

THE CARA BRIEFINGS

BUY/SELL ADVISORY | CARA GLOBAL 100 COMPANIES | #1/2008



GOLDCORP INC.

ISSUE DATE: 02-28-08

The Cara Briefings present the data and opinions of leading business analysts, and compare and condense their views. We distil the consensus of these experts and capture their wisdom within our unique frame of reference. We aim for the same level of professionalism they achieve in their reports. Our goal is to help you gain a more useful understanding of your trading activities.

CONTRIBUTORS

- Bill Cara | President
- Research | Name
- Trading | Name

CONTACT

- bill@billcara.com
- research@billcara.com
- trading@billcara.com

BUY/SELL ADVISORY TABLE OF CONTENTS

1. Cara Summary and Recommendation
2. Charts (TSX)
3. Charts (NYSE)
4. Charts and Cara Analysis
5. Street Notes | Financial Q4/07
6. Street Notes | Financial Q4/07
7. Street Notes | Operations Q4/07
8. Cara Insights
9. Disclosures, Disclaimers, Rating System

Broker/Dealer Research PDF Links:

<http://billcara.com/goldcorp/>

“*Superior properties with perhaps the industry’s most effective mining operators.*”

Bill Cara

Risk in holding while in high 40s. Possible pullback to low 30s in 2008.

CARA SUMMARY and PERSPECTIVE

As at Feb 28, Goldcorp (NYSE:GG and TSX:G) has lifted in price about 25% over four weeks, from under 35 to nearly 45, and is now fairly priced in relation to gold at \$967. The stock is at or above the Street Consensus 52-week Price Target.

Long-term I like the corporate performance and Street expectations for Goldcorp, but short-term I think traders will soon turn somewhat negative on the share price.

Given that I believe there will be a sudden and sharp pull-back in the Price of Gold into the low 800's within 2008, I believe there is a risk in holding the stock in the high 40's. I believe there will be a pull-back of -30 pct in the stock price to about \$31.50 this year, which would be an attractive buying opportunity.

As of today, the Weekly and Daily RSI-7 values are at 79.13 and 88.91. This is an extreme over-bought level. Should the Daily RSI-7 drop below 70, I would recommend buying short-dated put options, and holding those until the Daily RSI-7 drops to about the 40 level. Beyond that, should the Daily RSI-7 drop below 30 and then recover, I would consider writing long-dated put options in layers at successively lower strike prices.

If I were able to buy this stock at a cost basis of say 30 or lower, I would, depending on the future gold and other metal price outlook at the time, set a 12-month Price Target of 55. Through a combination of long stock and long call options, I believe my return on invested capital would be +100 pct or more in the subsequent 12 month period.

One of the problems unseen by the market today with respect to Goldcorp and many other precious metal miners is that Street analysis is shy of considerations that ought to be given to the looming economic recession in the US and Europe, and slowdown in the Emerging Markets. Prices of the metal by-products (copper, nickel, etc) will fall, thus raising the average cash costs of production.

Also, I'm not certain that in a falling metal price scenario, all the goldminers will be eager to sell all their production, which will result in lower cash flow and net earnings for several quarters.

In conclusion, I think that GG/G and the share prices of similar companies is very high and susceptible to profit-taking if, as and when metal and precious metal prices fall, and equity prices in the broad market continue in their Bear trend and cycle pattern.

MARKET SUMMARY as at
 ET: 1815 | February 28, 2008
 GMT: 2315 | February 28, 2008

RECOMMENDATION:

