in an enviable position. We are well positioned to grow gold production by 60% over the next five years. We remain the industry's lowest-cost, fastest-growing senior gold producer and expect our costs to decrease even further in coming years. Our exploration team has again succeeded in discovering new gold reserves to more than replace the ore that we mined during the year – a critical measure of sustainable growth, which we have achieved for seven consecutive years.

We begin 2011 with the strongest gold asset portfolio in the Company's history. We unlocked value through the divestiture of three non-core assets: our interest in the Mt. Milligan copper-gold project, the San Dimas silver-gold mine and the Escobal silver project. The proceeds helped, in part, to fund three important acquisitions, most recently the acquisition of Cerro Negro, in Argentina, our next major development project and a future cornerstone producer. Earlier in the year, we acquired two other properties with strong potential. The El Morro project brings significant exploration potential and very strong future cash flow generation in the mining-friendly jurisdiction of Chile. The Camino Rojo deposit adds opportunity for significant resource growth and is a source of future satellite production at Peñasquito. Advancing the development of these projects, along with timely construction progress at the Éléonore and Cochenour projects in Canada, are our primary objectives for 2011.

Given our strong project pipeline and leading growth profile, we will maintain a disciplined approach to mergers and acquisitions in 2011, focusing on earlier stage exploration and development projects. We have built the foundation for a solid future, for continued sustainable prosperity for our Company and our shareholders, as well as the communities and countries in which we operate.

The year's most significant achievement was bringing the Peñasquito mine into operational production on schedule and on budget. During the year, the mine continued to meet or exceed expectations in key production metrics including concentrate grade, quality, mining rates and mill throughput. When the mine reaches full production it will overtake our own Los Filos mine to become the largest gold mine in Mexico.

"At Peñasquito, we started from scratch, in a fairly remote part of Mexico. It was like building a city. We built housing, established water and electrical distribution systems, and then built the plant and supporting facilities for people to work in. Four years later, it's about to become the country's largest mine and one of the largest new mines in the world. We delivered a project of that scope, on schedule, and on budget – we're all pretty proud of that."

BARRY OLSON
Senior Vice President
Project Development

Peñasquito, a 100%-owned Goldcorp operation, is located in the state of Zacatecas, Mexico, a historic mining region. Peñasquito is a world-class deposit, located on flat topography and conveniently located close to road transportation and power, with skilled labour and smelters available. The mine will consist of two open pits, Peñasco and Chile Colorado, where we are extracting gold, silver, lead and zinc.

Since declaring commercial production on September 1, 2010, the mill throughput for the last four months of 2010 averaged more than 70,000 tonnes per day, with peaks reaching 105,000 tonnes. The mine produced a total of 168,200 ounces of gold at negative cash costs, thanks to silver, zinc and lead by-product credits. The operation is on schedule to increase its daily throughput to 130,000 tonnes in early 2011, with full production for the year forecast at 350,000 ounces of gold, at extremely low cash costs per ounce.

Over its 22-year mine life, Peñasquito is expected to produce an annual average of 500,000 ounces of gold, 28 million ounces of silver, 450 million pounds of zinc and 200 million pounds of lead.

With the successful ramp-up proceeding, our focus in 2011 will turn to the development of nearby satellite projects Camino Rojo and Noche Buena and on further exploration of high-grade manto zones below and adjacent to the pits. Assay results to date have demonstrated significant potential for concurrent, high-grade production from mantos below the current pits, later in the life of the mine.

PEÑASQUITO
ENGINE OF GROWTH

THE MINE'S OPERATIONS ARE STEADILY PROGRESSING TOWARD HIGHER-GRADE ORE, WHICH WILL INCREASE ITS CONTRIBUTION TO GOLDCORP'S FUTURE.

OUR CANADIAN MINES, LED BY RED LAKE, THE WORLD'S RICHEST GOLD MINE, HAVE BEEN A CRITICAL ELEMENT OF THE COMPANY'S SUCCESS OVER THE LAST DECADE, FIRMLY ESTABLISHING GOLDCORP AS **THE LARGEST PRODUCER OF GOLD IN CANADA.**

CANADIAN CORNERSTONES

LONGER LIFE, GROWTH POTENTIAL

This past year saw significant steps forward in extending the life of all three Canadian mines.

In 2010, Porcupine and Red Lake became certified under the International Cyanide Management Code, a voluntary program developed under the auspices of the United Nations Environment Program.

RED LAKE: HIGH GRADE ZONE CONTINUES AT DEPTH

Red Lake continues to be our top gold producer, yielding over 700,000 ounces during the year. In 2010, we completed a drift connecting the two primary mining operations in the deepest part of the complex. This greatly enhances our flexibility in developing the mine's backbone, the High Grade Zone, for long-term sustainable production. Our investment began to reap dividends this year, in extending reserves in the High Grade Zone from the 49 level to the 52 level. This platform allowed additional successful exploration of the High Grade Zone above the 49 level, which will also contribute meaningfully to Red Lake's future production profile.

MUSSELWHITE: A NEW ZONE ADDS YEARS OF PRODUCTION

Musselwhite gold production during 2010 totaled 258,700 ounces. The year's highlight was the discovery of a new zone of higher-grade ore above the cornerstone PQ Deeps underground operation. The Lynx zone is located near existing underground infrastructure, creating a new source of near-term gold production with the potential to significantly enhance the economics of the production profile at Musselwhite. In 2011, plans will be accelerated for a potential new production shaft that would more efficiently access newly discovered zones as well as the existing underground working areas.

PORCUPINE: MAKING PROGRESS TOWARD NEW UNDERGROUND RESOURCES

At the Porcupine mine, which produced 265,900 ounces of gold in 2010, progress continues on the underground shaft (winze) that will allow better access to recently discovered zones in the Hoyle Pond underground operation, such as the TVZ and VAZ. Completion of the winze is expected in 2014.

"Overall, we've had tremendous success on the exploration front. In 2010, we increased our reserves by 23%, and our project pipeline should deliver exciting results in the future. To cap off a great year, we acquired Cerro Negro, a very high-quality project with significant exploration upside."

CHARLIE RONKOS
Senior Vice President
Exploration

MARLIN: NEW DISCOVERIES AND PROGRESS IN COMMUNITY RELATIONS

Production at Marlin is expected to reach a record 400,000 ounces of gold in 2011 as the final, higher grade portion of the open pit is mined. The 2010 discovery of a new bonanza grade vein – the Delmy vein – will contribute significantly to the mine's future production, and exploration will continue in 2011. In 2012, Marlin will continue as an underground operation, mining higher average grades at very low cash costs.

We are pleased to report continued progress in building strong community relationships. Implementation of the recommendations from the independent Human Rights Assessment and engagement with the Inter-American Commission on Human Rights have improved relationships with and among the Guatemalan government and local communities.

LOS FILOS: MORE GROWTH IN RESERVES

The Los Filos mine, which began production in 2007, will continue to be a major contributor to our leading growth profile. Gold production is expected to grow by 10% in 2011, reaching 335,000 ounces. New exploration continues to support the potential for significant new reserves, both in the current pit operations and from newly discovered high grade zones underground.

The mine has also emerged as a leader in safety. For the third year in a row, the Los Filos operation was recognized for its safety record, winning the Mexican Mining Chamber's Silver Helmet Safety Award. For the second year in a row, Los Filos mine retained Goldcorp's internal award for Best Overall Safety. As well, the mine was certified under the International Cyanide Management Code in August 2010.

CONTINUING EXPLORATION
DELIVERS RESULTS

CERRO NEGRO – A highly prospective land package with initial production expected in 2013.

MERE DAYS AFTER THE ACQUISITION OF CERRO NEGRO, THE GOLDCORP TEAM IS ON THE GROUND. CONSTRUCTION IS UNDERWAY AND EXPLORATION CONTINUES TO GROW THE RICH NETWORK OF NEAR SURFACE GOLD VEINS.

BUILDING THE PIPELINE

"The acquisition of Cerro Negro was triggered by Andean's discovery of three new veins last year, with the drill results clearly demonstrating both the quality and larger scale of the project. Our updated reserves and resources, along with potential for further expansion and new discoveries, indicate that Cerro Negro will be a long-life, cornerstone asset. We were also fortunate to add El Morro to our portfolio, re-establishing Goldcorp's presence in Chile, one of the world's best mining jurisdictions. Our team will continue to focus on enhancing Goldcorp's asset quality and long-term growth profile."

TIMO JAURISTO
Executive Vice President
Corporate Development

The operations team is experienced in building and operating mines safely and efficiently in many diverse locations, using a variety of mining and processing techniques. Their task is to apply proven management and operational skills to the development of several concurrent projects. **It's a challenge that they embrace.**

PUEBLO VIEJO: ENTERING COMMERCIAL PRODUCTION IN 2012

In 2012, the 40%-owned Pueblo Viejo project – which is managed by our project partner – will move into commercial production. This is our next growth driver, and will be a significant long-term contributor to the Company's production growth. In its first five full years, we expect it to produce an annual average of 415,000 to 450,000 ounces of gold.

CERRO NEGRO: OUR NEXT CORNERSTONE

The acquisition of the Cerro Negro project closed at the end of 2010, bringing with it a large, very prospective land package, ideally situated with numerous veins that lie close to the surface and are easily accessed and mineable at very low costs. The focus of our efforts in 2011 will be on growing gold reserves through aggressive exploration of existing veins and the testing of several new vein targets. With permits in hand, project development at Cerro Negro is expected to proceed quickly. Results from a new feasibility study released early in 2011 support the economics of doubling the mine's throughput to 4,000 tonnes per day. We expect to commence construction in 2011, with initial production forecast for 2013.

"The partnership is going to continue to grow in a meaningful way that adds full value to both parties, and I think that's the key."

CHIEF RODNEY MARK
Cree Nation of Wemindji

ÉLÉONORE: ADVANCING CONSTRUCTION TOWARD PRODUCTION IN 2014

The Éléonore project, located in the James Bay region of Québec, is expected to reach initial production in 2014. Construction of the hoist facilities for the initial shaft was completed in 2010, and work will accelerate in 2011. The planned exploration shaft should be near completion by the end of 2011. An updated pre-feasibility study anticipates plant throughput of 7,000 tonnes per day, contributing to an average of more than 600,000 ounces of gold production annually, over an approximate 15-year mine life.

COCHENOUR: AN UNDERGROUND CONNECTION TO RED LAKE

Construction of a five-kilometre underground drift is well underway, which will connect the Cochenour deposit to the Red Lake complex for high-speed haulage of ore to the existing Red Lake milling facilities. The drift at year end was approximately 20% complete, and will approach the halfway mark by the end of 2011. As work proceeds over the year, exploration drilling will continue from the drift to test unexplored ground at depth in the heart of the prolific Red Lake gold district. Production at Cochenour is expected to commence by late 2014.

CAMINO ROJO AND NOCHE BUENA: THE PEÑASQUITO SATELLITES

Over the year, exploration work will continue on two properties in the vicinity of the Peñasquito mine. At Camino Rojo (50 kilometres from Peñasquito), we have finalized an agreement with local communities to conduct exploration and will be advancing aggressively at this prospective deposit. At the Noche Buena project (five kilometres from Peñasquito), a scoping study confirmed the potential, with additional resources, for a satellite operation that would contribute to Peñasquito's long-term production. In 2011 drilling for additional oxide resources will continue, along with continued testing of sulphide zones.

EL MORRO: A RICH DEPOSIT IN CHILE

The El Morro project represents Goldcorp's re-entry into Chile, one of the world's great metals producing countries. We are the project's operator and hold a 70% interest. El Morro is an advanced stage copper-gold project, with total proven and probable reserves of 8.2 million ounces of gold and 6.1 billion pounds of copper with an additional 4.4 million ounces of gold and 2.1 billion pounds of copper in the inferred resource category. The Environmental Impact Statement was approved March 14, 2011, representing a significant step toward initial production in 2015.

BUILDING THE PIPELINE

SCOPING

PEÑASQUITO UNDERGROUND (+5 YEARS)

RED LAKE OPEN PIT (+5 YEARS)

NOCHE BUENA (+5 YEARS)

CERRO BLANCO (+5 YEARS)

FEASIBILITY

EL MORRO (2015)

CAMINO ROJO (2014)

CONSTRUCTION

ÉLÉONORE (2014)

COCHENOUR (2014)

CERRO NEGRO (2013)

PUEBLO VIEJO (2012)

PRODUCTION

PEÑASQUITO (2010)

LOS FILOS (2008)

MARLIN (2006)

RED LAKE AND OTHER OPERATING MINES

WOMEN AT ANÁHUAC, MEXICO, TAKE COURSES OFFERED BY GOLDCORP, LEARNING TO CARVE MESQUITE WOOD INTO SALEABLE WORKS OF ART AND EARN LIFE-ENHANCING FAMILY INCOME.

BUILDING SUSTAINABLE PROSPERITY

At Goldcorp, we are guided by the principle of sustainable prosperity, which means conducting our business in a way that ensures lasting social progress and economic growth for individuals, families, communities, partners and the future of our Company.

When someone comes to work in one of our mines, that job creates a ripple of employment throughout the community. Teachers, farmers, grocers, bus drivers and others benefit from the prosperity that we bring.

"Here in Peñasquito...there is a path to progress that will benefit everyone, and of course Mexican families that so need opportunities for progress."

FELIPE CALDERÓN
President of Mexico

We seek continuous growth and improvement in all areas of our business – from our efforts to protect the environment and enhance socio-economic development to developing the skills and careers of our employees.

Being a responsible member of all communities in which we operate is a critical element of our business mandate. A continued and conscientious approach to corporate citizenship and responsibility is essential to maintaining long-term working relationships. We strive to do more than simply treat local communities with respect – we treat them as partners in a shared future, in which we all benefit economically, socially and culturally.

This attitude is exemplified by the recent finalization of the Collaboration Agreement with the Cree Nation of Wemindji, the Grand Council of the Crees and the Cree Regional Authority in the region of our Éléonore project in northern Québec. Through this agreement, which was completed through partnership-building and extensive discussions, we have established shared responsibilities in critical issues of environmental stewardship, community development, local employment, and small business development. We hope to use this agreement as a template for similar collaborations with indigenous communities.

The contributions that we make to local communities are significant: In 2009, Goldcorp invested in excess of $364 million in various community, industry and infrastructure initiatives intended to strengthen partnerships and extend sustainable prosperity as broadly as possible. In 2010, we continued that commitment with similar contributions.

CORPORATE SOCIAL RESPONSIBILITY

"RESPONSIBLE, RESPECTED AND WELCOMED"

"Our new policies for corporate social responsibility and human rights are more than bureaucratic documents; they are statements of our vision. Just as we have environmental and safety policies, these form the tenets of the Goldcorp culture that carry through every office and every operation."

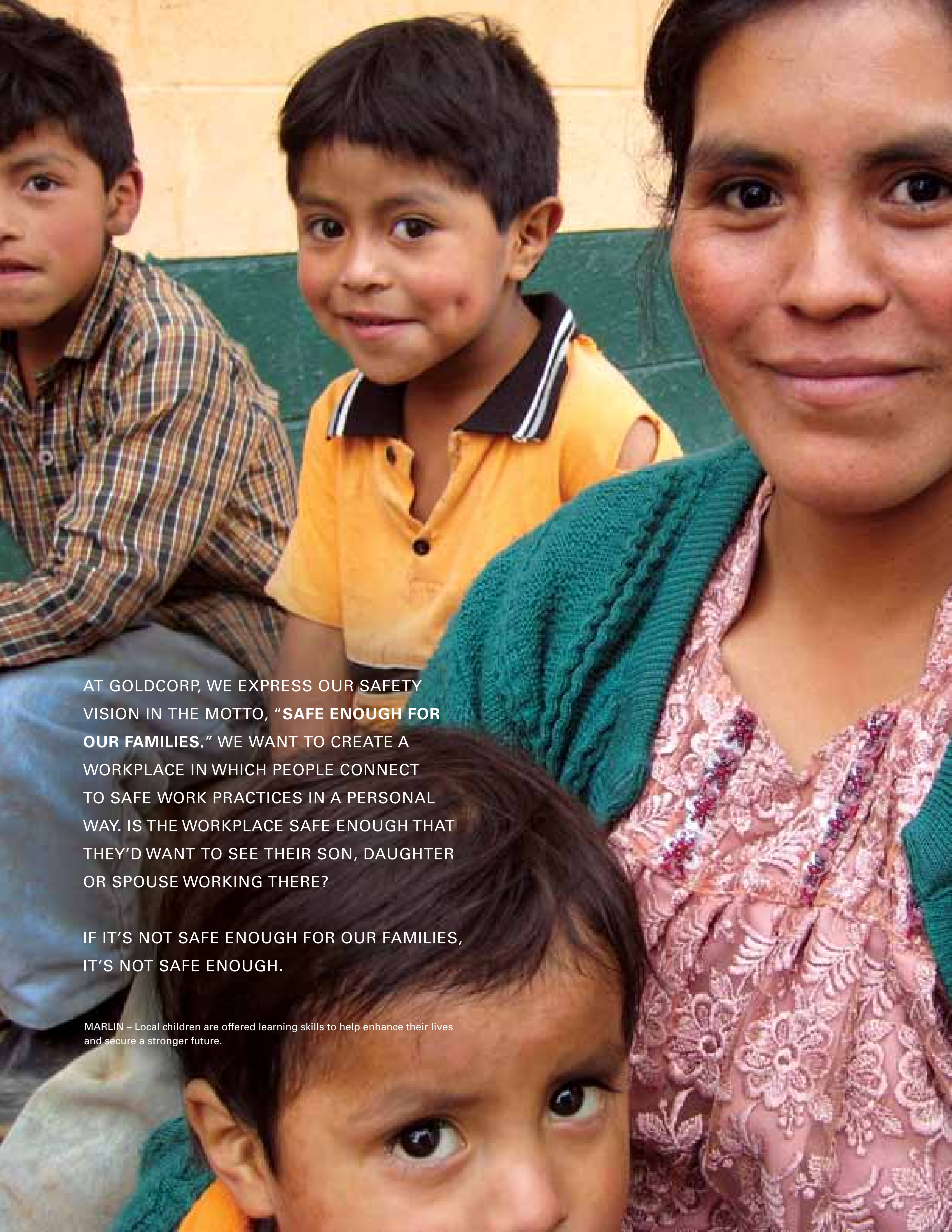
DINA ALOI
Vice President
Corporate Social Responsibility

Community and corporate social responsibility (CSR) is nothing new for Goldcorp. We've been doing it for years. What was new in 2010 was a company-wide consolidation of our approach. Under Dina Aloi, our Vice President of Corporate Social Responsibility, the CSR team worked to build an organization and establish a common framework, providing a CSR vision that is core to our strategy: "responsible, respected and welcomed."

These efforts were acknowledged in the Board of Director's approval of corporate policies for human rights and corporate social responsibility. These policies standardize a series of best practices to help the Company manage community relations in ways that are more consistent, more collaborative and more effective. Over time, they will grow to become part of the fabric of the Company.

In May 2010, an independent Human Rights Assessment presented the results of 18 months of research at the Marlin mine. Goldcorp has publicly committed to consider each recommendation carefully. To date, 63 of the 67 recommendations are fully implemented or underway.

ON THE MARLIN PROPERTY, GOLDCORP HAS BUILT AGRICULTURAL PROJECTS THAT DEMONSTRATE FISH, CHICKEN AND HOG FARMING, AMONG OTHERS. THE OBJECTIVE IS TO SHOW FARMERS NEW TECHNIQUES AND TO ENCOURAGE "GREEN" PRINCIPLES.



AT GOLDCORP, WE EXPRESS OUR SAFETY VISION IN THE MOTTO, "**SAFE ENOUGH FOR OUR FAMILIES.**" WE WANT TO CREATE A WORKPLACE IN WHICH PEOPLE CONNECT TO SAFE WORK PRACTICES IN A PERSONAL WAY. IS THE WORKPLACE SAFE ENOUGH THAT THEY'D WANT TO SEE THEIR SON, DAUGHTER OR SPOUSE WORKING THERE?

IF IT'S NOT SAFE ENOUGH FOR OUR FAMILIES, IT'S NOT SAFE ENOUGH.

MARLIN – Local children are offered learning skills to help enhance their lives and secure a stronger future.

"The fact that we were named to the Dow Jones Sustainability Index is a confirmation that we're getting it right. However, our key performance indicator isn't the Index, it's that the communities where we work are better off. With mutually beneficial, respectful relationships, we serve our key business objective, which is to be welcomed into a community to mine gold."

DAVID DEISLEY
Executive Vice President
Corporate Affairs and General Counsel

TAKING OUR PLACE AMONG THE LEADERS

As the youngest senior mining company in Canada, we are proud to take our place among the industry's leaders in responsible mining practices. We began the year as new members of the UN Global Compact and the International Council on Mining and Metals (ICMM). In 2010, we signed onto the Extractive Industries Transparency Initiative (EITI), which supports greater accountability and transparency in operations and has strict disclosure guidelines. We have been in dialogue with respected international NGOs on critical issues such as human rights, poverty reduction, education, health and sustainable community development, and over the coming year, we plan to advance our negotiations and formalize relationships with a number of them.

In 2011, much emphasis will be placed on the Millennium Development goals, which involve baseline measurements of such essentials as community-wide levels of poverty, employment, livelihood, education and health. With baseline data to guide us, we will be able to accurately measure our impacts and refine our activities to ensure that we continue to act as a positive force, both economically and socially.

GOLDCORP HAS SET A NEW STANDARD FOR DISCLOSURE AND TRANSPARENCY

"Human rights impact assessments are a new tool for companies seeking to ensure their operations respect international human rights standards. We believe this report sets the bar. Not only does Goldcorp deserve full credit for taking this on but also for agreeing to release the full content of the report – the first time this has ever been done."

– Bob Walker, Vice President, Sustainability for Ethical Funds (a division of Northwest & Ethical Investments L.P.) quoted in a press release about Goldcorp's Human Rights Assessment of the Marlin mine.

CORPORATE GOVERNANCE

At Goldcorp, we strive to earn the confidence and trust of all our stakeholders by maintaining the highest standards of integrity, responsibility and transparency. This requires the effort and commitment of every employee.

The Board of Directors and the Corporate Governance and Nominating Committee monitor the evolution of applicable legislation and policies related to governance and practices. It is important that we ensure our internal processes reflect the latest national and industry standards.

We take pride in the open dialogue that we maintain with our shareholders, and feel that our policies for transparency and open communication exceed the norm, and reflect the industry's best practices.

A highlight of 2010 was the publication of a new, plain-language Code of Conduct, titled *Ethics from the Ground Up*. While its principles are unchanged, the new Code is far easier to understand and will provide clear guidance to all employees in every country in which we operate. As Goldcorp expands its operations and moves into new regions and countries, we consider it essential to clearly communicate a single, company-wide policy.

"As we grow into new areas and new countries, we must be sensitive to the different cultures and business practices that we will encounter. It is important for us, as a Canadian company, to do our best to ensure that we treat everyone, in every country, the same way that we would if they were here in Canada, while respecting the cultural differences that may be present."

ANNA TUDELA
Vice President
Regulatory Compliance and Corporate Secretary

BOARD OF DIRECTORS

1. IAN W. TELFER
Chairman of the Board, Director since February 2005; ***Areas of expertise:*** Mergers & Acquisitions; Finance

2. DOUGLAS M. HOLTBY
Independent Director, Vice Chairman of the Board and Lead Director, President and Chief Executive Officer of three private investment companies, Director since February 2005; ***Areas of expertise:*** Accounting; Consulting & Private Equity

3. CHARLES A. JEANNES
President and Chief Executive Officer, Director since May 2009; ***Areas of expertise:*** Mergers & Acquisitions; Mining & Exploration Law

4. JOHN P. BELL
Independent Director, Director since February 2005; ***Areas of expertise:*** Environment, Safety & Sustainability; Social, Economic & Foreign Policy

5. LAWRENCE I. BELL
Independent Director, Director since February 2005; ***Areas of expertise:*** Accounting; Energy; Environment, Safety & Sustainability

6. BEVERLEY A. BRISCOE
Independent Director, President of Briscoe Management Limited, Director since April 2006; ***Areas of expertise:*** Accounting; Finance

7. PETER J. DEY
Independent Director, Chairman of Paradigm Capital Inc., Director since June 2006; ***Areas of expertise:*** Financing; Governance; Mergers & Acquisitions

8. P. RANDY REIFEL
Independent Director, President of Chesapeake Gold Corp., Director since November 2006; ***Areas of expertise:*** Mineral Exploration; Mergers & Acquisitions

9. A. DAN ROVIG
Independent Director, Independent Consultant, Director since November 2006; ***Areas of expertise:*** Mining, Metallurgy & Exploration; Governance

10. KENNETH F. WILLIAMSON
Independent Director, Independent Consultant, Director since November 2006; ***Areas of expertise:*** Financing; Mergers & Acquisitions

GOLDCORP MINEABLE RESERVES

(as at December 31, 2010)		PROVEN			PROBABLE			PROVEN & PROBABLE		
	Ownership	Tonnage	Grade	Contained	Tonnage	Grade	Contained	Tonnage	Grade	Contained
GOLD		mt	g Au/t	moz	mt	g Au/t	moz	mt	g Au/t	moz
Alumbrera	37.5%	103.88	0.39	1.30	2.63	0.28	0.02	106.50	0.39	1.33
Camino Rojo	100.0%	–	–	–	–	–	–	–	–	–
Cerro Blanco	100.0%	–	–	–	–	–	–	–	–	–
Cerro Negro	100.0%	–	–	–	7.14	9.03	2.07	7.14	9.03	2.07
Cochenour	100.0%	–	–	–	–	–	–	–	–	–
Dee	40.0%	–	–	–	16.55	1.74	0.93	16.55	1.74	0.93
El Morro	70.0%	168.01	0.59	3.18	203.77	0.39	2.54	371.79	0.48	5.72
El Sauzal	100.0%	2.26	1.30	0.09	3.53	1.59	0.18	5.79	1.48	0.27
Éléonore	100.0%	–	–	–	12.48	7.56	3.03	12.48	7.56	3.03
Los Filos	100.0%	62.70	0.72	1.45	185.90	0.67	4.03	248.60	0.68	5.47
Marigold	66.7%	16.96	0.64	0.35	69.85	0.53	1.20	86.81	0.56	1.55
Marlin	100.0%	4.58	5.08	0.75	4.63	5.25	0.78	9.21	5.17	1.53
Musselwhite	100.0%	4.12	6.01	0.80	6.42	6.39	1.32	10.54	6.24	2.12
Noche Buena	100.0%	–	–	–	–	–	–	–	–	–
Peñasquito Heap Leach	100.0%	18.69	0.23	0.14	49.11	0.17	0.26	67.80	0.18	0.40
Peñasquito Mill	100.0%	719.99	0.51	11.88	701.42	0.28	6.29	1,421.41	0.40	18.17
Porcupine	100.0%	28.30	1.37	1.24	48.29	1.32	2.04	76.59	1.33	3.29
Pueblo Viejo	40.0%	5.36	3.32	0.57	96.50	2.87	8.89	101.86	2.89	9.46
Red Lake	100.0%	2.08	16.54	1.10	7.86	11.92	3.01	9.93	12.89	4.12
San Nicolas	21.0%	–	–	–	–	–	–	–	–	–
Wharf	100.0%	13.86	0.85	0.38	7.80	0.91	0.23	21.66	0.87	0.60
Totals				**23.23**			**36.83**			**60.06**
SILVER		mt	g Ag/t	moz	mt	g Ag/t	moz	mt	g Ag/t	moz
Camino Rojo	100.0%	–	–	–	–	–	–	–	–	–
Cerro Blanco	100.0%	–	–	–	–	–	–	–	–	–
Cerro Negro	100.0%	–	–	–	7.14	89.3	20.50	7.14	89.3	20.50
Dee	40.0%	–	–	–	16.55	8.3	4.39	16.55	8.3	4.39
Los Filos	100.0%	62.70	4.4	8.87	185.90	5.4	32.11	248.60	5.1	40.97
Marlin	100.0%	4.58	137.0	20.16	4.63	269.4	40.13	9.21	203.6	60.29
Noche Buena	100.0%	–	–	–	–	–	–	–	–	–
Peñasquito Heap Leach	100.0%	18.69	20.1	12.07	49.11	15.5	24.48	67.80	16.8	36.55
Peñasquito Mill	100.0%	719.99	27.0	625.69	701.42	19.6	443.03	1,421.41	23.4	1,068.72
Pueblo Viejo	40.0%	5.36	21.9	3.78	96.50	17.8	55.14	101.86	18.0	58.92
San Nicolas	21.0%	–	–	–	–	–	–	–	–	–
Wharf	100.0%	13.86	5.5	2.47	7.80	4.5	1.13	21.66	5.2	3.60
Totals				**673.0**			**620.9**			**1,293.9**
COPPER		mt	% Cu	mlbs Cu	mt	% Cu	mlbs Cu	mt	% Cu	mlbs Cu
Alumbrera	37.5%	103.88	0.39%	893	2.63	0.32%	19	106.50	0.39%	912
El Morro	70.0%	168.01	0.57%	2,108	203.77	0.48%	2,174	371.79	0.52%	4,282
Pueblo Viejo	40.0%	5.36	0.12%	14	96.50	0.09%	199	101.86	0.09%	213
San Nicolas	21.0%	–	0.00%	–	–	0.00%	–	–	0.00%	–
Totals				**3,015**			**2,391**			**5,406**
LEAD		mt	% Pb	mlbs Pb	mt	% Pb	mlbs Pb	mt	% Pb	mlbs Pb
Peñasquito Mill	100.0%	719.99	0.27%	4,303	701.42	0.19%	2,972	1,421.41	0.25%	7,275
Camino Rojo	100.0%	–	–	–	–	–	–	–	–	–
Totals				**4,303**			**2,972**			**7,275**
ZINC		mt	% Zn	mlbs Zn	mt	% Zn	mlbs Zn	mt	% Zn	mlbs Zn
Peñasquito Mill	100.0%	719.99	0.65%	10,376	701.42	0.47%	7,198	1,421.41	0.57%	17,575
Camino Rojo	100.0%	–	–	–	–	–	–	–	–	–
San Nicolas	21.0%	–	–	–	–	–	–	–	–	–
Totals				**10,376**			**7,198**			**17,575**

GOLDCORP EY10 RESERVE AND RESOURCE REPORTING NOTES:

1 All Mineral Reserves and Mineral Resources have been calculated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101, or the AusIMM JORC equivalent.

2 All Mineral Resources are reported exclusive of Mineral Reserves.

3 Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

4 Reserves and Resources are reported as of December 31, 2010, with the following conditions or exceptions:

1 Reserves and Resources for Pueblo Viejo are as per information provided by Barrick Gold Corporation.

2 Reserves and Resources for Dee are as per information provided by Barrick Gold Corporation.

3 Resources for San Nicolas are as per information provided by Teck Resources Limited (2001 Study).

5 Qualified Persons for the Mineral Reserve and Mineral Resource estimates as defined by National Instrument 43-101 are as follows:

1 Alumbrera I Julio Bruna Novillo, MAusIMM, Minera Alumbrera Ltd.

2 Cerro Negro I Steven Ristorcelli, P.Geol., Mine Dev. Assoc.

3 El Morro I Maryse Belanger, P. Geo., Sophie Bergeron, Ing. Goldcorp Inc.

4 Éléonore I Eric Chen, P. Geo., Luc Joncas, Ing., Goldcorp Inc.

5 El Sauzal I Steven Ristorcelli, P.Geol., Mine Dev. Assoc.

6 Los Filos I Guillermo Pareja, P. Geo., Goldcorp Inc., John Nilsson, P.Eng., Nilsson Mining Services.

7 Marigold I Patricia A. Maloney, P.Eng., Marigold Mining Co.

8 Marlin I Andrew Tripp, P.Eng., Marlin Mine

9 Musselwhite I Rohan Millar, P. Geo., Bob MacDonald, P.Eng., Musselwhite Mine

10 Peñasquito I Guillermo Pareja, P.Geo., Peter Nahan, P. Eng., Goldcorp Inc.

11 Porcupine I Stephen Price, P.Geo.,Imola Gotz, P.Eng., Porcupine Gold Mines

12 Pueblo Viejo I Patrick Stephenson, FAusIMM, AMC Mining Consultants (Canada) Ltd.

13 Red Lake I Chris Osiowy, P.Geo, Stephane Blais, P.Eng., Red Lake Gold Mines

14 Wharf I Ken Nelson, MMSA, Wharf Mine

GOLDCORP MINERAL RESOURCES

(as at December 31, 2010)		MEASURED			INDICATED			MEASURED & INDICATED			INFERRED		
	Ownership	Tonnage	Grade	Contained	Tonnage	Grade	Contained	Tonnage	Grade	Contained	Tonnage	Grade	Contained
GOLD		mt	g Au/t	moz	mt	g Au/t	moz	mt	g Au/t	moz	mt	g Au/t	moz
Alumbrera	37.5%	–	–	–	–	–	–	–	–	–	–	–	–
Camino Rojo	100.0%	–	–	–	163.39	0.65	3.44	163.39	0.65	3.44	31.03	0.55	0.55
Cerro Blanco	100.0%	–	–	–	2.52	15.64	1.27	2.52	15.64	1.27	1.35	15.31	0.67
Cerro Negro	100.0%	–	–	–	9.43	8.77	2.66	9.43	8.77	2.66	4.51	4.97	0.72
Cochenour	100.0%	–	–	–	–	–	–	–	–	–	7.61	11.04	2.70
Dee	40.0%	–	–	–	9.70	1.48	0.46	9.70	1.48	0.46	4.22	0.62	0.08
El Morro	70.0%	–	–	–	–	–	–	–	–	–	96.29	0.99	3.06
El Sauzal	100.0%	1.04	0.95	0.03	2.19	1.25	0.09	3.23	1.15	0.12	0.03	1.53	0.00
Éléonore	100.0%	0.14	10.01	0.04	1.23	11.05	0.44	1.36	10.95	0.48	12.25	10.60	4.17
Los Filos	100.0%	13.00	0.69	0.29	125.12	0.48	1.91	138.12	0.50	2.20	224.43	0.53	3.82
Marigold	66.7%	2.45	0.55	0.04	46.25	0.49	0.73	48.70	0.49	0.77	28.19	0.48	0.43
Marlin	100.0%	0.32	1.49	0.02	0.60	1.94	0.04	0.92	1.78	0.05	0.88	3.31	0.09
Musselwhite	100.0%	0.11	4.88	0.02	0.88	6.12	0.17	0.99	5.98	0.19	4.59	5.76	0.85
Noche Buena	100.0%	–	–	–	71.75	0.42	0.96	71.75	0.42	0.96	17.67	0.42	0.24
Peñasquito Heap Leach	100.0%	0.23	0.18	0.00	3.83	0.18	0.02	4.06	0.18	0.02	1.74	0.12	0.01
Peñasquito Mill	100.0%	32.23	0.25	0.26	248.38	0.27	2.14	280.60	0.27	2.40	40.79	0.17	0.22
Porcupine	100.0%	17.56	1.65	0.93	72.25	1.35	3.13	89.81	1.41	4.06	7.84	3.34	0.84
Pueblo Viejo	40.0%	1.63	2.04	0.11	56.92	2.01	3.68	58.55	2.01	3.78	3.14	2.20	0.22
Red Lake	100.0%	1.61	17.35	0.90	3.83	11.87	1.46	5.44	13.49	2.36	3.23	16.77	1.74
San Nicolas	21.0%	0.40	0.96	0.01	16.40	0.47	0.25	16.79	0.48	0.26	1.47	0.37	0.02
Wharf	100.0%	3.08	0.93	0.09	3.20	0.94	0.10	6.28	0.93	0.19	–	–	–
Totals				**2.74**			**22.94**			**25.68**			**20.45**
SILVER		mt	g Ag/t	moz	mt	g Ag/t	moz	mt	g Ag/t	moz	mt	g Ag/t	moz
Camino Rojo	100.0%	–	–	–	163.39	11.56	60.70	163.39	11.6	60.70	31.03	7.63	7.61
Cerro Blanco	100.0%	–	–	–	2.52	72.00	5.80	2.52	72.0	5.80	1.35	59.60	2.60
Cerro Negro	100.0%	–	–	–	9.43	61.80	18.74	9.43	61.8	18.74	4.51	32.30	4.69
Dee	40.0%	–	–	–	9.70	8.72	2.72	9.70	8.7	2.72	4.22	4.08	0.55
Los Filos	100.0%	13.00	4.01	1.68	125.12	5.43	21.85	138.12	5.3	23.53	224.43	6.04	43.57
Marlin	100.0%	0.32	86.80	0.89	0.60	74.60	1.44	0.92	78.8	2.34	0.88	193.90	5.48
Noche Buena	100.0%	–	–	–	71.75	14.06	32.44	71.75	14.1	32.44	17.67	13.92	7.91
Peñasquito Heap Leach	100.0%	0.23	11.14	0.08	3.83	15.84	1.95	4.06	15.6	2.03	1.74	14.50	0.81
Peñasquito Mill	100.0%	32.23	23.51	24.36	248.38	30.81	246.02	280.60	30.0	270.38	40.79	30.82	40.41
Pueblo Viejo	40.0%	1.63	13.47	0.71	56.92	11.74	21.48	58.55	11.8	22.18	3.14	18.14	1.83
San Nicolas	21.0%	0.40	46.54	0.59	16.40	28.59	15.07	16.79	29.0	15.66	1.47	23.83	1.13
Wharf	100.0%	3.08	5.60	0.55	3.20	5.20	0.54	6.28	5.4	1.09	–	–	–
Totals				**28.9**			**428.7**			**457.6**			**116.6**
COPPER		mt	% Cu	mlbs Cu	mt	% Cu	mlbs Cu	mt	% Cu	mlbs Cu	mt	% Cu	mlbs Cu
Alumbrera	37.5%	–	0.00%	–	–	0.00%	–	–	0.00%	–	–	0.00%	–
El Morro	70.0%	–	0.00%	–	–	0.00%	–	–	0.00%	–	96.29	0.70%	1,486
Pueblo Viejo	40.0%	1.63	0.10%	4	56.92	0.08%	103	58.55	0.08%	106	3.14	0.10%	7
San Nicolas	21.0%	0.40	0.73%	7	16.40	1.34%	485	16.79	1.33%	491	1.47	1.28%	41
Totals				**10**			**588**			**598**			**1,534**
LEAD		mt	% Pb	mlbs Pb	mt	% Pb	mlbs Pb	mt	% Pb	mlbs Pb	mt	% Pb	mlbs Pb
Peñasquito Mill	100.0%	32.23	0.27%	195	248.38	0.31%	1,690	280.60	0.30%	1,886	40.79	0.18%	165
Camino Rojo	100.0%	–	–	–	163.39	0.19%	695	163.39	0.00%	695	31.03	0.09%	65
Totals				**195**			**2,385**			**2,580**			**229**
ZINC		mt	% Zn	mlbs Zn	mt	% Zn	mlbs Zn	mt	% Zn	mlbs Zn	mt	% Zn	mlbs Zn
Peñasquito Mill	100.0%	32.23	0.67%	479	248.38	1.05%	5,769	280.60	1.01%	6,248	40.79	0.38%	346
Camino Rojo	100.0%	–	–	–	163.39	0.37%	1,339	163.39	0.37%	1,339	31.03	0.31%	215
San Nicolas	21.0%	0.40	3.60%	31	16.40	1.80%	651	16.79	1.84%	682	1.47	1.43%	47
Totals				**510**			**7,759**			**8,269**			**608**

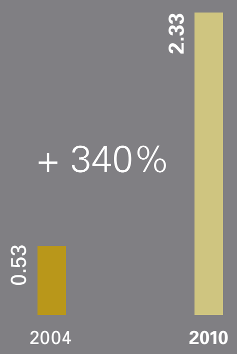
6 Mineral Reserves are estimated using appropriate recovery rates and US$ commodity prices of $950 per ounce of gold, $15 per ounce of silver, $2.00 per pound of copper, $0.70 per pound of lead, and $0.80 per pound of zinc, unless otherwise noted below:
1 Alumbrera | $1,040/oz gold and $2.80/lb copper
2 Pueblo Viejo | $975/oz gold, $15.50/oz silver, $2.00/lb copper

7 Mineral Resources are estimated using US$ commodity prices of $1,100 per ounce of gold, $17 per ounce of silver, $2.50 per pound of copper, $0.85 per pound of lead, and $0.90 per pound of zinc, unless otherwise noted below;
1 Pueblo Viejo | $1,100/oz gold, $16.50/oz silver, $2.50/lb copper
2 San Nicolas | $300/oz gold, $5.00/oz silver, $0.90/lb copper, $0.50/lb zinc

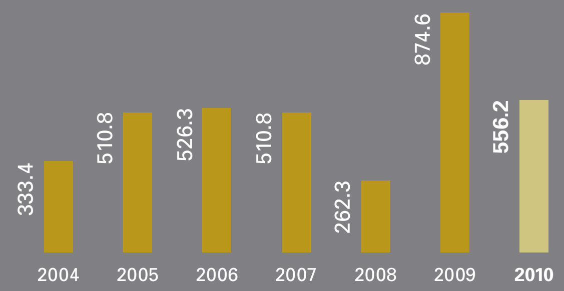
Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources: These tables use the terms "Measured", "Indicated" and "Inferred" Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

MD&A AT-A-GLANCE

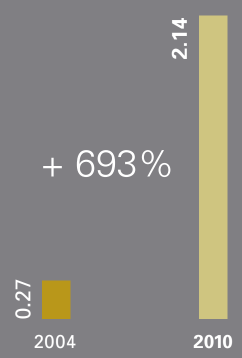
CASH FLOW PER SHARE
(US$) (before working capital changes)



YEAR-END CASH BALANCE
(US$ millions)



EARNINGS PER SHARE
(US$)



DIVIDENDS PAID TO SHAREHOLDERS
($ millions)

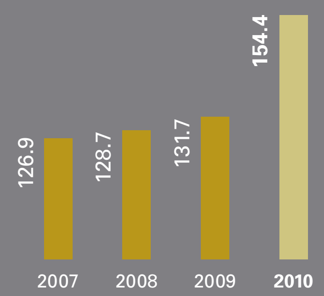
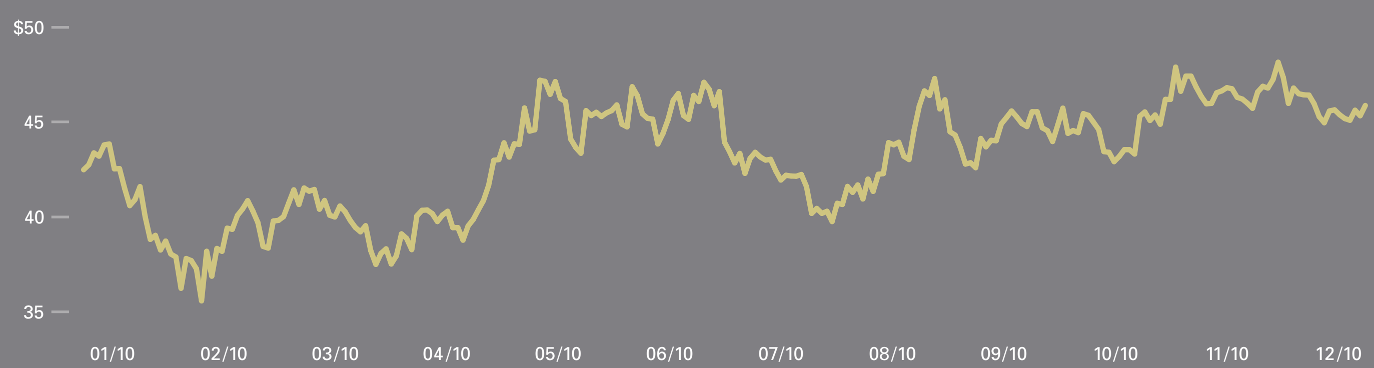


TABLE OF CONTENTS

SHARE PRICE PERFORMANCE (G.TO)



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2010

This Management's Discussion and Analysis should be read in conjunction with the audited consolidated financial statements of Goldcorp Inc. ("Goldcorp" or "the Company") for the year ended December 31, 2010 and related notes thereto which have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP" or "Canadian GAAP"). This Management's Discussion and Analysis contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. All figures are in United States dollars unless otherwise noted. References to C$ are to Canadian dollars. This Management's Discussion and Analysis has been prepared as of February 24, 2011.

2010 HIGHLIGHTS

- **Gold production of 689,600 ounces for the fourth quarter and a record 2,520,300 ounces for 2010, compared to 601,300 ounces and 2,421,300 ounces, respectively, in 2009.**
- **Total cash costs (net of by-product copper, silver, lead and zinc credits) decreased to $164 per ounce for the fourth quarter, compared to $289 per ounce in 2009, and $274 per ounce for 2010, compared to $295 per ounce in 2009. On a co-product basis, cash costs were $461 and $443 per gold ounce for the fourth quarter and 2010, respectively, compared to $422 and $391 per gold ounce, respectively, in 2009. (1)**
- **Net earnings attributable to shareholders of Goldcorp increased to $331.8 million for the fourth quarter ($0.45 per share) and $1,574.3 million ($2.14 per share) for 2010, compared to net earnings of $66.7 million ($0.09 per share) and $240.2 million ($0.33 per share), respectively, in 2009. Adjusted net earnings amounted to $417.1 million ($0.57 per share) for the fourth quarter and $1,010.5 million ($1.37 per share) for 2010, compared to $182.7 million ($0.25 per share) and $588.2 million ($0.80 per share), respectively, in 2009. (2)**
- **Operating cash flows from continuing operations increased to $676.8 million for the fourth quarter and $1,787.3 million for 2010, compared to $368.8 million and $1,275.1 million, respectively, in 2009. Operating cash flows before working capital changes increased to $646.1 million for the fourth quarter and $1,718.4 million for 2010, compared to $308.6 million and $1,184.3 million, respectively, in 2009. (3)**
- **Dividends paid increased to $154.4 million in 2010, compared to $131.7 million in 2009.**
- **On February 4, 2010, the Company completed its transaction with Canplats Resources Corporation to acquire a 100% interest in the Camino Rojo gold/silver project in Mexico.**
- **On February 16, 2010, the Company acquired a 70% interest in the El Morro gold/copper project in Chile.**
- **In April 2010, the Company and Barrick Gold Corporation, the project operator of the Pueblo Viejo gold project, finalized the terms of a $1.035 billion project financing. At year-end, $781.5 million has been drawn under the facility ($312.6 million – Goldcorp's share).**
- **During 2010, the Company divested of non-core assets, while maintaining a continuing equity interest as follows:**
    - **On June 8, 2010, the Company completed the sale of its Escobal silver project to Tahoe Resources Inc. for cash and share consideration totalling $495.5 million. Goldcorp received 47.8 million common shares, representing a 41.2% equity interest in Tahoe Resources Inc.**

  - **On August 6, 2010, the Company completed the sale of the assets and certain liabilities of the San Dimas gold/silver mines and associated agreement to sell silver produced at San Dimas to Primero Mining Corp, for cash, share and other consideration totalling $401.0 million. Goldcorp received 31.2 million common shares, representing a 36% equity interest in Primero Mining Corp.**

- **On September 1, 2010, Peñasquito completed commissioning and achieved commercial production.**
- **On October 20, 2010, the Company completed the sale of its remaining 58.1% interest in Terrane Metals Corp. to Thompson Creek Metals Inc. for cash and share consideration totalling $390.5 million. Goldcorp received 13.9 million common shares, representing an approximate 8% equity interest in Thompson Creek Metals Inc.**
- **On December 29, 2010, the Company acquired all of the outstanding shares of Andean Resources Limited.**

(1) The Company has included non-GAAP performance measures, total cash costs, by-product and co-product, per gold ounce, throughout this document. The Company reports total cash costs on a sales basis. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The Company follows the recommendations of the Gold Institute Production Cost Standard. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Total cash costs on a by-product basis are calculated by deducting by-product copper, silver, lead and zinc sales revenues from operating cash costs. Total cash costs on a co-product basis are calculated by allocating operating cash costs separately to metals using a ratio of revenues from metals as a proportion of total revenues. Total cash costs have been presented excluding San Martin, which commenced reclamation activities in October 2007. Refer to page 72 for a reconciliation of total cash costs to reported operating expenses.

(2) Adjusted net earnings and adjusted net earnings per share are non-GAAP performance measures. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, the Company and certain investors use this information to evaluate the Company's performance. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Refer to page 73 for a reconciliation of adjusted net earnings to reported net earnings attributable to shareholders of Goldcorp.

(3) Operating cash flows before working capital changes is a non-GAAP measure which the Company believes provides a better indicator of the Company's ability to generate cash flows from its mining operations.

OVERVIEW

Goldcorp Inc. ("Goldcorp" or "the Company") is a leading gold producer engaged in the operation, exploration, development and acquisition of precious metal properties in Canada, the United States, Mexico and Central and South America. The Company's current sources of operating cash flows are primarily from the sale of gold, copper, silver, lead and zinc.

At December 31, 2010, the Company's producing mining properties were comprised of the Red Lake, Porcupine and Musselwhite gold mines in Canada; the Peñasquito gold/silver/lead/zinc mine which was commissioned on September 1, 2010, Los Filos and El Sauzal gold mines in Mexico; the Marlin gold/silver mine in Guatemala; the Alumbrera gold/copper mine (37.5% interest) in Argentina; and the Marigold (66.7% interest) and Wharf gold mines in the United States.

At December 31, 2010, the Company's significant development projects include the Cochenour, Éléonore and Hollinger gold projects in Canada; the Cerro Negro gold project in Argentina; the Pueblo Viejo gold project (40% interest) in the Dominican Republic; the Noche Buena and Camino Rojo gold/silver projects in Mexico; the El Morro gold/copper project (70% interest) in Chile and the Cerro Blanco gold/silver project in Guatemala. Goldcorp also owns a 41.2% equity interest in Tahoe Resources Inc. ("Tahoe"), a publicly traded company engaged in silver exploration and development, including the Escobal silver project in Guatemala, and a 36% equity interest in Primero Mining Corp. ("Primero"), a publicly traded company engaged in acquiring and developing precious metal resource properties, including the San Dimas gold/silver mines in Mexico.

Goldcorp is one of the world's lowest cost and fastest growing senior gold producers with operations throughout the Americas. Goldcorp's strategy is to provide its shareholders with superior returns from high quality assets. Goldcorp has a strong balance sheet. Its gold production is located in safe jurisdictions in the Americas and remains 100% unhedged.

Goldcorp is listed on the New York Stock Exchange (symbol: GG) and the Toronto Stock Exchange (symbol: G). In addition, the Company has share purchase warrants which trade on the New York and Toronto Stock Exchanges.

As the global economy emerged from recession in 2010, the commodities market continued to be attractive to investors. The continued concerns over the European debt crisis, poor US economic indicators and the slow recovery of the global economy pushed gold prices to a new record high in excess of $1,400 per ounce. During the fourth quarter of 2010 and the year ended December 31, 2010, the Company realized an average gold price of $1,378 and $1,240 per ounce, respectively, an increase of 24% and 27% compared to the fourth quarter of 2009 and the year ended December 31, 2009, respectively. As compared to the year ended December 31, 2009, Goldcorp experienced average realized price increases of 114% and 20% for silver and copper, respectively.

Gold production was 16% higher during the fourth quarter of 2010, compared to the third quarter of 2010, mainly due to record production at Marlin and Los Filos. Costs of operations increased by 49% compared to the prior quarter mainly due to the full quarter of operations at Peñasquito, higher YMAD net proceeds payments and export retention taxes paid in Alumbrera, and higher gold, copper, silver, lead and zinc sales volumes.

On September 1, 2010, Peñasquito completed commissioning and achieved commercial production. Effective September 1, 2010, proceeds from sales of metal concentrates and metals from the ancillary heap leach operation have been recognized as revenues with expenditures during production recognized as expenses. Gold production at Peñasquito totalled 168,200 ounces which consist of 89,800 ounces from sulphide ore and 78,400 ounces from heap leaching of the oxide ore cap for the year ended December 31, 2010. 2010 gold production was slightly lower than planned mainly due to the repositioning of the magnets designed to capture grinding media during the commissioning of the high-pressure grinding roll in the fourth quarter. Peñasquito processing remains on target to reach the full 130,000 tonnes per day capacity by the end of the first quarter of 2011.

CORPORATE DEVELOPMENT ACTIVITIES – ACQUISITIONS, DIVESTITURES, FINANCINGS

Disposition of interest in Osisko Mining Corporation ("Osisko")

On February 8, 2011, the Company disposed of its 10.1% equity interest, consisting of approximately 38.6 million common shares, in Osisko to a syndicate of underwriters at a price of C$13.75 per common share held. The Company received gross cash proceeds of $535.0 million resulting in an estimated gain on the date of disposition of $320.0 million.

At December 31, 2010, the Company's 10.1% equity interest in Osisko was classified as an available-for-sale portfolio investment measured at fair value.

During the year ended December 31, 2010, the Company completed the following significant transactions:

Acquisition of Andean Resources Limited ("Andean")

On December 29, 2010, the Company's scheme of arrangement involving Andean and its shareholders ("the Arrangement") was implemented and as a result, Goldcorp acquired all of the outstanding shares of Andean. Under the terms of the Arrangement, each common share of Andean was exchangeable for 0.14 common share of Goldcorp or a cash payment of C$6.50 per common share. The holders of the Andean common shares had the option to elect to receive cash or common shares or any combination of cash and common shares, subject to an aggregate maximum cash consideration of $974.8 million. Based on election results of the former Andean shareholders, the total purchase price for the acquisition amounted to $3.6 billion, comprising of 61.1 million in common shares of Goldcorp and $766.3 million in cash. The value of the common shares issued was measured based on the closing market price of Goldcorp's shares trading on the Toronto Stock exchange on December 29, 2010, the acquisition date, of $45.62 per common share.

Andean's principal mining property is its 100% indirectly owned Cerro Negro gold project ("the Cerro Negro project"), an advanced-stage, high-grade vein system located in the Santa Cruz province of Argentina. The transaction was accounted for as a business combination with the Cerro Negro project being considered a separate reporting unit and operating segment.

Disposition of interest in Terrane Metals Corp. ("Terrane")

On April 16, 2010, Terrane completed a bought-deal financing agreement with a syndicate of underwriters which resulted in a decrease of Goldcorp's interest in Terrane to 58.2% (fully-diluted basis – 52.4%).

On October 20, 2010, the Company completed the sale of its remaining 58.1% controlling interest (fully-diluted basis – 52.4%) in Terrane to Thompson Creek Metals Inc. ("Thompson Creek"). The Company received $235.9 million in cash and 13.9 million common shares of Thompson Creek with a total fair value of $153.7 million, representing approximately 8% of the issued and outstanding common shares (fully-diluted basis – 7%) of Thompson Creek. The Company has accounted for its 8% equity interest in Thompson Creek as an available-for-sale portfolio investment measured at fair value at the end of each period. The Company recognized a gain of $259.1 million ($205.3 million after tax) net of selling costs of $2.8 million, on the disposition of Terrane.

The results of Terrane have been reported as a discontinued operation and presented separately in the consolidated statements of earnings for both the current and prior periods presented.

Disposition of San Dimas mines and the associated silver purchase agreement with Silver Wheaton Corp. ("Silver Wheaton")

On August 6, 2010, the Company disposed of the assets and liabilities relating to the San Dimas mines (the "San Dimas Assets"), excluding certain non-operational assets, to Primero. In connection with the sale of the San Dimas Assets, Primero assumed the Company's obligation to sell to Silver Wheaton, and Silver Wheaton agreed to purchase from Primero, silver produced from the San Dimas mines at a fixed price per ounce ("the Silver Wheaton Silver Purchase Agreement"). In exchange, the Company received $213.6 million cash, $159.2 million in common shares of Primero valued as of August 6, 2010, representing a 36% interest in Primero, a $50 million promissory note receivable over five years bearing interest at 6% per annum, a $60.0 million convertible promissory note receivable ("Primero convertible note") with a term of one year bearing interest at 3% per annum, and a $4.0 million working capital adjustment receivable. The Company recognized a gain of $373.2 million before tax ($407.9 million after tax, including a future income tax recovery of $180.3 million and current income tax expense of $145.6 million), net of selling costs of $3.4 million. Goldcorp's 36% equity interest in Primero has been accounted for using the equity method from the date of closing. Goldcorp is entitled to maintain its percentage ownership in the issued and outstanding common shares of Primero as well as proportional representation on Primero's board of directors. Goldcorp has agreed to hold the shares of Primero that it received as partial consideration for a period of three years subject to certain exceptions.

In addition, Goldcorp has agreed to deliver and sell to Silver Wheaton 1.5 million ounces of silver during each of the four contract years ending August 5, 2014, priced at the lesser of $4.04 per ounce, subject to an annual adjustment for inflation, and the prevailing market price. This contract meets the definition of a derivative and is therefore classified as a financial liability held for trading and measured at fair value at each balance sheet date. The fair value of this contract on the date of disposition was $81.1 million. At December 31, 2010 the fair value of this contract was $134.8 million.

Disposition of Escobal silver project

On June 8, 2010, the Company completed the sale of its Escobal silver project to Tahoe. Tahoe is a publicly traded company on the Toronto Stock Exchange, following the closing of its initial public offering ("IPO") on June 8, 2010. Goldcorp received a total of 47,766,000 common shares of Tahoe, representing 41.2% of Tahoe's issued and outstanding common shares (fully-diluted basis – 40%) with a fair value of $270.9 million based on the IPO price of C$6.00 per common share and $224.6 million in cash, for total consideration of $495.5 million. The Company recognized a gain of $484.1 million before tax ($480.6 million after tax), net of selling costs of $9.4 million, on the disposition of Escobal. Goldcorp is entitled to appoint three of Tahoe's eight board members and has the right to maintain a 41.2% ownership interest. To maintain its 41.2% interest in Tahoe, the Company purchased an additional 10,285,692 common shares of Tahoe for total consideration of $143.7 million on December 23, 2010. The Company's equity interest in Tahoe has been accounted for using the equity method.

Completion of project financing for Pueblo Viejo

In April 2010, Barrick Gold Corporation ("Barrick"), the project operator, and Goldcorp finalized the terms for $1.035 billion (100% basis) in project financing for Pueblo Viejo ($414.0 million – Goldcorp's share). The lending syndicate is comprised of international financial institutions including two export credit agencies and a syndicate of commercial banks. The financing amount is divided into three tranches consisting of $375.0 million, $400.0 million and $260.0 million with terms of fifteen years, fifteen years and twelve years, respectively. The $375.0 million tranche bears a fixed coupon rate of 4.02% for the entire fifteen years. The $400.0 million tranche bears a coupon rate of LIBOR plus 3.25% pre-completion and scales gradually to LIBOR plus 5.10% for years thirteen to fifteen. The $260.0 million tranche bears a coupon rate of LIBOR plus 3.25% pre-completion and scales gradually to LIBOR plus 4.85% for years eleven and twelve. Barrick and Goldcorp have each provided a guarantee for their proportionate share of the loan. The guarantees will terminate upon Pueblo Viejo meeting certain operating completion tests and are subject to a carve-out for certain political risk events. In June 2010, the $400.0 million and $260.0 million tranches, in addition to a portion of the $375.0 million tranche, were drawn for a total amount received of $781.5 million ($312.6 million – Goldcorp's share). At December 31, 2010, $781.5 million has been drawn under the facility ($312.6 million – Goldcorp's share).

Acquisition of 70% interest in the El Morro project

On February 16, 2010, Goldcorp acquired a 70% interest in the El Morro advanced stage gold/copper project located in north-central Chile, Atacama Region, approximately 80 kilometres east of the city of Vallenar ("the El Morro project"), and associated loan receivable balances, for total consideration of $513.0 million in cash. Total transaction costs expensed amounted to $6.0 million. The El Morro project was acquired from a subsidiary of New Gold Inc. ("New Gold"), the entity which acquired the El Morro project from Xstrata Copper Chile S.A. ("Xstrata") pursuant to the exercise of a right of first refusal held by a New Gold subsidiary. The right of first refusal came into effect on October 12, 2009 when Barrick entered into an agreement with Xstrata to acquire Xstrata's 70% interest in the El Morro project. The El Morro project contributes to the foundation of Goldcorp's peer-leading growth profile. On a 100% basis, the El Morro project contains proven and probable reserves of 8.2 million ounces of gold and 6.1 billion pounds of copper. The El Morro project is a world-class project with low expected cash costs and great organic growth potential in one of the best mining jurisdictions in the Americas. As the project operator, Goldcorp has agreed to fund, through interest bearing loans, New Gold's 30% share of development and construction costs until intended operating levels are achieved. The amounts outstanding will be repaid to Goldcorp during the production period of the El Morro project.

This transaction was accounted for as a business combination with the El Morro project being considered a separate reporting unit and operating segment.

Acquisition of Canplats Resources Corporation

The acquisition of Canplats Resources Corporation ("Canplats"), for consideration of C$4.80 per common share outstanding at the closing date, was completed on February 4, 2010 for total consideration of $289.0 million in cash. Total transaction costs expensed amounted to $3.5 million. Goldcorp acquired a 100% interest in the Camino Rojo gold/silver project in Mexico ("the Camino Rojo project") as part of this transaction. The Camino Rojo project is a key strategic asset located approximately 50 kilometres southeast of Peñasquito that nearly quadruples Goldcorp's total land package in a core district. Its 3,389-square kilometre land position includes the Represa Deposit, which has reported 3.4 million and 60.7 million ounces of measured and indicated gold and silver resources, respectively. Inferred resources total 0.6 million and 7.6 million ounces of gold and silver, respectively. The addition of the Camino Rojo project provides a robust, low-cost potential satellite operation that will augment Peñasquito's production and leverage important investments the Company has made in people, infrastructure and stakeholder partnerships.

This transaction was accounted for as a business combination. The assets and liabilities of Canplats have been assigned to and included in the Peñasquito reporting unit and operating segment.

(in United States dollars, tabular amounts in millions, except where noted)

SUMMARIZED ANNUAL FINANCIAL RESULTS (1) (2) (3) (4)

	2010 (2)	2009	2008 (3)
Revenues	**$ 3,799.8**	$ 2,723.6	$ 2,419.6
Gold produced (ounces)	**2,520,300**	2,421,300	2,324,300
Gold sold (ounces) (4)	**2,413,800**	2,347,300	2,304,700
Average realized gold price (per ounce)	**$ 1,240**	$ 978	$ 868
Average London spot gold price (per ounce)	**$ 1,225**	$ 972	$ 872
Earnings from operations	**$ 1,469.5**	$ 821.2	$ 512.5
Earnings from continuing operations	**$ 1,380.6**	$ 244.1	$ 1,481.1
Earnings (loss) from discontinued operations, net of tax (1)	**$ 185.5**	$ (5.9)	$ 2.2
Net earnings	**$ 1,566.1**	$ 238.2	$ 1,483.3
Net earnings attributable to shareholders of Goldcorp	**$ 1,574.3**	$ 240.2	$ 1,475.6
Earnings from continuing operations per share			
– Basic	**$ 1.88**	$ 0.33	$ 2.07
– Diluted	**$ 1.87**	$ 0.33	$ 2.06
Net Earnings per share			
– Basic	**$ 2.14**	$ 0.33	$ 2.07
– Diluted	**$ 2.13**	$ 0.33	$ 2.06
Cash flows from operating activities of continuing operations	**$ 1,787.3**	$ 1,275.1	$ 871.1
Total cash costs – by-product (per gold ounce) (5)(6)	**$ 274**	$ 295	$ 305
Total cash costs – co-product (per gold ounce) (5)(7)	**$ 443**	$ 391	$ 391
Dividends paid	**$ 154.4**	$ 131.7	$ 128.7
Cash and cash equivalents	**$ 556.2**	$ 874.6	$ 262.3
Total assets	**$ 28,809.1**	$ 20,948.7	$ 19,008.8

(1) The results of Terrane, which was disposed of on October 20, 2010 and previously reported as a separate operating segment, have been reclassified as a discontinued operation for both the current and prior periods.

(2) Includes the results of San Dimas to August 6, 2010, the date of disposition.

(3) Includes the results of Silver Wheaton to February 14, 2008, the date of disposition.

(4) Excludes commissioning sales ounces from Peñasquito, up to September 1, 2010, as these were credited against capitalized project costs, and silver ounces from San Dimas sold to Primero in exchange for a working capital adjustment as part of the disposition of San Dimas on August 6, 2010.

(5) The San Martin mine ended its mining process in October 2007 and commenced reclamation activities at that time. Total cash costs for 2008 and beyond have been presented excluding San Martin for information purposes only.

(6) Total cash costs per gold ounce on a by-product basis is calculated net of by-product sales revenues (by-product copper revenues for Alumbrera; by-product silver revenues for Marlin at market silver prices; by-product lead, zinc and 75% of the silver for Peñasquito at market silver prices and 25% of the silver for Peñasquito at $3.90 per silver ounce sold to Silver Wheaton; and by-product silver revenues for San Dimas at $4.04 per silver ounce to August 6, 2010 ($4.02 prior to November 2009; $3.95 prior to November 2008) sold to Silver Wheaton).

(7) Total cash costs per gold ounce on a co-product basis is calculated by allocating operating cash costs separately to metals using a ratio of revenues from metals as a proportion of total revenues for Alumbrera (includes copper revenues); Marlin and San Dimas until August 6, 2010 (includes silver revenues); and Peñasquito (includes silver, lead and zinc revenues).

Review of Annual Financial Results

Net earnings attributable to shareholders of Goldcorp for the year ended December 31, 2010 increased to $1,574.3 million, or $2.14 per share, compared to $240.2 million, or $0.33 per share in 2009. Compared to 2009, net earnings attributable to shareholders of Goldcorp were impacted significantly by the following factors:

- Revenues increased by $1,076.2 million, or 40%, primarily due to the following: a $700.2 million increase in gold revenues resulting from a 27%, or $262 per ounce, increase in average realized gold price and a 3% increase in gold sales volume; a $211.9 million increase in silver revenues resulting from a 67% or 6.1 million ounce increase in silver sales volume primarily due to the commissioning of Peñasquito on September 1, 2010 and a $10.09 per ounce, or 114%, increase in average realized silver price; a $60.5 million increase in copper revenues resulting from a 20% higher average realized copper price offset by a 3% decrease in copper sales volume, and $100.8 million in lead and zinc revenues net of treatment and refining charges from Peñasquito;

- Operating expenses increased by $291.1 million, or 25%, primarily as result of the expensing of operating costs at Peñasquito upon completion of commissioning effective September 1, 2010 of $175.3 million, and higher gold, silver, lead, and zinc sales volumes, higher YMAD net proceeds payments paid in Alumbrera ($64.0 million in 2010 compared to $39.0 million in 2009), higher employee costs and consumption of consumables/reagents, and the unfavourable impact of the strengthening of the Canadian dollar and Mexican peso by 10% and 7%, respectively. Export retention taxes paid in Alumbrera were similar year over year ($53 million in 2010 compared to $52 million in 2009). The strengthening of the Canadian dollar and Mexican peso negatively impacted the earnings of the Canadian and Mexican operations by approximately $58 million and $8 million, respectively;

- Depreciation and depletion increased by $96.8 million, or 18%, mainly due to the commissioning of Peñasquito on September 1, 2010;

- A $25.9 million increase in corporate administration, excluding stock based compensation expense, mainly due to the Company's growth and associated increase in corporate activities, employee costs, corporate social responsibility and community contributions;

- A $20.0 million increase in exploration costs due to a renewed focus on drilling programs. The economic downturn in the first quarter of 2009 resulted in the Company temporarily deferring exploration at certain longer-term growth projects;

- Interest income and other expenses increased by $27.1 million primarily due to transaction costs relating to the acquisitions of the Camino Rojo, El Morro, and Cerro Negro projects;

- A $66.0 million net loss on the Company's derivative contract to sell 1.5 million ounces of silver to Silver Wheaton at a fixed price over each of the four years ending August 5, 2014 and a $1.2 million unrealized loss on the conversion feature of the Primero convertible note, offset by a $5.4 million gain on non-hedge derivative foreign currency, heating oil, copper, lead and zinc contracts; compared to a $3.6 million gain on non-hedge derivative foreign currency, heating oil and copper contracts in 2009;

- A $780.5 million net gain on dispositions of mining interests before tax ($835.9 million after tax) as the Company divested of a number of non-core assets, including: the sale of the San Dimas Assets ($373.2 million gain before tax; $407.9 million after tax), the Escobal silver project ($484.1 million gain before tax; $480.6 million after tax), an exploration property in Mexico ($63.7 million loss before tax; $48.1 million after tax), certain land at Wharf ($5.6 million gain before tax; $3.7 million after tax) and El Limón ($18.7 million loss before tax; $8.2 million after tax), compared to a $20.1 million net gain before tax ($15.1 million after tax) in 2009;

- A $362.6 million net loss on translation of future income tax liabilities relating to mining interests primarily arising from the acquisitions of Placer Dome Inc.'s assets and Glamis in 2006, Gold Eagle Mines Ltd. in 2008, and the Camino Rojo project in 2010, due to the 5% strengthening of the Canadian dollar and Mexican peso during the year ended December 31, 2010, compared to a $324.3 million loss in 2009 due to the 15% and 6% strengthening of the Canadian dollar and Mexican peso during the year ended December 31, 2009;
- A lower effective tax rate for the year ended December 31, 2010, excluding the impact of the foreign exchange loss on the translation of future income tax liabilities, compared to the year ended December 31, 2009, primarily due to the gains on disposition of Escobal and San Dimas being subject to a lower effective tax rate.

Adjusted net earnings amounted to $1,010.5 million, or $1.37 per share [(1)], for the year ended December 31, 2010, compared to $588.2 million, or $0.80 per share, for the year ended December 31, 2009. Compared to 2009, adjusted net earnings increased 72% and were significantly impacted by higher revenues resulting from higher gold and silver sales volumes, higher average realized gold, copper and silver prices, lead and zinc sales revenues from commissioning of Peñasquito, offset by higher operating costs. Total cash costs (by-product) were $21 per ounce lower at $274 per gold ounce, compared to $295 per gold ounce in 2009. The decrease was primarily due to higher by-product copper, silver, lead and zinc sales credits partially offset by higher YMAD net proceeds payments in Alumbrera, the inclusion of export retention taxes paid in Alumbrera in cash costs effective January 1, 2010 and the unfavourable impact of the strengthening of the Canadian dollar and Mexican peso. Adjusted net earnings for the 2010 were also impacted by the lower effective tax rate as mentioned above.

(1) Adjusted net earnings and adjusted net earnings per share are non-GAAP performance measures. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, the Company and certain investors use this information to evaluate the Company's performance. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Refer to page 73 for a reconciliation of adjusted net earnings to reported net earnings attributable to shareholders of Goldcorp.

(in United States dollars, tabular amounts in millions, except where noted)

QUARTERLY FINANCIAL REVIEW

	2010 (1) (2) (3)				
	Q1	Q2	Q3	Q4	Total
Revenues	$ 750.3	$ 844.3	$ 885.8	$ 1,319.4	$ 3,799.8
Gold produced (ounces)	625,000	609,500	596,200	689,600	2,520,300
Gold sold (ounces) (3)	569,100	598,000	568,100	678,600	2,413,800
Average realized gold price (per ounce)	$ 1,110	$ 1,208	$ 1,239	$ 1,378	$ 1,240
Average London spot gold price (per ounce)	$ 1,109	$ 1,197	$ 1,227	$ 1,367	$ 1,225
Earnings from operations	$ 266.1	$ 305.1	$ 342.2	$ 556.1	$ 1,469.5
Earnings (loss) from continuing operations	$ (51.5)	$ 830.5	$ 484.0	$ 117.6	$ 1,380.6
Earnings (loss) from discontinued operations, net of tax (1)	$ (1.2)	$ (3.8)	$ (19.6)	$ 210.1	$ 185.5
Net earnings (loss)	$ (52.7)	$ 826.7	$ 464.4	$ 327.7	$ 1,566.1
Net earnings (loss) attributable to shareholders of Goldcorp	$ (52.3)	$ 828.3	$ 466.5	$ 331.8	$ 1,574.3
Earnings (loss) from continuing operations per share (4)					
– Basic	$ (0.07)	$ 1.13	$ 0.66	$ 0.16	$ 1.88
– Diluted	$ (0.07)	$ 1.10	$ 0.65	$ 0.16	$ 1.87
Net earnings (loss) per share (4)					
– Basic	$ (0.07)	$ 1.13	$ 0.63	$ 0.45	$ 2.14
– Diluted	$ (0.07)	$ 1.11	$ 0.63	$ 0.45	$ 2.13
Cash flows from operating activities of continuing operations	$ 314.8	$ 387.1	$ 408.6	$ 676.8	$ 1,787.3
Total cash costs - by-product (per gold ounce) (5)	$ 325	$ 363	$ 260	$ 164	$ 274
Total cash costs - co-product (per gold ounce) (6)	$ 433	$ 448	$ 429	$ 461	$ 443
Dividends paid	$ 33.0	$ 33.0	$ 33.2	$ 55.2	$ 154.4
Cash and cash equivalents	$ 392.6	$ 497.2	$ 732.0	$ 556.2	$ 556.2

(1) The results of Terrane, which was disposed of on October 20, 2010 and previously reported as a separate operating segment, have been reclassified as a discontinued operation for both the current and prior periods.

(2) Includes the results of San Dimas to August 6, 2010, the date of disposition.

(3) Excludes commissioning sales ounces from Peñasquito, up to September 1, 2010, as these were credited against capitalized project costs, and silver ounces from San Dimas sold to Primero in exchange for a working capital adjustment as part of the disposition of San Dimas on August 6, 2010.

(4) Sum of quarterly earnings per share may not equal the total for the year as each quarterly amount is calculated independently of each other.

(5) Total cash costs per gold ounce on a by-product basis is calculated net of by-product sales revenues (by-product copper revenues for Alumbrera; by-product silver revenues for Marlin at market silver prices; by-product lead, zinc and 75% of the silver for Peñasquito at market silver prices and 25% of the silver for Peñasquito at $3.90 per silver ounce sold to Silver Wheaton; and by-product silver revenues for San Dimas at $4.04 per silver ounce to August 6, 2010 ($4.02 prior to November 2009; $3.95 prior to November 2008) sold to Silver Wheaton).

(6) Total cash costs per gold ounce on a co-product basis is calculated by allocating operating cash costs separately to metals using a ratio of revenues from metals as a proportion of total revenues for Alumbrera (includes copper revenues); Marlin and San Dimas until August 6, 2010 (includes silver revenues); and Peñasquito (includes silver, lead and zinc revenues).

(in United States dollars, tabular amounts in millions, except where noted)

	2009 (1) (2)				
	Q1	Q2	Q3	Q4	Total
Revenues	$ 624.8	$ 628.6	$ 691.9	$ 778.3	$ 2,723.6
Gold produced (ounces)	616,500	582,400	621,100	601,300	2,421,300
Gold sold (ounces) (2)	607,900	564,800	601,500	573,100	2,347,300
Average realized gold price (per ounce)	$ 912	$ 927	$ 968	$ 1,107	$ 978
Average London spot gold price (per ounce)	$ 908	$ 922	$ 960	$ 1,100	$ 972
Earnings from operations	$ 202.8	$ 156.4	$ 219.0	$ 243.0	$ 821.2
Earnings (loss) from continuing operations	$ 290.9	$ (230.1)	$ 115.5	$ 67.8	$ 244.1
Earnings (loss) from discontinued operations, net of tax (1)	$ 0.2	$ (2.3)	$ (1.9)	$ (1.9)	$ (5.9)
Net earnings (loss)	$ 291.1	$ (232.4)	$ 113.6	$ 65.9	$ 238.2
Net earnings (loss) attributable to shareholders of Goldcorp	$ 290.9	$ (231.6)	$ 114.2	$ 66.7	$ 240.2
Earnings (loss) from continuing operations per share (3)					
– Basic	$ 0.40	$ (0.31)	$ 0.16	$ 0.09	$ 0.33
– Diluted	$ 0.40	$ (0.31)	$ 0.16	$ 0.09	$ 0.33
Net earnings (loss) per share (3)					
– Basic	$ 0.40	$ (0.32)	$ 0.16	$ 0.09	$ 0.33
– Diluted	$ 0.40	$ (0.32)	$ 0.16	$ 0.09	$ 0.33
Cash flows from operating activities of continuing operations	$ 298.8	$ 264.4	$ 343.1	$ 368.8	$ 1,275.1
Total cash costs - by-product (per gold ounce) (4)(5)	$ 288	$ 310	$ 295	$ 289	$ 295
Total cash costs - co-product (per gold ounce) (4)(6)	$ 353	$ 402	$ 384	$ 422	$ 391
Dividends paid	$ 32.9	$ 32.9	$ 32.9	$ 33.0	$ 131.7
Cash and cash equivalents	$ 260.8	$ 866.0	$ 785.3	$ 874.6	$ 874.6

(1) The results of Terrane, which was disposed of on October 20, 2010 and previously reported as a separate operating segment, have been reclassified as a discontinued operation for both the current and prior periods.

(2) Excludes commissioning sales ounces from Peñasquito as these were credited against capitalized project costs up to September 1, 2010.

(3) Sum of quarterly earnings per share may not equal the total for the year as each quarterly amount is calculated independently of each other.

(4) The San Martin mine ended its mining process in October 2007 and commenced reclamation activities at that time. Total cash costs for 2008 and beyond have been presented excluding San Martin for information purposes only.

(5) Total cash costs per gold ounce on a by-product basis is calculated net of by-product sales revenues (by-product copper revenues for Alumbrera; by-product silver revenues for Marlin at market silver prices; and by-product silver revenues for San Dimas at $4.04 per silver ounce to August 6, 2010 ($4.02 prior to November 2009; $3.95 prior to November 2008) sold to Silver Wheaton).

(6) Total cash costs per gold ounce on a co-product basis is calculated by allocating operating cash costs separately to metals using a ratio of revenues from metals as a proportion of total revenues for Alumbrera (includes copper revenues); Marlin and San Dimas until August 6, 2010 (includes silver revenues).

Review of Quarterly Financial Results - Three months ended December 31, 2010 compared to the three months ended September 30, 2010

Net earnings attributable to shareholders of Goldcorp for the fourth quarter of 2010 were $331.8 million, or $0.45 per share, compared to $466.5 million, or $0.63 per share, in the third quarter of 2010. Compared to the prior quarter, net earnings attributable to shareholders of Goldcorp for the three months ended December 31, 2010 were impacted significantly by the following factors:

- Revenues increased by $433.6 million, or 49%, primarily due to a $231.7 million increase in gold revenues resulting from a $139 per ounce increase in the average realized gold price and a 19% increase in gold sales volume, a $109.9 million increase in silver revenues resulting from a 122% or 3.9 million ounces increase in silver sales volume primarily due to a full quarter of operation at Peñasquito and a $4.77 per ounce increase in the average realized silver price, a $37.6 million increase in zinc revenues net of treatment and refining charges resulting from a 339% increase in zinc sales volume and a $0.04 per pound increase in the average realized zinc price, a $27.9 million increase in lead revenues net of treatment and refining charges resulting from a 348% increase in lead sales volume and a $0.05 per pound increase in the average realized lead price, and a $28.5 million increase in copper revenues resulting from a $0.63 per pound increase in the average realized copper price and a 17% increase in copper sales volume;

- Operating expenses increased by $163.1 million, or 49%, primarily due to the expensing of operating costs at Peñasquito for a full quarter ($138.7 million) compared to one month in the third quarter ($36.6 million), the unfavourable impact of the strengthening of the Canadian dollar and Mexican peso by 3%, higher gold, silver, zinc, lead and copper sales volumes, $8.2 million higher YMAD net proceeds payments and $4.3 million higher export retention taxes paid in Alumbrera. The strengthening of the Canadian dollar and Mexican peso negatively impacted the earnings of the Canadian and Mexican operations by approximately $2.5 million and $1.0 million, respectively;

- Depreciation and depletion increased by $48.9 million, or 32%, mainly due to the commissioning of Peñasquito on September 1, 2010;

- A $48.5 million net loss on the Company's derivative contract to sell 1.5 million ounces of silver to Silver Wheaton at a fixed price over each of the four years ending August 5, 2014, a $3.0 million unrealized loss on the conversion feature of the Primero convertible note and a $9.4 million net loss on derivative foreign currency, heating oil, copper, lead and zinc contracts in the fourth quarter; compared to a $18.0 million net loss on the Company's derivative contract to sell 1.5 million ounces of silver to Silver Wheaton at a fixed price over each of the four years ending August 5, 2014, a $1.7 million unrealized gain on the conversion feature of the Primero convertible note and $1.3 million net loss on non-hedge derivative foreign currency, heating oil, copper, lead and zinc contracts, in the third quarter of 2010.

- A $259.1 million gain on the disposition of Terrane before tax ($205.3 million after tax, including $14.4 million of tax recognized in the third quarter of 2010) in the fourth quarter of 2010;

- A $373.2 million gain on the disposition of the San Dimas Assets before tax ($407.9 million after tax, including a future income tax recovery of $180.3 million and current income tax expense of $145.6 million) in the third quarter of 2010;

- A $219.9 million loss on translation of future income tax liabilities relating to mining interests arising from acquisitions, compared to a $126.4 million loss in the prior quarter, due to the strengthening of the Canadian dollar and Mexican peso when compared to the prior period end and finalization of the El Morro purchase price allocation;

- A higher effective tax rate in the fourth quarter of 2010, excluding the impact of foreign exchange loss on future income tax liabilities, compared to the third quarter of 2010, primarily due to the gain on disposition of San Dimas in the third quarter being subject to a lower effective tax rate, including significant deferred gains from the disposition of Silver Wheaton shares in 2008 and a deferred credit that had no associated future income taxes.

Adjusted net earnings amounted to $417.1 million, or $0.57 per share [(1)], for the three months ended December 31, 2010, compared to $231.5 million, or $0.31 per share, for the prior quarter. Compared to the prior quarter, adjusted net earnings were significantly impacted by higher revenues resulting from higher sales volumes and realized prices for gold, copper, silver, lead and zinc. Total cash costs (by-product) were lower at $164 per gold ounce in the fourth quarter of 2010, as compared to $260 per gold ounce in the prior quarter. The decrease in cash costs per ounce was primarily due to higher by-product silver, copper, lead and zinc sales credits, and higher gold ounces sold partially offset by higher YMAD net proceeds payments and export retention taxes paid in Alumbrera. Adjusted net earnings for the fourth quarter of 2010 were also impacted by a higher effective tax rate as mentioned above.

(1) Adjusted net earnings and adjusted net earnings per share are non-GAAP performance measures. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, the Company and certain investors use this information to evaluate the Company's performance. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Refer to page 73 for a reconciliation of adjusted net earnings to reported net earnings attributable to shareholders of Goldcorp.

(in United States dollars, tabular amounts in millions, except where noted)

RESULTS OF OPERATIONS
Years ended December 31

		Revenues	Gold produced (ounces)	Gold sold (ounces)(4)	Average realized gold price (per ounce)	Earnings (loss) from Operations (5)	Total cash costs (per gold ounce) (1)
Red Lake	**2010**	**$ 866.2**	**703,300**	**701,000**	**$ 1,233**	**$ 527.7**	**$ 297**
	2009	$ 624.8	622,700	635,300	$ 982	$ 329.2	$ 288
Porcupine	**2010**	**328.8**	**265,900**	**265,900**	**1,234**	**76.3**	**595**
	2009	310.2	318,300	318,600	973	88.7	447
Musselwhite	**2010**	**318.9**	**258,700**	**257,200**	**1,239**	**111.3**	**625**
	2009	225.5	232,600	231,200	975	52.1	585
Peñasquito (1)(2)	**2010**	**357.1**	**168,200**	**82,000**	**1,355**	**109.5**	**(863)**
	2009	-	90,300	-	-	-	-
Los Filos	**2010**	**379.4**	**306,100**	**304,200**	**1,237**	**188.3**	**423**
	2009	236.2	239,300	238,900	975	72.9	469
El Sauzal	**2010**	**188.6**	**152,100**	**152,200**	**1,234**	**72.1**	**301**
	2009	198.7	203,800	206,500	958	66.1	201
Marlin (1)	**2010**	**500.6**	**296,100**	**296,000**	**1,241**	**268.6**	**(19)**
	2009	331.8	274,900	274,600	982	136.9	192
Alumbrera (1)	**2010**	**596.3**	**152,000**	**146,800**	**1,270**	**220.5**	**(619)**
	2009	495.5	158,200	157,800	988	158.9	(722)
Marigold	**2010**	**111.7**	**91,200**	**91,200**	**1,224**	**29.0**	**678**
	2009	99.0	97,900	99,500	994	22.0	596
Wharf	**2010**	**91.2**	**73,300**	**71,300**	**1,233**	**34.6**	**645**
	2009	70.9	67,700	69,300	974	12.2	686
Other (1)(3)(4)	**2010**	**61.0**	**53,400**	**46,000**	**1,154**	**(168.4)**	**409**
	2009	131.0	115,600	115,600	979	(117.8)	287
Total	**2010**	**$ 3,799.8**	**2,520,300**	**2,413,800**	**$ 1,240**	**$ 1,469.5**	**$ 274**
	2009	$ 2,723.6	2,421,300	2,347,300	$ 978	$ 821.2	$ 295

(1) Total cash costs per gold ounce on a by-product basis is calculated net of by-product sales revenues (by-product copper sales revenues for Alumbrera; by-product silver sales revenues for Marlin at market silver prices; by-product silver sales revenues for San Dimas at $4.04 per silver ounce to August 6, 2010 ($4.02 prior to November 2009) sold to Silver Wheaton); and by-product lead, zinc, 75% of silver sales revenues for Peñasquito at market silver prices, and 25% of silver sales revenues for Peñasquito at $3.90 per silver ounce sold to Silver Wheaton effective September 1, 2010. The San Martin mine ended its mining process in October 2007 and commenced reclamation activities at that time. Total cash costs have been presented excluding San Martin for information purposes only.

(2) Operating results exclude commissioning sales ounces from Peñasquito up to September 1, 2010, as these were credited against capitalized project costs.

(3) Includes corporate activities and the results of San Martin, El Limón until February 24, 2010, the date of disposition, and San Dimas until August 6, 2010, the date of disposition.

(4) Excludes silver ounces sold to Primero in exchange for a working capital adjustment as part of the disposition of San Dimas on August 6, 2010.

(5) Excludes discontinued operations. As a result of the disposition of Terrane on October 20, 2010, the results of that development project, which were previously reported as a separate operating segment, have been reclassified as a discontinued operation for both the current and prior periods. Including discontinued operations, earnings from operations amounted to $1,453.6 million in 2010 (2009 - $816.0 million).

(in United States dollars, tabular amounts in millions, except where noted)

Three months ended December 31

		Revenues	Gold produced (ounces)	Gold sold (ounces)	Average realized gold price (per ounce)	Earnings (loss) from Operations (4)	Total cash costs (per gold ounce) (1)
Red Lake	**2010**	**$ 254.0**	**187,000**	**184,400**	**$ 1,374**	**$ 159.8**	**$ 313**
	2009	$ 181.5	156,300	163,100	$ 1,111	$ 99.7	$ 317
Porcupine	**2010**	**92.8**	**67,900**	**67,900**	**1,365**	**24.5**	**656**
	2009	79.1	71,700	71,600	1,103	20.0	509
Musselwhite	**2010**	**104.9**	**79,900**	**76,500**	**1,372**	**47.8**	**572**
	2009	61.4	56,300	55,500	1,105	17.2	605
Peñasquito (1)(2)	**2010**	**270.9**	**53,900**	**55,200**	**1,393**	**83.4**	**(1,002)**
	2009	-	30,400	-	-	-	-
Los Filos	**2010**	**116.4**	**84,900**	**84,200**	**1,381**	**64.5**	**400**
	2009	66.0	60,100	59,700	1,092	25.6	444
El Sauzal	**2010**	**53.5**	**38,500**	**38,600**	**1,377**	**22.8**	**303**
	2009	38.0	34,200	34,200	1,103	9.0	371
Marlin (1)	**2010**	**179.1**	**92,300**	**89,400**	**1,376**	**111.1**	**(224)**
	2009	106.4	78,600	75,900	1,108	51.3	129
Alumbrera (1)	**2010**	**186.6**	**42,200**	**38,800**	**1,422**	**83.9**	**(1,002)**
	2009	152.5	34,600	32,700	1,140	58.4	(1,333)
Marigold	**2010**	**35.7**	**27,000**	**26,000**	**1,372**	**9.6**	**787**
	2009	35.0	31,900	31,400	1,111	13.5	482
Wharf	**2010**	**24.8**	**16,000**	**17,600**	**1,372**	**9.1**	**788**
	2009	20.8	16,400	18,500	1,094	3.1	805
Other (1)(3)	**2010**	**0.7**	**-**	**-**	**-**	**(60.4)**	**-**
	2009	37.6	30,800	30,500	1,104	(54.8)	272
Total	**2010**	**$ 1,319.4**	**689,600**	**678,600**	**$ 1,378**	**$ 556.1**	**$ 164**
	2009	$ 778.3	601,300	573,100	$ 1,107	$ 243.0	$ 289

(1) Total cash costs per gold ounce on a by-product basis is calculated net of by-product sales revenues (by-product copper sales revenues for Alumbrera; by-product silver sales revenues for Marlin at market silver prices; by-product silver sales revenues for San Dimas at $4.04 per silver ounce in 2009 ($4.02 prior to November 2009) sold to Silver Wheaton); and by-product lead, zinc, 75% of silver sales revenues for Peñasquito at market silver prices, and 25% of silver sales revenues for Peñasquito at $3.90 per silver ounce sold to Silver Wheaton effective September 1, 2010. The San Martin mine ended its mining process in October 2007 and commenced reclamation activities at that time. Total cash costs have been presented excluding San Martin for information purposes only.

(2) Operating results exclude commissioning sales ounces from Peñasquito up to September 1, 2010, as these were credited against capitalized project costs.

(3) Includes corporate activities and the results of San Martin, and El Limón and San Dimas in 2009.

(4) Excludes discontinued operations. As a result of the disposition of Terrane on October 20, 2010, the results of that development project, which were previously reported as a separate operating segment, have been reclassified as a discontinued operation for both the current and prior periods. Including discontinued operations, earnings from operations amounted to $546.1 million for the fourth quarter of 2010 (2009 - $241.0 million).

(in United States dollars, tabular amounts in millions, except where noted)

Red Lake gold mines, Canada

Operating Data	Q1	Q2	Q3	Q4	**Total 2010**	Total 2009
Tonnes of ore milled	211,500	221,900	218,500	224,700	**876,600**	781,700
Average mill head grade (grams/tonne)	27	24	26	26	**26**	26
Average recovery rate	97%	96%	97%	96%	**97%**	97%
Gold (ounces)						
– Produced	181,200	159,000	176,100	187,000	**703,300**	622,700
– Sold	169,400	171,200	176,000	184,400	**701,000**	635,300
Average realized gold price (per ounce)	$ 1,112	$ 1,203	$ 1,232	$ 1,374	**$ 1,233**	$ 982
Total cash costs (per ounce)	$ 298	$ 308	$ 268	$ 313	**$ 297**	$ 288
Financial Data						
Revenues	$ 188.7	$ 206.1	$ 217.4	$ 254.0	**$ 866.2**	$ 624.8
Depreciation and depletion	$ 25.9	$ 26.0	$ 28.1	$ 31.9	**$ 111.9**	$ 101.1
Earnings from operations	$ 108.7	$ 122.7	$ 136.5	$ 159.8	**$ 527.7**	$ 329.2
Expenditures on mining interests	$ 38.9	$ 46.2	$ 53.6	$ 65.4	**$ 204.1**	$ 109.8

Gold production for 2010 of 703,300 ounces was 13%, or 80,600 more than in 2009 due to a significant increase in tonnage mined, consistent with the mine's strategy to fill the mills by utilizing lower grade areas such as the sulphide zones. The overall grade remained consistent with 2009 as the high grade zone continues to perform as expected.

Cash costs were 3%, or $9 per ounce higher than in 2009 due to a stronger Canadian dollar ($34 per ounce, or 378%) and slightly higher operating costs ($2 per ounce, or 22%), offset by higher gold production ($27 per ounce, or 300%). The increase in operating costs was attributable to support required for additional underground production, higher employee costs as a result of increased operational development ($6.6 million) and higher long-hole and definition drilling costs ($3.0 million), offset by lower contractor costs from using in-house employees for operating development work in the sulphide zone ($8.2 million).

The completion of the interconnection drift between the Red Lake and Campbell complexes and continued depth development of the 4199 exploration ramp during 2010 allowed for significant exploration diamond drilling on the high grade zone. Throughout 2010, favourable results were obtained from underground drilling in the high grade zone and will allow for the extension of the mine to new depths. Exploration success in the high grade zone resulted in an increase in reserves that more than replaced those reserves mined in the high-grade zone in 2010. Red Lake contains 4.1 million ounces of proven and probable gold reserves at December 31, 2010, compared to 3.4 million ounces at December 31, 2009.

Gold production for the fourth quarter of 2010 was 6%, or 10,900 ounces, more than in the third quarter of 2010. In comparison to the prior quarter, Red Lake had 3% higher mill throughput at the same grade due to planned underground mine sequencing, balancing higher grade ores obtained from the high grade zone and lower grade ore from the sulphide zones. Focusing underground development work in core operating areas, resulted in a record 83,570 tonnes mined in December 2010, which contributed to the additional ounces produced over the prior quarter.

Cash costs for the fourth quarter of 2010 were 17%, or $45 per ounce, higher than in the prior quarter due to higher operating costs ($53 per ounce, or 118%) and a stronger Canadian dollar ($5 per ounce, or 11%), offset by higher gold production ($13 per ounce, or 29%). The increase in operating costs was mainly attributable to higher contractor costs ($3.6 million) due to additional long-hole drilling at Campbell and operating development related to increased ore production areas, higher power costs ($2.1 million) as a result of colder temperatures, increased employee costs ($1.3 million) as development work focused in ore production areas, and other consumables ($2.4 million), primarily due to higher reagent costs for the processing of increased tonnes.

(in United States dollars, tabular amounts in millions, except where noted)

Porcupine mines, Canada

Operating Data	Q1	Q2	Q3	Q4	**Total 2010**	Total 2009
Hoyle Pond underground (tonnes)	77,300	82,300	82,900	84,800	**327,300**	334,100
Hoyle Pond underground (grams/tonne)	10.41	11.37	12.66	10.48	**11.24**	11.68
Dome underground (tonnes)	152,200	159,800	123,000	143,500	**578,500**	582,300
Dome underground (grams/tonne)	3.07	3.08	4.11	3.40	**3.38**	4.14
Stockpile (tonnes)	790,700	786,000	837,600	809,300	**3,223,600**	3,109,000
Stockpile (grams/tonne)	0.95	1.02	1.02	0.99	**1.00**	1.47
Tonnes of ore milled	1,020,200	1,028,100	1,043,500	1,037,600	**4,129,400**	4,025,400
Average mill head grade (grams/tonne)	1.98	2.17	2.31	2.10	**2.14**	2.70
Average recovery rate	91%	92%	92%	92%	**92%**	92%
Gold (ounces)						
– Produced	62,100	67,000	68,900	67,900	**265,900**	318,300
– Sold	62,000	66,900	69,100	67,900	**265,900**	318,600
Average realized gold price (per ounce)	$ 1,111	$ 1,214	$ 1,238	$ 1,365	**$ 1,234**	$ 973
Total cash costs (per ounce)	$ 654	$ 548	$ 526	$ 656	**$ 595**	$ 447
Financial Data						
Revenues	$ 68.9	$ 81.4	$ 85.7	$ 92.8	**$ 328.8**	$ 310.2
Depreciation and depletion	$ 22.4	$ 20.7	$ 22.2	$ 21.5	**$ 86.8**	$ 69.9
Earnings from operations	$ 4.9	$ 22.3	$ 24.6	$ 24.5	**$ 76.3**	$ 88.7
Expenditures on mining interests	$ 14.6	$ 26.7	$ 22.8	$ 23.8	**$ 87.9**	$ 37.6

Gold production for 2010 was 16%, or 52,400 ounces, less than in 2009 mainly due to 21% lower grades offset by 3% higher mill throughput. Porcupine consists of three mining operations, Hoyle Pond, Dome and Stockpile, which feed one processing facility. The Hoyle Pond underground operation experienced 4% lower grades primarily due to the mining sequence and 2% lower tonnage due to equipment availability and increasing depth of the operation. The Dome underground operation experienced 18% lower grades and 1% lower tonnage due to the mining sequence in the bulk zones. As anticipated, due to open pit mining at Pamour ceasing in July of 2009, material reclaimed from Stockpile provided 32% lower grades compared to the combined open pit and Stockpile material of 2009, slightly offset by 4% higher tonnage.

Cash costs were 33%, or $148 per ounce, higher than in 2009 due to lower gold production ($89 per ounce, or 60%) and a stronger Canadian dollar ($62 per ounce, or 42%), offset slightly by lower operating costs ($3 per ounce, or 2%). The minor decrease in operating costs as compared to the prior year was primarily due to lower fuel and maintenance costs associated with reclaiming stockpile inventories compared to active mining from the open pit at Pamour.

Exploration during 2010 focused on the Hoyle Pond underground mine. Drilling focused on lateral and depth extension of current mineralization zones, as well as expansion of the recently discovered zones. The TVZ zone, encountered during depth extension of the current mineralization, has been successfully extended up dip and remains open both up and down dip and to the east. There are currently three surface diamond drills testing the projection of this zone to surface.

Gold production for the fourth quarter of 2010 was similar to the third quarter. In comparison to the prior quarter, the Hoyle Pond underground operation experienced 17% lower grades, partially offset by 2% higher tonnage due to sequencing of the high grade VAZ zones. The Dome underground operation experienced 17% lower grades due to the mining sequence in the bulk zones, partially offset by 17% higher tonnage due to the mining sequence and processing of stockpiled ore during maintenance on the shaft conveyance in the third quarter. The Stockpile reclaim sequence moved into lower grade material, providing 3% lower tonnage at 3% lower grades than in the third quarter.

Cash costs for the fourth quarter of 2010 were 25%, or $130 per ounce, higher than in the prior quarter due to higher operating costs ($112 per ounce, or 86%), lower gold production ($10 per ounce, or 8%) and a stronger Canadian dollar ($8 per ounce, or 6%). The increase in operating costs was attributable to higher maintenance parts ($3.5 million) due to timing of work on major surface equipment, underground contractor costs ($2.4 million) due to underground development work on ore zones in the VAZ and TVZ zones charged to operations, and increases in consumables and site costs ($1.7 million).

The Hoyle Pond Deep project is being advanced in order to access both depth extensions of the current ore bodies and newly-discovered zones and to enhance operational flexibility and efficiencies throughout the Hoyle Pond operation. During the fourth quarter of 2010, work continued on lateral development underground, surface infrastructure upgrades and procurement of key equipment for the project. The key component of the construction involves a new 5.5 metre diameter deep winze (shaft) commencing on the 355 metre level and extending to a total depth of 2,200 metres below surface. The planned capital investment of approximately $169 million will be incurred over the next four years. Shaft sinking below the 440 metre level will commence mid-2011 with first production expected in late 2014.

(in United States dollars, tabular amounts in millions, except where noted)

Musselwhite mine, Canada

Operating Data	Q1	Q2	Q3	Q4	Total 2010	Total 2009
Tonnes of ore milled	334,500	357,900	348,700	405,700	**1,446,800**	1,289,500
Average mill head grade (grams/tonne)	5.85	5.39	5.64	6.20	**5.78**	5.93
Average recovery rate	96%	96%	96%	96%	**96%**	95%
Gold (ounces)						
– Produced	61,300	59,400	58,100	79,900	**258,700**	232,600
– Sold	60,500	59,900	60,300	76,500	**257,200**	231,200
Average realized gold price (per ounce)	$ 1,106	$ 1,201	$ 1,243	$ 1,372	**$ 1,239**	$ 975
Total cash costs (per ounce)	$ 681	$ 627	$ 632	$ 572	**$ 625**	$ 585
Financial Data						
Revenues	$ 67.0	$ 72.0	$ 75.0	$ 104.9	**$ 318.9**	$ 225.5
Depreciation and depletion	$ 7.8	$ 8.3	$ 9.5	$ 11.5	**$ 37.1**	$ 30.4
Earnings from operations	$ 15.3	$ 23.6	$ 24.6	$ 47.8	**$ 111.3**	$ 52.1
Expenditures on mining interests	$ 15.2	$ 19.7	$ 22.3	$ 22.2	**$ 79.4**	$ 78.9

Gold production for 2010 was 11%, or 26,100 ounces, more than in 2009 due to 12% higher throughput, partially offset by 3% lower grades. Increased underground development rates in 2010 provided more mining locations in the A-Block of PQ Deeps and as a result, higher mill throughput. The lower grades were due to mining of lower grade T-Antiform zone material and mining dilution in the second quarter of 2010. In 2009 higher grade PG zone material was mined to completion.

Cash costs were 7%, or $40 per ounce more than in 2009 due to a stronger Canadian dollar ($67 per ounce, or 168%) and higher operating costs ($32 per ounce, or 80%), partially offset by increased gold production ($59 per ounce, or 148%). Operating costs for the year were higher primarily due to increased development costs in the underground to increase stope flexibility and advancement into PQ Deeps ($4.7 million), increased diesel usage due to the new ventilation system operating on generators ($2.0 million), and increased revenue sharing payments due to higher gold sales and realized gold price ($1.6 million).

Exploration in 2010 focused on the Lynx Zone, firming up the delineated 325 metre strike extent and extending the resource vertically to a height of 260 metres. Drilling in the Lynx zone utilised both underground drill platforms, as well as surface barges on Opapimiskan Lake. Results from this drilling activity will be used to support engineering work and confirm project economics of a shaft. Additional underground drilling was also undertaken to extend the northern boundary of the PQ Deeps resource as well as the T-Antiform and Moose resources. Exploration in the first quarter of 2011 will see surface drills targeting both the recently discovered Lynx and West Limb targets, while the underground drilling will focus on further defining the Lynx and PQ Deeps resources.

Gold production at Musselwhite for the fourth quarter of 2010 was 38%, or 21,800 ounces more than in the third quarter of 2010. Mill production increased by 16% in the quarter while grade increased by 10%. The higher production was due to a full quarter of underground operations compared to the third quarter during which a 7 day planned maintenance shutdown impacted ore production. Grades were higher in the fourth quarter as a result of mining higher grade PQ Deeps A-block material.

Cash costs for the fourth quarter of 2010 were 9%, or $60 per ounce lower than in the prior quarter due to higher gold production ($135 per ounce, or 225%), partially offset by increased operating costs ($63 per ounce, or 105%) and a stronger Canadian dollar ($12 per ounce, or 20%). The higher operating costs were primarily due to higher employee costs ($1.2 million), increased consumables in the underground ($1.9 million), and increases in maintenance, power and revenue sharing costs ($1.6 million).

(in United States dollars, tabular amounts in millions, except where noted)

Peñasquito mine, Mexico

Operating Data	Q1	Q2	Q3	September 1, 2010 - September 30, 2010	Q4	Total 2010
Tonnes of ore mined	7,270,500	6,008,600	5,752,200	2,417,600	12,360,800	**31,392,100**
Tonnes of waste removed	36,808,700	39,572,100	40,920,400	11,934,000	34,970,900	**152,272,100**
Ratio of waste to ore	5.1	6.6	7.1	4.9	2.8	**4.9**
Average head grade						
Gold (grams/tonne)	0.26	0.24	0.27	0.29	0.30	**0.27**
Silver (grams/tonne)	25.60	29.70	29.37	28.70	26.14	**27.57**
Lead	0.34%	0.42%	0.41%	0.40%	0.35%	**0.38%**
Zinc	0.53%	0.70%	0.73%	0.70%	0.56%	**0.63%**
Sulphide Ore						
Tonnes of ore milled	3,002,300	4,316,700	5,683,000	2,214,200	7,635,600	**20,637,600**
Average recovery rate						
Gold	50%	51%	49%	52%	45%	**48%**
Silver	61%	61%	58%	55%	54%	**58%**
Lead	59%	59%	62%	65%	61%	**60%**
Zinc	61%	64%	63%	61%	67%	**65%**
Concentrates Produced – Payable Metal Produced						
Lead Concentrate (DMT)	9,600	17,500	24,500	9,100	28,200	**79,800**
Zinc Concentrate (DMT)	16,700	32,000	44,500	17,100	50,500	**143,700**
Gold (ounces)	11,400	17,000	25,900	11,700	35,500	**89,800**
Silver (ounces)	1,352,900	2,396,000	3,294,700	1,268,900	3,902,800	**10,946,400**
Lead (thousands of pounds)	11,800	22,200	29,000	11,300	34,400	**97,400**
Zinc (thousands of pounds)	17,500	34,500	48,300	18,800	54,200	**154,500**
Oxide Ore						
Tonnes of ore processed	3,000,000	2,024,200	1,257,000	891,000	4,259,000	**10,540,200**
Produced						
Gold (ounces)	19,300	22,100	18,600	5,600	18,400	**78,400**
Silver (ounces)	725,300	802,800	773,300	261,600	704,800	**3,006,200**
Sulphide & Oxide Ores – Payable Metal Produced						
Gold (ounces)	30,700	39,100	44,500	17,300	53,900	**168,200**
Silver (ounces)	2,078,200	3,198,800	4,068,000	1,530,500	4,607,600	**13,952,600**
Lead (thousands of pounds)	11,800	22,200	29,000	11,300	34,400	**97,400**
Zinc (thousands of pounds)	17,500	34,500	48,300	18,800	54,200	**154,500**
Sulphide and Oxide Ores - Payable Metal Sold						
Gold (ounces)	28,300	38,400	43,400	26,800	55,200	**165,300**
Silver (ounces)	1,976,900	3,293,800	3,487,900	1,737,000	5,101,900	**13,860,500**
Lead (thousands of pounds)	11,100	23,000	22,000	10,700	38,400	**94,500**
Zinc (thousands of pounds)	14,300	32,900	38,600	13,200	58,100	**143,900**
Average realized prices						
Gold (per ounce)	$ 1,109	$ 1,228	$ 1,242	$ 1,275	$ 1,393	**$ 1,355**
Silver (per ounce) (1)	$ 14.77	$ 15.86	$ 17.40	$ 19.10	$ 22.57	**$ 21.69**
Lead (per pound)	$ 0.96	$ 0.79	$ 1.06	$ 1.07	$ 1.12	**$ 1.11**
Zinc (per pound)	$ 0.96	$ 0.80	$ 1.01	$ 1.05	$ 1.09	**$ 1.08**
Total Cash Costs (per ounce of gold) (2)(3)	$ -	$ -	$ (577)	$ (577)	$ (1,002)	**$ (863)**
Financial Data and Key Performance Indicators						
Revenues (1)(2)	$ -	$ -	$ 86.2	$ 86.2	$ 270.9	**$ 357.1**
Depreciation and depletion	$ -	$ -	$ 15.3	$ 15.3	$ 47.8	**$ 63.1**
Earnings from operations (1)(2)(4)	$ -	$ -	$ 32.8	$ 34.2	$ 83.4	**$ 109.5**
Expenditures on mining interests	$ 87.3	$ 29.3	$ 19.9	$ 14.3	$ 66.8	**$ 203.3**
Sales revenues credited to mining interests, net of treatment and refining charges on concentrate sales (2)	$ 89.3	$ 149.9	$ 86.4	$ -	$ -	**$ 325.6**
Mining cost per tonne	$ 1.07	$ 1.13	$ 1.08	$ 1.19	$ 1.17	**$ 1.12**
Milling cost per tonne	$ 7.50	$ 8.27	$ 7.00	$ 6.43	$ 6.32	**$ 7.09**
General and administration cost per tonne milled	$ 3.74	$ 2.39	$ 2.70	$ 2.39	$ 1.88	**$ 2.48**
Off-site cost per tonne sold (lead) (5)	$ 433	$ 439	$ 485	$ 530	$ 426	**$ 449**
Off-site cost per tonne sold (zinc) (5)	$ 382	$ 352	$ 408	$ 404	$ 378	**$ 385**

(1) Includes 25% of silver ounces sold to Silver Wheaton at $3.90 per ounce. The remaining 75% of silver ounces are sold at market rates.