SELL now | BUY @ US\$31.50

US

Last Price: \$US44.71

52-week trading range: \$US 21.00 – 44.87

Avg. Daily Volume: 8,257,000

Market Cap \$US: 31.3 Billion

CDN

Last Price: \$CDN43.67

52-week trading range: 22.4 - 44.09

Average Daily Volume: 3,860,000

Chart links

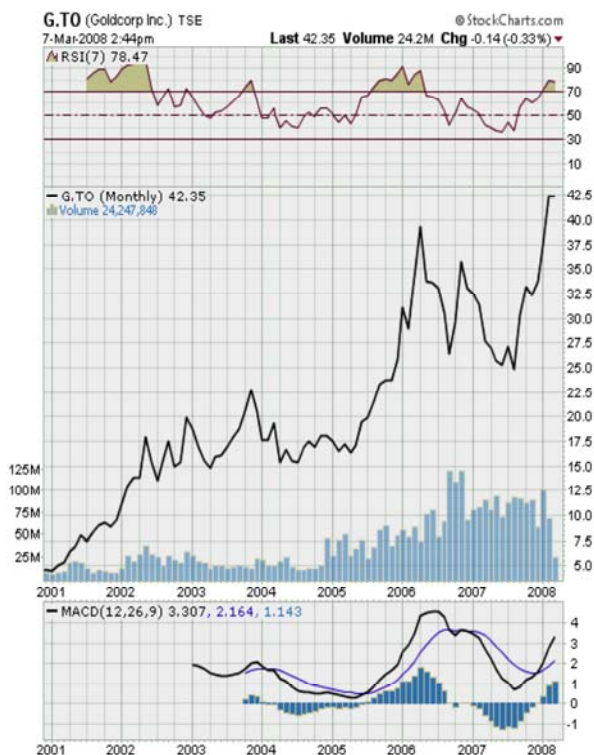
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MONTHLY

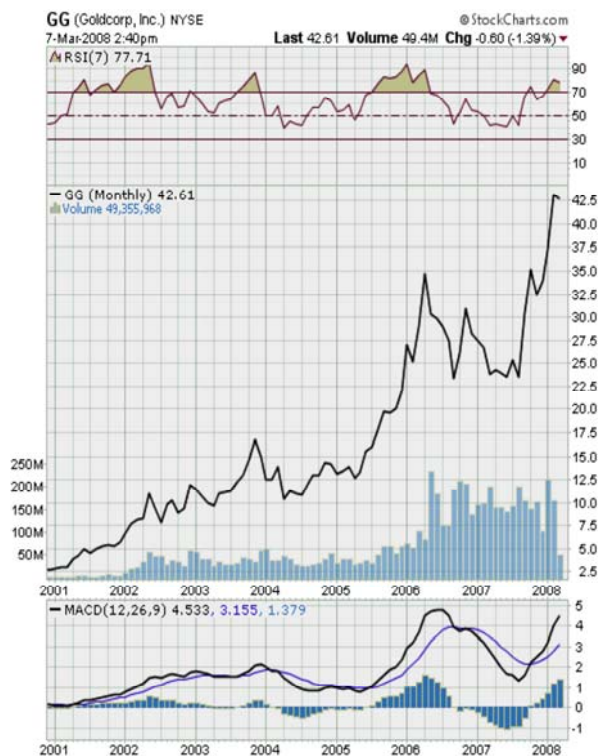
WEEKLY

DAILY



The M/W/D RSI-7's have all been in the Distribution Zone (>70).
 The Daily RSI-7 move below 70 triggered a SELL signal for short-term
 traders. When both the Weekly and Daily RSI-7's move below 70
 that is a strong SELL signal.

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STREET NOTES | FINANCIAL Q4/07

(Some use USD, others CAD)

1. BMO Capital Markets

Goldcorp reported adjusted earnings of US\$440.4 million or US\$0.62/share compared to the BMO forecast of US\$0.60/share. Production for 2007, including discontinued operations, was 2.29Moz at total cash costs of US\$163/oz, compared to the BMO forecast of 2.23Moz at US\$169/oz.

2. Canaccord Adams

Goldcorp reported diluted EPS of \$0.36, or \$0.25 when adjusted for a gain on sale of La Coipa and non-hedge derivative gains. The adjusted result was above our estimate of \$0.21 and consensus of \$0.18. The company produced 610,100 commercial gold oz and sold 638,500 gold oz at total cash costs of \$195/oz versus our estimate of 606,000 oz at \$151/oz. Our 2008 production estimate is unchanged at 2.56 Moz, and we have influenced our costs slightly higher to \$243/oz from \$228/oz. Our 2008 EPS and CFPS estimates have marginally declined to \$0.99 from \$1.10 and \$1.85 from \$2.12 due to slightly higher costs and the sale of Goldcorp's interest in Silver Wheaton. Our 5%/\$1000 peak gold NAVPS has increased 1% to \$26.01 from \$25.84 adjusting for year end reserves and expected reserve additions.