(2) Costs incurred, net of proceeds from sales, during the pre-commissioning production period were offset against capitalized mining costs and are referred to as pre-operating expenditures. Effective September 1, 2010, proceeds from sales of metal concentrates and metals from the ancillary heap leach operation have been recognized as revenues with expenditures during production recognized as expenses.

(3) The calculation of total cash costs per ounce of gold is net of by-product silver, lead and zinc sales revenues. If silver, lead and zinc were treated as co-products, average total cash costs at Peñasquito for the period from September 1, 2010 to December 31, 2010, would be $611 per ounce of gold, $10.35 per ounce of silver, $0.74 per pound of lead and $0.74 per pound of zinc.

(4) Sum of quarterly earnings from operations does not equal the total for the year as earnings from operations for the year include exploration expenditures of $6.7 million previously allocated to Corporate in the first two quarters of 2010.

(5) Off-site costs consist primarily of transportation, warehousing, and treatment and refining charges.

Completion of Commissioning and Commercial Production

On September 1, 2010, Peñasquito completed commissioning and achieved commercial production. Effective September 1, 2010, proceeds from sales of metal concentrates and metals from the ancillary heap leach operation have been recognized as revenues with expenditures during production recognized as expenses.

During the fourth quarter of 2010, $66.8 million in capital expenditures were incurred at Peñasquito to complete the commissioning of Line 2, mechanical completion of the high-pressure grinding roll ("HPGR"), site infrastructure and sustaining capital projects in line with the planned expenditure program. Of this amount, $29.6 million was included in the previously reported capital estimate to complete, with the remainder primarily representing sustaining capital expenditures. The final capital estimate which includes the completion of commissioning of the HPGR remains at $1.6 billion.

Operating Performance

Operations at Peñasquito continue to ramp-up as expected, as overall material mined and sulphide ore processed increased during the fourth quarter of 2010. Payable gold production for the fourth quarter of 2010 was 21% or 9,400 ounces more than in the third quarter of 2010. In comparison to the prior quarter, Peñasquito's total material mined and sulphide ore milled volumes were 1% and 34% higher, respectively, due to continued ramp up of Line 2. Process maintenance and HPGR commissioning partially offset the ramp-up effects with mill throughput averaging 84,000 tonnes per day during the fourth quarter. Oxide ore volumes processed in the fourth quarter increased due to mining of phase 4 oxide mineralization and higher quantities of leachable ore encountered in the current mining phases than anticipated.

The gold grades in the ore milled for the quarter were 11% higher than the previous quarter reflecting the focus of mining activities on higher gold grade ore with lower silver, lead and zinc values. The metallurgical recoveries obtained for the quarter were as anticipated. Ore milled grades and metallurgical recoveries for gold, silver and zinc are expected to increase in 2011 as the mining phases advance through the transition zone into higher quality sulphide ore.

Cash costs for the fourth quarter of ($1,002) per gold ounce reflects the continued benefit of high by-product silver, lead and zinc metal prices. Operating and realization expenses were consistent with expectations during the ramp up of Line 2. Offsite costs, consisting of transportation, treatment and refining charges decreased slightly, performing as planned.

In December 2010, new reserves were calculated using the latest exploration data which indicated the Peñasquito deposit now contains 18.6 million ounces of proven and probable gold reserves, 2.4 million ounces of measured and indicated gold resources and 0.2 million ounces of inferred gold resources. Peñasquito also contains 1.11 billion ounces of proven and probable silver reserves, 272.4 million ounces of measured and indicated silver resources and 41.2 million ounces of inferred silver resources. In addition, Peñasquito contains 7.28 billion and 17.58 billion pounds of proven and probable lead and zinc reserves, respectively, 1.89 billion and 6.25 billion pounds of measured and indicated lead and zinc resources, respectively, and 165 million and 346 million pounds of lead and zinc inferred resources, respectively.

Construction of processing facilities – High-Pressure Grinding Roll

Mechanical completion of the HPGR was achieved as expected during the fourth quarter of 2010. Commissioning was directed to repositioning the magnets designed to capture grinding media included with pebbles ejected from the SAG mills. Peñasquito processing remains on target to reach the full 130,000 tonnes per day capacity by the end of the first quarter 2011.

Optimization and exploration activities to enhance economics at Peñasquito

Deep manto drilling continued at Peñasquito with 2,236 metres drilled in 3 holes during the fourth quarter of 2010. Mantos intersected in the second half of 2010 continue to demonstrate substantial opportunity to expand existing gold, silver, zinc and lead manto resources below and outside of the ultimate Peñasquito open pit. The results continue to support potential for a concurrent high-grade underground operation with an opportunity to further supplement core Peñasquito production.

On January 25, 2011 Peñasquito announced the signing of a power delivery agreement, with a subsidiary of InterGen. The agreement will see InterGen construct and operate a 200-250MW gas-fired combined cycle power plant to deliver electricity to Peñasquito for a minimum term of 20 years. This agreement helps secure a long-term supply of electricity to Peñasquito at stable pricing with anticipated substantial cost savings compared to current arrangements. Later this year, and during construction of the new plant, Peñasquito will also benefit from an interim reduction in existing electricity rates. The project is subject to regulatory and environment approvals and is expected to begin construction later this year with completion by 2014.

(in United States dollars, tabular amounts in millions, except where noted)

Los Filos mine, Mexico

Operating Data[1]	Q1	Q2	Q3	Q4	Total 2010	Total 2009
Tonnes of ore mined	6,731,200	6,729,600	6,734,700	7,304,200	**27,499,700**	25,093,600
Tonnes of waste removed	8,241,200	8,979,200	6,837,300	7,587,200	**31,644,900**	28,655,300
Ratio of waste to ore	1.2	1.3	1.0	1.0	**1.2**	1.1
Tonnes of ore processed	7,021,300	6,783,800	6,846,700	7,403,500	**28,055,300**	25,424,400
Average grade processed (grams/tonne)	0.60	0.71	0.67	0.70	**0.67**	0.62
Average recovery rate [2]	42%	44%	45%	44%	**44%**	42%
Gold (ounces)						
– Produced	72,100	82,600	66,500	84,900	**306,100**	239,300
– Sold	72,400	81,400	66,200	84,200	**304,200**	238,900
Average realized gold price (per ounce)	$ 1,111	$ 1,202	$ 1,234	$ 1,381	**$ 1,237**	$ 975
Total cash costs (per ounce)	$ 412	$ 446	$ 438	$ 400	**$ 423**	$ 469
Financial Data						
Revenues	$ 81.9	$ 98.8	$ 82.3	$ 116.4	**$ 379.4**	$ 236.2
Depreciation and depletion	$ 11.9	$ 13.6	$ 11.6	$ 13.7	**$ 50.8**	$ 45.7
Earnings from operations	$ 38.2	$ 46.7	$ 38.9	$ 64.5	**$ 188.3**	$ 72.9
Expenditures on mining interests	$ 11.4	$ 18.5	$ 7.0	$ 13.1	**$ 50.0**	$ 72.8

(1) Includes the results of the Los Filos and Bermejal open pits and the underground operation.

(2) Recovery is reported on a cumulative basis to reflect the cumulative recovery of ore on the leach pad, and does not reflect the true recovery expected over time.

Gold production for 2010 was 28%, or 66,800 ounces, more than in 2009 mainly due to higher grades and tonnage processed. In comparison to 2009, Los Filos experienced 8% higher grades mainly due to the processing of underground higher grade ore and higher grade ore from the Los Filos pit with the crushing and agglomeration plant that was successfully commissioned during the first quarter of 2010. The 10% higher tonnage processed compared to 2009 was attributable to increased hauling capacity and improved fleet availability.

Cash costs for 2010 were 10%, or $46 per ounce, lower than in 2009 due to higher gold production ($126 per ounce, or 274%), offset by higher operating costs ($61 per ounce, or 133%) and a stronger Mexican peso ($19 per ounce, or 41%). The increase in operating costs was mainly attributable to higher labour costs ($16.2 million) and higher fuel consumption ($3.6 million), both mainly driven by the increase in production, partially offset by a decrease in tire consumption ($1.9 million).

Gold production for the fourth quarter of 2010 was 28%, or 18,400 ounces, higher than in the third quarter of 2010 as the wet season ended and higher grades processed (4%), tonnage (8%) and solution throughput (4%) were achieved that contributed to a new quarterly production record of 84,900 gold ounces.

Cash costs for the fourth quarter of 2010 were 9%, or $38 per ounce, lower than in the third quarter of 2010 due to higher gold production ($99 per ounce, or 261%), offset by higher operating costs ($52 per ounce, or 137%) and a stronger Mexican peso ($9 per ounce, or 24%). The increase in operating costs was mainly attributable to higher cyanide consumption ($1.4 million) and consumables and reagents as a result of increased throughput ($1.0 million).

Construction of an additional fourth stage of the heap leach pad started during the fourth quarter of 2010 and is expected to be concluded late in the second quarter of 2011.

(in United States dollars, tabular amounts in millions, except where noted)

El Sauzal mine, Mexico

Operating Data	Q1	Q2	Q3	Q4	**Total 2010**	Total 2009
Tonnes of ore mined	692,600	618,400	584,700	645,200	**2,540,900**	2,480,200
Tonnes of waste removed	1,613,700	1,125,300	842,600	752,400	**4,334,000**	4,620,400
Ratio of waste to ore	2.3	1.8	1.4	1.2	**1.7**	1.9
Tonnes of ore milled	488,600	510,700	523,500	527,500	**2,050,300**	2,106,200
Average mill head grade (grams/tonne)	2.31	2.55	2.55	2.39	**2.45**	3.17
Average recovery rate	93%	94%	95%	95%	**94%**	94%
Gold (ounces)						
– Produced	33,700	39,300	40,600	38,500	**152,100**	203,800
– Sold	33,800	39,100	40,700	38,600	**152,200**	206,500
Average realized gold price (per ounce)	$ 1,102	$ 1,205	$ 1,234	$ 1,377	**$ 1,234**	$ 958
Total cash costs (per ounce)	$ 352	$ 299	$ 258	$ 303	**$ 301**	$ 201
Financial Data						
Revenues	$ 37.4	$ 47.3	$ 50.4	$ 53.5	**$ 188.6**	$ 198.7
Depreciation and depletion	$ 14.5	$ 17.0	$ 17.7	$ 17.1	**$ 66.3**	$ 88.5
Earnings from operations	$ 10.2	$ 17.7	$ 21.4	$ 22.8	**$ 72.1**	$ 66.1
Expenditures on mining interests	$ 2.1	$ 2.3	$ 1.4	$ 2.0	**$ 7.8**	$ 6.3

Gold production in 2010 was 25%, or 51,700 ounces, less than in 2009, mainly due to 23% lower grades as expected. El Sauzal is in the latter years of its mine life and the resulting decline in production is as anticipated.

Cash costs were 50%, or $100 per ounce, higher than in 2009 due to lower gold production ($73 per ounce, or 73%), higher operating costs ($14 per ounce, or 14%) and the unfavourable impact of a stronger Mexican peso ($13 per ounce, or 13%). The increase in operating costs was primarily attributable to higher labour ($2.3 million), consumables ($2.3 million) and power ($1.0 million), partially offset by lower maintenance parts ($3.7 million) due to major maintenance to process and mine equipment in 2009.

Gold production for the fourth quarter of 2010 was 5%, or 2,100 ounces, less than in the third quarter of 2010, mainly due to 6% lower grades.

Cash costs for the fourth quarter of 2010 were 17%, or $45 per ounce, higher than in the prior quarter, primarily due to higher operating costs ($24 per ounce, or 53%), lower gold production ($14 per ounce, or 31%) and the unfavourable impact of a stronger Mexican peso ($7 per ounce, or 16%). The increase in operating costs was primarily attributable to insurance and air transportation ($1.2 million).

Trini Pit ore was fed into the mill during the fourth quarter of 2010. The second stage of Trini pit stripping is expected to take place in the first quarter of 2011 as the environmental permission is obtained. Trini pit is expected to yield over 150,000 gold ounces extending the life of mine for three additional years to 2015.

(in United States dollars, tabular amounts in millions, except where noted)

Marlin mine, Guatemala

Operating Data	Q1	Q2	Q3	Q4	**Total 2010**	Total 2009
Tonnes of ore milled	470,700	374,600	373,900	380,500	**1,599,700**	2,161,000
Average mill head grade (grams/tonne)						
– Gold	4.78	5.94	5.52	7.81	**5.94**	4.26
– Silver	109	136	133	193	**141**	87
Average recovery rate						
– Gold	95%	96%	96%	97%	**96%**	93%
– Silver	78%	85%	91%	90%	**87%**	69%
Produced (ounces)						
– Gold	68,900	71,500	63,400	92,300	**296,100**	274,900
– Silver	1,254,300	1,437,700	1,410,700	2,156,500	**6,259,200**	4,156,500
Sold (ounces)						
– Gold	70,500	72,300	63,800	89,400	**296,000**	274,600
– Silver	1,290,100	1,424,500	1,442,000	2,060,000	**6,216,600**	4,128,800
Average realized price (per ounce)						
– Gold	$ 1,113	$ 1,206	$ 1,236	$ 1,376	**$ 1,241**	$ 982
– Silver	$ 17.24	$ 18.54	$ 19.63	$ 27.26	**$ 21.41**	$ 15.07
Total cash costs (per ounce) (1)	$ 109	$ 48	$ 52	$ (224)	**$ (19)**	$ 192
Financial Data						
Revenues	$ 100.7	$ 113.6	$ 107.2	$ 179.1	**$ 500.6**	$ 331.8
Depreciation and depletion	$ 22.1	$ 23.3	$ 25.3	$ 31.4	**$ 102.1**	$ 79.5
Earnings from operations	$ 48.0	$ 59.8	$ 49.7	$ 111.1	**$ 268.6**	$ 136.9
Expenditures on mining interests	$ 9.8	$ 21.7	$ 21.6	$ 23.7	**$ 76.8**	$ 41.3

(1) The calculation of total cash costs per ounce of gold sold is net of by-product silver sales revenue. If silver was treated as a co-product, total cash costs at Marlin for 2010 would be $319 per ounce of gold and $5.35 per ounce of silver (2009 – $341 and $4.98, respectively).

Gold and silver production for 2010 was 8%, or 21,200 ounces, and 51%, or 2,102,700 ounces, more than in 2009. In comparison to 2009, tonnes milled were 26% lower, due to the planned reduction in plant capacity from 6,000 tpd to 4,000 tpd in March 2010. In 2010, the recoveries for gold and silver were 3% and 26% higher, respectively, and for grades, 39% and 62% higher, respectively, compared to 2009. The higher grades and lower tonnage were consistent with the mine plan. The higher recoveries were due to improvements implemented in the process plant. The construction of the filter plant remains on schedule for completion in the fourth quarter of 2011.

Cash costs for 2010 were 110%, or $211 per ounce, lower than in 2009 due to higher silver by-product sales credits ($223 per ounce, or 106%) and higher gold sales ($30 per ounce, or 14%), partially offset by higher operating costs ($42 per ounce, or 20%). The increase in operating costs was primarily attributable to increased employee costs ($4.8 million), royalties and community related expenses ($5.3 million) and fuel ($2.7 million).

The fourth quarter of 2010 was a record quarter for both gold and silver production at Marlin. Gold and silver production for the fourth quarter of 2010 was 46%, or 28,900 ounces, and 53%, or 745,800 ounces higher, respectively, than in the third quarter of 2010. The increase in production was due to 41% and 45% higher gold and silver grades, respectively, and 2% additional tonnes processed as planned.

Cash costs for the fourth quarter of 2010 were 531%, or $276 per ounce, lower than in the prior quarter due to higher silver by-product sales credits ($185 per ounce, or 67%) and higher gold production ($141 per ounce, or 51%), partially offset by higher operating costs ($50 per ounce, or 18%). The increase in operating costs was primarily attributable to the payment of a cyanide import licence ($2.4 million) and higher electricity costs ($0.7 million), partially offset by lower costs incurred for tires and maintenance ($0.8 million).

On May 24, 2010, the Inter-American Commission on Human Rights ("IACHR"), an independent body of the Organization of American States, issued precautionary measures calling on the Government of Guatemala to suspend mining activity at Marlin. The IACHR acted in response to a petition alleging that operations at Marlin were causing environmental and public health concerns. On July 21, 2010, in compliance with the IACHR's precautionary measures, the Procuraduria General de la Nation ("PDN"), the Guatemalan Attorney General's Office, directed the Ministry of Energy and Mines (the "Ministry") to initiate the applicable administrative process under the laws of Guatemala to determine if suspension of Marlin operations is warranted as alleged. Montana Exploradora de Guatemala S.A de C.V. ("Montana"), a wholly owned subsidiary of Goldcorp and the operator of Marlin, filed its response with the Ministry on August 31, 2010. The response demonstrated that there is no basis under Guatemalan law to suspend operations at Marlin and included extensive documentation in support of that position. The Ministry requested and received submissions from the individual claiming to represent the petitioners and other governmental agencies. The Ministry initially indicated that the administrative process would be completed in approximately 120 days. The process has been extended in order to afford representatives of the municipalities of San Miguel Ixtahuacán and Sipacapa to present information directly to the government. Once the Ministry completes its administrative process, the Ministry will issue a report to the PDN.

On October 25, 2010, at the request of the IACHR, the Government of Guatemala and the petitioners provided a status report to the IACHR. Goldcorp's and Montana's petition to be heard at that audience was not granted by the IACHR. Instead, the IACHR arranged an informal meeting following the formal audience. During that meeting, Goldcorp and Montana presented information regarding Marlin and the adverse effect that a suspension of Marlin operations would have on its employees, suppliers, and the communities. In addition, the companies advised all parties of their interests and willingness to participate in a process to achieve an amicable solution to the petition as provided by Article 40 of the IACHR's Rules of Procedure.

The Guatemalan government's responses to the IACHR expressly confirm that studies conducted by the Ministry, the Ministry of Health and Social Welfare, and the Ministry of Environment and Natural Resources in Guatemala demonstrate there is no evidence of pollution or ill effects to public health or the environment as a result of operations at Marlin. The Government of Guatemala also stated that an assessment by the Ministry of Health and Social Welfare did not detect any disease linked to suspected contamination produced by Marlin. Goldcorp's management believes the IACHR's action is based on environmental allegations that are entirely without merit. While the government's administrative process is underway, the Company expects normal operations at Marlin to continue.

In December 2010, Vice President Rafael Espada initiated a "mesa de diálogo" comprised of the Vice President; the Ministers of Energy and Mines, Environment and Natural Resources, Health and Social Welfare, Infrastructure, and Education; the President of the Presidential Commission on Human Rights; the Mayors and other community representatives of San Miguel Ixtahuacán and Sipacapa; and representatives of Montana. The Office of the Organization of American States in Guatemala will attend the sessions of the mesa de diálogo as an "observer." The purpose of the mesa de diálogo, as established by the Vice President, is to ensure that "the mining industry develops in a framework of respect for the communities and the environment in benefit to the country." The mesa de diálogo has met twice and agreed, among other items, to meet at least monthly, to meet in the communities as well as the capital, and to adopt a two-tiered agenda to address short-term issues such as the petition pending before the IACHR as well as longer-term issues related to the development of the municipalities of San Miguel Ixtahuacán and Sipacapa. Goldcorp and Montana consider the Vice President's initiative and the participation of the two municipalities to be significant positive steps toward a constructive resolution of the issues raised in the petition pending before the IACHR as well as other issues of importance to the municipalities.

(in United States dollars, tabular amounts in millions, except where noted)

Alumbrera mine, Argentina (Goldcorp's interest – 37.5%)

Operating Data	Q1	Q2	Q3	Q4	**Total 2010**	Total 2009
Tonnes of ore mined	2,260,900	2,938,400	2,244,100	1,940,200	**9,383,600**	10,989,000
Tonnes of waste removed	5,974,200	5,340,100	5,587,800	5,270,500	**22,172,600**	22,085,900
Ratio of waste to ore	2.6	1.8	2.5	2.7	**2.4**	2.0
Tonnes of ore milled	3,514,100	3,547,600	3,493,800	3,479,900	**14,035,400**	14,075,300
Average mill head grade						
– Gold (grams/tonne)	0.51	0.43	0.42	0.50	**0.46**	0.49
– Copper	0.54%	0.44%	0.40%	0.45%	**0.46%**	0.46%
Average recovery rate						
– Gold	72%	70%	73%	70%	**71%**	71%
– Copper	85%	81%	82%	81%	**83%**	83%
Produced						
– Gold (ounces)	41,300	34,400	34,100	42,200	**152,000**	158,200
– Copper (thousands of pounds)	35,300	28,000	25,000	27,700	**116,000**	118,300
Sold						
– Gold (ounces)	30,800	46,900	30,300	38,800	**146,800**	157,800
– Copper (thousands of pounds)	24,500	36,500	23,100	27,000	**111,100**	114,600
Average realized price						
– Gold (per ounce)	$ 1,119	$ 1,250	$ 1,259	$ 1,422	**$ 1,270**	$ 988
– Copper (per pound)	$ 3.58	$ 2.55	$ 4.38	$ 4.84	**$ 3.71**	$ 3.08
Total cash costs (per gold ounce) (1)	$ (961)	$ 102	$ (896)	$ (1,002)	**$ (619)**	$ (722)
Financial Data						
Revenues	$ 124.0	$ 148.1	$ 137.6	$ 186.6	**$ 596.3**	$ 495.5
Depreciation and depletion	$ 15.6	$ 20.6	$ 15.2	$ 15.6	**$ 67.0**	$ 70.1
Earnings from operations	$ 53.9	$ 33.6	$ 49.1	$ 83.9	**$ 220.5**	$ 158.9
Expenditures for mining interests	$ 2.5	$ 3.1	$ 3.0	$ 7.5	**$ 16.1**	$ 12.6

(1) The calculation of total cash costs per ounce of gold is net of by-product copper sales revenue. If copper was treated as a co-product, cash costs at Alumbrera for 2010 would be $654 per ounce of gold and $2 per pound of copper (2009 – $434 and $1.54, respectively).

Goldcorp's share of Alumbrera's gold and copper production in 2010 was 4%, or 6,200 ounces, and 2%, or 2.3 million pounds, less than in 2009, respectively. The decrease in gold production was primarily attributable to 6% and 15% lower gold grades and ore tonnes mined, respectively. The reduction in grades and tonnage resulted from restrictions in ore available from Phases 9 and 10 as a result of geotechnical instability along a known fault zone in the pit that occurred in the third quarter of 2010. As a result, processing of additional oxidized ore from lower grade stockpiles occurred at levels 100% higher than in 2009. Mill throughput was maintained at a similar level to the prior year despite using stockpile material to make up for reduced ore from the pit.

Cash costs were 14%, or $103 per ounce, higher than in 2009 due to higher operating costs ($363 per ounce, or 352%), higher YMAD net proceeds payments ($188 per ounce, or 183%) and lower volume of gold ounces sold ($94 per ounce, or 91%), partially offset by higher by-product sales credits ($542 per ounce, or 526%), resulting mainly from higher copper prices. The increase in operating costs was primarily due to higher costs for labour and contractors, partially offset by lower costs for consumables.

Goldcorp's share of Alumbrera's gold and copper production for the fourth quarter of 2010 was 24%, or 8,100 ounces, and 11%, or 2.7 million pounds more than in the third quarter of 2010, respectively. In comparison to the prior quarter, Alumbrera experienced 19%

and 13% higher gold and copper grades, respectively, which was slightly offset by 4% lower gold recovery and 1% lower copper recovery, while ore milled in the third quarter and fourth quarters were similar.

Ore mined in the fourth quarter of 2010 was affected by the geotechnical event in Phase 10 south that negatively impacted the material mined and resulted in an increased strip ratio due to higher processing of oxide material. Gold and copper head grades in the fourth quarter of 2010 were higher than in the third quarter due to mining higher grade phase 10 ore as compared to phase 9.

Cash costs for the fourth quarter of 2010 were 12%, or $106 per ounce, lower than in the third quarter of 2010 due to higher volume of gold ounces sold ($477 per ounce, or 450%), partially offset by lower per ounce by-product sales credits ($218 per ounce, or 206%), higher YMAD net proceeds payments ($131 per ounce, or 124%) and higher operating costs ($22 per ounce, or 21%). The increase in operating costs was primarily attributable to higher costs for labour and fuel, partially offset by lower costs for power and contractors.

The provisional pricing impact of higher realized copper prices during the fourth quarter of 2010 was $21.3 million, or $549 per ounce, of which $10.9 million, or $281 per ounce related to copper sales in the third quarter of 2010 that settled in the fourth quarter of 2010.

(in United States dollars, tabular amounts in millions, except where noted)

Marigold mine, United States (Goldcorp's interest – 66.7%)

Operating Data	Q1	Q2	Q3	Q4	**Total 2010**	Total 2009
Tonnes of ore mined	1,959,800	661,400	1,736,300	1,805,100	**6,162,600**	8,001,100
Tonnes of waste removed	6,462,900	8,608,300	6,678,800	7,313,300	**29,063,300**	20,269,400
Ratio of waste to ore	3.3	13.0	3.8	4.0	**4.7**	2.5
Tonnes of ore processed	1,959,800	661,400	1,736,300	1,805,100	**6,162,600**	8,001,100
Average grade processed (grams/tonne)	0.65	0.51	0.55	0.66	**0.61**	0.63
Average recovery rate	73%	73%	73%	73%	**73%**	73%
Gold (ounces)						
– Produced	30,500	16,900	16,800	27,000	**91,200**	97,900
– Sold	30,700	17,800	16,700	26,000	**91,200**	99,500
Average realized gold price (per ounce)	$ 1,110	$ 1,195	$ 1,236	$ 1,372	**$ 1,224**	$ 994
Total cash costs (per ounce)	$ 507	$ 686	$ 817	$ 787	**$ 678**	$ 596
Financial Data						
Revenues	$ 34.0	$ 21.4	$ 20.6	$ 35.7	**$ 111.7**	$ 99.0
Depreciation and depletion	$ 5.1	$ 3.5	$ 3.8	$ 5.4	**$ 17.8**	$ 14.8
Earnings from operations	$ 11.9	$ 4.3	$ 3.2	$ 9.6	**$ 29.0**	$ 22.0
Expenditures for mining interests	$ 3.0	$ 5.6	$ 4.4	$ 6.5	**$ 19.5**	$ 29.3

Goldcorp's share of Marigold's gold production for 2010 was 7%, or 6,700 ounces, less than in 2009. The decrease in gold production was primarily due to a 23% decrease in ore tonnes placed at similar grades compared to 2009. The expanded mining truck fleet commissioned in the second half of 2009 raised hauling capacity and enabled the mining rate to increase by 25% in 2010. This increased hauling capacity allowed for the removal of overburden in the Basalt Phase 7 Pit, resulting in 43% more waste being mined in 2010 as compared to the prior year. The stripping campaign was largely completed during 2010, which will result in a lower strip ratio in the Basalt Phase 7 Pit in 2011.

Cash costs for 2010 were 14%, or $82 per ounce, higher than in 2009 due to lower gold production ($55 per ounce, or 67%) and higher operating costs ($27 per ounce, or 33%) as a result of 26% fewer ounces being stacked on the heap leach pad with similar direct costs.

Exploration for 2010 focused on the mine development areas in Basalt Phase 7 and on acquiring data for the geological modeling of the Target II, Target III and the Red Dot deposits.

Gold production for the fourth quarter of 2010 was 61% or 10,200 ounces, more than in the third quarter of 2010. The production increase was due to the placement of higher grade ore tonnes in the third and fourth quarters as stripping ended at Basalt Phase 7 Pit in the third quarter of 2010.

Cash costs for the fourth quarter of 2010 were 4%, or $30 per ounce, lower than in the third quarter of 2010 due to higher gold production which was processed at similar costs.

(in United States dollars, tabular amounts in millions, except where noted)

Wharf Mine, United States

Operating Data	Q1	Q2	Q3	Q4	**Total 2010**	Total 2009
Tonnes of ore mined	883,700	589,000	991,700	815,800	**3,280,200**	2,776,600
Tonnes of ore processed	783,900	716,000	876,500	726,900	**3,103,300**	2,874,500
Average grade processed (grams/tonne)	0.86	0.76	0.62	0.63	**0.71**	0.82
Average recovery rate	72%	77%	78%	78%	**76%**	70%
Gold (ounces)						
– Produced	18,300	19,400	19,600	16,000	**73,300**	67,700
– Sold	14,100	22,000	17,600	17,600	**71,300**	69,300
Average realized gold price (per ounce)	$ 1,110	$ 1,200	$ 1,233	$ 1,372	**$ 1,233**	$ 974
Total cash costs (per ounce)	$ 562	$ 556	$ 679	$ 788	**$ 645**	$ 686
Financial Data						
Revenues	$ 16.4	$ 27.3	$ 22.7	$ 24.8	**$ 91.2**	$ 70.9
Depreciation and depletion	$ 1.6	$ 1.9	$ 1.8	$ 2.0	**$ 7.3**	$ 7.6
Earnings from operations	$ 5.8	$ 11.8	$ 7.9	$ 9.1	**$ 34.6**	$ 12.2
Expenditures for mining interests	$ 0.7	$ 0.5	$ 1.2	$ 2.7	**$ 5.1**	$ 1.6

Gold production for 2010 was 8%, or 5,600 ounces, more than in 2009. In comparison to 2009, 8% more tonnes processed and 9% higher recovery more than offset a 13% drop in head grade. Tonnes processed were higher in 2010 due to additional ore encountered in the American Eagle pit which was not part of the geological model. Higher recovery was accomplished by operational improvements which resulted in lowering the gold inventory and raising the final recovery.

Cash costs for 2010 were 6%, or $41 per ounce, lower than in 2009 mainly due to higher gold production ($20 per ounce, or 49%) and lower operating costs ($21 per ounce, or 51%). The decrease in operating costs was primarily attributable to lower cyanide consumption and lower employee and maintenance costs.

Gold production for the fourth quarter of 2010 was 18%, or 3,600 ounces, less than in the third quarter of 2010. In comparison to the prior quarter, Wharf experienced 17% lower tonnes processed due to weather related crushing delays normally experienced during the fourth quarter of each year.

Cash costs for the fourth quarter of 2010 were 16%, or $109 per ounce, higher than in the third quarter of 2010 primarily due to higher operating costs ($82 per ounce, or 75%) as a result of fewer ounces being stacked on the heap leach pad with similar direct costs and higher production taxes ($27 per ounce, or 25%) on increased net profits.

Wharf is currently in the process of applying for a permit to expand the operation into new mining areas. Upon approval, the mine life will be extended by seven years until approximately 2020 with an anticipated production of 60,000 ounces of gold per year. The permitting process will include several public hearings and must ultimately be approved by state and local regulatory authorities. Permitting is expected to be completed by the end of 2011.

PROJECT REVIEW

Cerro Negro Project, Argentina

The Cerro Negro gold project is an advanced-stage, high-grade vein system located in the Santa Cruz province of Argentina. The land position comprises 215 square kilometres with numerous high-grade gold and silver veins. Goldcorp recently updated the resources at Cerro Negro by including drilling results obtained during 2010. As of December 31, 2010, proven and probable gold reserves total 2.1 million ounces of gold and 20.5 million ounces of silver, measured and indicated resources total 2.7 million ounces of gold and 18.7 million ounces of silver, and inferred resources total 0.7 million ounces of gold and 4.7 million ounces of silver.

In December 2010, the approval of the Environmental Impact Assessment was obtained from the Santa Cruz province in Argentina for the development and production of the Cerro Negro gold project. Goldcorp plans to reassess and re-optimize the larger project and commence construction as soon as possible. An update to the July 2010 feasibility study, which was carried out by the previous owner and forms the basis of the approval, is currently underway and is expected to be completed at the end of the first quarter 2011. Incorporating the new deposit outlook, which includes a much larger resource contained in multiple high-grade veins, the study update will evaluate an increase in milling capacity to approximately 4,000 tonnes per day. Detailed engineering, placement of orders for the long-lead items and any subsequent permitting amendments will follow immediately afterward.

The Cerro Negro site team in Argentina continues to make good progress in advancing the project.

- The exploration decline into the high-grade Eureka vein, which will be the first source of mill feed in 2013, has advanced to more than 750 metres in length, with a target of 3,982 metres.
- Upgrades to the main access road and camp expansion are planned to commence early in the second quarter of 2011.
- Geotechnical work for the mill and associated facilities will commence once optimum locations are finalized.

Exploration plans for the first half of 2011 include in-fill and extension drilling of the San Marcos vein discovered in late 2009 and the two Mariana veins (Central and Norte) discovered in 2010. Several new prospect areas with known gold mineralization have been identified within the 215 square kilometre property and testing of these new vein targets will commence in the second quarter of 2011.

Éléonore Project, Canada

The Éléonore project is located in the north-east corner of the Opinaca Reservoir in the James Bay region of Québec, Canada. The Éléonore deposit is a major new gold discovery in a relatively unexplored area of Québec, located in the core of what Goldcorp believes to be a promising new gold district in North America. As of December 31, 2010, the deposit contains 3.0 million ounces of proven and probable gold reserves at an average grade of 7.56 grams per tonne, 0.5 million ounces of measured and indicated gold resources at an average grade of 10.95 grams per tonne and 4.2 million ounces of inferred gold resources at an average grade of 10.60 grams per tonne.

The decision has been taken to proceed with construction of the Éléonore project following receipt of the appropriate permits, expected mid-year in 2011. This comes on the back of concrete steps to advance the project including;

- The year-end 2010 Reserves and Resource determination,
- An update to the previous Pre-Feasibility Study, and
- Signing of a Collaboration Agreement with the Cree Nation of Wemindji, the Grand Council of the Crees (Eeyou Istchee) and the Cree Regional Authority.

In conjunction with numerous refinements to the earlier work, a new development plan calls for the doubling of the plant throughput and gold production from previous plan levels, to 7,000 tonnes per day and an annual average of more than 600,000 ounces per year over an anticipated 15 year mine life.

The significant increase in project scale is being made possible by the construction of 2 shafts. The first, “Exploration Shaft”, currently under development, will access the upper levels of the Roberto deposit above 650 metres, supported by a decline from surface. The second shaft, accessing lower levels, would extend to a depth of approximately 1,400 metres and is expected to commence construction in mid-2011. The deposit remains open at depth below the 1,400 metre level. Mining of the Éléonore deposit will be via a mechanized longitudinal long-hole method.

A revised, larger processing facility and site infrastructure located in a compact site layout will result in appropriate economies of scale and maintain low cash costs over the life of the operation, expected to average approximately $400 per ounce. The processing circuit will be sized for 7,000 tonnes per day and will involve a flotation and cyanidation circuit, similar to that currently employed at Red Lake, with a gravity circuit to recover coarse gold. Recovery is expected to be 93.5% with no by-products.

The capital cost for the initial operation based around the first shaft has been confirmed at approximately $800 million with first gold production expected in 2015. The incremental capital for the second, deeper shaft and support facilities is expected to be $600 million with full production of 7,000 tonnes per day of ore expected from 2017.

Development at Éléonore has progressed steadily during 2010 with the following key milestones achieved:

- Power was established to the site from the Québec power grid,
- The pre-collar for the Exploration Shaft was completed,
- The head-frame and hoist construction on the Exploration Shaft was completed, and
- Full-face sinking of the Exploration Shaft commenced during the fourth quarter 2010.

Capital expenditures during the fourth quarter of 2010 and the year ended December 31, 2010 amounted to $36.1 million and $118.2 million, respectively. Cumulative expenditures to date amount to $345.8 million.

Following several years of constructive discussions, the Cree Nation of Wemindji, the Grand Council of the Crees (Eeyou Istchee) and the Cree Regional Authority (the “Crees”) have entered into a binding Collaboration Agreement regarding the development and operation of Éléonore. The Cree Nation of Wemindji unanimously approved the agreement on January 26, 2011 and the Grand Council of the Crees (Eeyou Istchee) and Cree Regional Authority unanimously approved the agreement on February 3, 2011 and an official signing ceremony was held in Wemindji, Québec on February 21, 2011.

Under the agreement, Goldcorp recognizes and respects Cree rights and interests in the area of the Éléonore project and the Crees recognize and support Goldcorp's rights and interests in the development and operation of the project.

By entering into the agreement, the Crees have demonstrated their commitment to collaborate with Goldcorp in the development and operation of a new gold mine in Cree territory. The agreement, which is expected to be in effect for the life of the mine, includes provisions regarding the participation of the Crees in the development of the Éléonore project and throughout the life of the mine, including employment and business opportunities and training and education initiatives. The agreement aligns Goldcorp and Cree interests in the economic success of the project and ensures that the Crees will receive financial benefits through a variety of fixed payment mechanisms and participation in the future profitability of the mine. The agreement also reflects Goldcorp's commitment to protecting the environment and supporting the Crees' social and cultural practices in a spirit of continued collaboration.

The project is expected to receive final clearance to commence construction with the receipt of the Environmental and Social Impact Assessment (ESIA) permit expected mid-year in 2011.

Cochenour Project, Canada

The Cochenour Project combines the existing workings of Goldcorp's historic Cochenour mine with the Bruce Channel gold discovery. The Cochenour/Bruce Channel deposit is located down-dip from Goldcorp's historic Cochenour mine and is a key component of Goldcorp's consolidation plans in the Red Lake district. In 2010, surface drilling continued in the Gap area as well as drilling from the 2050 level underground at the Cochenour mine. Drilling was focused on extending the mineralization and infilling the Bruce Channel discovery. In 2009, a surface drilling program identified strong gold intercepts in the Gap zone between the bottom of the historic Cochenour mine and the top of the Bruce Channel exploration drilling. The intercepts are the latest results in support of a contiguous and significant deposit. For budgeting and planning purposes, the Company has estimated the Cochenour project as a mineable deposit of 5 million gold ounces.

Throughout 2010, activities included the demolition and removal of unnecessary surface infrastructure, the completion of the excavations for the vent intake, the construction of the hoist room building, and the installation of a new concrete head frame. Driving of the 5 kilometre high speed haulage drift continued with 22% of the critical path development completed at the end of the year. Exploration diamond drilling was performed both from surface and the 2050 level to define the top portion of the Bruce Channel deposit and additional resources at the Cochenour mine.

Capital expenditures during the fourth quarter of 2010 and the year ended December 31, 2010 amounted to $31.5 million and $74.6 million, respectively. These have been included in the total expenditures on mining interests for Red Lake. These expenditures consist mainly of exploration, construction of surface infrastructure and development of the Cochenour haulage drift. Cumulative expenditures to date amount to $107.6 million.

Pueblo Viejo Project, Dominican Republic (Goldcorp's interest – 40%)

Pueblo Viejo contains 23.7 million ounces of proven and probable gold reserves, where Goldcorp's interest represents 9.5 million ounces. The project is a partnership with Barrick Gold Corporation, the project operator.

At the Pueblo Viejo project, construction is progressing with first production expected in the first quarter of 2012. Preproduction capital is expected to increase by 10-15% from the previous estimate to $3.3 - $3.5 billion (100% basis) ($1.3 - $1.4 billion – Goldcorp's share). The increased capital cost estimate is largely due to higher labour, power supply, freight and steel related costs as well as general inflation. Goldcorp's share of estimated annual gold production in the first full five years of operation is expected to average 415,000 – 450,000 ounces at total cash costs of $275 - $300 per ounce(1).

In December 2010, the Environmental Impact Assessment for the 240 kV power transmission line was approved allowing associated construction activities to commence. Alternative temporary power sources are being secured which will allow project commissioning in the fourth quarter of 2011. Following design approval by regulatory authorities, construction of the tailings storage starter dam commenced during the fourth quarter of 2010. At the end of the fourth quarter of 2010, overall construction was nearly 50% complete, approximately 75% of the capital was committed and engineering and procurement was 99% complete. About 80% of the planned concrete for the plant was poured, 55% of the steel was erected and more than 600,000 tonnes of ore were stockpiled. All four autoclaves are on site and were placed on their footings, and 93% of the materials required for the oxygen plant have been shipped to site.

Capital expenditures during the fourth quarter of 2010, including accrued management fees, amounted to $99.7 million. Cumulative expenditures to date, including accrued management fees, amount to $809.1 million, or $617.1 million net of the $192.0 million partial return of invested capital received during the second quarter of 2010.

In April 2010, the terms for $1.035 billion in project financing for the Pueblo Viejo project ($414.0 million – Goldcorp's share) were finalized with a lending syndicate comprised of international financial institutions including two export credit agencies and a syndicate of commercial banks. Barrick and Goldcorp have each provided a guarantee for their proportionate share of the loan. The guarantees will terminate upon Pueblo Viejo meeting certain operating completion tests and are subject to a carve-out for certain political risk events. The balance drawn under the facility as at December 31, 2010 was $781.5 million ($312.6 million – Goldcorp's share) which was used to fund ongoing construction at the project.

In April 2010, Pueblo Viejo Dominicana Corporation ("PVDC"), the entity that owns the Pueblo Viejo project, received a copy of an action filed in the Dominican Republic by Fundacion Amigo de Maimon Inc., Fundacion Miguel L. De Pena Garcia Inc., Miguel De Pena and a number of individuals. The action alleges a variety of matters couched as violations of fundamental rights, including taking of private property, violations of mining and environmental and other laws, slavery, human trafficking and bribery of government officials. The complaint does not describe the relief sought, but the action is styled as an amparo remedy, which typically includes some form of injunctive relief. PVDC intends to vigorously defend the action. PVDC requested the Supreme Court in Santo Domingo to change the venue and the 9th Criminal Court of Santo Domingo was appointed to decide on the matter of Fundacion Amigo de Maimon Inc. No other procedure has occurred. As for Miguel De Pena the Supreme Court annulled the judgment of the trial court of Cotui against PVDC which ordered PVDC to restore possession of Parcel 451-K to Miguel De Pena. The case has been sent to a new trial court for issuance of ruling. Miguel De Pena also initiated litigation against PVDC to collect approximately $2.0 million and the 9th Criminal Court has rejected the claim.

In September 2010, Alexander Mundaray et al. filed an amparo remedy for Protection of Fundamental Rights against PVDC and the Ministry of the Environment (Mimarena) of the Dominican Republic. The petitioners allege that PVDC is constructing the project without an Environmental License or an Environmental Impact Analysis. The petitioners are requesting that the court order the suspension of the construction works that PVDC is undertaking. PVDC is vigorously defending this claim.

(1) Based on gold price and oil price assumptions of $1,100 per ounce and $85 per barrel, respectively.

El Morro Project, Chile (Goldcorp's interest – 70%)

El Morro is an advanced stage, world-class gold/copper project in northern Chile, one of the most attractive mining jurisdictions in the world. On a 100% basis, El Morro contains proven and probable reserves of 8.2 million ounces of gold and 6.1 billion pounds of copper. A 2008 feasibility study estimates sulphide gold production of over 300,000 ounces per year and copper production of over 379 million pounds per year (on a 100% basis) over a 14-year mine life at low cash costs.

Located in the Atacama region of Chile approximately 80 kilometres east of the city of Vallenar and at 4,000 metre altitude, El Morro comprises a large, 36-square kilometre land package with significant potential for organic growth through further exploration. Two principal zones of gold-copper mineralization have been identified to date—the El Morro and La Fortuna zones—and the Company has identified several additional targets as part of its regional exploration plan. Future exploration efforts will also test the potential bulk-mineable gold and copper production below the bottom of the current pit.

The Company continues to advance the El Morro project by:

- advancing the El Morro permitting process,
- advancing the engineering and technical aspects of the project,
- maintaining on-going discussions with local communities, and
- preparing the site for construction activity.

The Company has made its fourth submission in the Environmental Impact Assessment ("EIA") approval process where EIA approval is expected in the first quarter of 2011. Following receipt of the approval, condemnation drilling will commence and will focus on specific areas of the site infrastructure: plant, mine waste dump, tailings facility and camp location.

Exploration drilling will follow and will initially concentrate on in-fill drilling and sampling for metallurgical and geo-technical data. While the currently envisaged project will be centred on the La Fortuna deposit, follow-up exploration of other highly prospective areas of the site will also be undertaken.

During 2010, the updating of capital and operating cost estimates generated in the previous 2008 feasibility study was commenced. This feasibility update has subsequently been extended to evaluate options not considered in the original report and will incorporate updates to the mine plan and the mining equipment requirements. A further update to the feasibility study is expected in the third quarter of 2011.

During 2010, negotiations with potential providers of power and port facilities commenced and detailed engineering of the pipelines, desalination plant components and definition of the desalination plant requirements also began. Expenditures were $9.1 million in the fourth quarter of 2010 and $17.2 million for the year ended December 31, 2010.

The El Morro project was acquired from a subsidiary of New Gold, the entity which acquired the El Morro project from Xstrata pursuant to the exercise of the right of first refusal. The right of first refusal came into effect on October 12, 2009 when Barrick entered into an agreement with Xstrata to acquire Xstrata's 70% interest in the El Morro project. On January 13, 2010, Goldcorp received a statement of claim filed by Barrick in the Ontario Superior Court of Justice, against Goldcorp, New Gold, and certain of New Gold's subsidiaries, relating to the exercise of the right of first refusal by a New Gold subsidiary in respect of the El Morro project. Among the relief requested by Barrick is that the El Morro project be held in trust for the benefit of Barrick. Barrick subsequently filed a motion to amend its claim to add various Xstrata entities as defendants. All parties have now agreed to have all claims related to the acquisition of the Xstrata interest heard by the Ontario courts, including the Supreme Court of Canada. Xstrata has filed a counterclaim against Barrick seeking damages in an amount of at least $60 million. A tentative case management schedule established as part of the parties' agreement contemplates a three-week trial of the matter to be held in June or July 2011. Goldcorp's management believes that Goldcorp has acted lawfully and appropriately in all aspects of this transaction and intends to defend Goldcorp against Barrick's claim.

On October 21, 2010, Chile increased the royalty rate for large mines from a 5% fixed rate to a progressive tax regime with rates ranging from 5% to 14% depending on the mining operating profit margin in a given taxation year. The mining operating profit margin is defined as the taxable income of the operation divided by the gross mining revenue of the operation. Mines with operating margins at 35% or below would still be subject to the 5% mining tax rate. Mines with an operating profit margin of higher than 85% would be subject to a 14% rate. Goldcorp believes that the D.L. 600 filing made at the time of the El Morro acquisition should provide fiscal stability that would prevent the new legislation from applying to the El Morro operations for the first 15 years of production. However to obtain fiscal stability based on that application, New Gold must waive the fiscal stability established by its existing D.L. 600 filing. The Company understands that if New Gold waives its existing D.L. 600 fiscal stability, both companies will be covered by the same fiscal stability under the Goldcorp D.L. 600 application.

Camino Rojo Project, Mexico

Located approximately 50 kilometres southeast of Goldcorp's Peñasquito mine, Camino Rojo's 3,389-square kilometre land position includes the Represa deposit, which has reported measured and indicated resources of 3.4 million gold ounces and 60.7 million silver ounces. Total inferred resources are 0.6 million ounces of gold and 7.6 million ounces of silver.

During the fourth quarter of 2010, the Company reached agreement with the local ejido over a one-year exploration access arrangement. Exploration activities have commenced with drilling and airborne geophysics underway. Capital expenditures during the fourth quarter of 2010 and the year ended December 31, 2010 amounted to $0.8 million and $1.7 million, respectively.

Noche Buena Project, Mexico

The Noche Buena project is located approximately 5 kilometres north of the Peñasquito mine. With reported measured and indicated resources of 1.0 million gold ounces and 32.4 million silver ounces, the Noche Buena project area totals approximately 24 square kilometres and is immediately adjacent and contiguous with the northern border of the Peñasquito concession block.

The scoping study completed on Noche Buena late in 2010 confirmed that with additional resources, the potential exists for a satellite operation which will make a meaningful contribution to Peñasquito's production. Drilling will continue during 2011 with the objective of adding further oxide resources and expanding the understanding of the sulphide zones.

The study will be updated during 2011 to incorporate the results of high-grade structure definition drilling.

Cerro Blanco Project, Guatemala

The Cerro Blanco Project is located in southwestern Guatemala and is considered to be a classic hot springs gold deposit with typical bonanza type gold mineralization. As of December 31, 2010, the deposit contains 1.3 million ounces of indicated gold resources at an average grade of 15.64 grams per tonne and 0.7 million ounces of inferred gold resources at an average grade of 15.31 grams per tonne.

Because of the challenging physical setting of Cerro Blanco, site-based activities are currently aimed at demonstrating several key concepts in preparation for a project feasibility study that is anticipated to commence by mid-2011. Mining of two drifts, from the north and south ends of the deposit (1,315 metres in total), and later declining into the ore body will determine the ability to mine underground in this geothermal area. At year-end, mining of the two drifts had been suspended awaiting the installation of additional dewatering and ventilation capacity. In total, mining has advanced 757 metres, with a further 558 metres remaining to connect the two drifts at the centre of the ore body, and 230 metres of lateral development to access mineralized zones and drill stations had been completed.

In parallel, advance dewatering is being enhanced to establish the long-term viability of the dewatering approach. A water treatment plant has been constructed and commissioned in order to treat the extracted groundwater before its release. Ore samples for metallurgical testing will be collected from drillcore and/or the underground workings to confirm the process methodology.

A geothermal resource with the potential to generate a significant quantity of geothermal power is located adjacent to the ore body. Drilling of the second of three dewatering/geothermal production wells (800 to 1,000 metres in depth) was completed by the end of the fourth quarter of 2010. Testing of these wells for generation capacity and for the ability to contribute to the dewatering of the orebody will be carried out during 2011.

Capital expenditures during the fourth quarter of 2010 and the year ended December 31, 2010 amounted to $8.7 million and $28.5 million, respectively.

(in United States dollars, tabular amounts in millions, except where noted)

EXPENSES

	2010	2009	2008
Corporate administration	**$ 177.1**	$ 133.1	$ 131.0
Exploration	**51.8**	31.8	65.7
Write-down of mining interests	**-**	24.0	47.1

Included in corporate administration is stock based compensation expense of $63.2 million in 2010 (2009 - $45.1 million; 2008 - $41.5 million) which has increased due to issuance of additional stock options, restricted share units and performance share units and the vesting of previously issued stock options and restricted share units. Excluding stock based compensation expenses, corporate administration expense increased $25.9 million, or 29%, in 2010 compared to 2009, and decreased $1.6 million, or 2%, in 2009 compared to 2008. The 29% increase in 2010 is primarily attributable to the Company's growth and associated increase in corporate activities, employee costs, corporate social responsibility and community contributions.

Exploration costs in 2010 increased $20 million as compared to 2009, and decreased $33.9 million in 2009 as compared to 2008. Exploration costs were higher for 2010 due to the expansion of drilling programs focused on extending existing gold zones at all of the Company's prospective mines and projects. Exploration costs for 2009 were lower due to reduced exploration spending in line with the Company's 2009 plan. Exploration costs for 2008 focused on the expansion of the drilling program at Red Lake and reflected the change to full ownership of Porcupine and Musselwhite for the entire fiscal year in 2008.

As a result of the sale of the Company's 21.2% interest in the El Limón gold project which closed on February 24, 2010, the Company recognized a $24.0 million before tax ($17.3 million after tax) write-down of its investment in El Limón during the fourth quarter of 2009. During the fourth quarter of 2008, the Company recognized a $47.1 million before tax ($30.9 million after tax) write-down of its mining interests at the Pamour open pit in Porcupine as a result of a reduction in its proven and probable reserves by 1.5 million ounces of gold as at December 31, 2008.