3. Credit Suisse

Goldcorp reported adjusted EPS of \$0.25 (excluding several one-time, non operational items), higher than our and consensus estimates of \$0.19 (range \$0.16 - \$0.21). Q4/07 came in at 639koz slightly higher than our estimate of 627koz. 2007FY production came in at 2.29mozs. Q4/07 total cash costs came in at \$195/oz higher than our estimate of \$144/oz. 2007FY cash costs were \$163/oz higher than our estimate and

Goldcorp's previous guidance of \$150/oz. On a co-product basis costs in Q4/07 were \$327. We have revised our NAV from \$21.84 to \$23.93/sh, which includes \$1.82/share net cash. As a result of several revisions to our model, our 2008 EPS has been revised downward to \$1.03 from \$1.09.

4. Dundee Capital Markets

Goldcorp's 2007 EPS hit a record \$0.65, \$0.61 after removing one-time items (Table 1), beating Dundee and Street expectations of \$0.55. 2007 production was 2.293MM oz, at the top end of guidance, at total cash costs of \$163/oz. Q4/07 production was 0.639MM oz gold at \$195/oz. The Company finished the year strongly, easily beating expectations. It has the best growth profile of its peers, and most of the potential bad news is behind it. Production and costs are expected to improve over the course of the year, with Q1 being the weakest quarter. Cost creep was evident at a number of operations in Q4, and we expect costs will slightly exceed guidance for the year.

5. Genuity Capital Markets

Both EPS and CFPS beat our estimates for Goldcorp. EPS from continuing operations of \$0.28 was reported compared to our estimate of \$0.20. CFPS of \$0.46 was reported compared to our estimate of \$0.31. Q4/07 total cash costs of \$195/oz were 26% higher than our estimate of \$155/oz. The stock trades at a 48% premium to its adjusted NAVPS. The shares reflect 31x EV/2008E CFPS of \$1.33 and 24x EV/2009E CFPS of \$1.69. Goldcorp's cash flow should grow 60% by 2009 and double by 2010 as Penasquito reaches full production.

(Continued)

STREET PRICE TARGETS

BMO, Q4/'07 First Impressions, Target: US\$44.00, Impact: Positive

Canaccord Adams, Los Filos drives production growth in 2008, Target: US\$46.45 (up from \$44.00), BUY

Credit Suisse, Turning the Corner after a solid quarter Target: \$48.00 (up from \$46.00), Outperform

Dundee Capital Markets, Goldcorp Ends 2007 on a Strong Note, Target: C\$44.60 (unchanged), Market Perform

Genuity Capital Markets, First glance - Beats expectations, Target: C\$43.50 (unchanged), BUY

Merrill Lynch, Q4'07 Earnings Review and Entering the Growth Phase, Target: US\$47.00, BUY

Raymond James, 4Q07 Results: NAV Impacted by Various Variances; Target:\$C44.00 (unchanged), Market Perform (down from Outperform)

RBC, Q4/'07 - A Decent Quarter, Target: C\$36.00, Sector Perform (down from Market Perform)

UBS, Integration complete, growth ahead; Target: US\$47.50 (unchanged), BUY

STREET NOTES | FINANCIAL Q4/07 (Continued)

6. Merrill Lynch

Goldcorp reported Q4 net earnings of \$256.5 million (\$0.36/sh) vs. net earnings of \$66.0 million (\$0.11/sh) in Q4'06. We estimate that adjusted earnings from operations for Q4'07 (excluding the effect of gains from the sale of discontinued operations, non-hedge derivative losses and other items) was \$178.5 million (\$0.25/share). The First Call consensus estimate was \$0.21/sh. Based on the updated operating and financial guidance provided by the company, we have lowered our 2008 EPS forecast from \$1.03 to \$0.97/sh. As gold output is forecast to ramp up through the year, we expect a similar progression in quarterly EPS in 2008.

7. Raymond James

Goldcorp's financial results were higher than our estimates of US\$0.27 EPS, US\$0.45 CFPS (and consensus estimates of US\$0.19 EPS, US\$0.34 CFPS). After updating our model for the items above: (i) including earlier 2008 guidance (negative US\$0.11), (ii) capital expenditure increases offset by the sale of Silver Wheaton shares (nil impact), (iii) reserves update (negative US\$0.29 per share), and (iv) 4Q07 actuals (negative US\$0.47 per share), our 2008E NAVPS decreases from US\$18.92 to US\$18.05, while our 2008E EPS and CFPS increased from US\$1.15 and US\$1.87 to US\$1.45 and US\$2.08 respectively. Our target remains C\$44.00 (US\$44.00) reflecting similar multiples of 2.4 times NAVPS and 21.1 times CFPS (previously 2.3 times NAVPS, 23.5 times CFPS) while we are reducing our rating from Outperform to Market Perform (8.4% return to target) after the company's 14% share price appreciation over the last six trading sessions.