OTHER INCOME (EXPENSES)

	2010	2009	2008
Interest and other income (expenses)	**$ (46.3)**	$ (19.2)	$ 28.2
Interest expense and finance fees	**(52.3)**	(59.0)	(7.2)
Share of earnings (losses) of equity investees	**(8.1)**	-	3.9
Gains (losses) on non-hedge derivatives, net	**(61.8)**	3.6	(2.6)
Gains (losses) on securities, net	**0.5**	50.2	(105.9)
Gains on dispositions of mining interests	**780.5**	20.1	2.6
Gain on disposition of Silver Wheaton shares	**-**	-	292.5
Dilution gains, net	**-**	-	1.7
Gains (losses) on foreign exchange, net	**(355.4)**	(363.7)	1,059.3
	$ 257.1	$ (368.0)	$ 1,272.5

The increase in interest and other income (expenses) during 2010 is primarily due to transaction costs of $30.5 million relating to the acquisitions of Andean, Camino Rojo and El Morro offset by an increase in interest income due to higher average cash balances held throughout 2010 as compared to 2009 and a decrease in withholding taxes in 2010 as compared to 2009. The decrease in interest and other income (expenses) from 2008 to 2009 is primarily due to accrued withholding taxes in 2009 and the higher interest earned on the significant cash balances held throughout 2008, which arose from the sale of the Peñasquito silver stream in the third quarter of 2007 and the disposition of the Silver Wheaton Shares in the first quarter of 2008, offset by interest earned during 2009 on cash balances from the proceeds on the $862.5 million convertible senior notes issued by the Company on June 5, 2009.

Interest expense and finance fees incurred during 2010 of $52.3 million relate primarily to the convertible senior notes, accrued interest relating to withholding taxes and additional interest due to higher average outstanding debt balances. Interest expense and finance fees during 2009 of $59.0 million relate primarily to the convertible senior notes issued on June 5, 2009 and $10.3 million of accrued interest relating to withholding taxes. There was minimal debt outstanding in 2008 due to the repayment of the balance outstanding on the Company's revolving credit facility in the first quarter of 2008 and the exclusion of Silver Wheaton's non-revolving and revolving term loans as a result of the Company's sale of its interest in Silver Wheaton on February 14, 2008.

The share of loss of equity investee during 2010 relates to the Company's investments in Tahoe and Primero, which are accounted for using the equity method. The Company's investment in Tahoe was initially recognized on June 8, 2010, as partial consideration received on the disposition of the Escobal silver project in Guatemala. The Company's investment in Primero was initially recognized on August 6, 2010, as partial consideration received on the disposition of the San Dimas Assets located in Mexico.

As discussed under "Financial Instruments and Related Risks" below, the Company has entered into foreign currency, heating oil, copper, lead and zinc contracts. These contracts meet the definition of derivatives and do not qualify for hedge accounting. These contracts are marked-to-market at the end of each period with changes in fair value recorded in earnings for the period. The Company recorded a net gain of $5.4 million during 2010, comprised of realized gains of $9.4 million on matured contracts and mark-to-market losses of $4.0 million (2009 - net gain of $3.6 million, comprised of realized gains of $6.9 million on matured contracts and mark-to-market losses of $3.3 million; 2008 - net loss of $2.6 million, comprised of realized losses of $10.2 million on matured contracts and a reversal of unrealized mark-to-market losses recognized in previous years of $7.6 million). The Company recorded an unrealized loss of $1.2 million during 2010 relating to the conversion feature of the $60.0 million Primero convertible note received as partial consideration for the disposition of the San Dimas Assets, which is accounted for as an embedded derivative asset and marked-to-market at each balance sheet date. In addition, the Company recorded a net loss of $66.0 million during 2010 relating to its commitment to deliver 1.5 million ounces of silver to Silver Wheaton over each of the four contract years ending August 5, 2014 at the lesser of $4.04 per ounce, subject to an annual inflation adjustment, and the prevailing market price. The commitment is accounted for as a non-financial derivative liability and marked-to-market at each balance sheet date. The $66.0 million net loss was comprised of a net realized loss of $3.1 million on ounces delivered during 2010 and an unrealized loss of $62.9 million on the remaining ounces to be delivered.

During 2010, the Company recorded $0.5 million in gains on securities, primarily attributable to a $2.6 million unrealized gain on its investments in warrants, partially offset by a $2.1 million other than temporary write-down of one investment in equity securities classified as available-for-sale. During 2009, the Company recorded $50.2 million in gains on securities resulting from a $42.8 million gain on the disposition of its investment in New Gold and a $7.4 million net gain on its investments in warrants. During 2008, the Company recorded $105.9 million in losses on securities, primarily related to the other than temporary write-down of its investments in New Gold and one other investment in equity securities classified as available-for-sale. The Company recorded an impairment loss on its investment in New Gold during the fourth quarter of 2008 due to the adverse changes in the economic environment in which New Gold operates and the continued decline of the market price of New Gold's shares during 2008.

During the third quarter of 2010, the Company completed the sale of the San Dimas Assets and the associated Silver Wheaton Silver Purchase Agreement to Primero for total proceeds of $401.0 million. The Company recognized a gain of $373.2 million before tax ($407.9 million after tax which includes a future income tax recovery of $180.3 million and current income tax expense of $145.6 million) as a result of this transaction. During the second quarter of 2010, the Company recognized a net gain of $426.0 million before tax from the dispositions of the Escobal silver project ($484.1 million gain before tax; $480.6 million after tax), an exploration property in Mexico ($63.7 million loss before tax; $48.1 million after tax) and certain land in Wharf ($5.6 million gain before tax; $3.7 million after tax). During the first quarter of 2010, the Company recognized a loss of $18.7 million before tax ($8.2 million after tax) on the disposition of its 21.2% interest in the El Limón gold project. During the fourth quarter of 2009, the Company sold certain mining interests for total proceeds amounting to $20.1 million and recognized a gain of $20.1 million before tax ($15.1 million after tax).

During the fourth quarter of 2008, the Company recorded a gain of $2.6 million before tax ($0.5 million after tax) from the sale of certain mining assets.

During the first quarter of 2008, the Company completed the sale of its 108 million common shares of Silver Wheaton (48% remaining interest) to a syndicate of underwriters at a price of C$14.50 per common share, for gross proceeds of $1.571 billion less total transaction costs of $55.7 million and less Silver Wheaton's cash balance of $10.2 million. The transaction resulted in a gain of $292.5 million before tax ($136.5 million after tax) recognized in earnings in the first quarter of 2008.

Prior to the disposition of the Silver Wheaton shares on February 14, 2008, stock options, warrants and restricted share units held by non-controlling interests were exercised resulting in 0.1% dilution of the Company's interest in Silver Wheaton and a dilution gain of $1.7 million.

The Company recorded a net foreign exchange loss of $355.4 million, resulting primarily from the impact of the strengthened Canadian dollar and Mexican peso on the Company's future income tax liabilities, which are denominated in local currencies. At December 31, 2010, the Company has future income tax liabilities of $5.8 billion (2009 - $3.7 billion; 2008 - $3.4 billion) arising primarily from acquisitions of mining interests, which are monetary items translated each period end at current exchange rates to the US dollar, the Company's functional currency. During 2009, the Company recorded a net foreign exchange loss of $363.7 million, resulting from the impact of the strengthened Canadian dollar and Mexican peso on the Company's future income tax liabilities, which are denominated in local currencies, and an increase in the Company's net monetary liabilities denominated in local currencies which are subject to foreign exchange translation. The Company recorded a net foreign exchange gain of $1,059.3 million in 2008, resulting primarily from the impact of the weakened Canadian dollar and Mexican peso on the Company's future income tax liabilities, which are denominated in local currencies. The reduction in future income tax liabilities was offset by the negative impact of the weakened Canadian dollar on the Company's significant cash balance denominated in Canadian dollars from the proceeds of the Silver Wheaton sale in the first quarter of 2008.

INCOME AND MINING TAXES

Income and mining taxes for the year ended December 31, 2010 amounted to $346.0 million, approximately 16% of earnings before taxes, foreign exchange loss from translation of future income tax liabilities, and stock option expense which are not deductible (2009 - $209.1 million, or 25%; 2008 - $303.9 million, or 40%).

The lower effective tax rate in 2010, as compared to 2009, is primarily due to the gains on disposition of San Dimas and Escobal being subject to lower effective tax rates. The deferred credit relating to the sale of silver to Silver Wheaton and deferred gains from the disposition of Silver Wheaton shares in 2008, that were relieved to income as part of the disposition of San Dimas were not subject to income tax, reducing the effective tax rate on the disposition of San Dimas. The effective tax rate in 2010 was also lower due to the reversal in the fourth quarter of 2010 of the income tax liability for $12.8 million recorded in the fourth quarter of 2009 arising from changes in Mexican tax law.

In 2009, the effective tax rate as noted above was lower than the statutory tax rate primarily due to the $42.8 million gain on the disposition of the Company's investment in New Gold not being subject to tax due to the availability of capital loss carry-forwards, the impact of additional tax benefits from the harmonization of the Ontario corporate income tax with the Federal tax system and the reduction of future income tax liabilities of $38.9 million resulting from Canadian provincial income tax rate reductions enacted in the fourth quarter of 2009. This was offset by increases in future income tax liabilities in Mexico of $26.2 million as a result of the changes in Mexican income tax laws and an additional income tax liability for $12.8 million arising from changes to the Mexican consolidated tax return rules enacted in the fourth quarter of 2009.

In 2008, the effective tax rate as noted above was higher than the statutory tax rate primarily due to the higher future income taxes payable on the disposition of the Silver Wheaton shares of $155.9 million, partially offset by the use of Mexican flat tax credits on taxable earnings in Mexico ($37.8 million).

The Mexican government approved its 2010 fiscal budget on December 15, 2009 which included several significant changes to the Mexican income tax laws. The corporate income tax rate increased from 28% to 30% for the period from January 1, 2010 through December 31, 2012 and will be reduced to 29% in 2013 and back to 28% in 2014 and thereafter. The change in tax rate increased the Company's future income tax liabilities by $26.2 million in the fourth quarter of 2009. In addition to changes to the corporate income tax rates discussed above, the Mexican government announced in December 2009 that it had modified its consolidated tax return rules such that the Company could only benefit from a maximum 5 year (formerly a maximum 10 year) tax deferral of taxable income resulting from losses of companies within the consolidated group reducing taxable income of other companies in the consolidated group. Included with changes to the consolidated tax return rules are provisions that tax the Company's past consolidation benefits retroactively by estimating the tax benefits of the Company's consolidated tax filing as at December 31, 2009 and requiring the Company to repay those benefits in future years. The Company considered this element of the announced tax law changes a double taxation and filed a lawsuit in 2010 against the Mexican government on the basis that this retroactive tax increase was unconstitutional. The Company was successful on certain of its arguments at the first level of court and the Mexican government has appealed the lower level court decision on this matter. At December 31, 2009, the Company estimated that the income tax impact of the announced change to the consolidated tax return rules was potentially $79.1 million, of which $7.9 million, $23.6 million, and $47.6 million would be payable evenly during the period from 2013 to 2017, 2014 to 2018 and 2015 to 2019, respectively, without additional tax restructuring. The Company developed a plan that it intends to execute and is fully within its control and solely at its discretion to merge two entities within the consolidated group in 2013 which decreases the estimated tax impact to $12.8 million, of which $8.4 million and $4.4 million would be payable evenly during the period from 2015 to 2019 and 2018 to 2022, respectively. Accordingly the Company recorded income and mining taxes payable in non-current liabilities and a current income tax expense of $12.8 million as at and for the year ended December 31, 2009. At December 31, 2010, management estimates the tax on the Company's past consolidation benefits described above to be $74.7 million. A tax plan that the Company intends to execute and that is solely at its discretion and fully within its control to merge two entities within the consolidated group in 2013 decreases the tax impact to a nominal amount. In addition, in December 2010 the Mexican tax authorities issued new rules that effectively allow the Company to defer repayment of the tax benefits of consolidation noted above until such time as certain future events occur, which are within the Company's control, such as deconsolidation of the Mexican consolidated tax filing group. Accordingly, the $12.8 million of current income tax expense recorded in 2009 was reversed during the fourth quarter of 2010.

On October 1, 2007, the Government of Mexico enacted legislation which introduced a new flat rate business tax effective January 1, 2008 (16.5% in 2008, 17% in 2009, and 17.5% thereafter) and a new 2% tax on cash deposits effective July 1, 2008. The Company was not subject to the flat tax in 2010, 2009 or 2008.

On October 21, 2010, Chile increased the royalty rate for large mines from a 5% fixed rate to a progressive tax regime with rates ranging from 5% to 14% depending on the mining operating profit margin in a given taxation year. The mining operating profit margin is defined as the taxable income of the operation divided by the gross mining revenue of the operation. Mines with operating margins at 35% or below would still be subject to the 5% mining tax rate. Mines with an operating profit margin of higher than 85% would be subject to a 14% rate. Goldcorp believes that the D.L. 600 filing made at the time of the El Morro acquisition should provide fiscal stability that would prevent the new legislation from applying to the El Morro operations for the first 15 years of production. However to obtain fiscal stability based on that application, New Gold must waive the fiscal stability established by its existing D.L. 600 filing. At this time, the Company understands that if New Gold waives its existing D.L. 600 fiscal stability, both companies will be covered by the same fiscal stability under the Goldcorp D.L. 600 application.

NON-CONTROLLING INTERESTS

The non-controlling interests relate to Goldcorp's non-wholly owned subsidiaries, Sociedad Contractual Minera El Morro (70%) and Terrane (58.1%) until October 20, 2010 at which time the Company sold its remaining 58.1% interest to Thompson Creek.

El Morro: On February 16, 2010, the Company acquired a 70% interest in Sociedad Contractual Minera El Morro, the owner of the El Morro gold/copper project in Chile, which resulted in a 30% non-controlling interest in the amount of $213.1 million. During the period February 16 to December 31, 2010, the non-controlling interests' share of El Morro's net earnings was $0.1 million.

Terrane: In addition to private placements in 2006 and 2007, in 2008, Terrane closed a private placement of 10.0 million flow through common shares at a price of C$0.55 per share for gross proceeds of C$5.5 million. The private placement in addition to issuances of common shares from exercises of stock options outstanding resulted in a decrease in Goldcorp's interest in Terrane to 66% and an increase in non-controlling interests of $4.5 million.

During the fourth quarter of 2009, Terrane issued 4.8 million common shares resulting from exercises of stock options and common share purchase warrants outstanding. This resulted in a decrease in Goldcorp's interest in Terrane from 66% to 65% and an increase in non-controlling interests of $1.9 million.

On April 16, 2010, Terrane completed a bought-deal financing agreement with a syndicate of underwriters for the sale of 63,637,000 Units which were sold to the public at a price of C$1.10 per Unit for gross proceeds of C$70.0 million ($69.8 million). Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of Terrane at a price of C$1.50 per share for a period of 12 months from closing. Concurrent with the issuance of Units to the underwriters, 27,273,000 Units were issued at the same price on a non-brokered private placement basis to Goldcorp for C$30.0 million ($29.9 million). These issuances resulted in a decrease in Goldcorp's interest in Terrane to 58.2% (fully-diluted basis – 52.4%) and gave rise to an increase in non-controlling interests of $50.0 million. An adjustment was made to increase retained earnings directly by $15.3 million to reflect the difference between the increase in non-controlling interests and the Company's share of proceeds received. Additional share issuances during the third quarter of 2010 by Terrane from the exercise of stock options decreased Goldcorp's interest to 58.1%.

On October 20, 2010, the Company disposed of its remaining 58.1% interest in Terrane and derecognized the carrying amount of non-controlling interests on the date of disposition. The non-controlling interests' share of Terrane's net loss for 2010, prior to Goldcorp's disposition of its Terrane shares, amounted to $8.3 million (2009 - share of net loss of $2.0 million; 2008 – share of net earnings of $0.4 million).

(in United States dollars, tabular amounts in millions, except where noted)

DISCONTINUED OPERATION

On October 20, 2010, the Company sold its remaining 58.1% interest in Terrane to Thompson Creek. The Company received C$0.90 in cash and 0.052 common share of Thompson Creek for each Terrane share held, for total consideration of $235.9 million in cash and 13.9 million common shares of Thompson Creek.

Upon disposition on October 20, 2010, the Company no longer has significant continuing involvement in the operations of Terrane. Accordingly, the results of Terrane, which were previously reported as a separate operating segment, have been reported as a discontinued operation and presented separately on the Consolidated Statements of Earnings for both the current and prior periods presented. The following table sets out Goldcorp's loss from operations relating to its interest in Terrane:

Financial Data	Q1	Q2	Q3	Q4	**Total 2010**	Total 2009	Total 2008
Loss from operations	$ (1.0)	$ (1.9)	$ (3.0)	$ (10.0)	**$ (15.9)**	$ (5.2)	$ (6.5)

Net earnings from discontinued operations, after tax, amounted to $185.5 million in 2010 (2009 – $5.9 million net loss; 2008 - $2.2 million net earnings), including a $259.1 million before tax ($205.3 million after tax) gain on the disposition of Terrane.

(in United States dollars, tabular amounts in millions, except where noted)

NON-GAAP MEASURE – TOTAL CASH COSTS (BY-PRODUCT) PER GOLD OUNCE CALCULATION

The Company has included non-GAAP performance measures, total cash costs, by-product and co-product, per gold ounce, throughout this document. The Company reports total cash costs on a sales basis. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The Company follows the recommendations of the Gold Institute Production Cost Standard. The Company believes that, in addition to conventional measures, prepared in accordance with GAAP, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The following table provides a reconciliation of total cash costs (by-product) per ounce to the consolidated financial statements:

	2010	2009	2008
Cash costs, continuing operations (1)			
Operating expenses per consolidated financial statements (2)	**$ 1,478.4**	$ 1,187.3	$ 1,164.2
Treatment and refining charges on concentrate sales	**53.9**	24.1	25.5
By-product silver, copper, lead, and zinc sales	**(861.9)**	(454.3)	(426.0)
Alumbrera export retention (3)	**-**	(51.7)	(42.9)
San Martin operating expenses, in reclamation (4)	**-**	(0.1)	(19.6)
Realized gains on currency, heating oil and copper contracts	**(9.4)**	(6.9)	-
Non-cash and other adjustments	**(0.1)**	(6.2)	(0.1)
Total cash costs (by-product)	**$ 660.9**	$ 692.2	$ 701.1
Divided by ounces of gold sold (4)	**2,413,800**	2,344,700	2,293,200
Total cash costs (by-product) per ounce of gold (1)(4)(5)	**$ 274**	$ 295	$ 305

(1) As a result of the disposition of Terrane on October 20, 2010, the results of that development project, which were previously reported as a separate operating segment, have been reclassified as a discontinued operation for both the current and prior periods. As Terrane was a development project at the date of disposal, cash costs from continuing operations are equal to cash costs, including discontinued operations for each of the periods presented. Accordingly, a separate table setting out cash costs including discontinued operations has not been presented.

(2) $109.7 million in royalties are included in operating expenses per the consolidated financial statements (2009 - $69.4 million, 2008 - $67.2 million).

(3) Export retention taxes paid by Alumbrera have been included in cash costs effective January 1, 2010.

(4) San Martin mine ended its mining process in October 2007, and is therefore excluded from the figures above.

(5) If silver, lead and zinc for Peñasquito, silver for Marlin and copper for Alumbrera were treated as co-products, total cash costs would be $443 per ounce (2009 - $391 per ounce, 2008 - $391 per ounce).

(in United States dollars, tabular amounts in millions, except where noted)

NON-GAAP MEASURE – ADJUSTED NET EARNINGS

The Company has included non-GAAP performance measures, adjusted net earnings and adjusted net earnings per share, throughout this document. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The following table provides a reconciliation of adjusted net earnings to the consolidated financial statements:

Year ended December 31	**2010**	2009	2008
Net earnings attributable to shareholders of Goldcorp per consolidated financial statements	**$ 1,574.3**	$ 240.2	$ 1,475.6
Unrealized foreign exchange loss (gain) on translation of future income tax liabilities	**362.6**	324.3	(1,070.9)
Unrealized foreign exchange loss on translation of current taxes payable on disposition of Silver Wheaton shares	**-**	21.8	-
Loss on non-financial derivative contract to sell silver to Silver Wheaton	**66.0**	-	-
Losses (gains) on securities, net of tax	**-**	(49.7)	105.9
Gains on dispositions of mining interests, net of tax	**(835.9)**	(15.1)	(0.5)
Gain on disposition of mining interests and net of loss included in discontinued operation, net of tax	**(193.5)**	-	-
Gain on disposition of Silver Wheaton shares, net of tax	**-**	-	(136.5)
Share of loss in Tahoe and Primero	**8.1**	-	-
Write-down of mining interests, net of tax	-	17.3	30.9
Non-recurring withholding taxes accrual	**8.0**	27.9	-
Transaction costs expensed relating to issuance of convertible senior notes, net of tax	-	12.6	-
Transaction costs related to the acquisition of Andean, Camino Rojo and El Morro projects, net of tax	**21.3**	-	-
Write-off of Alumbrera export retention tax overpayment receivable, net of tax	-	6.3	-
Other adjustments	**(0.4)**	2.6	(7.5)
Total adjusted net earnings	**$ 1,010.5**	$ 588.2	$ 397.0
Weighted average shares outstanding (000's)	**735,337**	731,306	711,862
Adjusted net earnings per share	**$ 1.37**	$ 0.80	$ 0.56

Three months ended	**December 31 2010**	September 30 2010	December 31 2009
Net earnings attributable to shareholders of Goldcorp per consolidated financial statements	**$ 331.8**	$ 466.5	$ 66.7
Unrealized foreign exchange loss on translation of future income tax liabilities	**219.9**	126.4	122.6
Unrealized foreign exchange loss on translation of current taxes payable on disposition of Silver Wheaton shares	-	-	3.6
Loss on non-financial derivative contract to sell silver to Silver Wheaton	**48.5**	17.5	-
Gains on securities, net of tax	**(0.8)**	(0.2)	(44.1)
Gains on dispositions of mining interests, net of tax	-	(407.9)	(15.1)
Write-down of mining interests, net of tax	-	-	17.3
Non-recurring withholding taxes accrual	**1.3**	6.7	27.9
Gain on disposition of mining interests and net of loss included in discontinued operation, net of tax	**(214.0)**	19.6	-
Transaction costs related to the acquisition of Andean and El Morro projects, net of tax	**13.5**	1.4	-
Shares of loss in Tahoe and Primero	**5.1**	3.0	-
Other adjustments	**11.8**	(1.5)	3.8
Total adjusted net earnings	**$ 417.1**	$ 231.5	$ 182.7
Weighted average shares outstanding (000's)	**736,620**	736,136	733,079
Adjusted net earnings per share	**$ 0.57**	$ 0.31	$ 0.25

(in United States dollars, tabular amounts in millions, except where noted)

COMMITMENTS

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments. The following table summarizes the maturities of the Company's financial liabilities and operating and capital commitments at December 31:

	2010					2009
	Within 1 year	**2 to 3 years**	**4 to 5 years**	**Over 5 years**	**Total**	Total
Accounts payable and accrued liabilities (1)	**$ 556.6**	**$ -**	**$ -**	**$ -**	**$ 556.6**	$ 382.0
Current derivative liabilities	**51.1**	**-**	**-**	**-**	**51.1**	11.4
Principal payments on convertible senior notes	**-**	**-**	**862.5**	**-**	**862.5**	879.2
Interest payments on convertible senior notes	**17.3**	**34.5**	**17.2**	**-**	**69.0**	88.9
Non-financial derivative contract to sell silver to Silver Wheaton	**39.4**	**78.7**	**27.7**	**-**	**145.8**	-
Reclamation and closure cost obligations	**22.7**	**43.1**	**19.7**	**426.2**	**511.7**	523.5
Capital expenditure commitments	**51.0**	**-**	**-**	**-**	**51.0**	172.3
Minimum rental and lease payments	**2.3**	**3.3**	**3.4**	**1.4**	**10.4**	11.5
	$ 740.4	**$ 159.6**	**$ 930.5**	**$ 427.6**	**$ 2,258.1**	$ 2,068.8

(1) Excludes accrued interest on convertible senior notes and current portion of reclamation and closure cost obligations which are disclosed separately in the above table.

At December 31, 2010, the Company had letters of credit outstanding and secured deposits in the amount of $307.7 million (2009 - $270.9 million). In addition, certain of the mining properties in which the Company has interests are subject to royalty arrangements based on their net smelter returns ("NSRs"), modified NSRs, net profits interest ("NPI") and/or net earnings. Royalties are expensed at the time of sale of gold and other metals. For the year ended December 31, 2010, royalties included in operating expenses amounted to $109.7 million (2009 - $69.4 million; 2008 - $67.2 million). At December 31, 2010, the significant royalty arrangements of the Company were as follows:

Producing mining properties:	
Peñasquito	2% of NSR
Marlin	1% of NSR
Alumbrera	3% of modified NSR plus 20% YMAD royalty
Marigold	5% of NSR
Development projects:	
Éléonore	2 – 3% of NSR
Cerro Blanco	1% of NSR
Cerro Negro	3% of modified NSR and 1% of net earnings
El Morro	2% of NSR
Pueblo Viejo	3% of NSR; 0 – 25% NPI

(in United States dollars, tabular amounts in millions, except where noted)

FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company manages its exposure to financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and price risk, in accordance with its Risk Management Policy. The Company's Board of Directors oversees management's risk management practices by setting trading parameters and reporting requirements. The Risk Management Policy provides a framework for the Company to manage the risks it is exposed to in various markets and to protect itself against adverse market movements. All transactions undertaken are to support the Company's ongoing business. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

The following describes the types of risks that the Company is exposed to and its objectives and policies for managing those risk exposures:

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. To mitigate exposure to credit risk on financial assets, the Company has established policies to limit the concentration of credit risk, ensure counterparties demonstrate minimum acceptable credit worthiness and ensure liquidity of available funds.

The Company's maximum exposure to credit risk at December 31 is as follows:

	2010	2009
Cash and cash equivalents	**$ 556.2**	$ 874.6
Accounts receivable	**443.8**	278.8
Current derivative assets	**8.5**	8.1
Current notes receivable	**64.1**	-
Accrued interest receivable	**1.9**	-
Non-current notes receivable	**47.5**	-
	$ 1,122.0	$ 1,161.5

The Company closely monitors its financial assets and does not have any significant concentration of credit risk. The Company invests its cash and cash equivalents in highly rated corporations and government issuances in accordance with its short-term investment policy and the credit risk associated with its money market investments is considered to be low. The Company sells its products exclusively to large international financial institutions and other organizations with strong credit ratings. The historical level of customer defaults is negligible and, as a result, the credit risk associated with accounts receivables at December 31, 2010 is considered to be negligible. The Company's foreign currency, heating oil, copper, lead and zinc contracts are entered into with large international financial institutions with strong credit ratings. The coupon rates on the Primero promissory and convertible notes are reflective of the associated credit risks of the instruments. The fair values recognized on initial recognition for these instruments have been estimated using discount rates that management believes reflects their associated credit risks.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has in place a rigorous planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansionary plans. The Company ensures that sufficient committed loan facilities exist to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. During the year ended December 31, 2010, the Company generated operating cash flows from continuing activities of $1,787.3 million (2009 - $1,275.1 million; 2008 - $871.1 million). At December 31, 2010, Goldcorp held cash and cash equivalents of $556.2 million (2009 - $874.6 million) and had working capital of $587.8 million (2009 - $866.5 million), which the Company defines as current assets less current liabilities.

Goldcorp entered into a $1.5 billion revolving credit facility on May 18, 2007. At December 31, 2010, the full amount of this facility was available for future draws.

In April 2010, Barrick, the project operator, and Goldcorp finalized the terms for $1.035 billion (100% basis) in project financing for Pueblo Viejo ($414.0 million – Goldcorp's share). The lending syndicate is comprised of international financial institutions including two export credit agencies and a syndicate of commercial banks. The financing amount is divided into three tranches consisting of $375.0 million, $400.0 million and $260.0 million with terms of fifteen years, fifteen years and twelve years, respectively. The $375.0 million tranche bears a fixed coupon rate of 4.02% for the entire fifteen years. The $400.0 million tranche bears a coupon rate of LIBOR plus 3.25% pre-completion and scales gradually to LIBOR plus 5.10% (inclusive of a political risk insurance premium) for years thirteen to fifteen. The $260.0 million tranche bears a coupon rate of LIBOR plus 3.25% pre-completion and scales gradually to LIBOR plus 4.85% (inclusive of political risk insurance premium) for years eleven and twelve. Barrick and Goldcorp have each provided a guarantee for their proportionate share of the loan. The guarantees will terminate upon Pueblo Viejo meeting certain operating completion tests and are subject to a carve-out for certain political risk events. In June 2010, the $400.0 million and $260.0 million tranches, in addition to a portion of the $375.0 million tranche, were drawn for a total amount received of $781.5 million ($312.6 million – Goldcorp's share). This amount is not included in the Company's commitments for future minimum payments below as the Company's investment in Pueblo Viejo is accounted for using the equity method. At December 31, 2010, there was $253.5 million available for future draws on the $375.0 million tranche ($101.4 million – Goldcorp's share).

In the opinion of management, the working capital at December 31, 2010, together with future cash flows from operations and available funding facilities, is sufficient to support the Company's commitments. The Company's total planned capital expenditure for 2011 is $1.8 billion, 50% of which will be allocated to the Red Lake, Marlin and Peñasquito mines and 50% to projects. The amount allocated to projects will focus on commissioning Pueblo Viejo and developing the Cerro Negro, El Morro and Camino Rojo projects acquired during 2010. The 2011 expenditures will be funded partly by available cash balances, cash flows from operations, and available funding under the $1.5 billion revolving credit facility and $1.035 billion project financing for Pueblo Viejo ($414.0 million – Goldcorp's share).

For the periods beyond 2011, the Company's cash flows from operations and available funding under the Company's loan facilities are expected to sufficiently support further expansions and growth. Peñasquito will be the main driver of the Company's gold production growth expected in the next five years, with significant contributions from Red Lake and Pueblo Viejo.

Market Risk

(i) Currency risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. Exchange rate fluctuations may affect the costs that the Company incurs in its operations. Gold, silver, copper, lead and zinc are sold in US dollars and the Company's costs are incurred principally in US dollars, Canadian dollars, Mexican pesos, Argentinean pesos, Guatemalan quetzals and Chilean pesos. The appreciation of foreign currencies against the US dollar can increase the costs of gold, silver, copper, lead and zinc production and capital expenditures in US dollar terms. The Company also holds cash and cash equivalents that are denominated in foreign currencies which are subject to currency risk. Accounts receivable and other current and long-term assets denominated in foreign currencies relate to goods and services taxes, value-added taxes and insurance receivables. At December 31, 2010, the Company had $5.8 billion of future income tax liabilities which arose primarily from the acquisitions of Placer Dome Inc.'s assets and Glamis in 2006, Gold Eagle in the third quarter of 2008, and Camino Rojo and Cerro Negro in 2010 which are denominated in foreign currencies. Future income tax assets and liabilities are considered monetary and translated each period end at current exchange rates, with the gain or loss recorded in earnings for the period.

(in United States dollars, tabular amounts in millions, except where noted)

The Company is exposed to currency risk through the following financial assets and liabilities and future income tax liabilities denominated in foreign currencies at December 31:

2010	**Cash and cash equivalents**	**Accounts receivable and other current and long-term assets**	**Income and mining taxes payable**	**Accounts payable and accrued liabilities**	**Current debt**	**Future income tax assets (liabilities)**
Canadian dollar	**$ 69.8**	**$ 92.3**	**$ (71.6)**	**$ (216.0)**	**$ -**	**$ (1,928.0)**
Mexican peso	**33.9**	**86.9**	**(184.8)**	**(181.3)**	**-**	**(2,022.8)**
Argentinean peso	**1.5**	**33.1**	**(46.6)**	**(94.6)**	**-**	**(1,830.0)**
Guatemalan quetzal	**4.9**	**1.1**	**(4.8)**	**(29.2)**	**-**	**25.3**
Chilean peso	**-**	**0.8**	**(0.2)**	**(5.4)**	**-**	**-**
	$ 110.1	**$ 214.2**	**$ (308.0)**	**$ (526.5)**	**$ -**	**$ (5,755.5)**

2009	Cash and cash equivalents	Accounts receivable and other current and long-term assets	Income and mining taxes receivable (payable)	Accounts payable and accrued liabilities	Current debt	Future income tax liabilities
Canadian dollar	$ 4.0	$ 10.8	$ (167.5)	$ (152.0)	$ (16.7)	$ (1,216.9)
Mexican peso	9.5	86.1	3.2	(128.9)	-	(2,371.7)
Argentinean peso	1.0	17.8	(49.8)	(55.5)	-	(107.5)
Guatemalan quetzal	3.5	12.1	-	(23.3)	-	(12.3)
	$ 18.0	$ 126.8	$ (214.1)	$ (359.7)	$ (16.7)	$ (3,708.4)

During the year ended December 31, 2010, the Company recognized a net loss of $355.4 million on foreign exchange (2009 – net loss of $363.7 million; 2008 – net gain of $1,059.3 million). Of this amount, $362.6 million resulted from the translation of future income taxes denominated in foreign currencies (2009 – loss of $318.8 million; 2008 - gain of $1,062.6 million). Based on the above net exposures at December 31, 2010, a 10% depreciation or appreciation of the above foreign currencies against the US dollar would result in a $426.0 million increase or decrease in the Company's after-tax net earnings, respectively.

During the years ended December 31, 2010 and 2009, the Company entered into Canadian dollar and Mexican peso forward and option contracts to purchase and sell the respective foreign currencies at pre-determined US dollar amounts. These contracts were entered into to normalize operating expenses incurred by the Company's foreign operations as expressed in US dollar terms. In accordance with its Risk Management Policy, the Company may hedge up to 50% and 30% of its annual Canadian dollar and Mexican peso operating expenditures over the next twelve months and subsequent thirteen to twenty four months, respectively.

(ii) Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its outstanding revolving credit facility, its share of the Pueblo Viejo project financing finalized during the second quarter of 2010 and its cash and cash equivalents. In addition, the $50.0 million Primero promissory note and debt component of the $60.0 million Primero convertible note receivable are exposed to interest rate risk as a result of the fixed interest rates earned.

The Company monitors its exposure to interest rates and is comfortable with its exposures given the relatively low US dollar rates. Interest incurred on the Company's revolving credit facility during the year ended December 31, 2010 amounted to $1.5 million. A 10% change in the interest rate on the Company's revolving credit facility would result in a nominal change in the Company's after-tax net earnings, respectively. The average interest rate earned by the Company during the year ended December 31, 2010 on its cash and cash equivalents was 0.20% (2009 – 0.22%; 2008 - 2.68%). A 10% increase or decrease in the interest earned from financial institutions on deposits held and money market investments would result in a $0.1 million increase or decrease in the Company's after-tax net earnings, respectively (2009 and 2008 – nominal). A 10% decrease or increase in the market interest rate for debt with similar terms and associated credit risks to the Primero notes receivable would increase and decrease the fair values of these notes receivable by $0.7 million, respectively.

(in United States dollars, tabular amounts in millions, except where noted)

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Profitability of the Company depends on metal prices for gold, silver, copper, lead and zinc. Metal prices are affected by numerous factors such as the sale or purchase of gold and silver by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major producing countries throughout the world. A 10% increase or decrease in metal prices would result in a $322.0 million increase or decrease in the Company's after-tax net earnings, respectively. The Company has a policy not to hedge gold sales. In accordance with the Company's Risk Management Policy, the Company may hedge up to 50% and 30% of its base metal sales volume over the next fifteen months and subsequent sixteen to twenty seven months, respectively, to manage its exposure to fluctuations in base metal prices.

The costs relating to the Company's production, development and exploration activities vary depending on the market prices of certain mining consumables including diesel and electricity. A 10% increase or decrease in diesel market prices would result in an $8.5 million decrease or increase in the Company's after-tax net earnings, respectively. The Company does not intend to hedge against diesel price fluctuations in Mexico as the government regulates the domestic market. The Company has entered into contracts to hedge against diesel price fluctuations in Canada and the United States through NYMEX heating oil contracts as a proxy for diesel. Electricity is regionally priced in Ontario, Canada and Mexico and semi-regulated by the provincial and federal governments, respectively. The regulation of electricity prices reduces the risk of price fluctuation and the Company therefore does not contemplate entering into contracts to hedge against such risk.

CAPITAL RESOURCES

The capital of the Company consists of items included in shareholders' equity and debt, net of cash and cash equivalents as follows:

At December 31	**2010**	2009
Shareholders' equity	**$ 20,194.2**	$ 15,493.2
Current and long-term debt	**747.1**	735.7
	20,941.3	16,228.9
Less: cash and cash equivalents	**(556.2)**	(874.6)
	$ 20,385.1	$ 15,354.3

At December 31, 2010, there was no externally imposed capital requirement, to which the Company is subject, which the Company has not complied with.

During the year ended December 31, 2010, the Company invested a total of $1,247.8 million in mining interests, including $312.3 million at Pueblo Viejo, $204.1 million at Red Lake, $203.3 million at Peñasquito, $118.2 million at Éléonore, $87.9 million at Porcupine, $79.4 million at Musselwhite and $76.8 million at Marlin.

As at February 24, 2011, there were 798.4 million common shares of the Company issued and outstanding and 15.7 million stock options outstanding which are exchangeable into common shares at exercise prices ranging between C$12.55 per share to C$45.51 per share. In addition, the Company had 9.2 million share purchase warrants outstanding, of which 8.4 million are exchangeable for 8.4 million common shares at an exercise price of C$45.75 per share until June 9, 2011. The remaining 0.8 million share purchase warrants are exchangeable for 0.8 million common shares at an exercise price of C$34.76 per share until June 26, 2011.

Cash dividend payments during the year ended December 31, 2010 totalled $154.4 million (2009 - $131.7 million; 2008 - $128.7 million).

OTHER RISKS AND UNCERTAINTIES

Foreign Operations

In 2010, the majority of the Company's foreign operations were conducted in Mexico, Guatemala, Argentina, the Dominican Republic, Chile and the United States, and as such the Company's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, terrorism; hostage taking; military repression; expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Mexico, Guatemala, Argentina, the Dominican Republic, Chile and the United States may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have a material adverse effect on the Company's operations or profitability.

Government Regulation

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could have an adverse effect on the Company's financial position and results of operations.

Environmental Regulation

The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set out limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's financial position and results of operations.

Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

Other

For further information regarding the Company's operational risks, please refer to the section entitled *"Description of the Business – Risk Factors"* in the annual information form for the year ended December 31, 2009, available at www.sedar.com and to the Company's annual information form for the year ended December 31, 2010 to be filed on SEDAR.

CHANGES IN ACCOUNTING POLICIES

Accounting policies implemented effective January 1, 2010

In January 2009, the CICA issued Handbook Sections 1582 – *Business Combinations* ("Section 1582"), 1601 – *Consolidated Financial Statements* ("Section 1601") and 1602 – *Non-controlling Interests* ("Section 1602") which replace CICA Handbook Sections 1581 – *Business Combinations* ("Section 1581") and 1600 – *Consolidated Financial Statements*. Section 1582 establishes standards for the accounting for business combinations that are equivalent to the business combination accounting standards under International Financial Reporting Standards ("IFRS"). Sections 1601 and 1602 establish standards for the preparation of consolidated financial statements and the accounting for non-controlling interests in financial statements that are equivalent to the standards under IFRS. Section 1582 is required for business combinations with acquisition dates on or after January 1, 2011. Sections 1601 and 1602 are required for interim and annual consolidated financial statements relating to the fiscal year beginning January 1, 2011. Earlier adoption of these sections is permitted, which requires that all three sections be adopted at the same time. The Company early adopted these sections effective January 1, 2010.

Under Section 1582, business combinations are accounted for using the "acquisition method", compared to the "purchase method" required under Section 1581. The significant changes that result from applying the acquisition method of Section 1582 include: (i) the definition of a business is broadened to include development stage entities, and therefore more acquisitions are accounted for as business combinations rather than asset acquisitions; (ii) the measurement date for equity interests issued by the acquirer is the acquisition date instead of a few days before and after terms are agreed to and announced, which may significantly change the amount recorded for the acquired business if share prices at the agreement and announcement date and the acquisition date differ; (iii) all future adjustments to income tax estimates are recorded as income tax expense or recovery, whereas under Section 1581, certain changes in income tax estimates were recorded to goodwill; (iv) acquisition-related costs, other than costs to issue debt or equity securities, of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees, and other professional or consulting fees are expensed as incurred, whereas under Section 1581, these costs were capitalized as part of the cost of the business combination; (v) assets acquired and liabilities assumed are recorded at 100% of their fair values even if less than 100% is obtained, whereas under Section 1581, only the controlling interest's portion of assets and liabilities acquired were recorded at fair value; and (vi) non-controlling interests are recorded at their proportionate share of the fair value of identifiable net assets acquired, whereas under Section 1581, non-controlling interests were recorded at their proportionate share of the carrying value of net assets acquired.

Under Section 1602, non-controlling interests are measured at their proportionate share of the fair value of identifiable net assets acquired on initial recognition. For presentation and disclosure purposes, non-controlling interests are classified as a separate component of equity. In addition, Section 1602 changes the manner in which increases and decreases in ownership interests are accounted for. Changes in ownership interests in a subsidiary are recorded as equity transactions and no gain or loss is recognized as long as the parent retains control of the subsidiary. When a parent company deconsolidates a subsidiary but retains a non-controlling interest, the non-controlling interest is re-measured at fair value on the date control is lost and a gain or loss is recognized at that time. Under Section 1602, accumulated losses attributable to non-controlling interests are no longer limited to the original carrying amount, and therefore non-controlling interests could have a negative carrying amount. The provisions of Section 1602 have been applied retrospectively with the exception of the accounting for changes in the Company's ownership interests in a subsidiary over which control is maintained, the accounting for a loss of control of a subsidiary and the attribution of net earnings and losses and other comprehensive income and losses to non-controlling interests.

Accounting policies implemented during 2009

On January 1, 2009, the Company adopted CICA Handbook Section 3064 - *Goodwill and Intangible Assets* ("Section 3064"), which replaces CICA Handbook Sections 3062 - *Goodwill and Other Intangible Assets* ("Section 3062") and 3450 - *Research and Development Costs* for fiscal years beginning on or after October 1, 2008. Various changes were made to other sections of the CICA Accounting Handbook for consistency purposes. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and intangible assets. Standards concerning goodwill are unchanged from the standards included in Section 3062. The adoption of Section 3064 did not result in a material impact on the Company's consolidated financial statements.

Effective January 1, 2009, the Company adopted Emerging Issues Committee ("EIC") Abstract 173 - *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities* ("EIC-173") issued by the CICA. EIC-173, which is applicable for periods ending on or after January 20, 2009 with earlier adoption encouraged, provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of an entity's financial assets and financial liabilities, including derivative instruments. The adoption of EIC-173 did not result in a material impact on the Company's consolidated financial statements.

In March 2009, the Company adopted EIC Abstract 174 - *Mining Exploration Costs* ("EIC-174") issued by the CICA, which replaces EIC Abstract 126 - *Accounting by Mining Enterprises for Exploration Costs* ("EIC-126") for financial statements issued after March 27, 2009, to provide additional guidance for mining exploration enterprises on the capitalization of exploration costs, when an assessment of impairment of these costs is required and conditions indicating impairment. The adoption of EIC-174 did not result in a material impact on the Company's consolidated financial statements.

In June 2009, the Company adopted the amendments made to CICA Handbook Section 3862 – *Financial Instruments – Disclosures* ("Section 3862") to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity risk disclosure requirements for publicly accountable enterprises. The additional disclosures are applicable to annual financial statements relating to fiscal years ending after September 30, 2009.

On July 1, 2009, the Company adopted the amendments made to CICA Handbook Section 3855 – *Financial Instruments – Recognition and Measurement* ("Section 3855") to provide additional guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category, amend the definition of loans and receivables, amend the categories of financial assets into which debt instruments are required or permitted to be classified, amend the impairment guidance for held-to-maturity debt instruments and require reversal of impairment losses on available-for-sale debt instruments when conditions have changed. The additional guidance on assessment of embedded derivatives is applicable for reclassifications made on or after July 1, 2009. All other amendments are applicable as of January 1, 2009. The adoption of these amendments did not result in a material impact on the Company's consolidated financial statements.

Accounting policies implemented during 2008

On January 1, 2008, the Company adopted three new presentation and disclosure standards issued by the CICA. Section 3862 and CICA Handbook Section 3863 - *Financial Instruments – Presentation* which replace CICA Handbook Section 3861 - *Financial Instruments – Disclosure and Presentation* ("Section 3861") for fiscal years beginning on or after October 1, 2007, incorporate many of the disclosure requirements of Section 3861, but place an increased emphasis on disclosure of risks, including both qualitative and quantitative information about the risk exposures arising from financial instruments. CICA Handbook Section 1535 - *Capital Disclosures* establishes disclosure requirements about the Company's objectives, policies and processes for managing capital, quantitative data about what the Company regards as capital, whether the Company has complied with external capital requirements and, if the entity has not complied, the consequences of such non-compliance.

CICA Handbook Section 3031 - *Inventories* ("Section 3031") which replaces CICA Handbook Section 3030 - *Inventories* for fiscal years beginning on or after January 1, 2008, establishes standards for the measurement and disclosure of inventories. The new standard provides more extensive guidance on the determination of cost, including allocation of overhead, and requires impairment testing. The adoption of Section 3031 effective January 1, 2008 did not result in a material impact on the Company's consolidated financial statements.

On July 1, 2008, the Company adopted EIC Abstract 172 – *Income Statement Presentation Of A Tax Loss Carryforward Recognized Following An Unrealized Gain Recorded In Other Comprehensive Income* ("EIC-172") issued by the CICA. EIC-172, which is applicable for periods ending on or after September 30, 2008, requires that the tax benefit from the recognition of previously unrecognized tax loss carryforwards, consequent to the recording of unrealized gains on available-for-sale financial assets in OCI be recognized in earnings retrospectively. The adoption of EIC-172 did not result in a material impact on the Company's consolidated financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

In February 2008, the Canadian Accounting Standards Board confirmed January 1, 2011 as the date that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises, with a transition date of January 1, 2010. Earlier adoption is permitted. The Company will issue its first IFRS annual consolidated financial statements for the fiscal year ending December 31, 2011, with restatement of comparative balance sheets as at December 31, 2010 and January 1, 2010 and statement of earnings for the year ended December 31, 2010. During the year ending December 31, 2011, the Company will issue interim consolidated IFRS financial statements prepared in accordance with IAS 34 – *Interim Financial Reporting* ("IAS 34") for the periods ending March 31, 2011, June 30, 2011 and September 30, 2011, with restatement of comparative balance sheets as at December 31, 2010 and January 1, 2010 and statements of earnings for the comparative periods presented. The conversion from Canadian GAAP to IFRS as a primary basis for preparing the Company's consolidated financial statements has and/or will result in changes to the Company's accounting policies, information technology and data systems, internal control over financial reporting, disclosure controls and procedures and financial expertise and training requirements as noted below. The conversion may also impact future business activities such as agreed terms of certain contractual arrangements, including debt covenants and debt and equity settlement provisions. Management does not expect the conversion to IFRS to have any impact on its compensation plans.

Transition Plan

The four phases of the Company's transition plan are as follows: scoping and planning ("phase 1"), detailed assessment ("phase 2"), operations implementation ("phase 3") and post implementation ("phase 4"). The Company has prioritized and assigned the appropriate resources to develop and implement an effective plan and continues to assess resource and training requirements.

- Phase 1 involved establishing a project steering and technical committee and a project management team, obtaining organizational support for the transition plan, obtaining stakeholder support for the project, identifying key areas affected and developing a project charter, implementation plan and communication strategy. The steering and technical committee is comprised of members of senior executive management and is responsible for final approval of project recommendations, including selected IFRS accounting policies, and deliverables to the audit committee and board of directors. Phase 1 was completed during the first quarter of 2009.
- Phase 2 involved the (a) identification of significant differences between the Company's current accounting policies under Canadian GAAP and those permitted under IFRS, (b) selection of accounting policies, methods of implementing accounting policy changes and transitional exemptions in accordance with IFRS, (c) estimation of quantified financial statement impacts, (d) preparation of shell financial statements and (e) identification and analysis of business processes and information technology and data systems impacted. Phase 2 was completed during the fourth quarter of 2009.
- The first stage of phase 3, the design of business and reporting processes and systems to support the preparation of consolidated IFRS financial statements and required disclosures for the opening consolidated IFRS balance sheet as at January 1, 2010, fiscal 2010 and thereafter was completed in March 2010. The implementation and testing of changes to the reporting processes and systems to support the preparation of consolidated IFRS financial statements and required disclosures was approved and completed during the second quarter of 2010. The preparation of the consolidated opening IFRS balance sheet as at January 1, 2010 and 2010 comparative interim consolidated IFRS financial statements the Company expects to present in its 2011 interim consolidated IFRS financial statements to be issued during 2011 is substantially complete as at the date of this document. The Company's condensed preliminary opening consolidated IFRS balance sheet and comparative interim consolidated IFRS statements of earnings are presented below. The second stage of phase 3, ongoing training for key personnel, identification and documentation of impact and required changes to, and ensuring the effectiveness of, the Company's internal control environment and disclosure controls and procedures, was conducted throughout 2010. An IFRS technical conference was held in June 2010 for key finance and accounting personnel of each mine site location and the corporate office. In addition, technical training modules have been completed by the key individuals. On-going training continues as new finance and accounting personnel are hired and to

(in United States dollars, tabular amounts in millions, except where noted)

serve as refresher training for key individuals. The key incremental controls resulting from the conversion to IFRS relate to (a) the assessment and quantification of the impact of converting to IFRS on the Company's consolidated opening IFRS balance sheet as at January 1, 2010, and comparative IFRS information for the periods ended March 31, 2010, June 30, 2010 and September 30, 2010 and the year ended December 31, 2010, (b) the assessment and identification of the impact of converting to IFRS on the Company's financial reporting, systems and processes, and (c) the design, implementation and testing of changes to the Company's financial reporting systems and processes to support the preparation of consolidated IFRS financial statements for the consolidated opening IFRS balance sheet as at January 1, 2010, fiscal 2010 and thereafter.

- Phase 4 involves the maintenance of sustainable IFRS compliant financial data and processes for fiscal 2011 and beyond. Phase 4 will be carried out throughout 2011. Management does not anticipate any significant issues with completing phase 4 of its transition plan.

The Company has prepared a condensed preliminary consolidated opening IFRS balance sheet as at January 1, 2010 and 2010 comparative interim consolidated IFRS statements of earnings with reconciliations to its previously reported December 31, 2009 audited consolidated balance sheet and unaudited 2010 comparative interim consolidated statements of earnings, respectively, prepared in accordance with Canadian GAAP. The preliminary amounts determined as presented below are based on accounting policies the Company expects to apply in preparing its first consolidated IFRS financial statements. The amounts determined for the Company's final consolidated opening IFRS balance sheet as at January 1, 2010 and 2010 comparative interim consolidated IFRS statements of earnings may differ from the preliminary amounts as a result of changes to IFRS from the date of this document to the dates the final consolidated opening IFRS balance sheet as at January 1, 2010 and 2010 comparative interim consolidated IFRS statements of earnings are issued.

IFRS opening consolidated balance sheet

The Company's unaudited condensed preliminary consolidated opening IFRS balance sheet as at January 1, 2010 is as follows:

January 1, 2010 ($ millions)	**Canadian GAAP**	**Income taxes(1)**	**Warrants(2)**	**Convertible Note(3)**	**Other(5)**	**IFRS**
Current assets	$ 1,601.5	$ -	$ -	$ -	$ 53.2	**$ 1,654.7**
Non-current assets	19,347.2	(461.0)	(173.2)	-	(52.2)	**18,660.8**
Total assets	$ 20,948.7	$ (461.0)	$ (173.2)	$ -	$ 1.0	**$ 20,315.5**
Current liabilities	$ 735.0	$ -	$ -	$ -	$ (100.8)	**$ 634.2**
Non-current liabilities	4,669.4	241.7	71.9	173.0	104.8	**5,260.8**
Total liabilities	5,404.4	241.7	71.9	173.0	4.0	**5,895.0**
Shareholders' equity	15,493.2	(702.7)	(245.1)	(173.0)	(3.0)	**14,369.4**
Non-controlling interests	51.1	-	-	-	-	**51.1**
	15,544.3	(702.7)	(245.1)	(173.0)	(3.0)	**14,420.5**
Total liabilities and shareholders' equity	$ 20,948.7	$ (461.0)	$ (173.2)	$ -	$ 1.0	**$ 20,315.5**

Comparison of IFRS to Canadian GAAP

The key differences between the accounting policies that the Company expects to apply in preparing its first consolidated IFRS financial statements and its current accounting policies in accordance with Canadian GAAP are as follows:

(1) Deferred income taxes

(a) Foreign non-monetary assets and liabilities

IAS 12 – *Income Taxes* ("IAS 12") requires deferred income taxes to be recognized for temporary differences arising from the difference between the historical exchange rate and the current exchange rate translations of the costs of non-monetary assets and liabilities denominated in currencies other than the Company's functional currency ("foreign currencies"), the US dollar ("foreign non-monetary assets and liabilities"). Under Canadian GAAP, these temporary differences are not accounted for.

The Company owns significant mining interests with costs denominated in foreign currencies. In accordance with IAS 12, a weakening in foreign currencies, primarily the Mexican peso, Argentinean peso and Canadian dollar, would result in additional deferred income tax liabilities recognized by the Company. For the purpose of its opening consolidated IFRS balance sheet as at January 1, 2010, the Company recorded an adjustment to increase deferred income tax liabilities and decrease opening retained earnings by $675.9 million.

The net foreign exchange gains or losses relating to deferred income taxes as determined under IFRS represents the impact of movements in foreign exchange rates on local currency tax bases of foreign non-monetary assets and liabilities. The Company expects its foreign exchange gains or losses relating to deferred income taxes as determined under IFRS to be less volatile. For Canadian GAAP purposes, the Company recorded a net foreign exchange loss on translation of deferred income taxes of $210.6 million, net foreign exchange gain of $194.0 million and net foreign exchange loss of $126.4 million for the three months ended March 31, 2010, June 30, 2010 and September 30, 2010, respectively. For IFRS purposes, the Company's foreign exchange gains and losses relating to deferred income taxes amount to a net foreign exchange gain of $26.1 million, net foreign exchange loss of $4.6 million and net foreign exchange gain of $17.8 million for the three months ended March 31, 2010, June 30, 2010 and September 30, 2010, respectively.

Foreign exchange gains and losses from translation of deferred income taxes are included in income taxes under IFRS, as compared to other income and expense under Canadian GAAP.

(b) Asset acquisitions

In accordance with IAS 12, deferred income taxes are not recognized for temporary differences that arise from differences between the fair values and tax bases of assets acquired in a transaction other than a business combination. Under Canadian GAAP, deferred income taxes are recognized for such temporary differences. For the purpose of its opening consolidated IFRS balance sheet as at January 1, 2010, the Company has reversed the deferred income tax liability recognized on acquisition of the Gold Eagle assets in September 2008. The net impact of this adjustment was to decrease the Gold Eagle mining assets, which are included in the Red Lake mining property carrying amount, by $461.0 million, decrease deferred income tax liabilities by $434.2 million and decrease opening retained earnings by $26.8 million.

Based on the definition of a "business" under IFRS 3 – *Business Combinations,* the Company anticipates that future acquisitions will likely be accounted for using the principles of IFRS 3 and does not expect this accounting policy difference to have any significant impact to its consolidated financial statements for future periods.

(2) Share purchase warrants with C$ exercise prices

In accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*, share purchase warrants issued with exercise prices denominated in foreign currencies are classified and presented as derivative liabilities and measured at fair value. Under

Canadian GAAP, all warrants are presented as equity. At January 1, 2010, the Company had 9.2 million share purchase warrants outstanding with C$ exercise prices included in equity with a carrying amount of $50.0 million. For the purpose of the Company's opening consolidated IFRS balance sheet as at January 1, 2010, the carrying amount of these warrants were removed from equity, re-measured at fair value with the difference between the fair value and amount removed from equity being recognized as an adjustment to opening retained earnings. An opening retained earnings adjustment was recorded for warrants previously exercised, calculated as the difference between the fair values of the warrants on the dates of exercise and the amounts recorded in share capital. The accounting for share purchase warrants with C$ exercise prices owned by Silver Wheaton prior to the disposition of the Company's interest in Silver Wheaton in February 2008 as derivative liabilities measured at fair value resulted in a $275.0 million increase to the excess consideration received on the disposition which has been accounted for partially as additional gain on disposition of Silver Wheaton shares in February 2008 ($101.8 million) and as a reduction in the carrying amount of certain mining interests ($173.2 million). The net impact of the opening IFRS balance sheet adjustments relating to share purchase warrants was to decrease mining interests by $173.2 million, increase non-current derivative liabilities by $71.9 million, reduce share purchase warrants included in equity by $50.0 million, increase share capital by $761.6 million and reduce opening retained earnings by $956.7 million.

An increase or decrease in the fair values of share purchase warrants outstanding will result in losses or gains recognized in earnings, respectively, until the warrants expire. Of the 9.2 million share purchase warrants outstanding on January 1, 2010, 8.4 million expire on June 9, 2011. The remaining 0.8 million share purchase warrants outstanding expire on June 26, 2011. For the purpose of its 2010 comparative interim consolidated IFRS statements of earnings, the Company recorded adjustments to increase gains on non-hedge derivatives by $25.8 million, decrease by $19.0 million and increase by $13.8 million for the three months ended March 31, 2010, June 30, 2010 and September 30, 2010, respectively.

(3) Convertible notes

In accordance with IAS 32 – *Financial Instruments: Presentation*, an issuer's option to settle in cash upon conversion results in the conversion feature of convertible debt being accounted for as an embedded derivative which must be separately accounted for at fair value on initial recognition. The carrying amount of the debt component, on initial recognition, is calculated as the difference between the proceeds of the convertible debt as a whole and the fair value of the conversion feature. Transaction costs are allocated to the debt and derivative components in proportion to the allocation of the proceeds on initial recognition. Transaction costs allocated to the derivative component are expensed, while costs allocated to the debt component are included in the carrying amount of the liability and in the determination of the effective interest rate. Subsequent to initial recognition, the derivative component is re-measured at fair value at each balance sheet date while the debt component is accreted to the face value of the debt using the effective interest method.

The Company has the option to settle in cash upon conversion of the convertible senior notes issued on June 5, 2009. Accordingly, the conversion feature of the notes meets the definition of a derivative which must be accounted for separately from the host debt component. For the purpose of its opening consolidated IFRS balance sheet as at January 1, 2010, the Company has recorded adjustments to (a) reclassify the conversion feature of the notes from equity to non-current derivative liabilities, (b) re-measure the proceed amounts allocated to the debt and derivative components on initial recognition, (c) expense the transaction costs allocated to the derivative component, (d) capitalize the transaction costs allocated to the debt component against the carrying amount of the liability and (e) re-measure the derivative component at fair value as at January 1, 2010. The net impact of the above adjustments was to increase non-current derivative liabilities by $231.4 million, decrease long-term debt by $62.7 million, increase deferred income tax liabilities by $4.3 million, decrease equity by $155.9 million and decrease opening retained earnings by $17.1 million.

An increase or decrease in the fair value of the conversion feature will result in losses or gains recognized in earnings, respectively, until the notes mature on August 1, 2014 or are converted by the holders. For the purpose of its 2010 comparative interim consolidated IFRS statements of earnings, the Company recorded adjustments to increase interest capitalized to mining interests for the three months ended March 31, 2010, June 30, 2010 and September 30, 2010 by $2.4 million, $2.6 million and $2.8 million, respectively, increase gains on non-hedge derivatives by $26.7 million, decrease by $71.7 million and increase by $60.6 million for the three months ended March 31, 2010, June 30, 2010 and September 30, 2010, respectively, and decrease deferred income tax expense for the three months ended March 31, 2010 by $0.2 million, and increase deferred income tax expenses for the three months ended June 30, 2010 and September 30, 2010 by $0.3 million.

(4) Discontinued operations

The criteria under IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* ("IFRS 5") for presenting the results of a component of an entity that either has been disposed of, or is classified as held for sale separately as results of a "discontinued operation" is similar to the criteria under Canadian GAAP, with the following two exceptions:

(a) IFRS 5 contains an additional requirement that the component (i) represents a separate major line of business or geographical area of operations, (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (iii) is a subsidiary acquired exclusively with a view to resell.

(b) Conversely, Canadian GAAP requires that the operations and cash flows of the component have been, or will be, eliminated from the ongoing operations of the entity as a result of the disposal transaction. It precludes the reporting entity from having any significant continuing involvement in the operations of the component after the disposal transaction. IFRS 5 does not contain this same requirement.

As a result of the 36% equity interest in Primero which the Company received as partial consideration for the disposition of the San Dimas operation in August 2010, the Company has presented the results of the San Dimas operation with its continuing operations for Canadian GAAP purposes for the current and comparative periods.

Under IFRS, the Company's equity interest in Primero does not preclude the Company from reporting the results of the San Dimas operation with its discontinued operations. In addition, the San Dimas operation, prior to its disposition, was a separate major line of business for the Company. Accordingly, for the purpose of the Company's 2010 comparative interim consolidated financial statements, the results of the San Dimas operation are presented separately and included in the Company's results of discontinued operations.

The above key differences which are reflected in the condensed preliminary opening consolidated IFRS balance sheet above and comparative interim consolidated IFRS statements of earnings below are based on IFRS standards effective as at the date of this document. The IASB continues to amend and add to current IFRS with several projects underway. The Company's transition plan includes monitoring actual and anticipated changes to IFRS and related rules and regulations and assessing the impact of these changes on the Company and its financial statements, including expected dates of when such impacts are effective.

(in United States dollars, tabular amounts in millions, except where noted)

The Company's unaudited 2010 condensed preliminary comparative interim consolidated IFRS statements of earnings are as follows:

Three months ended March 31, 2010 ($ millions)	**Canadian GAAP**	**Income taxes(1)**	**Convertible notes(3)**	**San Dimas discontinued operation(4)**	**Other(5)**	**IFRS**
Revenues	$ 750.3	$ -	$ -	$ (32.4)	$ -	**$ 717.9**
Production costs	(432.7)	-	-	15.8	3.7	**(413.2)**
Earnings from mine operations	317.6	-	-	(16.6)	3.7	**304.7**
Corporate administration and exploration costs	(51.4)	-	-	0.4	0.5	**(50.5)**
Earnings from operations	266.2	-	-	(16.2)	4.2	**254.2**
Other income (expenses)						
Gains on non-hedge derivatives, net	13.1	-	26.7	-	25.8	**65.6**
Losses on foreign exchange, net	(211.7)	210.6	-	(8.8)	9.9	**-**
Other	(41.5)	-	-	-	(1.8)	**(43.3)**
	(240.1)	210.6	26.7	(8.8)	33.9	**22.3**
Earnings from continuing operations before income taxes	26.1	210.6	26.7	(25.0)	38.1	**276.5**
Income taxes	(77.5)	26.1	0.2	11.0	(4.9)	**(45.1)**
Earnings (loss) from continuing operations	(51.4)	236.7	26.9	(14.0)	33.2	**231.4**
Earnings (loss) from discontinued operations, net of tax	(1.3)	-	-	14.0	-	**12.7**
Net earnings (loss)	$ (52.7)	$ 236.7	$ 26.9	$ -	$ 33.2	**$ 244.1**

Three months ended June 30, 2010 ($ millions)	**Canadian GAAP**	**Income taxes(1)**	**Convertible notes(3)**	**San Dimas discontinued operation(4)**	**Other(5)**	**IFRS**
Revenues	$ 844.3	$ -	$ -	$ (29.2)	$ -	**$ 815.1**
Production costs	(481.7)	-	-	14.8	3.8	**(463.1)**
Earnings from mine operations	362.6	-	-	(14.4)	3.8	**352.0**
Corporate administration and exploration costs	(57.6)	-	-	0.3	(2.4)	**(59.7)**
Earnings from operations	305.0	-	-	(14.1)	1.4	**292.3**
Other income (expenses)						
Gains (losses) on non-hedge derivatives, net	3.5	-	(71.7)	-	(19.0)	**(87.2)**
Gains on dispositions of mining interests, net	426.0	-	-	-	-	**426.0**
Gains on foreign exchange, net	195.1	(194.0)	-	2.6	(3.7)	**-**
Other	(19.2)	-	-	0.2	9.5	**(9.5)**
	605.4	(194.0)	(71.7)	2.8	(13.2)	**329.3**
Earnings from continuing operations before income taxes	910.4	(194.0)	(71.7)	(11.3)	(11.8)	**621.6**
Income taxes	(80.0)	(4.6)	(0.3)	(1.1)	(0.7)	**(86.7)**
Earnings from continuing operations	830.4	(198.6)	(72.0)	(12.4)	(12.5)	**534.9**
Earnings (loss) from discontinued operations, net of tax	(3.7)	-	-	12.4	(0.1)	**8.6**
Net earnings	$ 826.7	$ (198.6)	$ (72.0)	$ -	$ (12.6)	**$ 543.5**

(in United States dollars, tabular amounts in millions, except where noted)

Three months ended September 30, 2010 ($ millions)	Canadian GAAP	Income taxes(1)	Convertible notes(3)	San Dimas discontinued operation(4)	Other(5)	IFRS
Revenues	$ 885.8	$ -	$ -	$ (0.7)	$ -	**$ 885.1**
Production costs	(487.5)	-	-	0.7	3.7	**(483.1)**
Earnings from mine operations	398.3	-	-	-	3.7	**402.0**
Corporate administration and exploration costs	(56.1)	-	-	(0.7)	(3.5)	**(60.3)**
Earnings from operations	342.2	-	-	(0.7)	0.2	**341.7**
Other income (expenses)						
Gains (losses) on non-hedge derivatives, net	(17.6)	-	60.6	-	13.8	**56.8**
Gains on disposition of mining interest, net	373.2	-	-	(373.2)	-	-
Losses on foreign exchange, net	(119.2)	126.4	-	(1.2)	(6.0)	-
Other	(25.5)	-	-	1.0	16.6	**(7.9)**
	210.9	126.4	60.6	(373.4)	24.4	**48.9**
Earnings from continuing operations before income taxes	553.1	126.4	60.6	(374.1)	24.6	**390.6**
Income taxes	(69.1)	17.8	(0.3)	(34.8)	(3.6)	**(90.0)**
Earnings from continuing operations	484.0	144.2	60.3	(408.9)	21.0	**300.6**
Earnings (loss) from discontinued operations, net of tax	(19.6)	-	-	408.9	-	**389.3**
Net earnings	$ 464.4	$ 144.2	$ 60.3	$ -	$ 21.0	**$ 689.9**

(5) In addition to the impacts of key differences between the Company's accounting policies under IFRS and those under Canadian GAAP as noted above, the Company's condensed preliminary consolidated opening IFRS balance sheet as at January 1, 2010 and 2010 comparative interim consolidated IFRS statements of earnings reflect the following other differences:

(a) Non-current assets held for sale

IFRS 5 requires a non-current asset, the carrying amount of which will be recovered principally through a sale transaction rather than through continuing use, to be classified as held for sale when certain criteria are met and presented as a current asset measured at the lower of its carrying amount and fair value less costs to sell. This standard applies to all non-current assets including investments accounted for using the equity method.

Under Canadian GAAP, investments accounted for using the equity method are scoped out of the requirement to classify assets as held for sale.

The criteria under IFRS 5 for classification of El Limón's assets and liabilities, which were sold on February 24, 2010, as held for sale were met as at January 1, 2010. Accordingly, for the purpose of its opening consolidated IFRS balance sheet as at January 1, 2010, the Company presented the assets and liabilities of El Limón separately as current assets and liabilities held for sale, respectively. The net effect of this adjustment was to reclassify $56.8 million from mining interests to current assets held for sale and $7.9 million from deferred income tax liabilities to current liabilities held for sale.

(b) Deferred income taxes

IAS 12 requires all deferred income tax assets and liabilities, called “future income tax assets and liabilities” under Canadian GAAP, to be classified as non-current assets and liabilities, respectively. For the purpose of its opening consolidated IFRS balance sheet as at January 1, 2010, the Company reclassified all deferred income taxes included in current assets and liabilities to non-current assets and liabilities, respectively.

(c) Accounting for borrowing costs

IAS 23 - *Borrowing costs* (“IAS 23”) requires borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset to be capitalized as part of the cost of the asset. When funds are borrowed specifically for the purpose of obtaining a particular qualifying asset, the borrowing costs that directly relate to that qualifying asset can be readily identified. When the financing activities of an entity are centrally coordinated, it may be difficult to identify a direct relationship between particular borrowings and a qualifying asset. IAS 23 requires that to the extent an entity borrows funds generally, the entity shall determine the amount of borrowing costs eligible for capitalization by applying a capitalization rate to expenditures on qualifying assets. The capitalization rate is the weighted average of the borrowing costs applicable to general borrowings of the entity that are outstanding during the period, which excludes specific borrowings.

Canadian GAAP is silent on the accounting for borrowing costs incurred on general borrowings. For Canadian GAAP purposes, the Company has capitalized borrowing costs incurred relating to funds borrowed specifically for the purpose of obtaining a particular qualifying asset.

As permitted by IFRS 1 below, the Company has elected to apply IAS 23 on a prospective basis. Accordingly, no adjustment has been made for the purpose of its opening consolidated IFRS balance sheet as at January 1, 2010. The application of IAS 23 will result in higher capitalized borrowing costs in future periods. For the purpose of its 2010 comparative interim consolidated IFRS statements of earnings, the Company recorded adjustments to increase mining interests and decrease interest expense for the three months ended March 31, 2010, June 30, 2010 and September 30, 2010 by $11.0 million, $11.2 million and $11.6 million, respectively.

(d) Exploration and Evaluation Expenditures

IFRS 6 – *Exploration for and Evaluation of Mineral Resources* permits a reporting entity to choose an accounting policy to expense or capitalize exploration and evaluation expenditures. This includes expensing certain exploration and evaluation expenditures, while capitalizing other exploration and evaluation expenditures, as long as the accounting policy is applied consistently. The Company’s exploration and evaluation phase begins with the acquisition of the legal right to explore a specific mine area and ends with the completion of a technical feasibility study which demonstrates the commercial viability of extracting a mineral resource. Costs incurred during this phase include, but are not limited to; costs incurred relating to the acquisition of rights to explore, the completion of geological studies, exploration drilling, sampling, developing a life of mine plan and economic model and obtaining required permits.

The Company’s accounting policy under Canadian GAAP is to expense exploration and evaluation expenditures as incurred to the date of establishing that costs incurred are economically recoverable. Exploration and evaluation expenditures incurred subsequent to establishing economic recoverability are capitalized and included in the carrying amounts of mining interests as tangible assets. The Company has chosen to apply the same accounting policy on conversion to IFRS.

(e) Impairment of mining interests and goodwill

IAS 36 - *Impairment of Assets* (“IAS 36”) assesses the impairment of an asset using a one-step process which compares the carrying amount to the recoverable amount, calculated as the greater of the value in use, being the estimated discounted future expected pre-tax cash flows, and fair value less costs to sell (“FVLCS”) of the asset being tested. Upon conversion to IFRS, the

Company will assess impairment of its mining interests, by site, by comparing the carrying amounts of its mining interests to the values in use for those sites without significant exploration potential properties. For those sites with significant exploration potential properties, the Company will assess impairment by comparing the carrying amounts of the relevant mining interests, net of related deferred income taxes, to the FVLCS. The FVLCS of the Company's mining interests is estimated as the estimated discounted future after-tax cash flows of mining properties with reserves and resources plus an in-situ value for exploration potential mining properties and additional discounted amount for net cash flows from significant future expansion, less estimated costs to sell. For these sites, the process for assessing impairment under IFRS is similar to the process under Canadian GAAP, except that cash flows used under Canadian GAAP are on an undiscounted basis where goodwill is not applicable. The use of a one-step process to test for impairment under IFRS as compared to a two-step process under Canadian GAAP may result in more frequent impairment charges where carrying amounts of mining interests may have been supported under Canadian GAAP on an undiscounted cash flow basis, but cannot be supported on a discounted cash flow basis under IFRS.

Under IFRS, an impairment loss is recorded for the difference between the carrying amount and the greater of value in use and FVLCS of a mining interest. Where goodwill is applicable, the carrying amount of goodwill is included in the carrying amount being assessed. The resulting impairment loss, if any, is allocated first to reduce goodwill to zero, with the remaining amount allocated to the mining interest. Reversals of impairment losses are recognized in the periods the reversals occur. When an impairment loss reverses in a subsequent period, the carrying amount of the related asset is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset previously. Reversal of an impairment loss is not permitted under Canadian GAAP. This accounting policy difference could lead to increased earnings volatility in future periods.

The Company has reviewed its mining interests and goodwill for impairment as at December 31, 2009 in accordance with IAS 36 and determined that no impairment losses were required to be recognized for the purpose of its opening consolidated IFRS balance sheet as at January 1, 2010.

(f) Plant and equipment

Under Canadian GAAP, costs incurred for plant and equipment on initial recognition are allocated to significant components when practicable. Costs incurred subsequent to the initial purchase of plant and equipment are capitalized when they constitute a betterment, which occurs when the productive capacity or useful life of an existing asset is increased or when the associated operating costs is decreased. Otherwise, these costs are expensed. IAS 16 requires costs incurred for plant and equipment on initial recognition to be allocated to significant components, capitalized and depreciated separately over the estimated useful lives of each component. Practicability of allocating costs to significant components is not considered under IFRS. Costs incurred subsequent to the initial purchase of plant and equipment are capitalized when it is probable that future economic benefits will flow to the Company over a period and the costs can be measured reliably. Upon capitalization, the carrying amount of components replaced, if any, are derecognized. The Company has completed an exercise to determine the appropriate net book values of plant and equipment and applicable components at each of its mine sites as at January 1, 2010. No adjustment for the purpose of the Company's opening consolidated IFRS balance sheet as at January 1, 2010 is required. However, the Company has and will componentize its existing and future purchases of surface mobile equipment, respectively, to a lower level as a result of its findings, which may increase depreciation expense in future periods.

(g) IFRS 1 – First-time adoption of International Financial Reporting Standards

IFRS 1 governs the first-time adoption of IFRS. In general, accounting policies adopted in accordance with IFRS are to be applied retrospectively. IFRS 1 requires certain mandatory exceptions and allows reporting entities to elect to apply certain exemptions from retrospective application.

The mandatory exceptions from retrospective application of IFRS applicable to the Company are as follows:

(i) Estimates used in preparing the Company's opening consolidated IFRS balance sheet as at January 1, 2010 and restating its 2010 comparative periods under IFRS must be consistent with estimates previously made for the same date under Canadian GAAP, after adjustments to reflect any difference in accounting policies, unless there is objective evidence that those estimates were in error. More specifically, an entity may be in possession of information about estimates it made under Canadian GAAP that was not available at the time those estimates were made. IFRS 1 requires the receipt of such information to be accounted for prospectively.

(ii) Certain requirements of IAS 27 - *Consolidated and Separate Financial Statements* must be applied prospectively from January 1, 2010, the Company's transition date. Retrospective application is not permitted. These requirements relate to:

- The attribution of total comprehensive income to non-controlling interests even if this results in non-controlling interests having a deficit balance;
- The accounting for changes in the parent's ownership interest in a subsidiary that do not result in a loss of control as equity transactions; and
- The accounting for loss of control over a subsidiary and the related requirements of IFRS 5.

The significant exemptions from retrospective application of IFRS the Company has elected to apply in preparing its first consolidated IFRS financial statements include:

(iii) Not accounting for business combinations that occurred prior to January 1, 2010 using the principles of IFRS 3, which are equivalent to the principles of Section 1582 under Canadian GAAP which the Company adopted effective January 1, 2010 on a prospective basis;

(iv) Applying the principles of IAS 23 to the accounting for borrowing costs on a prospective basis commencing January 1, 2010 as discussed above under item 5(c);

(v) Recognizing the cumulative translation adjustment of $101.9 million as at January 1, 2010 which were previously recognized directly in other comprehensive income and resulted from translation of the Company's Canadian operations which were considered to have a Canadian dollar functional currency prior to April 1, 2005, in opening retained earnings as at January 1, 2010.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Management has identified the following critical accounting policies and estimates. Note 2 of the Company's 2010 annual consolidated financial statements describes all of the Company's significant accounting policies.

Inventories

Finished goods, work-in-process, heap leach ore and stockpiled ore are valued at the lower of average production cost and net realizable value.

The Company records the costs of mining ore stacked on its leach pads and in process at certain of its mines as heap leach ore and work-in-process inventories measured at the lower of cost and estimated net realizable value. These costs are charged to earnings and included in operating expenses on the basis of ounces of gold recovered. The estimates and assumptions used in the measurement of heap leach ore and work-in-process inventories include quantities of ore stacked on leach pads, recoverable ounces of gold contained in ore stacked on leach pads, recoverable ounces of gold in the mill processing circuits and the price per gold ounce expected to be realized when the ounces of gold are recovered. If these estimates or assumptions prove to be inaccurate, the Company could be required to write down the carrying amounts of its heap leach ore and work-in-process inventories, which would reduce the Company's earnings and working capital. At December 31, 2010, the average costs of inventories are significantly below their net realizable values.

Mining Interests

The Company records mining interests at cost. In accordance with Canadian GAAP, the Company capitalizes production expenditures net of revenues received during the period prior to reaching operating levels intended by management as part of the cost of mining properties. Exploration costs are expensed as incurred to the date of establishing that costs incurred are economically recoverable, at which time exploration costs are capitalized and included in the carrying amount of the related property.

A significant portion of the Company's mining properties is depleted using the unit-of-production method. Under the unit-of-production method, depletion of mining properties is based on the amount of reserves expected to be recovered from the mines. If estimates of reserves expected to be recovered prove to be inaccurate, or if the Company revises its mining plan for a location, due to reductions in the metal price forecasts or otherwise, to reduce the amount of reserves expected to be recovered, the Company could be required to write down the carrying amount of its mining properties, or to increase the amount of future depletion expense, both of which would reduce the Company's earnings and net assets.

The Company reviews and evaluates its mining properties for impairment annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. For producing properties, this assessment is based on the expected undiscounted future net cash flows to be generated from the mine. For non-producing properties, this assessment is based on whether factors that indicate the need for a write-down are present. If the Company determines there has been an impairment because its prior estimates of future net cash flows have proven to be inaccurate, due to reductions in the metal price forecasts, increases in the costs of production, reductions in the amount of reserves expected to be recovered or otherwise, or because the Company has determined that the deferred costs of non-producing properties may not be recovered based on current economics or permitting considerations, the Company would be required to write down the carrying amount of its mining properties, which would reduce the Company's earnings and net assets. At December 31, 2010, the Company assessed the change in factors which may indicate a need for impairment at each of its mining properties, which indicated that the properties' estimated undiscounted net cash flows are in excess of their carrying values.

Plant and equipment are depreciated over their estimated useful lives. In some instances, the estimated useful life is determined to be the life of mine in which the plant and equipment is used. If estimates of useful lives including the economic lives of mines prove to be inaccurate, the Company could be required to write down the carrying amount of its plant and equipment, or to increase the amount of future depreciation expense, both of which would reduce the Company's earnings and net assets.

Goodwill and Impairment Testing

The Company's business combinations are accounted for using the purchase method of accounting whereby assets acquired and liabilities assumed are recorded at their fair values as of the date of acquisition and any excess of the purchase price over such fair values is recorded as goodwill. As of the date of acquisition, goodwill is allocated to reporting units by determining estimates of the fair value of each reporting unit and comparing this amount to the fair values of assets and liabilities assigned to the reporting unit.

The Company performs an impairment test, on an annual basis, to determine whether the carrying amounts of goodwill are no longer recoverable. To accomplish this, the Company compares the reporting units' fair values to their carrying amounts. If a reporting unit's carrying amount exceeds its fair value, the Company compares the implied fair value of the reporting unit's goodwill to the carrying amount, and any excess of the carrying amount over the fair value is charged to earnings. Assumptions underlying fair value estimates are subject to significant risks and uncertainties. A review of the Company's reporting units at December 31, 2010 indicated that the fair value of each reporting unit is in excess of its respective carrying value. Accordingly, there is no impairment of goodwill at December 31, 2010.

Reclamation and Closure Cost Obligations

The Company has an obligation to reclaim its mining properties after the minerals have been mined from the site, and has estimated the costs necessary to comply with existing reclamation standards. Canadian GAAP requires the Company to recognize the fair value of a liability for an asset retirement obligation, such as site closure and reclamation costs, in the period in which it is incurred if a reasonable estimate of fair value can be made. The Company records the estimated present value of future cash flows associated with site closure and reclamation as liabilities when the liabilities are incurred and increases the carrying values of the related assets by the same amount. At the end of each reporting period, the liabilities are increased to reflect the passage of time (accretion expense). Adjustments to the liabilities are also made for changes in the estimated future cash flows underlying the initial fair value measurements which result in a corresponding change to the carrying values of the related assets. The capitalized asset retirement costs are amortized to earnings over the life of the related assets using the unit-of-production method. If the estimates of costs or of recoverable reserves prove to be inaccurate, or if the Company revises its mining plan for a location, due to reductions in the metal price forecasts or otherwise, to reduce the amount of reserves expected to be recovered, the Company could be required to write down the carrying amounts of its mining properties or increase the amount of future depletion expense. A write-down of the carrying amounts of mining properties due to changes in estimates of costs will have a corresponding impact to the associated liabilities and no impact to net assets. An increase to future depletion expense due to a reduction in the amount of reserves expected to be recovered would reduce the Company's earnings and net assets.

Assumptions used in determining the Company's reclamation and closure cost obligations at December 31, 2010 include an inflation rate of 2%, discount rate of 5% and the Canadian dollar and Mexican peso at 1.10 and 12.50, respectively, to the US dollar. A 10% increase or decrease in inflation and exchange rates and 10% decrease or increase in discount rate would result in an increase or decrease of $54.0 million to the reclamation and closure cost obligation balance at December 31, 2010.

Future Tax Assets and Liabilities

The Company recognizes the future tax benefit related to future income tax assets and sets up a valuation allowance against any portion of those assets that it believes is not more likely than not to be realized. Assessing the recoverability of future income tax assets requires management to make significant estimates related to expectations of future taxable income, applicable tax strategies and the expected timing of the reversals of existing temporary differences. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. Weight is attached to tax planning strategies if the strategies are feasible and implementable without significant obstacles.

The Company recognizes current income tax benefits when it is more likely than not, based on technical merits, that the relevant tax position will be sustained upon examination by applicable tax authorities. The more likely than not criteria is a matter of judgment based on the individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

The recoverability of future income tax assets and the recognition and measurement of uncertain tax positions are subject to various assumptions and management judgment. Actual results may differ from these estimates. In circumstances where the applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates could occur that materially affect the amounts of future income tax assets and liabilities recorded at December 31, 2010.

Foreign Currency Translation

The measurement currency of the Company and its foreign operations is the US dollar and therefore the operating results of the Company's foreign operations are translated using the temporal method. Under this method, foreign currency monetary assets and liabilities are translated into US dollars at the exchange rates prevailing at the balance sheet date; non-monetary assets denominated in foreign currencies that are not measured at fair value are translated using the rates of exchange at the transaction dates; non-monetary assets denominated in foreign currencies that are measured at fair value are translated using the rates of exchange at the dates those fair values are determined; income statement items denominated in foreign currencies are translated using the average monthly exchange rates; and the resulting foreign exchange gains and losses are included in earnings. Of the $355.4 million loss on foreign exchange recognized during the year ended December 31, 2010, $362.6 million related to the translation of future income taxes primarily denominated in Canadian dollar and Mexican peso.

OUTLOOK

The Company expects to produce between 2.65 and 2.75 million ounces of gold, which includes a significant contribution from Peñasquito as it ramps up to full production, in 2011. Total cash costs are expected to be in a range of $280 to $320 per ounce of gold on a by-product basis. On a co-product basis, the Company is forecasting a range of $475 to $500 per ounce of gold, based on an allocation of Peñasquito operating expenses against the four primary metals produced in proportion to assumed revenues. Assumptions used to forecast total cash costs for 2011 include $1,250 per ounce for gold; by-product metals prices of $20.00 per ounce silver; $3.25 per pound copper; $0.90 per pound zinc; $0.90 per pound lead, an oil price of $85 per barrel and the Canadian dollar and Mexican peso at $1.03 and $12.50 respectively to the US dollar.

Excluding Pueblo Viejo, capital expenditures for 2011 are forecast at approximately $1.5 billion, including $0.3 billion for Éléonore, $0.3 billion for El Morro, $0.2 billion for Red Lake and $0.2 billion for Cerro Negro. Exploration expenditures in 2011 are expected to amount to $170.0 million, of which approximately one-half will be expensed, with efforts focused on replacing reserves mined throughout the year and on extending existing gold zones at all the Company's prospective mines and projects. Corporate administration expense, excluding stock based compensation, is forecast at $125.0 million for the year. Depreciation and depletion expense is expected to be $756 million, and the Company expects an overall effective tax rate of 30% for 2011.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of its President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's President and Chief Executive Officer and Executive Vice President and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

The Company's management, with the participation of its President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's financial statements.

The Company's management, with the participation of its President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting. In making this assessment, management used the criteria set forth in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management and the President and Chief Executive Officer and Executive Vice President and Chief Financial Officer have concluded that, as of December 31, 2010, the Company's internal control over financial reporting was effective.

There has been no change in the Company's internal control over financial reporting during the Company's year ended December 31, 2010 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Limitation on scope of design

The Company's management, with the participation of its President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, has limited the scope of the design of the Company's disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of Minera Alumbrera Ltd. ("Alumbrera"), an entity in which the Company holds a 37.5% interest because the Company does not have the ability to dictate or modify controls at this entity and the Company does not have the ability to assess, in practice, the controls at the entity. Alumbrera constitutes 2.6% of total assets, 2.2% of net assets, 15.7% of revenues, 15.0% of earnings from operations and 9.8% of net earnings of the Company, as of and for the year ended December 31, 2010, as disclosed in the Company's consolidated financial statements.

In addition, the Company's management, with the participation of its President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, has limited the scope of the design of the Company's disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of Andean Resources Limited which was acquired on December 29, 2010 and Sociedad Contractual Minera El Morro in which the Company acquired a 70% interest on February 16, 2010. These interests consist of the Company's 100% interest in the Cerro Negro gold project in Argentina ("the Cerro Negro project") and a 70% interest in the El Morro gold/copper project in Chile ("the El Morro project"), respectively. The Cerro Negro and El Morro projects constitute 17.7% and 4.2% of the Company's total assets, respectively, 17.4% and 3.6% of the Company's net assets, respectively, and 0% of the Company's revenues, earnings from operations and net earnings as of and for the year ended December 31, 2010, as disclosed in the Company's consolidated financial statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains "forward-looking statements", within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation, concerning the business, operations and financial performance and condition of Goldcorp Inc. ("Goldcorp"). Forward-looking statements include, but are not limited to, statements with respect to the future price of gold, silver, copper, lead and zinc, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, hedging practices, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, timing and possible outcome of pending litigation, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof.

Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of Goldcorp to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Goldcorp will operate in the future, including the price of gold, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, among others, gold price volatility, discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries, mining operational and development risks, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of gold exploration, the global economic climate, dilution, share price volatility, competition, loss of key employees, additional funding requirements and defective title to mineral claims or property. Although Goldcorp has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, level of activity, performance or achievements of Goldcorp to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the integration of acquisitions; risks related to international operations, including economical and political instability in foreign jurisdictions in which Goldcorp operates; risks related to current global financial conditions; risks related to joint venture operations; actual results of current exploration activities; environmental risks; future prices of gold, silver, copper, lead and zinc; possible variations in ore reserves, grade or recovery rates; mine development and operating risks; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; risks related to indebtedness and the service of such indebtedness, as well as those factors discussed in the section entitled "Description of the Business – Risk Factors" in Goldcorp's annual information form for the year ended December 31, 2009 available at www.sedar.com and in Goldcorp's annual information form for the year ended December 31, 2010 to be filed on SEDAR. Although Goldcorp has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Forward-looking statements are made as of the date hereof and accordingly are subject to change after such date. Except as otherwise indicated by Goldcorp, these statements do not reflect the potential impact of any non-recurring or other special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date hereof. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of our operating environment. Goldcorp does not undertake to update any forward-looking statements that are included in this document, except in accordance with applicable securities laws.

CAUTIONARY NOTE REGARDING RESERVES AND RESOURCES

Readers should refer to the annual information form of Goldcorp for the year ended December 31, 2009 available at www.sedar.com and to Goldcorp's annual information form for the year ended December 31, 2010 to be filed on SEDAR, for further information on mineral reserves and resources, which is subject to the qualifications and notes set forth therein.

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements have been prepared by management and are in accordance with Canadian generally accepted accounting principles. Other information contained in this document has also been prepared by management and is consistent with the data contained in the consolidated financial statements. A system of internal control has been developed and is maintained by management to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable.

The Board of Directors approves the financial statements and ensures that management discharges its financial reporting responsibilities. The Board's review is accomplished principally through the audit committee, which is composed of non-executive directors. The audit committee meets periodically with management and the auditors to review financial reporting and control matters.

Charles Jeannes
President and Chief Executive Officer

Lindsay Hall
Executive Vice President and Chief Financial Officer

Vancouver, Canada
February 24, 2011

Report of Independent Registered Chartered Accountants

To the Board of Directors and Shareholders of Goldcorp Inc.

We have audited the accompanying consolidated financial statements of Goldcorp Inc. and its subsidiaries ("the Company"), which comprise the consolidated balance sheets as at December 31, 2010 and 2009, and the consolidated statements of earnings, cash flows, equity and comprehensive income for each of the years in the three year period ended December 31, 2010, and a summary of significant accounting policies and the notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Goldcorp Inc. and its subsidiaries as at December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the years in the three year period ended December 31, 2010 in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 3 to the consolidated financial statements, the Company adopted Canadian Institute of Chartered Accountants Handbook Sections 1582 – Business Combinations, 1601 – Consolidated Financial Statements and 1602 – Non-controlling Interests effective January 1, 2010.

Other Matters

On February 24, 2011, we reported separately to the Board of Directors and Shareholders of Goldcorp Inc. that we have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), consolidated financial statements for the same periods, prepared in accordance with Canadian generally accepted accounting principles but which included a footnote providing a reconciliation from accounting principles generally accepted in Canada to those of the United States of America as it related to the Company.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2011 expressed an unqualified opinion on the Company's internal control over financial reporting.

Deloitte & Touche LLP

Independent Registered Chartered Accountants

February 24, 2011
Vancouver, Canada

Management's Report on Internal Control over Financial Reporting

Management of Goldcorp Inc. ("Goldcorp" or "the Company") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or caused to be designed under the supervision of, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. It includes those policies and procedures that:

i. pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of Goldcorp;
ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that Goldcorp receipts and expenditures are made only in accordance with authorizations of management and Goldcorp's Directors; and
iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Goldcorp assets that could have a material effect on Goldcorp's financial statements.

We have excluded from our assessment the internal control over financial reporting at Minera Alumbrera Ltd. ("Alumbrera") in which we hold a 37.5% interest because we do not have the ability to dictate or modify controls at this entity and we do not have the ability to assess, in practice, the controls at the entity. Alumbrera constitutes 2.6% of total assets, 2.2% of net assets, 15.7% of revenues, 15.0% of earnings from operations and 9.8% of net earnings of Goldcorp, as of and for the year ended December 31, 2010, as disclosed in the Company's consolidated financial statements.

In addition, we have excluded from our assessment, the internal control over financial reporting at Andean Resources Limited which was acquired on December 29, 2010 and Sociedad Contractual Minera El Morro in which we acquired a 70% interest on February 16, 2010. These interests consist of the Company's 100% interest in the Cerro Negro gold project in Argentina ("the Cerro Negro project") and a 70% interest in the El Morro gold/copper project in Chile ("the El Morro project"), respectively. The Cerro Negro and El Morro projects constitute 17.7% and 4.2% of the Company's total assets, respectively, 17.4% and 3.6% of the Company's net assets, respectively, and 0% of the Company's revenues, earnings from operations and net earnings as of and for the year ended December 31, 2010, as disclosed in the Company's consolidated financial statements.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Goldcorp's internal control over financial reporting as of December 31, 2010, based on the criteria set forth in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concludes that, as of December 31, 2010, Goldcorp's internal control over financial reporting was effective.

The effectiveness of Goldcorp's internal control over financial reporting, as of December 31, 2010, has been audited by Deloitte & Touche LLP, Independent Registered Chartered Accountants, who also audited the Company's consolidated financial statements as of and for the year ended December 31, 2010, as stated in their report which appears on the following page.

Charles Jeannes
President and Chief Executive Officer

Lindsay Hall
Executive Vice President and Chief Financial Officer

Vancouver, Canada
February 24, 2011

Report of Independent Registered Chartered Accountants

To the Board of Directors and Shareholders of Goldcorp Inc.

We have audited the internal control over financial reporting of Goldcorp Inc. and its subsidiaries (the "Company") as of December 31, 2010, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Minera Alumbrera Limited ("Alumbrera"), in which it holds a 37.5% interest and proportionally consolidates in the accompanying consolidated financial statements, because the Company does not have the ability to dictate or modify controls at this entity and does not have the ability to assess, in practice, the controls at the entity. Alumbrera constitutes 2.6% of total assets, 2.2% of net assets, 15.7% of revenues, 15.0% of earnings from operations and 9.8% of net earnings of the consolidated financial statement amounts as of and for the year ended December 31, 2010. As described in Management's Report on Internal Control over Financial Reporting, management also excluded from its assessment the internal control over financial reporting at Andean Resources Limited which was acquired on December 29, 2010 and at Sociedad Contractual Minera El Morro which was acquired on February 16, 2010. These interests consist of the Company's 100% interest in the Cerro Negro gold project in Argentina ("the Cerro Negro project") and a 70% interest in the El Morro gold/copper project in Chile ("the El Morro project"), respectively. The Cerro Negro and El Morro projects constitute 17.7% and 4.2% of the Company's total assets, respectively; 17.4% and 3.6% of the Company's net assets, respectively; and 0% of the Company's revenues, earnings from operations and net earnings as of and for the year ended December 31, 2010. Accordingly, our audit did not include the internal control over financial reporting at the Cerro Negro and El Morro projects and Alumbrera. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with Canadian generally accepted auditing standards and in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2010 of the Company and our reports dated February 24, 2011 expressed unqualified opinions on those financial statements.

Deloitte & Touche LLP

Independent Registered Chartered Accountants

February 24, 2011
Vancouver, Canada

Consolidated Statements of Earnings
Years Ended December 31

(United States dollars in millions, except for share and per share amounts)

	Note	2010	2009	2008
Revenues	26	**$ 3,799.8**	$ 2,723.6	$ 2,419.6
Operating expenses		**(1,478.4)**	(1,187.3)	(1,164.2)
Depreciation and depletion	26	**(623.0)**	(526.2)	(499.1)
Earnings from mine operations		**1,698.4**	1,010.1	756.3
Corporate administration [(1)]		**(177.1)**	(133.1)	(131.0)
Exploration		**(51.8)**	(31.8)	(65.7)
Write-down of mining interests	4(e) & 10(b)	**-**	(24.0)	(47.1)
Earnings from operations	26	**1,469.5**	821.2	512.5
Other income (expenses)				
Interest and other income (expenses)		**(46.3)**	(19.2)	28.2
Interest expense and finance fees		**(52.3)**	(59.0)	(7.2)
Share of earnings (losses) of equity investees		**(8.1)**	-	3.9
Gains (losses) on non-hedge derivatives, net	19(a)	**(61.8)**	3.6	(2.6)
Gains (losses) on securities, net	12	**0.5**	50.2	(105.9)
Gains on dispositions of mining interests	4(a), (b) & (e)	**780.5**	20.1	2.6
Gain on disposition of Silver Wheaton shares	4(d)	**-**	-	292.5
Dilution gains, net		**-**	-	1.7
Gains (losses) on foreign exchange, net	19(d)(iii)	**(355.4)**	(363.7)	1,059.3
		257.1	(368.0)	1,272.5
Earnings from continuing operations before taxes		**1,726.6**	453.2	1,785.0
Income and mining taxes	16	**(346.0)**	(209.1)	(303.9)
Earnings from continuing operations		**1,380.6**	244.1	1,481.1
Earnings (loss) from discontinued operation, net of tax	6	**185.5**	(5.9)	2.2
Net earnings		**$ 1,566.1**	$ 238.2	$ 1,483.3
Earnings from continuing operations attributable to:				
Shareholders of Goldcorp Inc.		**$ 1,380.5**	$ 244.1	$ 1,473.8
Non-controlling interests	22	**0.1**	-	7.3
		$ 1,380.6	$ 244.1	$ 1,481.1
Net earnings (loss) attributable to:				
Shareholders of Goldcorp Inc.		**$ 1,574.3**	$ 240.2	$ 1,475.6
Non-controlling interests	22	**(8.2)**	(2.0)	7.7
		$ 1,566.1	$ 238.2	$ 1,483.3
[(1)] Stock based compensation expense (non-cash item) included in corporate administration	21(b)	**$ 63.2**	$ 45.1	$ 41.5
Earnings from continuing operations per share	21(d)			
Basic		**$ 1.88**	$ 0.33	$ 2.07
Diluted		**1.87**	0.33	2.06
Net earnings per share	21(d)			
Basic		**$ 2.14**	$ 0.33	$ 2.07
Diluted		**2.13**	0.33	2.06
Weighted-average number of shares outstanding (000's)	21(d)			
Basic		**735,337**	731,306	711,862
Diluted		**738,236**	734,564	715,434

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Balance Sheets
At December 31
(United States dollars in millions)

	Note	**2010**	2009
Assets			
Cash and cash equivalents	25	**$ 556.2**	$ 874.6
Marketable securities		**39.9**	24.9
Accounts receivable	19(a)	**443.8**	278.8
Income and mining taxes receivable		**36.9**	38.4
Inventories and stockpiled ore	7	**396.8**	349.4
Notes receivable	8	**64.1**	-
Other	9	**84.1**	35.4
Current assets		**1,621.8**	1,601.5
Mining interests	10	**25,316.3**	18,001.3
Deposits on mining interest expenditures		**6.4**	86.9
Goodwill	11	**761.8**	761.8
Stockpiled ore	7	**82.3**	93.6
Investments	12	**930.6**	390.3
Note receivable	13	**47.5**	-
Other	14	**42.4**	13.3
	26	**$ 28,809.1**	$ 20,948.7
Liabilities			
Accounts payable and accrued liabilities		**$ 586.5**	$ 416.4
Income and mining taxes payable		**217.8**	182.6
Current debt	15	**-**	16.7
Future income and mining taxes payable	16	**174.6**	107.9
Current derivative liabilities	19(a)	**55.1**	11.4
Current liabilities		**1,034.0**	735.0
Income and mining taxes payable		**125.1**	65.4
Long-term debt	15	**747.1**	719.0
Future income and mining taxes payable	16	**6,082.0**	3,575.2
Non-current derivative liability	19(a)	**95.4**	-
Reclamation and closure cost obligations	17	**276.2**	282.0
Other		**41.9**	27.8
		8,401.7	5,404.4
Equity			
Common shares, share purchase warrants, stock options, restricted share units and equity component of convertible senior notes		**15,853.0**	12,908.9
Retained earnings		**3,779.3**	2,345.5
Accumulated other comprehensive income	23	**561.9**	238.8
		4,341.2	2,584.3
Shareholders' equity		**20,194.2**	15,493.2
Non-controlling interests	22	**213.2**	51.1
		20,407.4	15,544.3
		$ 28,809.1	$ 20,948.7

Commitments and contingencies *(notes 4(a), 5(b), 19(d)(ii) & 27)*

Approved by the Board of Directors:

Charles Jeannes, *Director*

Ian Telfer, *Director*

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows
Years Ended December 31

(United States dollars in millions)

	Note	**2010**	2009	2008
Operating Activities				
Net earnings from continuing operations		**$ 1,380.6**	$ 244.1	$ 1,481.1
Reclamation expenditures	17	**(15.6)**	(26.5)	(17.8)
Transaction costs on convertible senior notes expensed	15(b)	**-**	18.5	-
Loss (gain) on securities, net	12	**(0.5)**	(50.2)	105.9
Gains on dispositions of mining interests	4(a), (b) & (e)	**(780.5)**	(20.1)	(2.6)
Gain on disposition of Silver Wheaton shares	4(d)	**-**	-	(292.5)
Current income tax expense on disposition of San Dimas Assets	4(a)	**145.6**	-	-
Items not affecting cash				
Depreciation and depletion	26	**623.0**	526.2	499.1
Stock based compensation expense	21(b)	**63.2**	45.1	41.5
Write-down of mining interests	4(e) & 10(b)	**-**	24.0	47.1
Accretion on Primero promissory and convertible notes receivable	8 & 13	**(0.5)**	-	-
Accretion on convertible senior notes	15(b)	**28.0**	15.6	-
Share of losses (earnings) of equity investees		**8.1**	-	(3.9)
Unrealized loss (gain) on non-hedge derivatives, net	19(a)	**68.0**	3.3	(7.6)
Dilution gains, net		**-**	-	(1.7)
Future income and mining taxes	16	**(163.0)**	57.4	165.8
Unrealized loss (gain) on foreign exchange and other		**362.0**	346.9	(1,076.1)
Change in non-cash working capital	25	**68.9**	90.8	(67.2)
Cash provided by operating activities of continuing operations	19(d)(ii)	**1,787.3**	1,275.1	871.1
Cash used in operating activities of discontinued operation		**(15.3)**	(4.9)	(5.1)
Investing Activities				
Acquisitions, net of cash acquired	25	**(1,317.5)**	-	(553.0)
Investment in common shares of Tahoe	10(g)	**(143.7)**	-	-
Repayment of capital invested in Pueblo Viejo	10(k)	**192.0**	-	-
Expenditures on mining interests	26	**(1,186.3)**	(1,007.1)	(1,123.7)
Deposits on mining interest expenditures	26	**(42.0)**	(341.4)	(230.8)
Proceeds on dispositions of mining interests, net	25	**476.7**	14.0	-
Proceeds on disposition of Silver Wheaton shares, net	4(d)	**-**	-	1,505.1
Income taxes paid on disposition of San Dimas Assets		**(57.9)**	-	-
Income taxes paid on disposition of Silver Wheaton shares	4(d)	**(148.7)**	-	-
Purchases of securities		**(19.4)**	(181.9)	(20.4)
Proceeds from sales of securities		**-**	65.2	0.2
Other		**(2.0)**	0.4	(1.6)
Cash used in investing activities of continuing operations		**(2,248.8)**	(1,450.8)	(424.2)
Cash provided by (used in) investing activities of discontinued operation		**170.0**	(7.9)	(17.5)
Financing Activities				
Debt borrowings		**1,120.0**	1,323.4	200.9
Debt repayments		**(1,120.0)**	(460.0)	(845.0)
Transaction costs on convertible senior notes	15(b)	**-**	(22.7)	-
Common shares issued, net		**95.8**	79.1	103.8
Dividends paid to common shareholders		**(154.4)**	(131.7)	(128.7)
Cash provided by (used in) financing activities of continuing operations		**(58.6)**	788.1	(669.0)
Cash provided by financing activities of discontinued operation		**49.5**	11.1	9.1
Effect of exchange rate changes on cash and cash equivalents		**(2.5)**	1.6	(12.9)
Increase (decrease) in cash and cash equivalents		**(318.4)**	612.3	(248.5)
Cash and cash equivalents, beginning of year		**874.6**	262.3	510.8
Cash and cash equivalents, end of year		**$ 556.2**	$ 874.6	$ 262.3

Supplemental cash flow information *(note 25)*

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF EQUITY

(United States dollars in millions, shares in thousands)

	Common Shares									
	Shares	Amount	Share Purchase Warrants	Stock Options and Restricted Share Units	Equity Component of Convertible Senior Notes	Retained Earnings	Accumulated Other Comprehensive Income	Attributable to Shareholders of Goldcorp Inc.	Non-controlling interests	Total
At January 1, 2008	*708,351*	$ 11,772.8	$ 42.0	$ 115.6	$ -	$ 890.1	$ 158.1	$ 12,978.6	$ 449.6	$ 13,428.2
Stock options exercised, and restricted share units issued and vested	*5,667*	152.2	-	(48.4)	-	-	-	103.8	-	103.8
Fair value of stock options and restricted share units issued and vested *(note 21(b))*	-	-	-	40.4	-	-	-	40.4	-	40.4
Shares, options and warrants issued in connection with the acquisition of Gold Eagle *(note 4(c))*	*15,582*	536.6	8.0	6.0	-	-	-	550.6	-	550.6
Change in ownership interest in Terrane	-	-	-	-	-	-	-	-	4.5	4.5
Disposition of Silver Wheaton shares *(note 4(d))*	-	-	-	-	-	-	-	-	(411.9)	(411.9)
Dividends	-	-	-	-	-	(128.7)	-	(128.7)	-	(128.7)
Net earnings	-	-	-	-	-	1,475.6	-	1,475.6	7.7	1,483.3
Other comprehensive income *(note 19(b))*	-	-	-	-	-	-	(61.2)	(61.2)	1.3	(59.9)
At January 1, 2009	*729,600*	12,461.6	50.0	113.6	-	2,237.0	96.9	14,959.1	51.2	15,010.3
Stock options exercised, and restricted share units issued and vested	*3,957*	118.2	-	(38.5)	-	-	-	79.7	-	79.7
Fair value of stock options and restricted share units issued and vested *(note 21(b))*	-	-	-	48.1	-	-	-	48.1	-	48.1
Equity component of convertible senior notes issued, net of issue costs and tax *(note 15(b))*	-	-	-	-	155.9	-	-	155.9	-	155.9
Change in ownership interest in Terrane *(note 22)*	-	-	-	-	-	-	-	-	1.9	1.9
Dividends	-	-	-	-	-	(131.7)	-	(131.7)	-	(131.7)
Net earnings (loss)	-	-	-	-	-	240.2	-	240.2	(2.0)	238.2
Other comprehensive income *(note 19(b))*	-	-	-	-	-	-	141.9	141.9	-	141.9

The accompanying notes form an integral part of these consolidated financial statements

Consolidated Statements of Equity - Continued

(United States dollars in millions, shares in thousands)

	Common Shares									
	Shares	Amount	Share Purchase Warrants	Stock Options and Restricted Share Units	Equity Component of Convertible Senior Notes	Retained Earnings	Accumulated Other Comprehensive Income	Attributable to Shareholders of Goldcorp Inc.	Non-controlling interests	Total
At December 31, 2009	*733,557*	12,579.8	50.0	123.2	155.9	2,345.5	238.8	15,493.2	51.1	15,544.3
Common shares issued in connection with the acquisition of the Cerro Negro project *(note 5(a))*	***61,059***	**2,785.3**	-	-	-	-	-	**2,785.3**	-	**2,785.3**
Non-controlling interest in connection with the acquisition of the El Morro project *(note 5(b))*	-	-	-	-	-	-	-	-	**213.1**	**213.1**
Stock options exercised, and restricted share units issued and vested	***3,758***	**132.0**	-	**(36.2)**	-	-	-	**95.8**	-	**95.8**
Fair value of stock options and restricted share units issued and vested *(note 21(b))*	-	-	-	**63.0**	-	-	-	**63.0**	-	**63.0**
Change in ownership interest in Terrane *(note 22)*	-	-	-	-	-	**13.9**	-	**13.9**	**(42.8)**	**(28.9)**
Dividends	-	-	-	-	-	**(154.4)**	-	**(154.4)**	-	**(154.4)**
Net earnings (loss)	-	-	-	-	-	**1,574.3**	-	**1,574.3**	**(8.2)**	**1,566.1**
Other comprehensive income *(note 19(b))*	-	-	-	-	-	-	**323.1**	**323.1**	-	**323.1**
At December 31, 2010	***798,374***	**$15,497.1**	**$ 50.0**	**$ 150.0**	**$ 155.9**	**$ 3,779.3**	**$ 561.9**	**$ 20,194.2**	**$ 213.2**	**$ 20,407.4**

Common shares, share purchase warrants, stock options and restricted share units *(note 21)*
Accumulated other comprehensive income *(note 23)*

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31
(United States dollars in millions)

	2010	2009	2008
Net earnings	**$ 1,566.1**	$ 238.2	$ 1,483.3
Other comprehensive income (loss), net of tax *(note 19(b))*:			
Unrealized gains (losses) on available-for-sale securities	**321.0**	184.9	(124.0)
Reclassification adjustment for losses (gains) included in net earnings	**2.1**	(43.0)	111.0
Adjustment arising from acquisition of Gold Eagle	**-**	-	(29.2)
Adjustment arising from disposition of Silver Wheaton shares	**-**	-	(17.7)
	323.1	141.9	(59.9)
Comprehensive income	**$ 1,889.2**	$ 380.1	$ 1,423.4
Attributable to:			
Shareholders of Goldcorp Inc.	**$ 1,897.4**	$ 382.1	$ 1,414.4
Non-controlling interests	**(8.2)**	(2.0)	9.0
	$ 1,889.2	$ 380.1	$ 1,423.4

The accompanying notes form an integral part of these consolidated financial statements

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Goldcorp Inc. ("Goldcorp" or "the Company") is a gold producer engaged in the operation, exploration, development and acquisition of precious metal properties in Canada, the United States, Mexico and Central and South America. The Company's current sources of operating cash flows are primarily from the sale of gold, copper, silver, lead and zinc.