8. RBC

For Goldcorp, backing out non-cash and extra-ordinary items, operating EPS was above our estimate of \$0.17/sh. CFPS of \$0.48/sh was also ahead of consensus at \$0.43/sh and our \$0.34/sh estimate. We continue; to view favorably the strategic positioning of the Company among the Tier 1 gold producers, as a Growth and Quality play in the group, with above average production growth potential and a portfolio of lower average cost operations. Goldcorp should be able to maintain premium trading multiples over its Tier 1 peer group. Goldcorp shares are currently trading at a premium to the North American Tier 1 gold producers, at 2.3x NAV (vs. peer group average of 1.8x) and 37x 2008 CFPS (vs peers averaging 23x).

9. UBS

Goldcorp (GG) reported adjusted FD Q4 EPS of \$0.25, ahead of UBS at \$0.19 and consensus of \$0.18, largely due to a higher realized gold price and lower than expected tax expense. We have maintained our target price, which remains predicated on a 2.0x multiple to our operating NAV of US\$23.15/sh, assuming an \$825/oz LT gold price, plus net cash of US\$0.95/sh.

STREET COMMENTS

“... 610,100 commercial gold oz and sold 638,500 gold oz at total cash costs of \$195/oz versus our estimate of 606,000 oz at \$151/oz”

~ Canaccord Adams

“Cost creep was evident at a number of operations in Q4...”

~ Dundee Capital Markets

“... Q4 net earnings of \$256.5M (\$0.36/sh) vs \$66.0M (\$0.11s/b) in Q4'06.”

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STREET NOTES | OPERATIONS Q4/07
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Turning the Corner after a solid quarter. Q4/07 production came in at 639kcozs slightly higher than our estimate of 627kcozs. 2007FY production came in at 2.29mozs. Q4/07 total cash costs came in at \$195/oz higher than our estimate of \$144/oz. 2007FY cash costs were \$163/oz higher than our estimate and Goldcorp's previous guidance of \$150/oz. On a co-product basis, costs in Q4/07 were \$327.

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STREET COMMENTS

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~ RBC

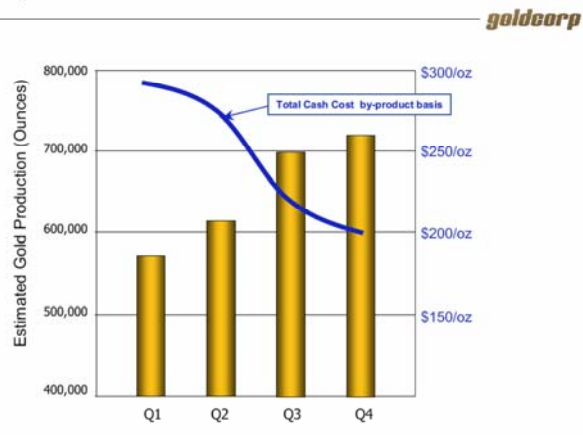
CARA INSIGHTS

Of the nine broker-dealers quoted here, all are positive on the Goldcorp stock, but RBC and Raymond James less so. I am considerably less positive than any of the gold analysts on the Street, but in my case, it is mostly a very short-term outlook.

Here is a briefing of Goldcorp facts, fundamentals and focus points:

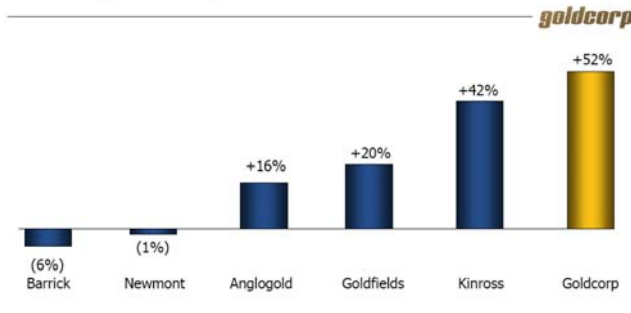
- Goldcorp is increasing production from 2.29 Moz at \$163/oz in 2007 to 2.6 Moz at \$250/oz.
- Q1 2008 is to be the weakest quarter so expect higher costs per oz and lower production until Los Filos ramps up.