At December 31, 2010, the Company's producing mining properties were comprised of the Red Lake, Porcupine and Musselwhite gold mines in Canada; the Peñasquito gold/silver/lead/zinc and Los Filos and El Sauzal gold mines in Mexico; the Marlin gold/silver mine in Guatemala; the Alumbrera gold/copper mine (37.5% interest) in Argentina; and the Marigold (66.7% interest) and Wharf gold mines in the United States.

The Company's significant development projects at December 31, 2010 include the Cochenour *(note 4(c))*, Éléonore and Hollinger gold projects in Canada; the Noche Buena and Camino Rojo *(note 5(c))* gold/silver projects in Mexico; the Cerro Blanco gold/silver project in Guatemala; the Cerro Negro gold project in Argentina *(note 5(a))*; the El Morro gold/copper project (70% interest) in Chile *(note 5(b))* and the Pueblo Viejo gold project (40% interest) in the Dominican Republic. The Company also owns a 41.2% equity interest in Tahoe Resources Inc., a publicly traded company engaged in silver exploration and development, including the Escobal silver project it purchased from Goldcorp on June 8, 2010 *(note 4(b))*, and a 36% equity interest in Primero Mining Corp., a publicly traded company engaged in acquiring and developing precious metal resource properties, including the San Dimas gold/silver mines in Mexico it purchased from Goldcorp on August 6, 2010 *(note 4(a))*.

On February 14, 2008, Goldcorp disposed of its remaining 48% interest in Silver Wheaton Corp. ("Silver Wheaton") with continuing involvement represented by arrangements it entered into to sell silver produced from its Los Filos and Peñasquito mines to Silver Wheaton *(note 4(d))*.

During the first quarter of 2008, the Company's 21% equity interest in Peak Gold Ltd. ("Peak Gold") was reduced to 18% upon exercise of special warrants. On June 30, 2008, Peak Gold completed a business combination with Metallica Resources Inc. and New Gold Inc. ("New Gold") with the new combined company carrying on as New Gold. As a result, the Company's investment in Peak Gold converted into a 7% ownership of New Gold. On October 13, 2009, the Company disposed of its 7% interest in New Gold *(note 19(b)(ii))*.

On September 25, 2008, the Company acquired the net assets of Gold Eagle Mines Ltd. which includes Cochenour, a gold exploration project southwest of Goldcorp's Red Lake mines *(note 4(c))*.

On February 4, 2010, the Company completed its acquisition of 100% of the outstanding common shares of Canplats Resources Corporation ("Canplats"), the owner of a 100% interest in the Camino Rojo gold/silver project in Mexico. This project is located approximately 50 kilometres southeast of Goldcorp's Peñasquito project in Mexico *(note 5(c))*.

On February 16, 2010, the Company acquired a 70% interest in Sociedad Contractual Minera El Morro ("SCM"), the owner of the El Morro advanced stage gold/copper project located in north-central Chile ("the El Morro project"), and associated loan receivable balances from a subsidiary of New Gold. The remaining 30% interest in the El Morro project is held by New Gold *(note 5(b))*.

On June 8, 2010, the Company completed the sale of its Escobal silver project in Guatemala ("Escobal") to Tahoe Resources Inc. ("Tahoe") in exchange for cash and a 41.2% equity interest in Tahoe *(note 4(b))*.

On August 6, 2010, the Company sold to Primero Mining Corp. ("Primero"), formerly named Mala Noche Resources Corp., the assets and certain liabilities of the San Dimas gold/silver mines in Mexico ("San Dimas") and the associated silver purchase agreement to sell silver produced at San Dimas to Silver Wheaton in exchange for cash, a promissory note, a convertible promissory note and a 36% equity interest in Primero *(note 4(a))*.

(in United States dollars and tabular amounts in millions, except where noted)

On September 1, 2010, the commissioning of the Peñasquito gold/silver/lead/zinc mine was completed. Lead and zinc concentrates, with most of the gold and silver production designed to report to the lead concentrate, are now routinely being produced and sold from both processing lines at Peñasquito *(note 10(d))*.

Prior to disposition of its interest on October 20, 2010, the Company held a 58.1% interest in Terrane Metals Corp. ("Terrane"), a publicly traded company engaged in the development of the Mt. Milligan gold/copper project in Canada. On October 20, 2010, the Company completed the sale of its remaining 58.1% interest in Terrane to Thompson Creek Metals Inc. ("Thompson Creek") in exchange for cash and common shares of Thompson Creek, representing approximately 8% of Thompson Creek's issued and outstanding common shares *(note 6)*.

On December 29, 2010, the Company's scheme of arrangement involving Andean Resources Limited ("Andean") and its shareholders was implemented and as a result Goldcorp acquired all of the outstanding shares of Andean. The principal mining property of Andean is its 100% indirectly owned Cerro Negro gold project, an advanced-stage, high-grade vein system in Argentina *(note 5(a))*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") using the following significant accounting policies.

(a) Basis of presentation and principles of consolidation

These consolidated financial statements include the accounts of the Company and all of its subsidiaries.

The principal mining properties in which Goldcorp has interests and their geographic locations at December 31, 2010, are listed below:

Direct legal parent entity (operating segment) *(note 26)*	Location	Ownership interest	Basis of presentation	Mining properties and development projects owned *(note 10)*
Red Lake Gold Mines Ontario Partnership ("Red Lake")	Canada	100%	Consolidated	Red Lake and Campbell complexes, and Cochenour project *(note 4(c))*
Goldcorp Canada Ltd./Goldcorp Inc. ("Porcupine")	Canada	100%	Consolidated	Porcupine mines and Hollinger project
Goldcorp Canada Ltd./Goldcorp Inc. ("Musselwhite")	Canada	100%	Consolidated	Musselwhite mine
Les Mines Opinaca Ltée ("Éléonore")	Canada	100%	Consolidated	Éléonore project
Minera Peñasquito SA de CV and Camino Rojo S.A. de C.V. ("Peñasquito")	Mexico	100%	Consolidated	Peñasquito mine, and Noche Buena and Camino Rojo *(note 5(c))* projects
Desarrollos Mineros San Luis S.A. de C.V. ("Los Filos")	Mexico	100%	Consolidated	Los Filos mines
Minas de la Alta Pimeria SA de CV ("El Sauzal")	Mexico	100%	Consolidated	El Sauzal mine
Montana Exploradora de Guatemala SA ("Marlin")	Guatemala	100%	Consolidated	Marlin mine *(note 27(b))*
Entre Mares de Guatemala SA ("Cerro Blanco")	Guatemala	100%	Consolidated	Cerro Blanco project
Minera Alumbrera Ltd. ("Alumbrera")	Argentina	37.5%	Proportionately consolidated	Alumbrera mine, incorporated joint venture
Oroplata SA ("Cerro Negro")	Argentina	100%	Consolidated	Cerro Negro project *(note 5(a))*
Marigold Mining Company ("Marigold")	United States	66.7%	Proportionately consolidated	Marigold mine, unincorporated joint venture
Wharf Resources (USA) Inc. ("Wharf")	United States	100%	Consolidated	Wharf mine

(in United States dollars and tabular amounts in millions, except where noted)

Sociedad Contractual Minera El Morro ("El Morro")	Chile	70%	Consolidated	El Morro project *(notes 5(b) & 16(d))*
Primero Mining Corp. ("Primero")	Mexico	36%	Accounted for using the equity method	San Dimas mines *(note 4(a))*
Tahoe Resources Inc. ("Tahoe")	Guatemala	41.2%	Accounted for using the equity method	Escobal project *(note 4(b))*
Pueblo Viejo Dominicana Corporation ("Pueblo Viejo")	Dominican Republic	40%	Accounted for using the equity method	Pueblo Viejo project *(notes 19(d)(ii) & 27(a))*

All adjustments necessary to present fairly the financial position of the Company at December 31, 2010 and results of its operations and cash flows for all periods presented have been made. Intercompany transactions and resulting balances with the Company's subsidiaries have been eliminated. Intercompany transactions and resulting balances with the Company's joint ventures have been eliminated to the extent of the Company's interests. Intercompany transactions with the Company's equity method investees have been eliminated.

Variable interest entities ("VIEs"), as defined by Accounting Guideline 15 – *Consolidation of Variable Interest Entities,* are consolidated by the primary beneficiary who absorbs the majority of the entity's expected losses and/or expected residual returns. The Company has determined that none of the entities in which it has interests, which are not already consolidated as subsidiaries, qualify as VIEs.

(b) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian GAAP requires that the Company's management make estimates based on assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results may differ from those estimates and assumptions. Estimates and assumptions are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and assumptions are accounted for prospectively.

Significant estimates and assumptions made in the preparation of these consolidated financial statements include, but are not limited to:

(i) the recoverability of accounts receivable, income and mining taxes receivable, the Primero notes receivable *(notes 4(a)(ii) & 4(a)(iii))* and investments;

(ii) the quantities of ore stacked on leach pads and in process, and of recoverable gold in this material, used in determining the costs of inventories sold in operating expenses and the estimated net realizable value of inventories on hand;

(iii) the estimated net realizable value of stockpiled ore;

(iv) the economic recoverability and probability of future economic benefits of exploration and development costs incurred and capitalized to mining interests;

(v) the recoverable proven and probable mineral reserves and resources, life of mine, value for exploration potential mineral properties, future metal prices, future operating results and net cash flows and recoverability of capitalized costs for mining properties;

(vi) the point at which operating levels intended by management are considered to be reached, the recoverable proven and probable reserves, and the related depreciation and depletion of each mining property;

(vii) the useful lives and related depreciation of plant and equipment;

(viii) the future economic benefit of stripping costs incurred and capitalized during production as part of development costs for mining properties;

(ix) the fair values of reporting units with goodwill and the recoverability of goodwill;

(x) the expected shortfall ounces and fair value of the outstanding guarantee to Silver Wheaton with respect to cumulative silver production at the San Dimas mine owned by Primero *(note 4(a)(iv))*;

(xi) the expected costs of reclamation and closure cost obligations and inputs used to determine the present value of such obligations and the related accretion expense;

(xii) the inputs used in determining the fair values of stock based compensation granted and the related current period share-based compensation expense;

(xiii) the inputs used in measuring the accrued pension benefit obligation and accrued benefit liability;

(xiv) the fair values of assets and liabilities acquired in business combinations; and

(xv) the provision for current and future income and mining taxes including expected periods of reversals of timing differences, recoverability of future income tax assets including expectations of future taxable income, applicable tax strategies, and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

(c) Business combinations

A business combination is defined as an acquisition of assets and liabilities that constitute a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return to the Company and its shareholders in the form of dividends, lower costs or other economic benefits. A business consists of inputs, including non-current assets, and processes, including operational processes, that when applied to those inputs, have the ability to create outputs that provide a return to the Company and its shareholders. A business also includes those assets and liabilities that do not necessarily have all the inputs and processes required to produce outputs, but can be integrated with the inputs and processes of the Company to create outputs. When acquiring a set of activities or assets in the exploration and development stage, which may not have outputs, the Company considers other factors to determine whether the set of activities or assets is a business. Those factors include, but are not limited to, whether the set of activities or assets:

(i) has begun planned principal activities;

(ii) has employees, intellectual property and other inputs and processes that could be applied to those inputs;

(iii) is pursuing a plan to produce outputs; and

(iv) will be able to obtain access to customers that will purchase the outputs.

Not all of the above factors need to be present for a particular integrated set of activities or assets in the exploration and development stage to qualify as a business.

Business combinations are accounted for using the acquisition method whereby identifiable assets acquired and liabilities assumed, including contingent liabilities, are recorded at 100% of their acquisition-date fair values. The acquisition date is the date the Company obtains control over the acquiree, which is generally the date that consideration is transferred and the Company acquires the assets and assumes the liabilities of the acquiree. The Company considers all relevant facts and circumstances in determining the acquisition date.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, the liabilities, including contingent consideration, incurred and payable by the Company to former owners of the acquiree and the equity interests issued by the Company. The measurement date for equity interests issued by the Company is the acquisition date. Acquisition-related costs, other than costs to issue debt or equity securities, of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees, and other professional or consulting fees are expensed as incurred. The costs to issue equity securities of the Company as consideration for the acquisition are reduced from share capital as share issue costs.

It generally requires time to obtain the information necessary to identify and measure the following as of the acquisition date:

(i) the identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree;

(ii) the consideration transferred for the acquiree;

(iii) in a business combination achieved in stages, the equity interest in the acquiree previously held by the acquirer; and

(iv) the resulting goodwill or gain on a bargain purchase.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Company will retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the Company will also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable and shall not exceed one year from the acquisition date.

Non-controlling interests are recorded at their proportionate share of fair value of identifiable net assets acquired. The excess of (i) total consideration transferred by the Company, measured at fair value, including contingent consideration, and (ii) the non-controlling interest in the acquiree, over the acquisition-date fair value of net assets acquired, is recorded as goodwill.

(d) Revenue recognition

Revenue from the sale of metals is recognized when the significant risks and rewards of ownership have passed. This is when persuasive evidence of an arrangement exists, title and insurance risk passes to the buyer, collection is reasonably assured and the price is reasonably determinable. In circumstances where title is retained to protect the financial security interests of the Company, revenue is recognized when the significant risks and rewards of ownership have passed.

Revenues from metal concentrate sales are subject to adjustment upon final settlement of metal prices, weights, and assays as of a date that is typically a few months after the shipment date. The Company records adjustments to revenues monthly based on the quoted forward prices for the expected settlement period. Adjustments for weights and assays are recorded when results are determinable or on final settlement. Accounts receivable for metal concentrate sales are therefore measured at fair value at the end of each period. Refining and treatment charges are netted against revenues from metal concentrate sales.

(e) Investment in joint ventures

The Company conducts a portion of its business through joint ventures under which the joint venture participants are bound by contractual agreements establishing joint control over the joint ventures. The Company records its proportionate share of assets, liabilities, revenues and expenses of the joint ventures.

(f) Investments in entities subject to significant influence

The Company conducts a portion of its business through equity interests in entities on which it exercises significant influence. These interests are recorded as investments accounted for using the equity method. These investments are initially recorded at the consideration amounts given up on the dates the equity interests were acquired. Thereafter, the Company records additional funds invested including those to finance ongoing project development activities and its share of the equity investees' earnings or loss as an increase or decrease to the carrying amounts of its investments. These investments are included in mining interests on the Consolidated Balance Sheet.

(g) Cash and cash equivalents

Cash and cash equivalents include cash and those short-term money market instruments that are readily convertible to cash with original terms of three months or less.

(h) Inventories and stockpiled ore

Finished goods, work-in-process, heap leach ore and stockpiled ore are valued at the lower of average production cost and net realizable value. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future production costs to convert the inventories into saleable form.

Ore extracted from the mines is stockpiled and subsequently processed into finished goods (gold and by-products in doré or concentrate form). Production costs are included in work-in-process inventory based on the current mining costs incurred up to the point prior to the refining process, including applicable depreciation and depletion of mining interests, and removed at the average production cost per recoverable ounce of gold. The average production costs of finished goods represent the average costs of work-in-process inventories incurred prior to the refining process, plus applicable refining costs and associated royalties.

The recovery of gold and by-products from certain oxide ores is achieved through the heap leaching process at the Peñasquito, Los Filos, Marigold and Wharf mines. Under this method, ore is stacked on leach pads where it is treated with a chemical solution which dissolves the gold contained in the ore. The resulting “pregnant” solution is further processed in a plant where the gold is recovered. Production costs are included in heap leach ore inventory based on current mining and leaching costs, including applicable depreciation and depletion of mining interests, and are removed from heap leach ore inventory as ounces of gold are recovered at the average cost per recoverable ounce of gold on the leach pads. Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the leach pads (measured tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data), and a recovery percentage (based on ore type).

Supplies are valued at the lower of average cost and replacement cost.

(i) Mining interests

Mining interests include mining properties and related plant and equipment.

<u>Mining properties</u>

Mining properties are comprised of reserves, resources and exploration potential.

Resources and exploration potential represent the value beyond proven and probable reserves. The carrying amounts of resources and exploration potential are classified as non-depletable mining properties in note 10. On an annual basis or when otherwise appropriate, carrying amounts of mining properties are reclassified from non-depletable to depletable as a result of the conversion into reserves. The carrying amounts of reserves are depletable when the related mining property has reached operating levels intended by management.

Recognition

Capitalized costs associated with mining properties include the following:

(i) Costs of direct acquisitions of production, development and exploration stage properties;
(ii) Costs attributed to mining properties acquired in connection with business combinations;
(iii) Expenditures related to the development of mining properties;
(iv) Expenditures related to economically recoverable exploration;
(v) Borrowing costs incurred that are directly attributable to mining properties and qualifying plant and equipment;

(vi) Certain costs incurred during production, net of proceeds from sales, prior to reaching operating levels intended by management; and

(vii) Estimates of reclamation and closure costs *(note 2(l))*.

Acquisitions:

The cost of acquiring a mining property either as an individual asset purchase or as part of a business combination is capitalized and represents the property's fair value at the date of acquisition. Fair value is determined by estimating the value of the property's reserves, resources and exploration potential.

Development expenditures:

Drilling and related costs incurred to define and delineate a mineral deposit that has not been classified as proven and probable reserves at a development stage or production stage mine are capitalized as part of the carrying amount of the related property in the period incurred, when management determines that there is sufficient evidence that the expenditures will result in a future economic benefit to the Company.

Exploration expenditures:

Drilling and related costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit which contains proven and probable reserves are exploration expenditures and are expensed as incurred to the date of establishing that costs incurred are economically recoverable. Exploration expenditures incurred subsequent to the establishment of economic recoverability are capitalized and included in the carrying amount of the related property.

Management uses the following criteria in its assessments of economic recoverability and probability of future economic benefit:

- Geology: there is sufficient geologic and economic certainty of converting a mineral deposit into a proven and probable reserve at a development stage or production stage mine, based on known geology and metallurgy. There is a history of conversion of resources to reserves at operating mines to support the likelihood of conversion.
- Scoping or feasibility: there is a scoping study or preliminary feasibility study that demonstrates the additional resources will generate a positive commercial outcome. Known metallurgy provides a basis for concluding there is a significant likelihood of being able to recoup the incremental costs of extraction and production.
- Accessible facilities: the mining property can be processed economically at accessible mining and processing facilities where applicable.
- Life of mine plans: an overall life of mine plan and economic model to support the mine and economic extraction of resources/reserves exists. A long-term life of mine plan and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body.
- Authorizations: operating permits and feasible environmental programs exist or are obtainable.

Therefore prior to capitalizing exploration drilling, development and related costs, management determines that the following conditions have been met:

- It is probable that a future economic benefit will flow to the Company;
- The Company can obtain the benefit and controls access to it; and
- The transaction or event giving rise to the future economic benefit has already occurred.

Borrowing costs:

Borrowing costs incurred that are directly attributable to acquiring and developing mining properties and constructing new facilities are capitalized and included in the carrying amounts of related assets until mining properties and facilities are ready for their intended use.

Costs incurred during production:

Capitalization of costs incurred ceases when the related mining property has reached operating levels intended by management. Production costs incurred prior to this point are capitalized and the proceeds from sales are offset against costs capitalized. See below for determination of when operating levels intended by management is considered to be reached.

Mine development costs incurred to maintain current production are included in earnings. These costs include the development and access costs (tunneling) of production drifts to develop the ore body in the current production cycle. For those areas being developed which will be mined in future periods, the costs incurred are capitalized and depleted when the related mining area is mined as compared to current production areas, where development costs are included in operating expenses given that the short-term nature of these expenditures matches the economic benefit of the ore being mined.

In open pit mining operations, it is necessary to incur costs to remove overburden and other mine waste materials in order to access the ore body ("stripping costs"). During the development of a mine, stripping costs are capitalized and included in the carrying amount of the related mining property and depleted over the productive life of the mine using the unit-of-production method. During the production phase of a mine, stripping costs incurred to provide access to sources of reserves that will be produced in future periods that would not have otherwise been accessible are capitalized and included in the carrying amount of the related mining property. Stripping costs incurred and capitalized during the production phase are depleted using the unit-of-production method over the reserves that directly benefit from the specific stripping activity. Costs incurred for regular waste removal that do not give rise to future economic benefits are included in operating expenses.

Measurement

Mining properties are recorded at cost less accumulated depletion and impairment losses.

Depletion:

When a mining property reaches the operating levels intended by management, its capitalized costs for reserves are depleted using the unit-of-production method, whereby the numerator is the number of ounces produced and the denominator is the estimated recoverable ounces contained in proven and probable reserves at the related mine.

Operating levels intended by management are considered to be reached when operational commissioning of major mine and plant components is completed, operating results are being achieved consistently for a period of time and there are indicators that these operating results will be continued. Other factors include one or more of the following:

(i) A significant portion of plant/mill capacity is achieved;

(ii) A significant portion of available funding is directed towards operating activities;

(iii) A pre-determined, reasonable period of time has passed; or

(iv) A development project significant to the primary business objective of the Company has been completed in terms of significant milestones being achieved.

Management reviews the estimated total recoverable ounces contained in proven and probable reserves at each financial year end and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable ounces contained in proven and probable reserves are accounted for prospectively.

Impairment:

The Company reviews and evaluates its mining properties for impairment annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future undiscounted net cash flows of a mining property are less than the carrying amount. When it is determined that a mining property is impaired, an impairment loss is recorded and calculated as the difference between the discounted estimated future net cash flows and the carrying amount. Future cash flows are estimated based on expected future production, metal prices, operating costs and capital costs.

Derecognition

Upon disposal or abandonment, the carrying amounts of mining properties and plant and equipment and accumulated depreciation and depletion are removed from the accounts and any associated gains or losses are recorded in earnings.

Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation and impairment losses. Plant and equipment are depreciated over the estimated useful lives of the related assets. Assets under construction are depreciated when they are substantially complete and available for their intended use, over their estimated useful lives. Repairs and maintenance of plant and equipment are expensed as incurred. Costs incurred to enhance the service potential of plant and equipment are capitalized and depreciated over the remaining useful life of the improved asset.

(j) Goodwill

When multiple reporting units are acquired in one business combination, goodwill is allocated to reporting units as of the date of the business combination, by determining estimates of the fair value of each reporting unit and comparing this amount to the fair values of assets and liabilities in the reporting unit. Goodwill is not amortized.

The Company performs goodwill impairment tests at each financial year end and when events and circumstances indicate that the carrying amounts may no longer be recoverable. In performing the impairment tests, the Company estimates the fair values of its reporting units that include goodwill and compares those fair values to the reporting units' carrying amounts. If a reporting unit's carrying amount exceeds its fair value, the Company compares the implied fair value of the reporting unit's goodwill to the carrying amount, and any excess of the carrying amount of goodwill over the implied fair value is charged to earnings.

(k) Income and mining taxes

The Company uses the liability method of accounting for income and mining taxes. Under the liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for unused tax losses and other income tax deductions.

In a business combination, the liability method requires the tax effects of such differences, unused tax losses and other income tax deductions that exist at the acquisition date, or arise as a result of the acquisition, to be recognized as identifiable future income tax assets acquired and/or liabilities assumed and included in the allocation of the cost of the purchase. In addition, a future income tax asset is recognized as an identifiable asset acquired in the acquisition, when at the time of the business acquisition, the Company considers it more likely than not that it will realize a future income tax asset of its own or its subsidiaries that was previously unrecognized. Subsequent changes in recognized future income tax assets are recorded in earnings.

When assets are acquired in a transaction other than a business combination, the future income tax assets and liabilities resulting from such differences are deducted from and added to the cost of the assets, respectively.

Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the related assets are realized or the liabilities are settled. A valuation allowance is recorded against a future tax asset if the asset is not considered to be “more likely than not” to be realized. The effect on future tax assets and liabilities of a change in tax rates is recognized in earnings in the period in which the change is substantively enacted. Future tax assets and liabilities are considered monetary assets. Future tax balances denominated in other than United States dollars (“US dollars”) are translated into US dollars using current exchange rates at the balance sheet date.

(l) Reclamation and closure cost obligations

The Company records a liability for the estimated future costs of reclamation and closure of its operating and inactive mines, and development projects, discounted to net present value using the Company’s credit adjusted risk free interest rate.

The estimated net present value of the Company’s reclamation and closure cost obligations is re-measured on an annual basis or when changes in circumstances occur and/or new material information becomes available. Increases or decreases to the obligations arise due to changes in legal or regulatory requirements, changes to the extent of environmental remediation required and cost estimate changes. The net present value of the estimated impact of these changes is recorded in the period in which the changes are identified and quantifiable. Changes to the Company’s reclamation and closure cost obligations relating to operating mines and development projects are recorded with a corresponding increase to the carrying amounts of related assets. Changes to the Company’s reclamation and closure cost obligations related to inactive mines are recorded directly in earnings as reclamation expense included in depreciation and depletion.

(m) Employee pension plans

The Company’s required contributions under its defined contribution pension plans are charged to earnings in the period incurred.

The Company accrues the costs and related obligations associated with its defined benefit pension plans based on management’s best estimates of expected plan investment performance, salary escalation, and other relevant factors and actuarial computations using the projected benefit method. For the purpose of calculating the expected return on plan assets, those assets are measured at fair value. Actuarial gains and losses are deferred and cumulative balances in excess of 10% of the greater of the accrued benefit obligation and the fair value of plan assets are amortized over the expected average remaining service life of the plan participants (“EARSL”), which ranges from 4 to 25 years depending on the plan. Past service costs arising from plan amendments are deferred and amortized on a straight-line basis over EARSL.

(n) Financial instruments

All financial assets and financial liabilities are recorded at fair value on initial recognition. Transaction costs are expensed when they are incurred, unless they are directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of preparation for their intended use or sale, in which case they are added to the costs of those assets until such time as the assets are substantially ready for their intended use or sale.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities. Financial assets and liabilities classified as held-for-trading are measured at fair value at the end of each period with changes in fair values recorded in earnings in the period they occur. Financial assets and liabilities are classified as held-for-trading when: (i) they are acquired or incurred principally for short-term profit taking; (ii) they meet the definition of a derivative; or (iii) they have been designated as held-for-trading on initial recognition. Contracts to buy or sell a non-financial item that can be settled net in cash, which includes when the non-financial item is readily convertible to cash, and has not been entered into and held for the purpose of receipt or delivery of the non-financial item in accordance with the Company's expected purchase, sale or use meet the definition of a non-financial derivative. Non-financial derivatives are classified as held-for-trading.

A financial asset is classified as available-for-sale when: (i) it is not classified as a loan and receivable, a held-to-maturity investment or held-for-trading; or (ii) it is designated as available-for-sale on initial recognition. A financial asset classified as available-for-sale is measured at fair value with mark-to-market gains and losses recognized in other comprehensive income ("OCI") until the financial asset is derecognized or there is objective evidence that the asset is impaired and the decline in its fair value is other than temporary. When available-for-sale financial assets are derecognized, the cumulative mark-to-market gains or losses that had been previously recognized in OCI are reclassified to earnings for the period. When there is objective evidence that an available-for-sale financial asset is impaired and the decline in its fair value is other than temporary, the cumulative loss that had been previously recognized directly in OCI is reclassified to earnings for the period. Impairment losses recognized in net earnings for available-for-sale investments in equity instruments are not reversed.

Financial assets classified as loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the effective interest income or interest expense over the term of the financial asset or financial liability. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments throughout the term of the financial instrument to the net carrying amount of the financial asset or financial liability, respectively.

(o) Non-controlling interests

Non-controlling interests represent the minority shareholders' interest in the Company's less than wholly-owned subsidiaries. They are classified as a separate component of equity. On initial recognition, non-controlling interests are measured at their proportionate share of the acquisition-date fair value of identifiable net assets of the related subsidiary acquired by the Company. Subsequent to the acquisition date, adjustments are made to the carrying amount of non-controlling interests for the minority shareholders' share of changes to the subsidiary's equity. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions.

(p) Stock based compensation

The Company recognizes a stock based compensation expense for all stock options and restricted share units ("RSUs") awarded to employees, officers and directors based on the fair values of the stock options and RSUs at the date of grant. The fair values of stock options and RSUs at the date of grant are expensed over the vesting periods of the stock options and RSUs, respectively, with a corresponding increase to equity. The fair value of stock options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. The fair value of RSUs is the market value of the underlying shares at the date of grant. Changes to the number of awards that will eventually vest resulting from actual forfeitures of unvested stock options and RSUs are accounted for prospectively.

The Company recognizes a stock based compensation expense for performance share unit ("PSU") awards to eligible executives that are settled in cash, based on the current intrinsic values of the PSUs. The current intrinsic values, measured as the value of the anticipated settlement at the end of the associated performance periods based on the current quoted market value of the underlying shares and applicable multiplier for current performance, are expensed over the vesting period of the PSUs and recorded as a liability. The current intrinsic values are re-measured at the end of each period, with resulting adjustments to the accrued liability recorded as compensation cost or recovery in the period. The accrued liability for PSUs that are forfeited are derecognized and recorded as a compensation cost recovery in the period of forfeiture.

(q) Foreign currency translation

The measurement currency of the Company and its foreign operations is the US dollar and therefore the operating results of the Company's foreign operations are translated using the temporal method. Under this method, monetary assets and liabilities denominated in currencies other than the US dollar ("foreign currencies") are translated into US dollars at the exchange rates prevailing at the balance sheet date, non-monetary assets denominated in foreign currencies and measured at other than fair value are translated using the rates of exchange at the transaction dates, non-monetary assets denominated in foreign currencies that are measured at fair value are translated using the rates of exchange at the dates those fair values are determined and income statement items denominated in foreign currencies are translated using the average monthly exchange rates.

Foreign exchange gains and losses are included in earnings except for foreign exchange gains and losses from translating available-for-sale marketable securities and investments in equity securities which are recognized in OCI as part of the total change in fair values of the securities. Unrealized gains and losses due to movements in exchange rates on cash and cash equivalent balances held in foreign currencies are shown separately on the Consolidated Statement of Cash Flows.

(r) Earnings per share

Earnings per share calculations are based on the weighted average number of common shares issued and outstanding during the period. Diluted earnings per share are calculated using the treasury stock method, in which the assumed proceeds from the potential exercise of those stock options, warrants and restricted share units whose average exercise price is below the average market price of the underlying shares are used to purchase the Company's common shares at their average market price for the period. The dilutive effect of the Company's convertible senior notes is determined by adjusting the numerator for related interest expensed during the period, net of tax, and the denominator for the additional weighted average number of common shares on an "if converted" basis as at the later of the beginning of the period and the date of issuance of the convertible senior notes.

3. CHANGES IN ACCOUNTING POLICIES AND PRIMARY BASIS OF ACCOUNTING

Accounting policies implemented effective January 1, 2010

In January 2009, the CICA issued Handbook Sections 1582 – *Business Combinations* ("Section 1582"), 1601 – *Consolidated Financial Statements* ("Section 1601") and 1602 – *Non-controlling Interests* ("Section 1602") which replace CICA Handbook Sections 1581 – *Business Combinations* ("Section 1581") and 1600 – *Consolidated Financial Statements*. Section 1582 establishes standards for the accounting for business combinations that are equivalent to the business combination accounting standards under International Financial Reporting Standards ("IFRS"). Sections 1601 and 1602 establish standards for the preparation of consolidated financial statements and the accounting for non-controlling interests in financial statements that are equivalent to the standards under IFRS. Section 1582 is required for business combinations with acquisition dates on or after January 1, 2011. Sections 1601 and 1602 are required for interim and annual consolidated financial statements relating to the fiscal year beginning January 1, 2011. Earlier adoption of these sections is permitted, which requires that all three sections be adopted at the same time. The Company early adopted these sections effective January 1, 2010.

Under Section 1582, business combinations are accounted for using the "acquisition method", compared to the "purchase method" required under Section 1581. The significant changes that result from applying the acquisition method of Section 1582 include: (i) the definition of a business is broadened to include development stage entities, and therefore more acquisitions are accounted for as business combinations rather than asset acquisitions; (ii) the measurement date for equity interests issued by the acquirer is the acquisition date instead of a few days before and after terms are agreed to and announced, which may significantly change the amount recorded for the acquired business if share prices at the agreement and announcement date and the acquisition date differ; (iii) all future adjustments to income tax estimates are recorded as income tax expense or recovery, whereas under Section 1581, certain changes in income tax estimates were recorded to goodwill; (iv) acquisition-related costs, other than costs to issue debt or equity securities, of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees, and other professional or consulting fees are expensed as incurred, whereas under Section 1581, these costs were capitalized as part of the cost of the business combination; (v) assets acquired and liabilities assumed are recorded at 100% of their fair values even if less than 100% is obtained, whereas under Section 1581, only the controlling interest's portion of assets and liabilities acquired were recorded at fair value; and (vi) non-controlling interests are recorded at their proportionate share of the fair value of identifiable net assets acquired, whereas under Section 1581, non-controlling interests were recorded at their proportionate share of the carrying value of net assets acquired.

Under Section 1602, non-controlling interests are measured at their proportionate share of the fair value of identifiable net assets acquired on initial recognition. For presentation and disclosure purposes, non-controlling interests are classified as a separate component of equity. In addition, Section 1602 changes the manner in which increases and decreases in ownership interests are accounted for. Changes in ownership interests in a subsidiary are recorded as equity transactions and no gain or loss is recognized as long as the parent retains control of the subsidiary. When a parent company deconsolidates a subsidiary but retains a non-controlling interest, the non-controlling interest is re-measured at fair value on the date control is lost and a gain or loss is recognized at that time. Under Section 1602, accumulated losses attributable to non-controlling interests are no longer limited to the original carrying amount, and therefore non-controlling interests could have a negative carrying amount. The provisions of Section 1602 have been applied retrospectively with the exception of the accounting for changes in the Company's ownership interests in a subsidiary over which control is maintained, the accounting for a loss of control of a subsidiary and the attribution of net earnings and losses and other comprehensive income and losses to non-controlling interests.

Accounting policies implemented during 2009

On January 1, 2009, the Company adopted CICA Handbook Section 3064 - *Goodwill and Intangible Assets* ("Section 3064"), which replaces CICA Handbook Sections 3062 - *Goodwill and Other Intangible Assets* ("Section 3062") and 3450 - *Research and Development Costs* for fiscal years beginning on or after October 1, 2008. Various changes were made to other sections of the CICA Accounting Handbook for consistency purposes. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and intangible assets. Standards concerning goodwill are unchanged from the standards included in Section 3062. The adoption of Section 3064 did not result in a material impact on the Company's consolidated financial statements.

Effective January 1, 2009, the Company adopted Emerging Issues Committee ("EIC") Abstract 173 - *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities* ("EIC-173") issued by the CICA. EIC-173, which is applicable for periods ending on or after January 20, 2009 with earlier adoption encouraged, provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of an entity's financial assets and financial liabilities, including derivative instruments. The adoption of EIC-173 did not result in a material impact on the Company's consolidated financial statements.

In March 2009, the Company adopted EIC Abstract 174 - *Mining Exploration Costs* ("EIC-174") issued by the CICA, which replaces EIC Abstract 126 - *Accounting by Mining Enterprises for Exploration Costs* ("EIC-126") for financial statements issued after March 27, 2009, to provide additional guidance for mining exploration enterprises on the capitalization of exploration costs, when an assessment of impairment of these costs is required and conditions indicating impairment. The adoption of EIC-174 did not result in a material impact on the Company's consolidated financial statements.

In June 2009, the Company adopted the amendments made to CICA Handbook Section 3862 – *Financial Instruments – Disclosures* ("Section 3862") to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity risk disclosure requirements for publicly accountable enterprises. The additional disclosures are applicable to annual financial statements relating to fiscal years ending after September 30, 2009 *(notes 19(c) and 19(d)(ii))*.

On July 1, 2009, the Company adopted the amendments made to CICA Handbook Section 3855 – *Financial Instruments – Recognition and Measurement* ("Section 3855") to provide additional guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category, amend the definition of loans and receivables, amend the categories of financial assets into which debt instruments are required or permitted to be classified, amend the impairment guidance for held-to-maturity debt instruments and require reversal of impairment losses on available-for-sale debt instruments when conditions have changed. The additional guidance on assessment of embedded derivatives is applicable for reclassifications made on or after July 1, 2009. All other amendments are applicable as of January 1, 2009. The adoption of these amendments did not result in a material impact on the Company's consolidated financial statements.

Accounting policies implemented during 2008

On January 1, 2008, the Company adopted three new presentation and disclosure standards issued by the CICA. Section 3862 and CICA Handbook Section 3863 - *Financial Instruments – Presentation* which replace CICA Handbook Section 3861 - *Financial Instruments – Disclosure and Presentation* ("Section 3861") for fiscal years beginning on or after October 1, 2007, incorporate many of the disclosure requirements of Section 3861, but place an increased emphasis on disclosure of risks, including both qualitative and quantitative information about the risk exposures arising from financial instruments *(note 19(d))*. CICA Handbook Section 1535 - *Capital Disclosures* establishes disclosure requirements about the Company's objectives, policies and processes for managing capital, quantitative data about what the Company regards as capital, whether the Company has complied with external capital requirements and, if the entity has not complied, the consequences of such non-compliance *(note 20)*.

CICA Handbook Section 3031 - *Inventories* ("Section 3031") which replaces CICA Handbook Section 3030 - *Inventories* for fiscal years beginning on or after January 1, 2008, establishes standards for the measurement and disclosure of inventories. The new standard provides more extensive guidance on the determination of cost, including allocation of overhead, and requires impairment testing. The adoption of Section 3031 effective January 1, 2008 did not result in a material impact on the Company's consolidated financial statements.

On July 1, 2008, the Company adopted EIC Abstract 172 – *Income Statement Presentation Of A Tax Loss Carryforward Recognized Following An Unrealized Gain Recorded In Other Comprehensive Income* ("EIC-172") issued by the CICA. EIC-172, which is applicable for periods ending on or after September 30, 2008, requires that the tax benefit from the recognition of previously unrecognized tax loss carryforwards, consequent to the recording of unrealized gains on available-for-sale financial assets in OCI be recognized in earnings retrospectively. The adoption of EIC-172 did not result in a material impact on the Company's consolidated financial statements.

(in United States dollars and tabular amounts in millions, except where noted)

Change in primary basis of accounting to be implemented effective January 1, 2011

In February 2008, the Canadian Accounting Standards Board confirmed January 1, 2011 as the date that IFRS will replace Canadian GAAP for publicly accountable enterprises, with a transition date of January 1, 2010. Earlier adoption is permitted. The Company will issue its first IFRS annual consolidated financial statements for the fiscal year ending December 31, 2011, with restatement of comparative balance sheets as at December 31, 2010 and January 1, 2010 and statement of earnings for the year ended December 31, 2010. During the year ending December 31, 2011, the Company will issue interim consolidated IFRS financial statements prepared in accordance with IAS 34 – *Interim Financial Reporting* for the periods ending March 31, 2011, June 30, 2011 and September 30, 2011, with restatement of comparative balance sheets as at December 31, 2010 and January 1, 2010 and statements of earnings for the comparative periods presented.

4. ACQUISITION AND DISPOSITION OF MINING INTERESTS

(a) Disposition of San Dimas and associated Silver Purchase Agreement with Silver Wheaton

On August 6, 2010, the Company disposed of the assets and liabilities relating to San Dimas ("the San Dimas Assets"), excluding certain non-operational assets, to Primero *(note 1)*. In connection with the sale of the San Dimas Assets, Primero assumed the Company's obligation to sell to Silver Wheaton, and Silver Wheaton agreed to purchase from Primero, silver produced from San Dimas, at a fixed price per ounce ("the San Dimas Silver Wheaton Silver Purchase Agreement").

The Company recognized a gain of $373.2 million ($407.9 million including future income tax recovery of $180.3 million and net of current income tax expense of $145.6 million), net of selling costs of $3.4 million, on the date of disposition, calculated as follows:

Net assets sold and/or derecognized:	
Cash	$ 0.5
Other current assets	13.8
Mining interests	
Mining properties and related plant and equipment	625.0
Deferred excess consideration	(415.0)
Deferred credit	(177.5)
	32.5
Accounts payable and accrued liabilities	(12.8)
Reclamation and closure cost obligations	(9.2)
Other non-current liabilities	(0.4)
	$ 24.4

The net book value of mining interests derecognized on August 6, 2010 of $32.5 million includes the unamortized portion of the excess consideration from the disposition of Silver Wheaton shares in the first quarter of 2008 which was applied as a reduction to the carrying amount of mining properties at San Dimas. This amount was $415.0 million on August 6, 2010. The consideration paid to Goldcorp by Silver Wheaton for the San Dimas silver purchase agreement in 2004 and 2006 which were previously eliminated upon consolidation were also applied as a reduction to mining interests as a result of the disposition of the Company's interest in Silver Wheaton in the first quarter of 2008. The unamortized portion of this deferred credit on August 6, 2010 was $177.5 million *(note 4(d))*.

(in United States dollars and tabular amounts in millions, except where noted)

Proceeds and liabilities assumed on disposition:		
Cash	$	213.6
31,151,200 common shares of Primero (i)		159.2
Working capital adjustment receivable		4.0
$50.0 million 5-year promissory note (ii)		52.6
$60.0 million 1-year convertible promissory note (iii)		
Host note receivable		58.4
Compound embedded conversion feature		1.3
		489.1
Guarantee to Silver Wheaton of Primero's obligation to deliver and sell to Silver Wheaton 215 million cumulative minimum ounces of silver by October 15, 2031 (iv)		(7.0)
Obligation to deliver and sell to Silver Wheaton 1.5 million ounces of silver during each of the four years ending August 5, 2014, priced at the lesser of $4.04 per ounce, subject to annual adjustment for inflation, and the prevailing market price (v)		(81.1)
	$	401.0

(i) The fair value of the common shares received on the date of disposition is based on the market price of the shares at the date of disposition of C$5.25 per share ($5.11 per share). The Company's resulting interest in Primero represents approximately 36% of the issued and outstanding common shares of Primero on August 6, 2010, which has been accounted for using the equity method and classified as a separate reporting unit and reportable operating segment *(notes 10(e) & 26(f))*.

(ii) The $50.0 million 5-year promissory note receivable from Primero ("Primero promissory note") will be repaid in four annual instalments of $5.0 million on December 31 of each year, beginning December 31, 2011, with the balance receivable on the maturity date of August 5, 2015, subject to earlier repayments based on annual free cash flows of Primero Empressa Minera, S.A. de C.V., a wholly-owned subsidiary of Primero. Interest is receivable on December 31 of each year, calculated as 6% of the balance outstanding, compounded monthly. The fair value of the Primero promissory note receivable of $52.6 million on initial recognition was estimated as the present value of the contractual payments of principal and interest, discounted using an annual effective interest rate of 5.5% (LIBOR plus 4.5%), being management's estimate of the interest rate that would be applicable for similar debt issued by Primero on the date the Primero promissory note was issued *(notes 8, 13 & 19(c)(ii))*.

(iii) The $60.0 million 1-year convertible promissory note receivable from Primero ("Primero convertible note") can be converted by Goldcorp into common shares of Primero at C$6.00 per share, at any time prior to the maturity date of August 5, 2011. The Primero convertible note earns interest at 3% per annum, calculated on the balance outstanding, compounded monthly, which is receivable at the maturity date. On the maturity date, Primero has the option to convert the outstanding principal balance, at a price calculated based on the current market price of the underlying shares ("the original maturity conversion price"). In the event that Primero provides Goldcorp with notice to convert the outstanding principal balance, the Company shall have the right to extend the term of the note for another year. At the second maturity date, Primero shall pay the outstanding balance in cash or shall have the option to convert the outstanding principal balance, at a price equal to the greater of the original maturity conversion price and a current conversion price calculated based on the current market price of the underlying shares. In determining the number of common shares to be issued on conversion, the US dollar principal amount to be converted will be converted into Canadian dollars using a fixed exchange rate of C$1.05 to the US dollar.

The conversion features of the Primero convertible note has been accounted for as a single compound embedded derivative separate from the host note receivable. The fair value of the compound conversion feature on initial recognition was $1.3 million *(note 19(a)(ii))*.

The fair value of the Primero convertible host note receivable of $58.4 million on initial recognition was estimated as the net present value of contractual payments of principal and interest, discounted using an annual effective interest rate of 5.0% (LIBOR plus 4.0%), being management's estimate of the interest rate that would be applicable for similar debt issued by Primero on the date the Primero convertible note was issued *(notes 8 & 19(c)(ii))*.

(iv) Pursuant to the sale of the San Dimas Assets/San Dimas Silver Wheaton Silver Purchase Agreement to Primero, Goldcorp has guaranteed to Silver Wheaton the delivery and sale to Silver Wheaton of 215 million cumulative minimum ounces of silver produced from San Dimas by October 15, 2031, priced at the lesser of $4.04 per ounce, subject to a 1% annual increase, compounded annually, and the prevailing market price. The amount of shortfall at October 15, 2031 is subject to a payment by Goldcorp of $0.50 per shortfall ounce on October 15, 2031. The fair value of Goldcorp's guarantee of $7.0 million on initial recognition was estimated based on the estimated payment for shortfall ounces at October 15, 2031, discounted using Goldcorp's after-tax weighted average cost of capital. This amount is included in other non-current liabilities and will be derecognized at the earlier of October 15, 2031 and when the cumulative minimum delivery ounces requirement has been reached.

(v) Pursuant to the sale of the San Dimas Assets/San Dimas Silver Wheaton Silver Purchase Agreement to Primero, Goldcorp has agreed to deliver and sell to Silver Wheaton 1.5 million ounces of silver during each of the four contract years ending August 5, 2014, priced at the lesser of $4.04 per ounce, subject to an annual adjustment for inflation, and the prevailing market price. This contract meets the definition of a non-financial derivative and is therefore classified as a financial liability held for trading and measured at fair value at each balance sheet date. Its fair value of $81.1 million on initial recognition was estimated as the difference between the forward market price of silver for each of the four contract years ranging from $18.53 to $18.94 per ounce and the fixed price of $4.04 per ounce, subject to an annual adjustment for inflation, receivable from Silver Wheaton, multiplied by the remaining ounces to be delivered, and discounted using the Company's after tax weighted average cost of capital *(note 19(a)(iii))*.

In addition to the above liabilities assumed on disposition, Goldcorp has provided Silver Wheaton and another third party, guarantees with respect to Primero's obligation to these parties and for which Goldcorp has been indemnified by Primero. As at the date of disposition and December 31, 2010, it was not considered likely that Goldcorp would be called upon to honour its commitments under these guarantees. The fair values of these guarantees were determined to be negligible at the date of disposition, and no amount is recognized on the Consolidated Balance Sheet for these guarantees as at December 31, 2010.

(b) Disposition of Escobal silver project

On June 8, 2010, the Company completed the sale of Escobal to Tahoe *(note 1)*. Tahoe is a publicly traded company on the Toronto Stock Exchange, following the closing of its initial public offering ("IPO") on June 8, 2010. Under the terms of the transaction, Goldcorp received a total of 47,766,000 common shares of Tahoe, representing 41.2% of Tahoe's issued and outstanding common shares (fully-diluted basis – 40%) with a fair value of $270.9 million based on the IPO price of C$6.00 per common share and $224.6 million in cash, for total consideration of $495.5 million. The Company recognized a gain of $484.1 million ($480.6 million net of tax), net of selling costs of $9.4 million, on the disposition of Escobal. Goldcorp is entitled to appoint three of Tahoe's eight board members and has the right to maintain a 41.2% ownership interest. The Company's investment in Tahoe has been accounted for using the equity method and classified as a separate reporting unit and reportable operating segment *(notes 10(g) & 26(g))*.

(in United States dollars and tabular amounts in millions, except where noted)

(c) Acquisition of net assets of Gold Eagle Mines Ltd.

On September 25, 2008, the Company acquired the net assets of Gold Eagle Mines Ltd. ("Gold Eagle") pursuant to a plan of arrangement. Gold Eagle's 100% owned property in the Red Lake camp is host to the Bruce Channel Discovery, a gold exploration project southwest of Goldcorp's Red Lake mine and contiguous to Goldcorp's Cochenour gold project. The acquisition secures control of eight kilometres of strike length along the Red Lake trend in Ontario, Canada.

Upon closing of the transaction, Goldcorp paid $701.3 million in cash and issued 15.6 million common shares, 0.6 million stock options and 0.8 million share purchase warrants to former Gold Eagle shareholders. The fair value of the common shares issued was measured using the September 25, 2008 closing price of Goldcorp's shares on the Toronto Stock Exchange (C$35.60). The fair values of the options and warrants were measured on the date of acquisition using the Black-Scholes option pricing model.

The transaction was accounted for as an asset purchase for accounting purposes with the final purchase price allocated as follows:

Purchase price:	
Cash	$ 701.3
15.6 million common shares issued	536.6
0.6 million stock options issued	6.0
0.8 million share purchase warrants issued	8.0
Original cost of Gold Eagle shares owned prior to the closing of the transaction	26.7
Transaction costs	8.2
	$ 1,286.8
Net assets acquired:	
Cash and cash equivalents	$ 148.3
Non-cash working capital	(2.5)
Mining interests	1,597.2
Future income and mining taxes	(456.2)
	$ 1,286.8

At the date of acquisition, the cumulative mark-to-market gain on Gold Eagle shares owned by the Company prior to the transaction and classified as available-for-sale investments of $29.2 million was removed from accumulated other comprehensive income ("AOCI") and offset against the initial recognition amount of net assets acquired. The assets and liabilities acquired have been assigned to and included in the Red Lake reporting unit and reportable operating segment *(notes 10(a) & 26(a))*.

(d) Disposition of Silver Wheaton shares

On February 14, 2008, Goldcorp disposed of its remaining 48% interest in Silver Wheaton to a syndicate of underwriters at a price of C$14.50 per common share held, for gross proceeds of C$1,566.0 million ($1,571.0 million) and net proceeds of $1,505.1 million (gross proceeds of $1,571.0 million less $55.7 million of transaction costs and cash held by Silver Wheaton of $10.2 million).

The excess of total consideration of $1,571.0 million over the carrying amount of the Company's investment in Silver Wheaton of $546.0 million and transaction costs of $55.7 million was $969.3 million. The portion of the excess consideration which related to third party silver arrangements between Silver Wheaton and Zinkgruvan, Yauliyacu and Stratoni of $279.4 million and the $17.7 million in AOCI on the date of disposition relating to Silver Wheaton was recognized in earnings, offset by $4.6 million in other liabilities for a total gain of $292.5 million on disposition of Silver Wheaton shares. The disposition of Silver Wheaton shares resulted in an income tax liability of C$156.5 million ($155.9 million) that was paid in the first quarter of 2010.

As a result of the Company having arrangements to sell silver to Silver Wheaton from its previously owned San Dimas mine *(note 4(a))*, and the Los Filos and Peñasquito mines at a fixed price of approximately $4 per ounce, the remaining $689.9 million of excess consideration was applied as a reduction to the carrying amounts of mining properties and plant and equipment at San Dimas, Los Filos and Peñasquito ($479.4 million, $26.5 million and $184.0 million, respectively). The consideration paid to Goldcorp by Silver Wheaton for the San Dimas silver arrangement in 2004 and 2006, and the Peñasquito silver arrangement in 2007, which were previously eliminated upon consolidation, were also applied as a reduction to mining properties and plant and equipment at San Dimas and Peñasquito, respectively, as a result of the disposition of the Company's interest in Silver Wheaton.

The results of Silver Wheaton were consolidated prior to this disposition. At the date of disposition, Goldcorp had continuing cash flows relating to Silver Wheaton arising from the previously held San Dimas silver arrangement *(note 4(a))*, and the Los Filos and Peñasquito silver arrangements. Accordingly, Silver Wheaton has not been classified as a discontinued operation in these consolidated financial statements.

(e) Dispositions of other mining properties

On June 24, 2010, the Company disposed of an exploration project in Mexico in exchange for C$1.5 million ($1.4 million) in cash and $0.6 million in common shares of the purchaser, measured based on the market price of the underlying shares on the closing date of the transaction and which were classified as available-for-sale on initial recognition. The Company recognized a loss of $63.7 million ($48.1 million net of tax) on this disposition *(note 10(f))*.

On May 3, 2010, the Company disposed of land relating to the Wharf mining property in exchange for $3.0 million in cash and a $2.6 million promissory note included in other non-current assets. The Company recognized a gain of $5.6 million ($3.7 million net of tax) on this disposition *(note 10(i))*.

On February 24, 2010, the Company completed the sale of its 21.2% interest in the Morelos gold project in Mexico ("El Limón") in exchange for C$52.0 million ($49.3 million) in cash. Total selling costs amounted to $1.9 million. The Company recognized a loss of $18.7 million ($8.2 million net of tax) on this disposition *(notes 10(l))*. The Company recognized a $24.0 million write-down of its investment in El Limón during the fourth quarter of 2009, in anticipation of the sales proceeds received on February 24, 2010.

During the fourth quarter of 2009, the Company sold certain mining interests in exchange for C$15.0 million ($14.0 million) in cash and $6.1 million in common shares of the purchaser, which were classified as available-for-sale on initial recognition. The Company recognized a gain of $20.1 million ($15.1 million net of tax) on this disposition.

During the fourth quarter of 2008, the Company sold certain mining interests in exchange for reclamation and closure cost obligations assumed by the purchaser and recognized a gain of $2.6 million ($0.5 million net of tax).

5. BUSINESS COMBINATIONS

(a) Acquisition of 100% interest in Andean Resources Limited

On December 29, 2010, the Company's scheme of arrangement involving Andean and its shareholders ("the Arrangement") was implemented and as a result, Goldcorp acquired all of the outstanding shares of Andean *(note 1)*. Under the terms of the Arrangement, each common share of Andean was exchangeable for 0.14 common share of Goldcorp or a cash payment of C$6.50 per common share. The holders of the Andean common shares had the option to elect to receive cash or common shares or any combination of cash and common shares, subject to an aggregate maximum cash consideration of C$1.0 billion ($974.8 million). Based on election results of the former Andean shareholders, the total purchase price for the acquisition amounted to C$3.6 billion ($3.6 billion), comprising of 61.1 million in common shares of Goldcorp and C$766.6 million

(in United States dollars and tabular amounts in millions, except where noted)

($766.3 million) in cash. The value of the common shares issued was measured based on the closing market price of Goldcorp's shares trading on the Toronto Stock Exchange on December 29, 2010, the acquisition date, of C$45.63 ($45.62) per common share.

This transaction has been accounted for as a business combination with Goldcorp as the acquirer. The allocation of the purchase price has not been finalized as at the date these consolidated financial statements were issued as management is in the process of determining the fair values of identifiable assets acquired and liabilities assumed, measuring the associated future income tax assets and liabilities, and determining the value of goodwill, if any. A provisional allocation of the purchase price is as follows:

Purchase price:	
Cash	$ 766.3
61.1 million common shares issued	2,785.3
	$ 3,551.6

Net assets acquired:	
Cash and cash equivalents	$ 245.9
Other current assets	18.8
Mining interests	5,057.1
Current liabilities	(32.5)
Reclamation and closure cost obligations	(0.5)
Future income tax liabilities	(1,737.2)
	$ 3,551.6

Andean's principal mining property is its 100% indirectly owned Cerro Negro gold project ("the Cerro Negro project"), an advanced-stage, high-grade vein system located in the Santa Cruz province of Argentina. The Cerro Negro project has been classified as a separate reporting unit and reportable operating segment *(notes 10(h) & 26(d))*.

The net loss of Andean since December 29, 2010, the acquisition date, included in these consolidated financial statements is $nil. Total transaction costs incurred relating to the acquisition and included in other expenses for the year ended December 31, 2010 amounted to $20.1 million.

(b) Acquisition of 70% interest in Sociedad Contractual Minera El Morro

On February 16, 2010, the Company acquired Xstrata Copper Chile S.A.'s ("Xstrata's") 70% interest in SCM, the owner of the El Morro project, and associated loan receivable balances held by Xstrata from a subsidiary of New Gold in exchange for total consideration of $513.0 million in cash *(note 1)*. The New Gold subsidiary had completed its acquisition of Xstrata's 70% interest in SCM and associated loan receivable balances on February 16, 2010, just prior to the acquisition by the Company, pursuant to the exercise of its right of first refusal on January 7, 2010. The right of first refusal came into effect on October 12, 2009 when Barrick Gold Corporation ("Barrick") entered into an agreement with Xstrata to acquire Xstrata's 70% interest in SCM. Goldcorp now holds a 70% interest in the El Morro project with the remaining 30% held by New Gold.

Goldcorp, as the project operator, has agreed to fund, through interest bearing loans, New Gold's share of development and construction costs until intended operating levels are achieved. The amounts outstanding will be repaid to the Company during the production period of the El Morro project. The acquisition of the 70% interest in SCM and loan receivable balances held by Xstrata has been accounted for as a business combination, with Goldcorp as the acquirer. The El Morro project has been classified as a separate reporting unit and reportable operating segment *(notes 10(j) & 26(e))*.

The allocation of the purchase price was finalized during the fourth quarter of 2010. The significant differences between the final allocation and provisional allocation were increases to the amounts allocated to mining interests and future income tax liabilities by $38.6 million and $42.7 million, respectively, and a decrease to non-controlling interest by $6.8 million. As part of its process to finalize the allocation of the purchase price, the Company concluded that income taxes payable relating to the El Morro project are denominated in US dollars, the Company's functional currency, and are therefore not subject to foreign exchange gains or losses. Accordingly, during the fourth quarter of 2010, the Company recorded an adjustment to reverse approximately $30.0 million of net loss on foreign exchange previously recognized in 2010 on translation of the future income tax liabilities relating to the El Morro project.

(in United States dollars and tabular amounts in millions, except where noted)

The final allocation of the purchase price is as follows:

Purchase price:	
Cash	$ 513.0
Net assets acquired:	
Cash and cash equivalents	$ 1.7
Mining interests	1,145.6
Current liabilities	(0.8)
Future income tax liabilities	(419.1)
Other non-current liabilities	(1.3)
Non-controlling interest	(213.1)
	$ 513.0

The amount assigned to non-controlling interest represents New Gold's 30% interest in SCM which was measured as New Gold's proportionate share of the fair value of SCM's identifiable net assets at the date of acquisition.

Total transaction costs incurred relating to the acquisition and included in other expenses during the year ended December 31, 2010 amounted to $6.0 million.

The net earnings of SCM for the period from February 16, 2010, the acquisition date, to December 31, 2010 included in these consolidated financial statements amounted to $0.3 million.

On January 13, 2010, Goldcorp received a statement of claim filed by Barrick in the Ontario Superior Court of Justice, against Goldcorp, New Gold, and certain of New Gold's subsidiaries, relating to the exercise of the right of first refusal by a New Gold subsidiary in respect of the El Morro project. Among the relief requested by Barrick is that the El Morro project be held in trust for the benefit of Barrick. Barrick subsequently filed a motion to amend its claim to add various Xstrata entities as defendants. All parties have now agreed to have all claims related to the acquisition of the Xstrata interest heard by the Ontario courts, including the Supreme Court of Canada. Xstrata has filed a counterclaim against Barrick seeking damages in an amount of at least $60 million. A tentative case management schedule established as part of the parties' agreement contemplates a three-week trial of the matter to be held in June or July 2011. Goldcorp's management believes that Goldcorp has acted lawfully and appropriately in all aspects of this transaction and intends to defend Goldcorp against Barrick's claim.

(c) Acquisition of Canplats Resources Corporation

On February 4, 2010, the Company completed the acquisition of all of the issued and outstanding common shares of Canplats for consideration of C$4.80 per common share outstanding at the closing date *(note 1)*. The total consideration paid by the Company was C$306.6 million ($289.0 million) in cash. As a result of this transaction, Goldcorp now holds a 100% interest in the Camino Rojo gold/silver project in Mexico ("the Camino Rojo project"). The Camino Rojo project is located approximately 50 kilometres southeast of Goldcorp's Peñasquito mine in Mexico. This transaction has been accounted for as a business combination, with Goldcorp as the acquirer. The assets acquired and liabilities assumed have been assigned to and included in the Peñasquito reporting unit and reportable operating segment *(notes 10(d) & 26(b))*.

(in United States dollars and tabular amounts in millions, except where noted)

The allocation of the purchase price was finalized during the fourth quarter of 2010. The final allocation of the purchase price is as follows:

Purchase price:	
Cash	$ 289.0
Net assets acquired:	
Cash and cash equivalents	$ 3.2
Other current assets	0.4
Mining interests	392.0
Current liabilities	(0.4)
Future income tax liabilities	(106.2)
	$ 289.0

There was no difference between the final allocation and provisional allocation of the purchase price. Total transaction costs incurred relating to this acquisition and included in other expenses for the year ended December 31, 2010 amounted to $3.5 million.

The net loss for the Camino Rojo project for the period from February 4, 2010, the acquisition date, to December 31, 2010 included in these consolidated financial statements was $nil.

(d) Pro-forma information on business combinations (unaudited)

The following table presents the impact to net earnings of the Company for the year ended December 31, 2010 had the acquisitions of the Cerro Negro *(note 5(a))*, El Morro *(note 5(b))* and Camino Rojo *(note 5(c))* projects occurred on January 1, 2010:

Goldcorp's net earnings – as reported	$ 1,566.1
Pro-forma adjustments:	
Reversal of acquisition transaction costs incurred by Goldcorp	29.6
Foreign exchange gains on translation of future income taxes arising from the acquisitions	89.3
Goldcorp's net earnings – pro-forma	$ 1,685.0

(in United States dollars and tabular amounts in millions, except where noted)

6. DISCONTINUED OPERATION

On October 20, 2010, the Company sold its 58.1% interest in Terrane to Thompson Creek *(note 1)*. The Company received C$0.90 in cash and 0.052 common share of Thompson Creek for each Terrane share held, for total consideration of C$240.5 million ($235.9 million) in cash and 13.9 million common shares of Thompson Creek.

Prior to disposition on October 20, 2010, Goldcorp held a 58.1% controlling interest (fully-diluted basis – 52.4%) in Terrane through its ownership of 240 million preferred shares, 27.3 million common shares and 13.6 common share purchase warrants. The financial position and results of operations of Terrane have been consolidated with those of the Company until the date of disposition. The Company recognized a gain of $259.1 million ($205.3 million net of tax) on the date of disposition, calculated as follows:

Net assets sold and derecognized:		
Cash	$	31.2
Accounts receivable		2.4
Mining interests		236.0
Other non-current assets		6.9
Accounts payable and accrued liabilities		(8.8)
Future income tax liabilities		(43.2)
Non-controlling interests *(note 22)*		(95.9)
	$	128.6
Net proceeds:		
Cash	$	235.9
13.9 million common shares of Thompson Creek		153.7
Fair value of 13.6 million Terrane common share purchase warrants retained		0.9
Selling costs		(2.8)
	$	387.7

The Company's interest in Thompson Creek, received as partial consideration, represents approximately 8% of the issued and outstanding common shares of Thompson Creek on the date of disposition (fully-diluted basis - 7%) and has been classified as available-for-sale on initial recognition. The total fair value of the common shares received was $153.7 million based on the market price of the shares on date of disposition.

The Terrane common share purchase warrants ("the Terrane warrants") held by Goldcorp on the date of disposition were retained. The fair value of the Terrane warrants on the date of disposition of $0.9 million, based on the trading price of similar Terrane warrants *(note 22)*, is included in the net proceeds of the disposition. Subsequent to October 20, 2010, the Terrane warrants are accounted for as held-for-trading investments measured at fair value with changes in fair value recognized in earnings. Upon exercise of the Terrane warrants, Goldcorp is entitled to receive the amount of consideration that it would have received had it exercised the warrants immediately before the closing of the acquisition of Terrane by Thompson Creek. The Terrane warrants expire on April 15, 2011.

(in United States dollars and tabular amounts in millions, except where noted)

Upon disposition on October 20, 2010, the Company no longer has significant continuing involvement in the operations of Terrane. Accordingly, the results of Terrane, which were previously reported as a separate operating segment, have been reported as a discontinued operation and presented separately in the Consolidated Statements of Earnings for both the current and prior periods presented as follows:

Years ended December 31	**2010**	2009	2008
Earnings (loss) from discontinued operation, net of tax			
Corporate administration	**$ (14.8)**	$ (4.5)	$ (5.7)
Exploration costs	**(1.1)**	(0.7)	(0.8)
Other income	**0.2**	0.1	0.1
Gain on disposition	**259.1**	-	-
Dilution gains (losses), net	**-**	(0.3)	0.5
Losses on foreign exchange, net	**(5.9)**	(2.9)	(0.4)
Earnings (loss) before income taxes	**237.5**	(8.3)	(6.3)
Current income taxes on disposition	**(20.0)**	-	-
Future income tax recovery	**(32.0)**	2.4	8.5
	$ 185.5	$ (5.9)	$ 2.2
Earnings (loss) from discontinued operation, net of tax, attributable to:			
Shareholders of Goldcorp Inc.	**$ 193.8**	$ (3.9)	$ 1.8
Non-controlling interests	**(8.3)**	(2.0)	0.4
	$ 185.5	$ (5.9)	$ 2.2
Earnings (loss) per share from discontinued operation			
Basic and diluted	**$ 0.26**	$ (0.0)	$ (0.0)

7. INVENTORIES AND STOCKPILED ORE

At December 31	**2010**	2009
Supplies	**$ 140.1**	$ 135.4
Finished goods	**43.5**	33.0
Work-in-process	**26.3**	32.5
Heap leach ore	**181.9**	142.1
Stockpiled ore	**87.3**	100.0
	479.1	443.0
Less: non-current heap leach and stockpiled ore	**(82.3)**	(93.6)
	$ 396.8	$ 349.4

The amount of inventories recognized as an expense during the year is included in operating expenses in the Consolidated Statements of Earnings.

Stockpiled ore

The majority of the stockpiled ore is located at Alumbrera and is forecasted to be drawn down throughout the remainder of Alumbrera's mine life to 2017. The portion that is to be processed over a period exceeding twelve months is classified as non-current.

(in United States dollars and tabular amounts in millions, except where noted)

8. CURRENT NOTES RECEIVABLE

At December 31	2010	2009
$60.0 million 1-year Primero convertible note [(a)]	$ 59.1	$ -
$50.0 million 5-year Primero promissory note – principal payable in one year *(note 13)*	5.0	-
	$ 64.1	$ -

(a) As partial consideration for the sale of the San Dimas Assets/San Dimas Silver Wheaton Silver Purchase Agreement, the Company received a $60.0 million 1-year convertible promissory note receivable from Primero *(note 4(a)(iii))*. This note receivable is measured at amortized cost using the effective interest method. The amount recognized on initial recognition date is accreted to the face value of the note over the term of the note using an annual effective interest rate of 5.0%. Interest income for the period from August 6, 2010 to December 31, 2010 amounted to $1.4 million, including $0.7 million of accretion. The accrued interest receivable at December 31, 2010 of $0.7 million is included in other current assets *(note 9)*.

9. OTHER CURRENT ASSETS

At December 31	2010	2009
Prepaid expenses and other	$ 27.4	$ 23.7
Future income and mining taxes receivable – classified as current *(note 16)*	46.3	3.6
Current derivative assets *(note 19(a))*	8.5	8.1
Accrued interest receivable *(notes 8 & 13)*	1.9	-
	$ 84.1	$ 35.4

(in United States dollars and tabular amounts in millions, except where noted)

10. MINING INTERESTS

At December 31	2010 Cost	2010 Accumulated depreciation and depletion	2010 Net book value	2009 Cost	2009 Accumulated depreciation and depletion	2009 Net book value
Mining properties	**$ 24,315.7**	**$ (1,539.0)**	**$ 22,776.7**	$ 16,671.7	$ (1,127.1)	$ 15,544.6
Plant and equipment	**3,187.7**	**(648.1)**	**2,539.6**	3,062.6	(605.9)	2,456.7
	$ 27,503.4	**$ (2,187.1)**	**$ 25,316.3**	$ 19,734.3	$ (1,733.0)	$ 18,001.3

A summary by property of the net book value at December 31 is as follows:

	Mining properties [n]					
	Depletable	Non-depletable	Total	Plant and Equipment [m]	**2010**	2009
Red Lake [a]	$ 402.9	$ 2,113.3	$ 2,516.2	$ 356.1	**$ 2,872.3**	$ 2,776.3
Porcupine [b]	163.6	101.9	265.5	168.8	**434.3**	422.3
Musselwhite	110.2	130.4	240.6	189.5	**430.1**	389.6
Éléonore	-	886.3	886.3	97.0	**983.3**	832.9
Terrane [c]	-	-	-	-	**-**	197.8
Peñasquito [d]	2,915.5	6,525.5	9,441.0	1,174.6	**10,615.6**	10,016.4
San Dimas [e]	-	-	-	-	**-**	35.7
Los Filos	471.0	77.4	548.4	167.9	**716.3**	732.9
El Sauzal	60.2	55.6	115.8	15.5	**131.3**	189.5
Mexican exploration projects [f]	-	85.6	85.6	-	**85.6**	167.3
Marlin	540.7	113.6	654.3	82.5	**736.8**	763.2
Cerro Blanco [g]	-	76.6	76.6	7.2	**83.8**	59.6
Alumbrera	309.4	-	309.4	150.2	**459.6**	511.8
Cerro Negro [h]	-	5,033.5	5,033.5	23.7	**5,057.2**	-
Marigold	84.6	77.2	161.8	51.3	**213.1**	218.9
Wharf [i]	6.0	-	6.0	8.6	**14.6**	14.6
El Morro [j]	-	1,162.7	1,162.7	0.1	**1,162.8**	-
Corporate and other	-	-	-	46.6	**46.6**	28.6
	$ 5,064.1	$ 16,439.6	21,503.7	$ 2,539.6	**24,043.3**	17,357.4
Investments accounted for using the equity method						
Primero [e]			155.7		**155.7**	-
Tahoe [g]			409.9		**409.9**	-
Pueblo Viejo [k]			707.4		**707.4**	587.1
El Limón [l]			-		**-**	56.8
			1,273.0		**1,273.0**	643.9
			$ 22,776.7		**$ 25,316.3**	$ 18,001.3

(a) Includes the mining interests acquired in the Gold Eagle asset acquisition completed on September 25, 2008 *(note 4(c))*.

(b) The Company recognized a $47.1 million write-down of its mining interests at the Pamour open pit in Porcupine in the fourth quarter of 2008 as a result of a reduction in its proven and probable reserves by 1.4 million ounces of gold as at December 31, 2008.

(c) The Company sold its 58.1% interest in Terrane to Thompson Creek on October 20, 2010 *(note 6)*.

(d) On September 1, 2010, the commissioning of Peñasquito was completed as operating levels intended by management were considered to have been reached. Accordingly, amounts capitalized associated with proven and probable reserves were reclassified from non-depletable to depletable mining properties. Depreciation and depletion of capitalized costs classified as depletable commenced effective September 1, 2010. In addition, proceeds from sales of metals, including concentrate forms of metals, and costs incurred during production have been included in earnings effective September 1, 2010.

The carrying amount of the Peñasquito mining property is net of the deferred excess consideration received on disposition of Silver Wheaton shares in the first quarter of 2008 relating to the Peñasquito silver purchase arrangement and the deferred consideration received from Silver Wheaton in 2007 for the silver purchase arrangement *(note 4(d))*. During the period from January 1, 2010 to September 1, 2010, the Company capitalized to the Peñasquito mining property $0.6 million relating to stock options vested during the period (years ended December 31, 2009 and 2008 - $3.0 million and $nil, respectively) *(note 21(b))*. The fair value assigned to the Camino Rojo project acquired from Canplats on February 4, 2010 has been included in the carrying amount of the Peñasquito mining property *(notes 5(c) & 26(b))*.

(e) The Company sold the assets and liabilities relating to San Dimas to Primero on August 6, 2010 *(note 4(a))*. The net book value of the San Dimas mining interests were derecognized on the date of disposition. As partial consideration for the disposition, the Company received 31,151,200 common shares of Primero, representing 36% of the issued and outstanding common shares of Primero on the date of disposition. The carrying amount of Primero at December 31, 2010 includes the Company's share of net earnings of Primero for the period from August 6, 2010 to December 31, 2010.

(f) On June 24, 2010, the Company disposed of an exploration project in exchange for cash and common shares of the acquirer *(note 4(e))*.

(g) On June 8, 2010, the Company completed the sale of Escobal, which was previously included in the Cerro Blanco mining property, to Tahoe in exchange for cash and common shares of Tahoe, representing a 41.2% ownership interest in Tahoe at the date of disposition *(note 4(b))*. On December 23, 2010, pursuant to a bought deal financing completed by Tahoe, the Company purchased 10,285,692 additional common shares of Tahoe at C$14.10 per common share for total consideration of C$145.0 million ($143.7 million) in order to maintain its ownership interest of 41.2%. The carrying amount of Tahoe at December 31, 2010 includes the Company's share of net loss of Tahoe for the period from June 8, 2010 to December 31, 2010.

(h) The Company acquired a 100% interest in the Cerro Negro project on December 29, 2010. As at the date of these consolidated financial statements, the fair value assigned to the Cerro Negro mining interest is provisional *(note 5(a))*.

(i) On May 3, 2010, the Company disposed of land in exchange for cash and a promissory note receivable *(notes 4(e))*.

(j) The Company acquired a 70% interest in the El Morro project on February 16, 2010 *(note 5(b))*. The carrying amount represents 100% of the El Morro project mining interest which is offset by non-controlling interest included in equity. Included in the carrying amount of the El Morro mining property is capitalized interest incurred during the period from the acquisition date, February 16, 2010, to December 31, 2010 in the amount of $1.4 million *(note 15(c))*.

(k) $192.0 million of the Company's investment in Dominicana Holdings Inc. ("Dominicana"), the entity that indirectly owns the Pueblo Viejo project, was repaid by Dominicana on June 24, 2010, which has been accounted for as a reduction in the Company's investment balance included in mining interests. During the year ended December 31, 2010, the Company invested $312.3 million to finance development activities at Pueblo Viejo *(note 26)*.

(l) The El Limón project was disposed of on February 24, 2010 *(note 4(e))*.

(m) At December 31, 2010, assets under construction and therefore not yet being depreciated, included in the net book value of plant and equipment, amounted to $210.2 million (2009 - $1,097.4 million).

(in United States dollars and tabular amounts in millions, except where noted)

(n) Certain of the mining properties in which the Company has interests are subject to royalty arrangements based on their net smelter returns ("NSRs"), modified NSRs, net profits interest ("NPI") and/or net earnings. Royalties are expensed at the time of sale of gold and other metals. For the year ended December 31, 2010, royalties included in operating expenses amounted to $109.7 million (2009 - $69.4 million; 2008 - $67.2 million). At December 31, 2010, the significant royalty arrangements of the Company were as follows:

Producing mining properties:	
Peñasquito	2% of NSR
Marlin	1% of NSR
Alumbrera	3% of modified NSR plus 20% YMAD royalty
Marigold	5% of NSR
Development projects:	
Éléonore	2 – 3% of NSR
Cerro Blanco	1% of NSR
Cerro Negro	3% of modified NSR and 1% of net earnings
El Morro	2% of NSR
Pueblo Viejo	3% of NSR; 0 – 25% NPI

11. GOODWILL

Goodwill arising from business combinations have been allocated to the Company's reporting units and included in their respective operating segment assets *(note 26)* as follows:

At December 31	**2010**	2009
Red Lake	**$ 404.4**	$ 404.4
Peñasquito	**283.1**	283.1
Los Filos	**74.3**	74.3
	$ 761.8	$ 761.8

(in United States dollars and tabular amounts in millions, except where noted)

12. INVESTMENTS

At December 31	2010	2009
Warrants – held for trading	$ 6.6	$ 2.3
Equity securities – available-for-sale	924.0	388.0
	$ 930.6	$ 390.3

The Company has investments in warrants and equity securities in accordance with its long-term investment plans. These investments are classified as non-current assets. Although the warrants are held for long-term investment purposes, they are derivatives and therefore classified as held-for-trading and measured at fair value with mark-to-market gains and losses recorded in earnings in the period they occur. The equity securities are classified as available-for-sale and measured at fair value with mark-to-market gains and losses recognized directly in OCI.

The net gains (losses) on securities for the years ended December 31 were comprised of the following:

	2010	2009	2008
Net gains on warrants – held-for-trading *(note 19(a))*	$ 2.6	$ 7.4	$ 5.1
Realized gains on marketable securities and investments in equity securities *(notes 19(b)(ii) & (iii))*	-	42.8	0.2
Unrealized impairment losses on investments in equity securities *(notes 19(b)(i), (ii) & (iii))*	(2.1)	-	(111.2)
	$ 0.5	$ 50.2	$ (105.9)

13. NON-CURRENT NOTE RECEIVABLE

At December 31	2010	2009
$50.0 million 5-year Primero promissory note [(a)]	$ 52.5	$ -
Less: principal payable in one year *(note 8)*	(5.0)	-
	$ 47.5	$ -

(a) As partial consideration for the sale of the San Dimas Assets/San Dimas Silver Wheaton Silver Purchase Agreement, the Company received a $50.0 million 5-year promissory note receivable from Primero *(note 4(a)(ii))*. This note receivable is measured at amortized cost using the effective interest method. The amount recognized on initial recognition date is accreted to the face value of the note over the term of the note using an annual effective interest rate of 5.5%. Interest income for the period from August 6, 2010 to December 31, 2010 amounted to $1.1 million, net of $0.1 million of accretion. The accrued interest receivable at December 31, 2010 of $1.2 million is included in other current assets *(note 9)*.

14. OTHER NON-CURRENT ASSETS

At December 31	2010	2009
Reclamation deposits	$ 3.4	$ 3.0
Sales/indirect taxes recoverable	16.9	10.3
Future income and mining taxes *(note 16)*	2.3	-
Non-current prepaid expenses, deposits, advances and other	5.0	-
Other	14.8	-
	$ 42.4	$ 13.3

(in United States dollars and tabular amounts in millions, except where noted)

15. CURRENT AND LONG TERM DEBT

At December 31	2010	2009
Current debt		
C$40 million non-revolving term loan [(a)]	$ -	$ 16.7
Long term debt		
$862.5 million convertible senior notes [(b)]	747.1	719.0

(a) On July 8, 2008, Terrane entered into a credit agreement for an 18-month, non-revolving term loan facility of up to C$40 million to further advance its long lead-time capital equipment procurement program for the Mt. Milligan project. Under the terms of the credit facility as amended on May 7, 2010, the Company guaranteed a 12-month, non-revolving term credit facility of up to C$40 million. Upon disposition of the Company's interest in Terrane on October 20, 2010, the Company no longer has any obligation under this credit facility *(note 6)*. Interest incurred and capitalized to the Terrane mining interest for the period from January 1, 2010 to October 20, 2010, the date of disposition, was $0.2 million (years ended 2009 and 2008 - $0.2 million).

(b) On June 5, 2009, the Company issued convertible senior notes ("the notes" or "the Company's notes") with an aggregate principal amount of $862.5 million. The notes are unsecured and bear interest at an annual rate of 2.0% payable semi-annually in arrears on February 1 and August 1 of each year, beginning on February 1, 2010, and mature on August 1, 2014.

Holders of the notes may convert the notes at their option at any time during the period from May 1, 2014 to the maturity date and at any time during the period from June 5, 2009 to May 1, 2014, subject to certain market and other conditions. The notes are convertible into the Company's common shares at a conversion rate of 20.8407 common shares for every $1,000 principal amount of notes, subject to adjustment in certain events. Subject to satisfaction of certain conditions, the Company may, upon conversion by the holder, elect to settle in cash or a combination of cash and common shares. The notes are non-redeemable, except upon occurrence of certain changes in Canadian withholding tax laws or a fundamental change.

The notes are accounted for as compound financial instruments comprised of a liability and an equity component. Of the total proceeds of $862.5 million, $703.4 million was allocated on initial recognition to the liability component, representing the present value of the Company's contractual obligation to make principal and interest payments using an annual effective interest rate of 6.33%, being management's estimate of the interest rate available on similar borrowings without the conversion feature at the time the notes were issued. The remaining amount of $159.1 million was allocated on initial recognition to the equity component, representing the value of the call options granting the holders the right to convert into common shares of the Company.

Total transaction costs of $22.7 million were allocated in proportion to the allocation of proceeds. The amount allocated to the liability component of $18.5 million was expensed on initial recognition and included in finance fees. The amount allocated to the equity component of $4.2 million was recorded in equity as share issue costs, offset by $1.0 million in future income tax asset recognized for the future tax benefit of the share issue costs.

The carrying amount of the liability component is accreted to the face value of the notes over the term of the notes. Accretion is included in interest expense during each period based on the annual effective interest rate of 6.33% per annum. Interest expense for the year ended December 31, 2010 amounted to $45.3 million, which includes $28.0 million of accretion (2009 - $25.5 million and $15.6 million, respectively).

(c) On May 18, 2007, the Company entered into a $1.5 billion revolving credit facility. The revolving credit facility is unsecured and amounts drawn are required to be refinanced or repaid on or by May 18, 2012. Effective June 1, 2009, amounts drawn incur interest at LIBOR plus 0.25% to 0.70% per annum dependent upon the Company's debt ratings, increasing by an additional 0.05% per annum if the total amount drawn under this facility exceeds $750 million. Undrawn amounts are subject to a 0.07% to 0.175% per annum commitment fee dependent on the Company's debt ratings. There was no amount outstanding under this facility at December 31, 2010 and 2009. Interest incurred for the year ended December 31, 2010 amounted to $1.5 million (2009 - $2.3 million; 2008 - $6.7 million), of which $1.4 million has been capitalized to the El Morro project since its acquisition on February 16, 2010 *(note 10(j))*.

(in United States dollars and tabular amounts in millions, except where noted)

16. INCOME AND MINING TAXES

Years ended December 31	**2010**	2009	2008
Current income and mining tax expense	**$ 509.0**	$ 278.7	$ 138.1
Future income and mining tax expense (recovery)	**(163.0)**	(69.6)	165.8
	$ 346.0	$ 209.1	$ 303.9

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings from continuing operations before taxes. These differences result from the following items:

Years ended December 31	**2010**	2009	2008
Earnings from continuing operations before taxes	**$ 1,726.6**	$ 453.2	$ 1,785.0
Canadian federal and provincial income tax rates	**28.96%**	30.91%	31.45%
Income tax expense based on Canadian federal and provincial income tax rates	**500.0**	140.1	561.4
Increase (decrease) attributable to:			
Impact of foreign exchange on future income tax liabilities	**103.1**	99.3	(336.8)
Other impacts of foreign exchange	**3.8**	45.9	(72.3)
Impact of change in tax rates on future income taxes [(a)]	**(1.0)**	(12.7)	-
Tax benefit of the harmonization of Ontario corporate income taxes with Canadian federal income taxes	**-**	(16.6)	-
Provincial mining taxes	**54.3**	39.2	21.3
Resource allowance	**(15.4)**	(16.4)	(11.5)
Non-deductible expenditures	**38.8**	22.5	10.5
Effects of different foreign statutory tax rates on earnings of subsidiaries	**(22.3)**	(34.3)	(28.4)
Impact of future income tax rate applied versus current statutory rate	**(17.2)**	(15.1)	(4.6)
Change in valuation allowance	**4.1**	(28.4)	10.0
Change in reserves for uncertain tax positions	**10.4**	10.8	6.9
Change in Mexican tax legislation [(b)]	**(12.8)**	12.8	-
Use of Mexican flat tax credits [(c)]	**-**	-	(37.8)
Gain on sale of Escobal not subject to tax *(note 4(b))*	**(138.6)**	-	-
Tax on disposition of Silver Wheaton shares *(note 4(d))*	**-**	-	155.9
Non-taxable portion of gain on disposition of San Dimas *(note 4(a))*	**(146.6)**	-	-
Non-taxable portion of other realized capital gains	**-**	(9.0)	-
Non-deductible asset write-down	**-**	-	16.5
Other	**(14.6)**	(29.0)	12.8
	$ 346.0	$ 209.1	$ 303.9

(a) The Mexican government approved its 2010 fiscal budget on December 15, 2009 which included several significant changes to the Mexican income tax laws. The corporate income tax rate increased from 28% to 30% for the period from January 1, 2010 through December 31, 2012 and will be reduced to 29% in 2013 and back to 28% in 2014 and thereafter. The change in tax rate increased the Company's future income tax liabilities by $26.2 million in the fourth quarter of 2009.

The effective tax rate in 2009 also includes the impact of a reduction of future income tax liabilities of $38.9 million resulting from Canadian provincial and federal income tax rate reductions enacted in the fourth quarter of 2009.

(b) In addition to changes to the corporate income tax rates discussed above, the Mexican government announced in December 2009 that it had modified its consolidated tax return rules such that the Company could only benefit from a maximum 5 year (formerly a maximum 10 year) tax deferral of taxable income resulting from losses of companies within the consolidated group reducing taxable income of other companies in the consolidated group. Included with changes to the consolidated tax return rules are provisions that tax the Company's past consolidation benefits retroactively by estimating the tax benefits of the Company's consolidated tax filing as at December 31, 2009 and requiring the Company to repay those benefits in future years. The Company considered this element of the announced tax law changes a double taxation and filed a lawsuit in 2010 against the Mexican government on the basis that this retroactive tax increase was unconstitutional. The Company was successful on certain of its arguments at the first level of court and the Mexican government has appealed the lower level court decision on this matter. At December 31, 2009, the Company estimated that the income tax impact of the announced change to the consolidated tax return rules was potentially $79.1 million, of which $7.9 million, $23.6 million, and $47.6 million would be payable evenly during the period from 2013 to 2017, 2014 to 2018 and 2015 to 2019, respectively, without additional tax restructuring. The Company developed a plan that it intends to execute and is fully within its control and solely at its discretion to merge two entities within the consolidated group in 2013 which decreases the estimated tax impact to $12.8 million, of which $8.4 million and $4.4 million would be payable evenly during the period from 2015 to 2019 and 2018 to 2022, respectively. Accordingly the Company recorded income and mining taxes payable in non-current liabilities and a current income tax expense of $12.8 million as at and for the year ended December 31, 2009.

At December 31, 2010, management estimates the tax on the Company's past consolidation benefits described above to be $74.7 million. A tax plan that the Company intends to execute and that is solely at its discretion and fully within its control to merge two entities within the consolidated group in 2013 decreases the tax impact to a nominal amount. In addition, in December 2010 the Mexican tax authorities issued new rules that effectively allow the Company to defer repayment of the tax benefits of consolidation noted above until such time as certain future events occur, which are within the Company's control, such as deconsolidation of the Mexican consolidated tax filing group. Accordingly, the $12.8 million of current income tax expense recorded in 2009 was reversed during the fourth quarter of 2010.

(c) Mexico introduced a flat tax ("IETU tax") effective January 1, 2008 to replace the previous asset tax as a minimum tax. The IETU tax is calculated on a cash flow basis, with the tax base determined by reducing taxable revenue with specific deductions. In general if deductions exceed revenues, a credit is granted which may be credited against the IETU tax in the following years. Taxpayers first compute their income tax liability and their IETU tax liability for a fiscal year. As the income tax liability may be credited against the IETU tax liability, the IETU tax is payable only to the extent it exceeds the income tax payable by a Mexican entity. In certain circumstances IETU tax credits can be used to reduce income taxes in the year that they are generated. During the year ended December 31, 2008, IETU tax credits earned by a subsidiary reduced Mexican income taxes payable by the Company by $37.8 million. The ability to use IETU tax credits in the future to reduce income taxes was eliminated with the Mexican tax law changes passed in 2009, effective 2010. No IETU tax credits were used to reduce Mexican income taxes payable in 2009.

(d) On October 21, 2010, Chile increased the royalty rate for large mines from a 5% fixed rate to a progressive tax regime with rates ranging from 5% to 14% depending on the mining operating profit margin in a given taxation year. The mining operating profit margin is defined as the taxable income of the operation divided by the gross mining revenue of the operation. Mines with operating margins at 35% or below would still be subject to the 5% mining tax rate. Mines with an operating profit margin of higher than 85% would be subject to a 14% rate. Goldcorp believes that the D.L. 600 filing made at the time of the El Morro acquisition should provide fiscal stability that would prevent the new legislation from applying to the El Morro operations for the first 15 years of production. However to obtain fiscal stability based on that application, New Gold must waive the fiscal stability established by its existing D.L. 600 filing. The Company understands that if New Gold waives its existing D.L. 600 fiscal stability, both companies will be covered by the same fiscal stability under the Goldcorp D.L. 600 application.

(in United States dollars and tabular amounts in millions, except where noted)

The significant components of future income taxes are as follows:

At December 31	**2010**	2009
Future income and mining tax assets		
Unused non-capital losses	**$ 46.5**	$ 36.5
Investment tax credits	**16.9**	24.4
Alternative minimum tax ("AMT") credits	**7.3**	7.5
Deductible temporary differences relating to:		
Reclamation and closure cost obligations	**70.4**	73.1
Mining interests	**1.1**	1.7
Stock options	**2.5**	13.7
Other	**69.6**	25.8
	214.3	182.7
Valuation allowance	**(9.4)**	(8.9)
	204.9	173.8
Future income and mining tax liabilities		
Taxable temporary differences relating to:		
Mining interests	**(6,116.3)**	(3,701.6)
Other	**(296.6)**	(151.7)
	(6,412.9)	(3,853.3)
Future income and mining tax liabilities, net	**$ (6,208.0)**	$ (3,679.5)
Presented on the Consolidated Balance Sheets as:		
Future income and mining tax assets – included in other current assets *(note 9)*	**$ 46.3**	$ 3.6
Future income and mining tax assets – included in other non-current assets *(note 14)*	**2.3**	-
Future income and mining tax liabilities - current	**(174.6)**	(107.9)
Future income and mining tax liabilities – non-current	**(6,082.0)**	(3,575.2)
Future income and mining tax liabilities, net	**$ (6,208.0)**	$ (3,679.5)

(in United States dollars and tabular amounts in millions, except where noted)

Tax Loss Carryforwards, Investment Tax Credits, and AMT Credits

At December 31, 2010, the Company had the following unused tax losses and other income tax deductions for which it has recognized a future income tax asset:

	Unused tax losses and other income tax deductions	Future tax assets	Valuation allowance	Net future tax assets	Expiry dates
Tax loss carryforwards:					
Canada	$ 14.8	$ 3.7	$ (0.4)	$ 3.3	2012 – 2028
United States	64.6	22.0	-	22.0	2011 – 2029
Mexico	5.8	1.7	(1.7)	-	2011 - 2020
Chile	50.0	19.1	-	19.1	No expiry date
	135.2	46.5	(2.1)	44.4	
Investment tax credits:					
Canada	16.9	16.9	-	16.9	2017 - 2030
AMT credits:					
United States	7.3	7.3	(7.3)	-	No expiry date
Total	$ 159.4	$ 70.7	$ (9.4)	$ 61.3	

17. RECLAMATION AND CLOSURE COST OBLIGATIONS

The following table summarizes the changes in the Company's reclamation and closure cost obligations during the years ended December 31:

	2010	2009
Reclamation and closure cost obligations – beginning of year	**$ 306.5**	$ 284.5
Revisions in estimates of required cash outflows and liabilities incurred	**(8.1)**	33.8
Accretion expense, included in depreciation and depletion	**16.1**	14.7
Reclamation expenditures	**(15.6)**	(26.5)
Reclamation and closure cost obligations – end of year	**298.9**	306.5
Less: current portion of reclamation and closure cost obligations, included in accounts payable and accrued liabilities	**(22.7)**	(24.5)
Non-current reclamation and closure cost obligations	**$ 276.2**	$ 282.0

The Company's mining and exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. The Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. The present value of the Company's reclamation and closure cost obligations at December 31, 2010 and 2009 were calculated using a discount rate of 5%. The amounts relating to operating mines, inactive mines and development projects are $232.8 million, $54.8 million and $11.3 million, respectively, (2009 – $232.9 million, $49.4 million and $24.2 million, respectively) reflecting cash outflows for approximately the next 125 years (2009 – 100 years). Reclamation and closure activities include land rehabilitation, demolition of buildings and mine facilities, ongoing care and maintenance and other costs.

The estimated undiscounted value of the Company's reclamation and closure cost obligations at December 31, 2010 was $511.7 million (2009 – $523.5 million), calculated using an inflation rate assumption of 2.0% (2009 – 2.0%).

(in United States dollars and tabular amounts in millions, except where noted)

18. EMPLOYEE PENSION PLANS

The Company has various defined contribution and defined benefit pension plans for its employees. The Company has no other employee future benefit plans.

Total cash payments for employee pension plans for the year ended December 31, 2010, consisting of cash contributed by the Company to its funded defined benefit pension plans, cash payments directly to beneficiaries of its unfunded defined benefit pension plans and cash contributed to its defined contribution plans were $21.3 million (2009 - $17.1 million; 2008 - $14.5 million).

Defined contribution pension plans

The Company has several defined contribution pension plans covering substantially all employees in North America. Under these plans, the Company contributes either a fixed percentage of its employees' salaries or matches a percentage of its employees' contributions. The Company's employees are able to direct the contributions into a variety of investment funds offered by the plans. The Company's expense related to these plans was $17.6 million for the year ended December 31, 2010 (2009 - $13.9 million; 2008 - $11.8 million), included in operating expenses and corporate administration in the Consolidated Statements of Earnings.

Defined benefit pension plans

The Company has several defined benefit pension plans covering certain of its Canadian and Mexican employees.

The following table summarizes the changes in the Company's accrued benefit obligation and fair value of plan assets during the years ended December 31 and the reconciliation of the Company's accrued benefit obligation to the accrued benefit liability at December 31:

		2010		2009
Accrued benefit obligation				
Balance, beginning of year	**$**	**28.1**	$	24.1
Benefit obligations related to San Dimas *(note 4(a))*		**(2.3)**		-
Current service costs		**1.5**		1.6
Interest costs		**1.7**		1.5
Actuarial losses, net		**2.8**		2.6
Benefits paid		**(1.1)**		(1.7)
Balance, end of year	**$**	**30.7**	$	28.1
Fair value of plan assets				
Balance, beginning of year	**$**	**22.8**	$	19.4
Plan assets related to San Dimas *(note 4(a))*		**(1.8)**		-
Actual return on plan assets, net		**2.0**		1.8
Company contributions		**3.2**		3.3
Benefits paid		**(1.1)**		(1.7)
Balance, end of year	**$**	**25.1**	$	22.8
Funded status – deficit	**$**	**(5.6)**	$	(5.3)
Unamortized net actuarial gains		**(0.5)**		(2.9)
Unamortized past service costs		**1.7**		2.3
Accrued benefit liability (1)	**$**	**(4.4)**	$	(5.9)

(1) Included in other non-current liabilities on the Consolidated Balance Sheets.

(in United States dollars and tabular amounts in millions, except where noted)

The Company's Employee Benefits Committee maintains and establishes investment policies relating to the Company's defined benefit and defined contribution pension plans. The Company's Board of Directors approves these policies and any material changes to these policies. The composition of the Company's defined benefit pension plan assets at December 31 is as follows:

	2010	2009
Equity securities	49%	44%
Debt securities	51%	55%
Cash and other investments	-	1%

The following table summarizes the components of the Company's defined benefit pension expense included in operating expenses in the Consolidated Statements of Earnings for the years ended December 31:

	2010	2009	2008
Costs arising in the year:			
Current service costs	**$ 1.5**	$ 1.6	$ 1.8
Interest costs	**1.7**	1.5	1.7
Actual loss (return) on plan assets, net	**(2.0)**	(1.8)	2.6
Actuarial losses (gains), net	**2.8**	2.6	(9.8)
Past service costs	**-**	-	1.6
	4.0	3.9	(2.1)
Difference between costs arising in the period and costs recognized in the period in respect of:			
Loss and return on plan assets	**0.7**	0.6	(4.0)
Actuarial losses and gains	**(3.0)**	(2.9)	9.8
Past service costs	**0.4**	0.4	(1.5)
Defined benefit pension expense	**$ 2.1**	$ 2.0	$ 2.2

The Company measures its accrued benefit obligation and fair value of plan assets for accounting purposes as at December 31 of each year. The following table summarizes the assumptions used in measuring the Company's accrued benefit obligation and defined benefit pension expense:

	2010	2009	2008
Accrued benefit obligation at December 31:			
Discount rate	**5.0% - 7.5%**	5.7% - 8%	7.2% - 8%
Rate of compensation increase	**3.5% - 4.0%**	4% - 5%	2%-11%
Defined benefit pension expense for the years ended December 31:			
Expected long-term rate of return on plan assets	**6.2% - 7.5%**	7.1% - 8%	7.1% - 8%
Discount rate	**5.7% - 7.5%**	7.5% - 8%	5.5%-8%

The following table summarizes the expected future benefit payments relating to the Company's defined benefit plans during the years ending December 31:

2011	$ 1.4
2012	1.3
2013	1.4
2014	1.4
2015	1.5
2016 - 2020	8.3

The most recent actuarial valuation of the Company's defined benefit pension plans for funding purposes is as at December 31, 2010, and the next required valuation will be as at December 31, 2013.

(in United States dollars and tabular amounts in millions, except where noted)

19. FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities and non-financial derivative contracts classified as held-for-trading

At December 31, the Company had the following financial assets and liabilities classified as held-for-trading:

	2010	2009
Cash and cash equivalents	$ 556.2	$ 874.6
Current derivative assets [1]	8.5	8.1
Investments in warrants *(note 12)*	6.6	2.3
Current derivative liabilities	(55.1)	(11.4)
Non-current derivative liability	(95.4)	-

In addition, accounts receivable arising from sales of metal concentrates have been designated and classified as held-for-trading by the Company as follows:

At December 31	2010	2009
Accounts receivable		
Arising from sales of metal concentrates – classified as held-for-trading	$ 243.1	$ 123.0
Not arising from sales of metal concentrates – classified as loans and receivables	200.7	155.8
	$ 443.8	$ 278.8

Derivative assets and liabilities

At December 31, the Company's derivative assets and liabilities were as follows:

	2010	2009
Current derivative assets [1]		
Foreign currency contracts [i]	$ 5.4	$ 6.6
Heating oil forward contracts [i]	-	0.2
Copper contracts [i]	3.0	1.3
Compound convertible feature of the Primero convertible note [ii]	0.1	-
	$ 8.5	$ 8.1
Current derivative liabilities		
Foreign currency contracts [i]	$ (0.1)	$ (1.2)
Copper contracts [i]	(15.3)	(10.2)
Lead option contracts [i]	(0.1)	-
Zinc forward contracts [i]	(0.2)	-
Non-financial contract to sell silver to Silver Wheaton [iii]	(39.4)	-
	$ (55.1)	$ (11.4)
Non-current derivative liability		
Non-financial contract to sell silver to Silver Wheaton [iii]	$ (95.4)	$ -

(1) Included in other current assets on the Consolidated Balance Sheets *(note 9)*.

(in United States dollars and tabular amounts in millions, except where noted)

The net gains (losses) on non-hedge derivatives for the years ended December 31 were comprised of the following:

	2010	2009	2008
Realized gains (losses) on matured foreign currency, heating oil, copper, lead and zinc contracts (i)	$ 9.4	$ 6.9	$ (10.2)
Unrealized mark-to-market gains (losses) on outstanding foreign currency, copper, lead and zinc contracts and reversal of mark-to-market losses (gains) on matured contracts (i)	(4.0)	(3.3)	7.6
Unrealized mark-to-market loss on compound conversion feature of the Primero convertible note (ii)	(1.2)	-	-
Net loss on non-financial contract to sell silver to Silver Wheaton (iii)	(66.0)	-	-
	$ (61.8)	$ 3.6	$ (2.6)

The net gains on warrants for the years ended December 31 were comprised of the following:

	2010	2009	2008
Realized gains (losses)	$ -	$ (6.3)	$ 7.5
Unrealized mark-to-market gains (losses) on outstanding warrants and reversal of mark-to-market losses (gains) on exercised warrants	2.6	13.7	(2.4)
	$ 2.6	$ 7.4	$ 5.1

The net gain on warrants is included in net gains (losses) on securities in the Consolidated Statements of Earnings *(note 12)*.

(i) Foreign currency, heating oil, copper, lead and zinc contracts

During the year ended December 31, 2010, the Company entered into Canadian dollar and Mexican peso contracts to purchase the respective foreign currencies at pre-determined US dollar amounts, heating oil contracts that were cash settled by reference to the monthly NYMEX heating oil commodity price, and copper/lead/zinc contracts that are cash settled to manage its exposure to volatility in metal prices. These contracts meet the definition of a derivative. At December 31, 2010, the Company's outstanding derivative contracts which settle and/or expire over the next twelve months were as follows:

Foreign currency:

1. Canadian dollar forward contracts to sell $12.0 million at 1.06 to the US dollar;
2. Canadian dollar call options held to sell $12.0 million at 1.06 to the US dollar;
3. Canadian dollar put options written to buy $12.0 million at 1.08 to the US dollar; and
4. Mexican peso forward contracts to sell $60.0 million at 13.38 to the US dollar.

Copper:

1. Forward contracts to sell 1.7 million pounds at an average price of $3.52 per pound;
2. Options held to sell 35.4 million pounds at an average price of $3.50 per pound; and
3. Options written to buy 35.4 million pounds at an average price of $4.26 per pound.

Lead:

1. Options held to sell 1.7 million pounds at an average price of $0.91 per pound; and
2. Options written to buy 1.7 million pounds at an average price of $1.18 per pound.

Zinc:

1. Forward contracts to sell 1.7 million pounds at an average price of $1.00 per pound.

(ii) Compound conversion feature of the Primero convertible note

At December 31, 2010, management estimates that the fair value of the compound conversion feature of the Primero convertible note *(note 4(a)(iii))* was $0.1 million, resulting in an unrealized loss on non-hedge derivatives of $1.2 million during the period from August 6, 2010, the initial recognition date, to December 31, 2010.

(iii) Non-financial derivative contract to sell silver to Silver Wheaton

At December 31, 2010, management estimates that the fair value of the Company's commitment to deliver 1.5 million ounces of silver to Silver Wheaton during each of the four contract years ending August 5, 2014 at a fixed price per ounce *(note 4(a)(v))* was $134.8 million. The fair value was estimated as the difference between the forward market price of silver for each of the four contract years as at December 31, 2010 ranging from $30.96 to $31.75 per ounce and the fixed price of $4.04 per ounce, subject to an annual adjustment for inflation, receivable from Silver Wheaton, multiplied by the remaining ounces to be delivered, and discounted using the Company's after tax weighted average cost of capital. Of the $134.8 million, $39.4 million is included in current derivative liabilities with the remaining amount included in non-current derivative liabilities. The Company recorded a net loss on non-hedge derivatives of $66.0 million during the period from August 6, 2010, the initial recognition date, to December 31, 2010 relating to its commitment, comprising of a realized loss of $3.2 million on ounces delivered during the period and an unrealized loss of $62.8 million on remaining ounces to be delivered. The remaining total ounces to be delivered by the Company as at December 31, 2010 were 5.4 million ounces.