2008 Production by Quarter

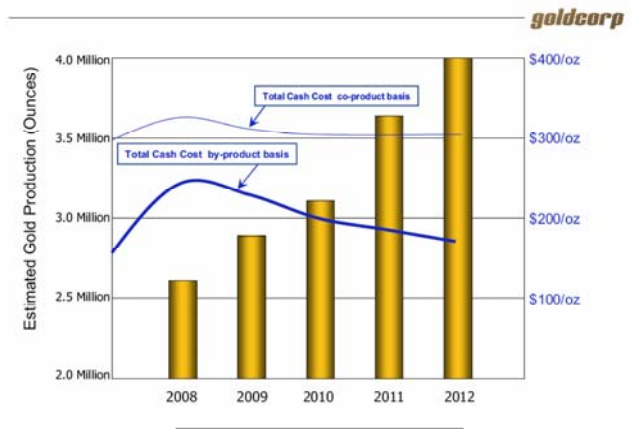


- Peñasquito is expected to commence production earlier than expected and produce 30,000 oz in 2008 (March 12, 2008 news report)
- The company is planning to be producing 4 Moz per year at < \$200/oz in five years.

Industry Leading 5-Year Growth



2008 Budget & 5-Year Plan



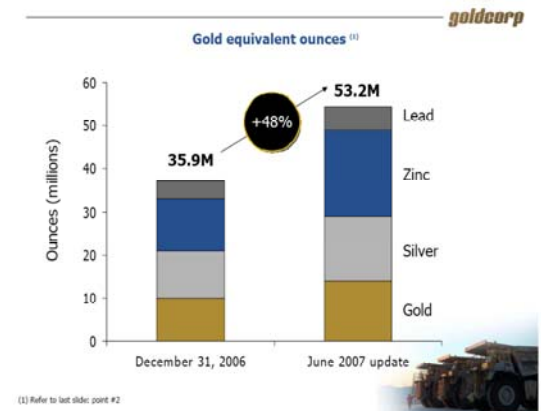
2008 Goal

- Produce approximately 2.6 Moz Au at total cash cost of ~\$250/oz
- Ramp up Los Filos production and expand heap leach pad
- Complete Red Lake ventilation circuit and commence HGZ mining
- Pour first gold at Peñasquito from oxide circuit
- Evaluate production decision at Pueblo Viejo with JV partner
- Complete Éléonore feasibility and advance permitting
- Focus on organic growth – \$150M exploration budget



- Dundee comment
Goldcorp finished the year strongly, easily beating expectations. It has the best growth profile of its peers, and most of the potential bad news is behind it. Production and costs are expected to improve over the course of the year, with Q1 being the weakest quarter. Cost creep was evident at a number of operations in Q4, and we expect costs will slightly exceed guidance for the year.

Peñasquito – 2007 2P Reserves Update



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- **O/P = Out-perform:** We believe the stock's Total Return, including price appreciation and dividends, will exceed the S&P 500's return by more than 15% for the next 12 months.
- **M/P = Market-perform:** We believe the stock's total return will generally match that of the S&P 500 for the next 12 months.
- **U/P = Under-perform:** We believe the stock's total return will fall short of the S&P 500's return by more than 15% for the next 12 months.
- **N/R = Not-rated:** We have not assessed the performance of the stock's total return.
- **RES = Restricted:** Dissemination of research is currently restricted.

In addition, apart from our stock ratings, we apply the Speculative investment [S] postscript to those companies that have de minimis revenue and whose enterprise value appears to be contingent upon unprovable assumptions (e.g., the future approval of a drug or the successful completion of an oil well).

SECTOR RATINGS

- **OUT-PERFORM:** We believe the sector will out-perform the S&P 500 Index for 3 to 12 months.
- **MARKET-PERFORM:** We believe the sector's return will generally match that of the S&P 500 for 3 to 12 months.
- **UNDER-PERFORM:** We believe the sector will under-perform the S&P 500 Index for 3 to 12 months.

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GOLDCORP INC.



Bill Cara, President

Cara Trading Advisors (Bahamas) Ltd.
505 Pilot House Club
East Bay St., Nassau Bahamas
PO Box CR 56766-674

Direct line: 1-242-376-3333
Email: Bill@BillCara.com
www.billcara.com (blog)
www.billcaratradng.com