(iv) Other embedded derivatives

Financial instruments and non-financial contracts may contain embedded derivatives, which are required to be accounted for separately at fair value as derivatives when the risks and characteristics of the embedded derivatives are not closely related to those of their host contract and the host contract is not carried at fair value. The Company regularly assesses its financial instruments and non-financial contracts to ensure that any embedded derivatives are accounted for in accordance with its policy. There are no material embedded derivatives requiring separate accounting at December 31, 2010 and 2009 other than as disclosed above.

(in United States dollars and tabular amounts in millions, except where noted)

(b) Financial assets classified as available-for-sale

At December 31, 2010 and 2009, the Company's financial assets classified as available-for-sale consisted of marketable securities and investments in equity securities *(note 12)*.

The unrealized gains (losses) on available-for-sale marketable securities and investments in equity securities included in other comprehensive income for the years ended December 31 were as follows:

	2010	2009	2008
Marketable securities	**$ 9.7**	$ 16.3	$ (17.2)
Investments in equity securities	**354.8**	185.2	(106.2)
	364.5	201.5	(123.4)
Future tax expense in OCI	**(43.5)**	(16.6)	(0.6)
Unrealized gains (losses) on available-for-sale securities, net of tax	**321.0**	184.9	(124.0)
Reclassification adjustment for unrealized impairment losses included in net earnings, net of tax of $nil (i)(ii)(iii)	**2.1**	-	111.2
Reclassification adjustment for realized gains included in net earnings, net of tax – $nil (ii)(iii)	**-**	(43.0)	(0.2)
Adjustment arising from acquisition of Gold Eagle *(note 4(c))*	**-**	-	(29.2)
Adjustment arising from disposition of Silver Wheaton shares *(note 4(d))*	**-**	-	(17.7)
	$ 323.1	$ 141.9	$ (59.9)

(i) During the fourth quarter of 2010, the Company determined that the decline in the fair value of one investment in equity securities was other than temporary. The significant and prolonged decline in the market price of the equity investee's shares below the Company's original cost provided evidence that the decline in fair value of the Company's investment was other than temporary. Accordingly, the Company reclassified the cumulative mark-to-market loss relating to the investment that had previously been recognized in OCI to earnings and recognized an impairment loss on available-for-sale securities of $2.1 million for the year ended December 31, 2010.

(ii) Prior to disposition on October 13, 2009, the Company owned a 7% interest in New Gold. The fair value of the Company's investment in New Gold declined during 2008 when New Gold recorded a write-down of $156.9 million on its Amapari mine in its 2008 third quarter results. While significant resources remained at the Amapari mine, the additional capital resources required to maintain economic production levels and the limited remaining oxide reserves justified the decision to place the mine on temporary care and maintenance and mining was suspended as of January 2, 2009. In addition, New Gold revised its development plan for the New Afton project with full production expected for the second half of 2012 instead of the previous expectation of operations commencing in late 2009 with full production in the second quarter of 2011. The adverse changes that took place in the economic environment in which New Gold operates and the continued decline in the market price of its shares below the Company's original cost (market price per share at December 31, 2008 was C$1.77 compared with the Company's original cost of C$6.70 per share) provided objective evidence that the decline in fair value of the Company's investment was other than temporary. Accordingly, the Company reclassified the cumulative mark-to-market loss that had previously been recognized in OCI as at December 31, 2008 and recognized an impairment loss on available-for-sale securities of $81.5 million in earnings during the fourth quarter of 2008. The Company disposed of its investment in New Gold on October 13, 2009 for net proceeds of $65.2 million. During the period from January 1, 2009 to October 13, 2009, the fair value of the Company's investment in New Gold increased. The cumulative mark-to-market gains that had been recognized in OCI at October 13, 2009 amounted to $43.0 million. This amount was reclassified from OCI to earnings upon de-recognition of the investment resulting in a recognized gain on securities of $42.8 million, net of selling costs of $0.2 million *(note 12)*.

(in United States dollars and tabular amounts in millions, except where noted)

(iii) During the third quarter of 2008, the Company determined that the decline in the fair value of one other investment in equity securities was other than temporary. The adverse changes that took place in the economic and political environment in which the equity investee operates and the continued decline in the market price of the equity investee's shares below the Company's original cost provided evidence that the decline in fair value of the Company's investment was other than temporary. Accordingly, the Company reclassified the cumulative mark-to-market loss relating to the investment that had previously been recognized in OCI to earnings and recognized an impairment loss on available-for-sale securities of $29.7 million for the year ended December 31, 2008. Subsequent to December 31, 2008, the fair value of this investment increased. At December 31, 2010, the cumulative mark-to-market gain in AOCI relating to this investment was $1.7 million (2009 - $2.4 million).

(c) Fair value information

(i) Fair value measurements of financial assets and liabilities recognized on the Consolidated Balance Sheet

The categories of fair value hierarchy that reflect the significance of inputs used in making fair value measurements are as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data.

At December 31, 2010, the levels in the fair value hierarchy into which the Company's financial assets and liabilities measured and recognized on the Consolidated Balance Sheet at fair value are categorized are as follows:

	Level 1	Level 2
Cash and cash equivalents	$ 556.2	$ -
Marketable securities	39.9	-
Accounts receivable arising from sales of metal concentrates *(note 19(a))*	-	243.1
Investments in warrants	5.6	1.0
Investments in equity securities	924.0	-
Current derivative assets *(notes 9 and 19(a))*	-	8.5
Current derivative liabilities *(note 19(a))*	-	(55.1)
Non-current derivative liability *(note 19(a))*	-	(95.4)

At December 31, 2010, there were no financial assets or liabilities measured and recognized on the Consolidated Balance Sheet at fair value that would be categorized as level 3 in the fair value hierarchy above.

(ii) Fair values of financial assets and liabilities not already measured and recognized at fair value on the Consolidated Balance Sheet

At December 31, 2010, the carrying amounts of accounts receivable not arising from sales of metal concentrates and accounts payable and accrued liabilities are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments.

Convertible senior notes:

The initial recognition amount of the liability component of the notes has been accreted from June 5, 2009 to December 31, 2010 based on an annual effective interest rate of 6.33% *(note 15(b))*. Management estimates the market interest rate on similar borrowings without the conversion feature has decreased to approximately 3.2% per annum as at December 31, 2010. Accordingly, the fair value of the liability component of the notes has increased to $835.8 million, compared to a carrying amount of $754.3 million, which includes $7.2 million of accrued interest payable included in accounts payable and accrued liabilities at December 31, 2010.

(in United States dollars and tabular amounts in millions, except where noted)

Primero promissory note:

The initial recognition amount of the Primero promissory note has been accreted from August 6, 2010 to December 31, 2010 based on an annual effective interest rate of 5.5% *(note 4(a)(ii))*. Management estimates the market interest rate on similar borrowings has decreased to approximately 4.3% per annum as at December 31, 2010. Accordingly, the fair value of the Primero promissory note has increased to $54.7 million, compared to a carrying amount of $53.7 million, which includes $1.2 million of accrued interest receivable at December 31, 2010 *(notes 8, 9 & 13)*.

Primero convertible note:

The initial recognition amount of the Primero convertible note has been accreted from August 6, 2010 to December 31, 2010 based on an annual effective interest rate of 5.0% *(note 4(a)(iii))*. Management estimates the market interest rate on similar borrowings has decreased to approximately 3.8% per annum as at December 31, 2010. Accordingly, the fair value of the Primero convertible note has increased to $60.5 million, compared to a carrying amount of $59.8 million, which includes $0.7 million of accrued interest receivable at December 31, 2010 *(notes 8 & 9)*.

(d) Financial instrument risk exposure

The Company manages its exposure to financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and price risk, in accordance with its Risk Management Policy. The Company's Board of Directors oversees management's risk management practices by setting trading parameters and reporting requirements. The Risk Management Policy provides a framework for the Company to manage the risks it is exposed to in various markets and to protect itself against adverse market movements. All transactions undertaken are to support the Company's ongoing business. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

The following describes the types of risks that the Company is exposed to and its objectives and policies for managing those risk exposures:

(i) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. To mitigate exposure to credit risk on financial assets, the Company has established policies to limit the concentration of credit risk, ensure counterparties demonstrate minimum acceptable credit worthiness and ensure liquidity of available funds.

The Company's maximum exposure to credit risk at December 31 is as follows:

	2010	2009
Cash and cash equivalents	**$ 556.2**	$ 874.6
Accounts receivable	**443.8**	278.8
Current derivative assets *(note 19(a))*	**8.5**	8.1
Current notes receivable *(note 8)*	**64.1**	-
Accrued interest receivable *(note 9)*	**1.9**	-
Non-current notes receivable *(note 13)*	**47.5**	-
	$ 1,122.0	$ 1,161.5

The Company closely monitors its financial assets and does not have any significant concentration of credit risk. The Company invests its cash and cash equivalents in highly rated corporations and government issuances in accordance with its short-term investment policy and the credit risk associated with its money market investments is considered to be low. The Company sells its products exclusively to large international financial institutions and other organizations with strong credit ratings. The historical level of customer defaults is negligible and, as a result, the credit risk associated with accounts receivables at December 31, 2010 is considered to be negligible. The Company's foreign currency, heating oil, copper, lead and zinc contracts are entered into with large international financial institutions with strong credit ratings. The coupon rates on the Primero promissory and convertible notes are reflective of the associated credit risks of the instruments. The fair values recognized on initial recognition for these instruments have been estimated using discount rates that management believes reflect their associated credit risks.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has in place a rigorous planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansionary plans. The Company ensures that sufficient committed loan facilities exist to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. During the year ended December 31, 2010, the Company generated operating cash flows from continuing activities of $1,787.3 million (2009 - $1,275.1 million; 2008 - $871.1 million). At December 31, 2010, Goldcorp held cash and cash equivalents of $556.2 million (2009 - $874.6 million) and had working capital of $587.8 million (2009 - $866.5 million), which the Company defines as current assets less current liabilities.

Goldcorp entered into a $1.5 billion revolving credit facility on May 18, 2007. At December 31, 2010, the full amount of this facility was available for future draws.

In April 2010, Barrick, the project operator, and Goldcorp finalized the terms for $1.035 billion (100% basis) in project financing for Pueblo Viejo ($414.0 million – Goldcorp's share). The lending syndicate is comprised of international financial institutions including two export credit agencies and a syndicate of commercial banks. The financing amount is divided into three tranches consisting of $375.0 million, $400.0 million and $260.0 million with terms of fifteen years, fifteen years and twelve years, respectively. The $375.0 million tranche bears a fixed coupon rate of 4.02% for the entire fifteen years. The $400.0 million tranche bears a coupon rate of LIBOR plus 3.25% pre-completion and scales gradually to LIBOR plus 5.10% (inclusive of a political risk insurance premium) for years thirteen to fifteen. The $260.0 million tranche bears a coupon rate of LIBOR plus 3.25% pre-completion and scales gradually to LIBOR plus 4.85% (inclusive of political risk insurance premium) for years eleven and twelve. Barrick and Goldcorp have each provided a guarantee for their proportionate share of the loan. The guarantees will terminate upon Pueblo Viejo meeting certain operating completion tests and are subject to a carve-out for certain political risk events. In June 2010, the $400.0 million and $260.0 million tranches, in addition to a portion of the $375.0 million tranche, were drawn for a total amount received of $781.5 million ($312.6 million – Goldcorp's share). This amount is not included in the Company's commitments for future minimum payments below as the Company's investment in Pueblo Viejo is accounted for using the equity method. At December 31, 2010, there was $253.5 million available for future draws on the $375.0 million tranche ($101.4 million – Goldcorp's share).

(in United States dollars and tabular amounts in millions, except where noted)

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments. The following table summarizes the maturities of the Company's financial liabilities and operating and capital commitments at December 31:

	2010					
	Within 1 year	**2 to 3 years**	**4 to 5 years**	**Over 5 years**	**Total**	2009
Accounts payable and accrued liabilities [a]	**$ 556.6**	**$ -**	**$ -**	**$ -**	**$ 556.6**	$ 382.0
Current derivative liabilities (*note 19(a)*)	**51.1**	**-**	**-**	**-**	**51.1**	11.4
Principal payments on convertible senior notes *(note 15(b))*	**-**	**-**	**862.5**	**-**	**862.5**	879.2
Interest payments on convertible senior notes *(note 15(b))*	**17.3**	**34.5**	**17.2**	**-**	**69.0**	88.9
Non-financial derivative contract to sell silver to Silver Wheaton *(note 19(a)(iii))*	**39.4**	**78.7**	**27.7**	**-**	**145.8**	-
Reclamation and closure cost obligations *(note 17)*	**22.7**	**43.1**	**19.7**	**426.2**	**511.7**	523.5
Capital expenditure commitments	**51.0**	**-**	**-**	**-**	**51.0**	172.3
Minimum rental and lease payments	**2.3**	**3.3**	**3.4**	**1.4**	**10.4**	11.5
	$ 740.4	**$ 159.6**	**$ 930.5**	**$ 427.6**	**$ 2,258.1**	$ 2,068.8

(a) Excludes accrued interest on convertible senior notes and current portion of reclamation and closure cost obligations which are disclosed separately in the above table.

At December 31, 2010, the Company had letters of credit outstanding and secured deposits in the amount of $307.7 million (2009 - $270.9 million).

In the opinion of management, the working capital at December 31, 2010, together with future cash flows from operations and available funding facilities, is sufficient to support the Company's commitments. The Company's total planned capital expenditure for 2011 is $1.8 billion, 50% of which will be allocated to the Red Lake, Marlin and Peñasquito mines and 50% to projects. The amount allocated to projects will focus on commissioning Pueblo Viejo and developing the Cerro Negro, El Morro and Camino Rojo projects acquired during 2010. The 2011 expenditures will be funded partly by available cash balances, cash flows from operations, and available funding under the $1.5 billion revolving credit facility and $1.035 billion project financing for Pueblo Viejo ($414.0 million – Goldcorp's share).

For the periods beyond 2011, the Company's cash flows from operations and available funding under the Company's loan facilities are expected to sufficiently support further expansions and growth. Peñasquito will be the main driver of the Company's gold production growth expected in the next five years, with significant contributions from Red Lake and Pueblo Viejo.

(iii) Currency risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. Exchange rate fluctuations may affect the costs that the Company incurs in its operations. Gold, silver, copper, lead and zinc are sold in US dollars and the Company's costs are incurred principally in US dollars, Canadian dollars, Mexican pesos, Argentinean pesos, Guatemalan quetzals and Chilean pesos. The appreciation of foreign currencies against the US dollar can increase the costs of gold, silver, copper, lead and zinc production and capital expenditures in US dollar terms. The Company also holds cash and cash equivalents that are denominated in foreign currencies which are subject to currency risk. Accounts receivable and other current and long-term assets denominated in foreign currencies relate to goods and services taxes, value-added taxes and insurance receivables. At December 31, 2010, the Company had $5.8 billion of future income tax liabilities which arose primarily from the acquisitions of Placer Dome Inc.'s assets and Glamis in 2006, Gold Eagle in the third quarter of 2008, and

(in United States dollars and tabular amounts in millions, except where noted)

Camino Rojo and Cerro Negro in 2010 which are denominated in foreign currencies. Future income tax assets and liabilities are considered monetary and translated each period end at current exchange rates, with the gain or loss recorded in earnings for the period.

The Company is exposed to currency risk through the following financial assets and liabilities and future income tax liabilities denominated in foreign currencies at December 31:

2010	**Cash and cash equivalents**	**Accounts receivable and other current and long-term assets**	**Income and mining taxes payable**	**Accounts payable and accrued liabilities**	**Current debt**	**Future income tax assets (liabilities)**
Canadian dollar	**$ 69.8**	**$ 92.3**	**$ (71.6)**	**$ (216.0)**	**$ -**	**$ (1,928.0)**
Mexican peso	**33.9**	**86.9**	**(184.8)**	**(181.3)**	**-**	**(2,022.8)**
Argentinean peso	**1.5**	**33.1**	**(46.6)**	**(94.6)**	**-**	**(1,830.0)**
Guatemalan quetzal	**4.9**	**1.1**	**(4.8)**	**(29.2)**	**-**	**25.3**
Chilean peso	**-**	**0.8**	**(0.2)**	**(5.4)**	**-**	**-**
	$ 110.1	**$ 214.2**	**$ (308.0)**	**$ (526.5)**	**$ -**	**$ (5,755.5)**

2009	Cash and cash equivalents	Accounts receivable and other current and long-term assets	Income and mining taxes receivable (payable)	Accounts payable and accrued liabilities	Current debt	Future income tax liabilities
Canadian dollar	$ 4.0	$ 10.8	$ (167.5)	$ (152.0)	$ (16.7)	$ (1,216.9)
Mexican peso	9.5	86.1	3.2	(128.9)	-	(2,371.7)
Argentinean peso	1.0	17.8	(49.8)	(55.5)	-	(107.5)
Guatemalan quetzal	3.5	12.1	-	(23.3)	-	(12.3)
	$ 18.0	$ 126.8	$ (214.1)	$ (359.7)	$ (16.7)	$ (3,708.4)

During the year ended December 31, 2010, the Company recognized a net loss of $355.4 million on foreign exchange (2009 – net loss of $363.7 million; 2008 – net gain of $1,059.3 million). Of this amount, $362.6 million resulted from the translation of future income taxes denominated in foreign currencies (2009 – loss of $318.8 million; 2008 - gain of $1,062.6 million). Based on the above net exposures at December 31, 2010, a 10% depreciation or appreciation of the above foreign currencies against the US dollar would result in a $426.0 million increase or decrease in the Company's after-tax net earnings, respectively.

During the years ended December 31, 2010 and 2009, the Company entered into Canadian dollar and Mexican peso forward and option contracts to purchase and sell the respective foreign currencies at pre-determined US dollar amounts *(note 19(a)(i))*. These contracts were entered into to normalize operating expenses incurred by the Company's foreign operations as expressed in US dollar terms. In accordance with its Risk Management Policy, the Company may hedge up to 50% and 30% of its annual Canadian dollar and Mexican peso operating expenditures over the next twelve months and subsequent thirteen to twenty four months, respectively.

(iv) Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its outstanding revolving credit facility *(note 15(c))*, its share of the Pueblo Viejo project financing finalized during the second quarter of 2010 and its cash and cash equivalents. In addition, the $50.0 million Primero promissory note and debt component of the $60.0 million Primero convertible note receivable are exposed to interest rate risk as a result of the fixed interest rates earned *(notes 8 & 13)*.

(in United States dollars and tabular amounts in millions, except where noted)

The Company monitors its exposure to interest rates and is comfortable with its exposures given the relatively low US dollar rates. Interest incurred on the Company's revolving credit facility during the year ended December 31, 2010 amounted to $1.5 million. A 10% change in the interest rate on the Company's revolving credit facility would result in a nominal change in the Company's after-tax net earnings, respectively. The average interest rate earned by the Company during the year ended December 31, 2010 on its cash and cash equivalents was 0.20% (2009 – 0.22%; 2008 - 2.68%). A 10% increase or decrease in the interest earned from financial institutions on deposits held and money market investments would result in a $0.1 million increase or decrease in the Company's after-tax net earnings, respectively (2009 and 2008 – nominal). A 10% decrease or increase in the market interest rate for debt with similar terms and associated credit risks to the Primero notes receivable would increase and decrease the fair values of these notes receivable by $0.7 million, respectively.

(v) Price risk

Price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Profitability of the Company depends on metal prices for gold, silver, copper, lead and zinc. Metal prices are affected by numerous factors such as the sale or purchase of gold and silver by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major producing countries throughout the world. A 10% increase or decrease in metal prices would result in a $322.0 million increase or decrease in the Company's after-tax net earnings, respectively. The Company has a policy not to hedge gold sales. In accordance with the Company's Risk Management Policy, the Company may hedge up to 50% and 30% of its base metal sales volume over the next fifteen months and subsequent sixteen to twenty seven months, respectively, to manage its exposure to fluctuations in base metal prices *(note 19(a)(i))*.

The costs relating to the Company's production, development and exploration activities vary depending on the market prices of certain mining consumables including diesel and electricity. A 10% increase or decrease in diesel market prices would result in an $8.5 million decrease or increase in the Company's after-tax net earnings, respectively. The Company does not intend to hedge against diesel price fluctuations in Mexico as the government regulates the domestic market. The Company has entered into contracts to hedge against diesel price fluctuations in Canada and the United States through NYMEX heating oil contracts as a proxy for diesel. Electricity is regionally priced in Ontario, Canada and Mexico and semi-regulated by the provincial and federal governments, respectively. The regulation of electricity prices reduces the risk of price fluctuation and the Company therefore does not contemplate entering into contracts to hedge against such risk.

20. MANAGEMENT OF CAPITAL

The Company's objectives of capital management are to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital of the Company consists of items included in shareholders' equity and debt, net of cash and cash equivalents as follows:

At December 31	**2010**	2009
Shareholders' equity	**$ 20,194.2**	$ 15,493.2
Current and long-term debt	**747.1**	735.7
	20,941.3	16,228.9
Less: cash and cash equivalents	**(556.2)**	(874.6)
	$ 20,385.1	$ 15,354.3

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a rigorous planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient committed loan facilities to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

At December 31, 2010, the Company expects its capital resources and projected free cash flows from continuing operations to support its normal operating requirements on an ongoing basis and planned development and exploration of its mineral properties and other expansionary plans. At December 31, 2010, there was no externally imposed capital requirement to which the Company is subject, which the Company has not complied with.

21. COMMON SHARES, SHARE PURCHASE WARRANTS, STOCK OPTIONS, RESTRICTED AND PERFORMANCE SHARE UNITS

At December 31, 2010, the Company had unlimited authorized common shares and 798.4 million common shares outstanding (2009 – 733.6 million). Refer to the Consolidated Statements of Equity for movement in common shares.

(a) Share purchase warrants

At December 31, 2010 and 2009, the Company had a total of 9.2 million warrants outstanding. Of the 9.2 million warrants outstanding, 8.4 million were issued in 2006, entitle the holders to purchase at any time one common share of Goldcorp at an exercise price of C$45.75 per share and expire on June 9, 2011. These warrants are trading on the Toronto Stock Exchange ("TSX") and New York Stock Exchange. The remaining 0.8 million warrants were issued by Goldcorp pursuant to the acquisition of Gold Eagle in 2008 *(note 4(c))*, entitle holders to purchase at any time one common share of Goldcorp at an exercise price of C$34.76 and expire on June 26, 2011.

There were no warrants exercised during the three years ended December 31, 2010.

(b) Stock options, restricted share units and performance share units

Stock options:

Of the 15.7 million stock options outstanding at December 31, 2010, 15.0 million relate to options granted under the Company's 2005 Stock Option Plan. The Company's 2005 Stock Option Plan allows for the issuance of up to 32.5 million stock options with a maximum exercise period of five years to employees and officers.

The Company granted 6.0 million stock options during the year ended December 31, 2010 which vest over three years, are exercisable at C$40.79 to C$45.51 per option, expire in 2015 and have a total fair value of $80.7 million at the date of grant. The Company granted 5.0 million stock options during the year ended December 31, 2009, which vest over a period of three years, are exercisable at C$35.62 to C$39.36 per option, expire in 2014 and have a total fair value of $49.9 million at the date of grant. The Company granted 4.5 million stock options during the year ended December 31, 2008 which vest over a period of three years, are exercisable at C$39.77 per option, expire in 2013 and have a total fair value of $49.4 million at the date of grant.

(in United States dollars and tabular amounts in millions, except where noted)

The fair value of the stock options granted is calculated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Years ended December 31	2010	2009	2008
Expected life (years)	**2.9**	2.7	3.6
Expected volatility	**50%**	52%	35%
Expected dividend yield	**<1%**	<1%	<1%
Risk-free interest rate	**1.9%**	2.0%	2.9%
Weighted average fair value per option	**$ 13.52**	$ 9.97	$11.42

The expected volatility assumptions are based on the historical and implied volatility of Goldcorp's Canadian dollar common share price on the TSX. The risk-free interest rate assumptions are based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life.

The following table summarizes the changes in outstanding stock options during the years ended December 31:

	Options Outstanding (000's)	Weighted Average Exercise Price (C$/option)
At December 31, 2007	14,025	$ 22.12
Granted	4,520	39.77
Issued on acquisition of Gold Eagle *(note 4(c))*	569	27.65
Exercised	(5,392)	20.25
Cancelled	(451)	31.78
At December 31, 2008	13,271	28.85
Granted	5,003	35.73
Exercised	(3,664)	24.20
Cancelled	(541)	37.70
At December 31, 2009	14,069	32.16
Granted	**5,972**	**44.48**
Exercised	**(3,524)**	**28.24**
Cancelled	**(824)**	**38.30**
At December 31, 2010	**15,693**	**$ 37.41**

The following table summarizes information about the Company's stock options outstanding at December 31, 2010:

	Options Outstanding			**Options Exercisable**		
Exercise Price (C$/option)	Options Outstanding (000's)	Weighted Average Exercise Price (C$/option)	Weighted Average Remaining Contractual Life (years)	Options Outstanding and Exercisable (000's)	Weighted Average Exercise Price (C$/option)	Weighted Average Remaining Contractual Life (years)
$12.55	34	$ 12.55	1.1	34	$ 12.55	1.1
$16.87 - $19.23	1,165	18.63	3.9	1,165	18.63	3.9
$24.40 - $26.76	1,073	25.62	5.0	1,073	25.62	5.0
$28.84 - $31.93	816	30.97	5.5	816	30.97	5.5
$34.39 - $37.82	3,911	35.67	3.4	985	35.64	3.5
$39.36 - $40.79	3,017	39.77	2.5	1,756	39.76	2.4
$44.50 - $45.51	5,677	44.51	4.4	-		
	15,693	$ 37.41	3.8	5,829	$ 30.85	3.8

Restricted share units:

The Company has an RSU Plan which allows for up to 4.2 million RSUs to be granted to employees and directors that vest over a period of up to three years from the date of issuance. Each RSU is exercisable into one common share for no additional consideration.

The Company issued 311,500 RSUs during the year ended December 31, 2010 (2009 - 369,000; 2008 - 406,500) with a weighted average fair value of $43.30 per RSU (2009 - $30.89; 2008 - $40.10) and total fair value of $13.5 million (2009 - $11.4 million; 2008 - $16.3 million) at the date of issuance. At December 31, 2010, the Company had 0.5 million RSUs outstanding (2009 - 0.4 million).

Stock options and Restricted share units compensation expense:

Total stock options and RSUs vested during the year ended December 31, 2010 and credited to shareholders' equity was $63.0 million (2009 - $48.1 million; 2008 - $40.4 million). Of this amount, $0.6 million (2009 - $3.0 million; 2008 - $nil) related to the development of Peñasquito and was capitalized and included in the carrying amount of the mining property *(note 10(d))*. The remaining $62.4 million (2009 - $45.1 million; 2008 - $40.4 million) was recorded as stock based compensation expense and included in corporate administration. Total stock based compensation expense recognized during the year ended December 31, 2008 of $41.5 million included $1.1 million for Silver Wheaton.

Performance share units compensation expense:

On July 28, 2010, the Company established a Performance Share Unit Plan ("the PSU plan") whereby PSUs will be issued to eligible executives as determined by the Company's Board of Directors or the Company's Compensation Committee as directed by the Board. PSUs issued under the PSU plan entitle the holder to a cash payment at the end of a three year performance period equal to a target settlement ranging from 0% to 200% of the current market value of the underlying Goldcorp shares, to be determined at the end of the performance period based on the performance of the underlying Goldcorp shares.

During August 2010, the Company issued 219,200 PSUs. Total stock-based compensation expense recorded relating to PSUs and recognized as a liability for the year ended December 31, 2010 was $0.8 million.

(c) Employee share purchase plan

In July 2007, the Company introduced an Employee Share Purchase Plan which allows Goldcorp employees in Canada to purchase the Company's common shares through payroll deductions. Employees may contribute up to 6% of their eligible earnings and the Company matches 50% of these contributions. Compensation expense, representing the Company's contributions measured based on the market price of the underlying common shares at the date of contribution, was $3.5 million during the year ended December 31, 2010 (2009 - $2.7 million; 2008 - $2.5 million).

(d) Earnings and net earnings per share

Earnings and net earnings per share for the years ended December 31 were calculated based on the following:

(in thousands)	**2010**	2009	2008
Basic weighted-average number of shares outstanding	**735,337**	731,306	711,862
Effect of dilutive securities:			
Stock options	**2,264**	2,747	3,164
Restricted share units	**478**	406	370
Share purchase warrants	**157**	105	38
Diluted weighted-average number of shares outstanding	**738,236**	734,564	715,434

The following lists the securities excluded from the computation of diluted earnings and net earnings per share for the years ended December 31 because the underlying exercise prices exceeded the average market price of the underlying common shares of C$43.13 (2009 - C$39.97; 2008 - C$36.46):

(in thousands)	**2010**	2009	2008
Stock options	**5,677**	-	4,351
Share purchase warrants	**8,439**	8,439	8,439

The effect of outstanding convertible senior notes issued on June 5, 2009 *(note 15(b))* was anti-dilutive for the years ended December 31, 2010 and 2009 and therefore excluded from the computation of diluted earnings and net earnings per share. In the event that the notes were dilutive, the computation of diluted earnings and net earnings per share would have included the following:

	2010	2009
Effect of convertible senior notes on diluted earnings from continuing operations and net earnings:		
Interest expense for the year, net of tax	**$ 39.8**	$ 22.3
Effect of convertible senior notes on diluted weighted average number of shares outstanding (in thousands)	**17,975**	10,342

22. NON-CONTROLLING INTERESTS

	El Morro	Terrane	**Total**
At December 31, 2008	$ -	$ 51.2	$ 51.2
Impact of change in ownership interest	-	1.9	1.9
Share of net loss *(note 6)*	-	(2.0)	(2.0)
At December 31, 2009	-	51.1	51.1
Acquisition of El Morro project *(note 5(b))*	**213.1**	**-**	**213.1**
Impact of change in ownership interest			
Prior to disposition of remaining interest in Terrane [a]	**-**	**53.1**	**53.1**
Disposition of remaining interest in Terrane [b]	**-**	**(95.9)**	**(95.9)**
	-	**(42.8)**	**(42.8)**
Share of net earnings (loss) *(note 6)*	**0.1**	**(8.3)**	**(8.2)**
At December 31, 2010	**$ 213.2**	**$ -**	**$ 213.2**

(a) The non-controlling interests balance at December 31, 2008 represents the minority shareholders' interest in Terrane. At December 31, 2008, the Company had a 66% controlling interest in Terrane. Common shares issued during 2009 resulting from exercises of stock options outstanding during the year reduced the Company's interest to 65%.

On April 16, 2010, Terrane completed a bought-deal financing agreement with a syndicate of underwriters for the sale of 63,637,000 Units which were sold to the public at a price of C$1.10 per Unit for gross proceeds of C$70.0 million ($69.8 million). Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of Terrane at a price of C$1.50 per share for a period of 12 months from closing. Concurrent with the issuance of Units to the underwriters, 27,273,000 Units were issued at the same price on a non-brokered private placement basis to Goldcorp for C$30.0 million ($29.9 million). These issuances resulted in a decrease to Goldcorp's interest in Terrane and gave rise to an increase in non-controlling interests of $50.0 million. An adjustment was made to increase retained earnings directly by $15.3 million to reflect the difference between the increase in non-controlling interests and the Company's share of proceeds received. Issuances of common shares resulting from exercises of stock options outstanding during the period from January 1, 2010 to October 20, 2010 also gave rise to an increase in non-controlling interests of $3.1 million and a direct decrease of $1.4 million to retained earnings.

(in United States dollars and tabular amounts in millions, except where noted)

(b) On October 20, 2010, the Company disposed of its remaining 58.1% interest in Terrane and derecognized the carrying amount of non-controlling interests on the date of disposition *(note 6)*.

23. ACCUMULATED OTHER COMPREHENSIVE INCOME

At December 31	**2010**	2009
Unrealized foreign exchange translation adjustment	**$ 101.9**	$ 101.9
Unrealized gains on available-for-sale securities, net of tax of $60.8 million (2009 - $17.3 million) *(note 19(b))*	**460.0**	136.9
	$ 561.9	$ 238.8

Prior to April 1, 2005, the Canadian dollar was determined to be the measurement currency of the Company's Canadian operations and these operations were translated into US dollars until this date using the current rate method. Under this method, all assets and liabilities were translated into US dollars at the exchange rate prevailing at the balance sheet date, all revenue and expense items were translated at the average rate of exchange for the period and the resulting translation adjustment was recorded as a foreign exchange translation adjustment ("FETA"), a separate component of AOCI. The FETA balance at December 31, 2010 represents the cumulative translation adjustment to April 1, 2005 and will remain in AOCI until the related foreign operations are disposed of.

(in United States dollars and tabular amounts in millions, except where noted)

24. INTERESTS IN JOINT VENTURES

The Company conducts a portion of its business through joint ventures under which the venturers are bound by contractual arrangements establishing joint control over the ventures. The Company records its proportionate share of assets, liabilities, revenues and expenses of the joint ventures. At December 31, 2010 and 2009, the Company had two significant interests in joint ventures, Marigold and Alumbrera.

The following condensed statements of earnings and cash flows for the years ended December 31 and balance sheets at December 31 detail the amounts relating to Goldcorp's interests in Marigold and Alumbrera that have been proportionately consolidated:

Years ended December 31	**2010**	2009	2008
Proportionate Statements of Joint Venture Earnings			
Revenues	**$ 707.9**	$ 594.5	$ 572.1
Operating expenses	**(370.8)**	(325.9)	(336.9)
Depreciation and depletion	**(84.8)**	(84.9)	(85.7)
Exploration expense	**(3.3)**	(2.7)	(2.1)
Other income (expenses)	**(8.2)**	(7.6)	8.0
Income and mining taxes	**(59.7)**	(47.9)	(40.5)
Net earnings	**$ 181.1**	$ 125.5	$ 114.9
Proportionate Statements of Joint Venture Cash Flows			
Operating activities	**$ 224.1**	$ 210.6	$ 121.9
Investing activities	**(33.2)**	(41.9)	(35.7)
Financing activities [(a)]	**(198.0)**	(150.0)	(97.5)
Increase (decrease) in cash and cash equivalents	**$ (7.1)**	$ 18.7	$ (11.3)

At December 31	**2010**	2009
Proportionate Joint Venture Balance Sheets		
Current assets	**$ 302.7**	$ 267.3
Mining interests	**672.7**	730.7
Other non-current assets	**61.7**	64.3
	$ 1,037.1	$ 1,062.3
Current liabilities	**$ 121.6**	$ 115.1
Non-current liabilities	**60.7**	60.7
Future income and mining taxes	**150.7**	147.9
Reclamation and closure cost obligations	**33.1**	38.6
Goldcorp's investment carrying value	**671.0**	700.0
	$ 1,037.1	$ 1,062.3

(a) Included in financing activities are dividends paid by Alumbrera to the Company in the amount of $180.0 million for the year ended December 31, 2010 which have been eliminated upon consolidation (2009 - $154.2 million; 2008 - $101.0 million).

(b) Included in total capital commitments at December 31, 2010 *(note 19(d)(ii))* are $0.8 million (2009 - $0.9 million) relating to Alumbrera.

(in United States dollars and tabular amounts in millions, except where noted)

25. SUPPLEMENTAL CASH FLOW INFORMATION

Years ended December 31	Note	2010	2009	2008
Change in non-cash operating working capital				
Accounts receivable		$ (158.3)	$ (53.3)	$ (52.8)
Income and mining taxes receivable		1.5	(33.2)	0.2
Inventories and stockpiled ore		(56.5)	(80.3)	(36.5)
Accounts payable and accrued liabilities		135.9	117.3	15.5
Income and mining taxes payable		148.0	141.3	10.3
Other		(1.7)	(1.0)	(3.9)
		$ 68.9	$ 90.8	$ (67.2)
Acquisitions, net of cash and cash equivalents acquired				
Cerro Negro	5(a)	$ (520.4)	$ -	$ -
El Morro	5(b)	(511.3)	-	-
Camino Rojo	5(c)	(285.8)	-	-
Gold Eagle	4(c)	-	-	(553.0)
		$ (1,317.5)	$ -	$ (553.0)
Proceeds on disposition of mining interests, net				
San Dimas	4(a)	$ 209.7	$ -	$ -
Escobal	4(b)	215.2	-	-
Exploration project in Mexico	4(e)	1.4	-	-
Land relating to Wharf	4(e)	3.0	-	-
El Limón	4(e)	47.4	-	-
Certain mining properties	4(e)	-	14.0	-
		$ 476.7	$ 14.0	$ -
Non-cash investing and financing activities				
Common shares issued on acquisition of Andean	5(a)	$ 2,785.3	$ -	$ -
Thompson Creek common shares received on disposition of Terrane	6	153.7	-	-
Fair value of Terrane share purchase warrants retained and included in proceeds on disposition of Terrane	6	0.9	-	-
Primero common shares received on disposition of San Dimas	4(a)(i)	159.2	-	-
Primero promissory note received on disposition of San Dimas	4(a)(ii)	52.6	-	-
Primero convertible note received on disposition of San Dimas	4(a)(iii)	59.7	-	-
Working capital adjustment received on sale of San Dimas inventory to Primero	4(a)	4.0	-	-
Tahoe common shares received on disposition of Escobal	4(b)	270.9	-	-
Common shares received on disposition of certain Mexican exploration project	4(e)	0.6	-	-
Promissory note received on disposition of certain land relating to Wharf	4(e)	2.6	-	-
Common shares received on disposition of certain mining interests	4(e)	-	6.1	-
Equity securities received on conversion of warrants held		-	13.2	7.5
Addition to mining interests under capital lease		-	8.5	-
Shares, options and warrants issued on acquisition of Gold Eagle	4(c)		-	550.6
Disposition of original Gold Eagle shares owned prior to the acquisition of Gold Eagle	4(c)	-	-	26.7
Assumption of reclamation and closure cost obligations by purchaser on disposition of mining interests	4(e)	-	-	2.6
Operating activities included the following cash payments:				
Interest paid		$ 23.8	$ 4.6	$ 8.1
Income and mining taxes received		3.3	40.6	23.5
Income and mining taxes paid		212.3	105.3	156.4

Cash and cash equivalents at December 31 is comprised of:	2010	2009
Cash	$ 290.8	$ 136.1
Short-term money market investments	265.4	738.5
	$ 556.2	$ 874.6

(in United States dollars and tabular amounts in millions, except where noted)

26. SEGMENTED INFORMATION

Significant information relating to the Company's mining properties considered as reportable operating segments is summarized in the tables below.

	Revenues	Depreciation and depletion	Earnings (loss) from operations	Expenditures on mining interests (including deposits)(i)	Total assets
	Year ended December 31, 2010				**At December 31, 2010**
Red Lake (a)	**$ 866.2**	**$ 111.9**	**$ 527.7**	**$ 204.1**	**$ 3,308.2**
Porcupine	**328.8**	**86.8**	**76.3**	**87.9**	**478.0**
Musselwhite	**318.9**	**37.1**	**111.3**	**79.4**	**454.2**
Éléonore	**-**	**-**	**-**	**118.2**	**1,035.7**
Peñasquito (b)	**357.1**	**63.1**	**109.5**	**203.3**	**11,293.9**
Los Filos	**379.4**	**50.8**	**188.3**	**50.0**	**1,074.7**
El Sauzal	**188.6**	**66.3**	**72.1**	**7.8**	**227.2**
Mexican exploration projects	**-**	**-**	**-**	**-**	**85.6**
Marlin	**500.6**	**102.1**	**268.6**	**76.8**	**891.9**
Cerro Blanco (c)	**-**	**-**	**-**	**28.5**	**88.4**
Alumbrera	**596.3**	**67.0**	**220.5**	**16.1**	**761.4**
Cerro Negro (d)	**-**	**-**	**-**	**0.1**	**5,084.6**
Marigold	**111.7**	**17.8**	**29.0**	**19.5**	**275.1**
Wharf	**91.2**	**7.3**	**34.6**	**5.1**	**38.4**
El Morro (e)	**-**	**-**	**-**	**17.2**	**1,172.9**
Primero (f)	**-**	**-**	**-**	**-**	**155.7**
Tahoe (g)	**-**	**-**	**-**	**-**	**409.9**
Pueblo Viejo	**-**	**-**	**-**	**312.3**	**707.4**
Other (h)	**61.0**	**12.8**	**(168.4)**	**21.5**	**1,265.9**
Total	**$ 3,799.8**	**$ 623.0**	**$1,469.5**	**$ 1,247.8**	**$ 28,809.1**
	Year ended December 31, 2009				At December 31, 2009
Red Lake (a)	$ 624.8	$ 101.1	$ 329.2	$ 109.8	$ 3,209.4
Porcupine	310.2	69.9	88.7	37.6	468.3
Musselwhite	225.5	30.4	52.1	78.9	411.9
Éléonore	-	-	-	66.6	904.4
Peñasquito	-	-	-	521.8	10,517.9
Los Filos	236.2	45.7	72.9	72.8	936.2
El Sauzal	198.7	88.5	66.1	6.3	268.8
Mexican exploration projects	-	-	-	-	167.3
Marlin	331.8	79.5	136.9	41.3	884.8
Cerro Blanco	-	-	-	12.1	62.2
Alumbrera	495.5	70.1	158.9	12.6	780.6
Marigold	99.0	14.8	22.0	29.3	281.8
Wharf	70.9	7.6	12.2	1.6	68.4
Pueblo Viejo	-	-	-	329.4	587.1
Other (h)	131.0	18.6	(117.8)	29.8	1,399.6
Total	$ 2,723.6	$ 526.2	$ 821.2	$ 1,349.9	$ 20,948.7

(in United States dollars and tabular amounts in millions, except where noted)

	Revenues	Depreciation and depletion	Earnings (loss) from operations	Expenditures on mining interests (including deposits)[i]
	Year ended December 31, 2008			
Red Lake [a]	$ 535.8	$ 95.4	$ 231.5	$ 99.6
Porcupine	255.6	63.9	(34.2)	46.2
Musselwhite	184.6	25.8	21.2	31.2
Éléonore	-	-	(2.3)	99.0
Peñasquito	-	-	-	751.9
Los Filos	189.2	42.2	58.3	49.5
El Sauzal	239.3	100.4	96.1	8.4
Marlin	258.1	61.6	100.0	35.3
Cerro Blanco	-	-	-	10.5
Alumbrera	490.7	75.3	135.3	22.6
Marigold	81.4	10.4	12.1	14.6
Wharf	57.2	3.6	19.7	10.3
Pueblo Viejo	-	-	-	120.4
Other [h]	127.7	20.5	(125.2)	60.6
Total	$ 2,419.6	$ 499.1	$ 512.5	$ 1,360.1

(a) Total assets include the assets of Gold Eagle acquired on September 25, 2008 *(note 4(c))*.

(b) Upon completion of commissioning of Peñasquito on September 1, 2010, depreciation and depletion of depletable mining properties commenced and proceeds from sales of metals and costs incurred during production were included in earnings *(note 10(d))*. Total assets include the Camino Rojo project acquired on February 4, 2010 *(note 5(c))*.

(c) Includes the results of Escobal to June 8, 2010, the date of disposition *(note 4(b))*.

(d) The Company acquired a 100% interest in the Cerro Negro project on December 29, 2010 *(notes 5(a) & 10(h))*.

(e) The Company acquired a 70% interest in the El Morro project on February 16, 2010. Total assets at December 31, 2010 include 100% of the El Morro project, which is offset by non-controlling interest *(notes 5(b) & 10(j))*.

(f) As partial consideration for the disposition of San Dimas on August 6, 2010, the Company received a 36% interest in Primero *(notes 4(a) & 10(e))*.

(g) As partial consideration for the disposition of Escobal on June 8, 2010, the Company received a 41.2% interest in Tahoe *(notes 4(b) & 10(g))*.

(h) Includes corporate activities, the results of San Martin, which commenced reclamation activities in October 2007, the results of Silver Wheaton which was disposed of on February 14, 2008 *(note 4(d))*, the results of El Limón which was disposed of on February 24, 2010 *(note 4(e))*, the results of San Dimas which was disposed of on August 6, 2010 *(note 4(a))* and the assets of Terrane which was disposed of on October 20, 2010 and has been presented as a discontinued operation *(note 6)*. Loss from corporate activities included in earnings from operations during the year ended December 31, 2010 amounted to $195.3 million (2009 - $154.3 million; 2008 - $157.4 million). Total corporate assets at December 31, 2010 was $1,266.0 million (2009 - $1,000.5 million).

(i) Segmented expenditures on mining interests including deposits are presented on an accrual basis. Expenditures on mining interests and deposits on mining interests in the Consolidated Statements of Cash Flows are presented on a cash basis. For the year ended December 31, 2010, cash expenditures were $1,228.3 million (2009 - $1,348.5 million; 2008 - $1,354.5 million) and the increase in accrued expenditures was $19.5 million (2009 - $1.4 million).

27. CONTINGENCIES

(a) In April 2010, Pueblo Viejo Dominicana Corporation ("PVDC"), the entity that owns the Pueblo Viejo project, received a copy of an action filed in the Dominican Republic by Fundacion Amigo de Maimon Inc., Fundacion Miguel L. De Pena Garcia Inc., Miguel De Pena and a number of individuals. The action alleges a variety of matters couched as violations of fundamental rights, including taking of private property, violations of mining and environmental and other laws, slavery, human trafficking and bribery of government officials. The complaint does not describe the relief sought, but the action is styled as an amparo remedy, which typically includes some form of injunctive relief. PVDC intends to vigorously defend the action. PVDC requested the Supreme Court in Santo Domingo to change the venue and the 9th Criminal Court of Santo Domingo was appointed to decide on the matter of Fundacion Amigo de Maimon Inc. No other procedure has occurred. As for Miguel De Pena the Supreme Court annulled the judgment of the trial court of Cotui against PVDC which ordered PVDC to restore possession of Parcel 451-K to Miguel De Pena. The case has been sent to a new trial court for issuance of ruling. Miguel De Pena also initiated litigation against PVDC to collect approximately $2.0 million and the 9th Criminal Court has rejected the claim.

In September, 2010, Alexander Mundaray et al. filed an amparo remedy for Protection of Fundamental Rights against PVDC and the Ministry of the Environment (Mimarena) of the Dominican Republic. The petitioners allege that PVDC is constructing the project without an Environmental License or an Environmental Impact Analysis. The petitioners are requesting that the court order the suspension of the construction works that PVDC is undertaking. PVDC is vigorously defending this claim.

(b) On May 24, 2010, the Inter-American Commission on Human Rights ("IACHR"), an independent body of the Organization of American States, issued precautionary measures calling on the Government of Guatemala to suspend mining activity at Marlin. The IACHR acted in response to a petition alleging that operations at Marlin were causing environmental and public health concerns. On July 21, 2010, in compliance with the IACHR's precautionary measures, the Procuraduria General de la Nation ("PDN"), the Guatemalan Attorney General's Office, directed the Ministry of Energy and Mines (the "Ministry") to initiate the applicable administrative process under the laws of Guatemala to determine if suspension of Marlin operations is warranted as alleged. Montana Exploradora de Guatemala S.A de C.V. ("Montana"), a wholly owned subsidiary of Goldcorp and the operator of Marlin, filed its response with the Ministry on August 31, 2010. The response demonstrated that there is no basis under Guatemalan law to suspend operations at Marlin and included extensive documentation in support of that position. The Ministry requested and received submissions from the individual claiming to represent the petitioners and other governmental agencies. The Ministry initially indicated that the administrative process would be completed in approximately 120 days. The process has been extended in order to afford representatives of the municipalities of San Miguel Ixtahuacán and Sipacapa to present information directly to the government. Once the Ministry completes its administrative process, the Ministry will issue a report to the PDN.

On October 25, 2010, at the request of the IACHR, the Government of Guatemala and the petitioners provided a status report to the IACHR. Goldcorp's and Montana's petition to be heard at that audience was not granted by the IACHR. Instead, the IACHR arranged an informal meeting following the formal audience. During that meeting, Goldcorp and Montana presented information regarding Marlin and the adverse effect that a suspension of Marlin operations would have on its employees, suppliers, and the communities. In addition, the companies advised all parties of their interests and willingness to participate in a process to achieve an amicable solution to the petition as provided by Article 40 of the IACHR's Rules of Procedure.

The Guatemalan government's responses to the IACHR expressly confirm that studies conducted by the Ministry, the Ministry of Health and Social Welfare, and the Ministry of Environment and Natural Resources in Guatemala demonstrate there is no evidence of pollution or ill effects to public health or the environment as a result of operations at Marlin. The Government of Guatemala also stated that an assessment by the Ministry of Health and Social Welfare did not detect any disease linked to suspected contamination produced by Marlin. Goldcorp's management believes the IACHR's action is based on environmental allegations that are entirely without merit. While the government's administrative process is underway, the Company expects normal operations at Marlin to continue.

In December 2010, Vice President Rafael Espada initiated a "mesa de diálogo" comprised of the Vice President; the Ministers of Energy and Mines, Environment and Natural Resources, Health and Social Welfare, Infrastructure, and Education; the President of the Presidential Commission on Human Rights; the Mayors and other community representatives of San Miguel Ixtahuacán and Sipacapa; and representatives of Montana. The Office of the Organization of American States in Guatemala will attend the sessions of the mesa de diálogo as an "observer." The purpose of the mesa de diálogo, as established by the Vice President, is to ensure that "the mining industry develops in a framework of respect for the communities and the environment in benefit to the country." The mesa de diálogo has met twice and agreed, among other items, to meet at least monthly, to meet in the communities as well as the capital, and to adopt a two-tiered agenda to address short-term issues such as the petition pending before the IACHR as well as longer-term issues related to the development of the municipalities of San Miguel Ixtahuacán and Sipacapa. Goldcorp and Montana consider the Vice President's initiative and the participation of the two municipalities to be significant positive steps toward a constructive resolution of the issues raised in the petition pending before the IACHR as well as other issues of importance to the municipalities.

(c) Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time. In the opinion of management, there are no matters that could have a material effect on the Company's consolidated financial position or results of operations which require additional disclosure of in these consolidated financial statements.

28. SUBSEQUENT EVENT

On February 8, 2011, the Company disposed of its 10.1% interest in Osisko Mining Corporation ("Osisko") to a syndicate of underwriters at a price of C$13.75 per common share held, for estimated gross proceeds of C$530.0 million ($535.0 million). At December 31, 2010, the carrying amount of the 38.6 million Osisko common shares held by the Company and classified as available-for-sale and measured at fair value was $563.6 million with cumulative mark-to-market gains previously recognized in OCI in the amount of $364.9 million.

This page was left intentionally blank.

CORPORATE INFORMATION

Headquartered in Vancouver, British Columbia, Goldcorp employs approximately 11,500 people worldwide at operations and development projects in countries throughout the Americas.

As one of the world's largest gold producers, Goldcorp has made a commitment to grow in an efficient, sustainable and responsible manner.

The Company's aim is to deliver value to shareholders by providing them the best possible returns for their investment. This is achieved through many valued partnerships with employees, shareholders, suppliers of goods and services and local communities. They are all instrumental to our success.

CORPORATE OFFICE
Park Place
Suite 3400 – 666 Burrard Street
Vancouver, BC V6C 2X8 Canada
Tel: (604) 696 3000
Fax: (604) 696 3001
www.goldcorp.com

TORONTO OFFICE
Suite 3201 – 130 Adelaide Street West
Toronto, ON M5H 3P5 Canada
Tel: (416) 865 0326
Fax: (416) 359 9787

RENO OFFICE
Suite 310 – 5190 Neil Road
Reno, NV 89502 United States
Tel: (775) 827 4600
Fax: (775) 827 5044

MEXICO OFFICE
Paseo de las Palmas 425-15
Lomas de Chapultepec
11000 Mexico, D. F.
Tel: 52 (55) 5201 9600

GUATEMALA OFFICE
5ta avenida 5-55 zona 14 Europlaza
Torre 1 Nivel 6 oficina 601
Guatemala City
Guatemala, 01014
Tel: (502) 2329 2600

STOCK EXCHANGE LISTING
Toronto Stock Exchange: G
New York Stock Exchange: GG

TRANSFER AGENT
CIBC Mellon Trust Company
Suite 1600 – 1066 West Hastings Street
Vancouver, BC V6E 3X1 Canada
Toll free in Canada and the US:
(800) 387 0825
Outside of Canada and the US:
(416) 643 5500
inquiries@cibcmellon.com
www.cibcmellon.com

AUDITORS
Deloitte & Touche LLP
Vancouver, BC

INVESTOR RELATIONS
Jeff Wilhoit
Vice President, Investor Relations
Toll free: (800) 567 6223
info@goldcorp.com

REGULATORY FILINGS
The Company's filings with the Ontario Securities Commission can be accessed on SEDAR at www.sedar.com.

The Company's filings with the US Securities and Exchange Commission can be accessed on EDGAR at www.sec.gov.

ANNUAL MEETING OF SHAREHOLDERS
The Annual Meeting of Shareholders will be held on Wednesday, May 18, 2011 at 10:00 am (PST) in the Pan Pacific Hotel Vancouver, 999 Canada Place, Vancouver, British Columbia.

All greenhouse gas emissions from the paper used to produce this document have been neutralized with Zerofootprint carbon offsets.

CONCEPT AND DESIGN: THE WORKS www.worksdesign.com