GOLDCORP INC
Form 6-K
August 09, 2007

FORM 6-K
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of August 2007

Goldcorp Inc.
(Translation of registrant s name into English)

Suite 3400 - 666 Burrard Street
Vancouver, British Columbia V6C 2X8 Canada
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F o Form 40-F þ

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant s home country), or under the rules of the home country exchange on which the registrant s securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant s security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes o No þ

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-____________

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GOLDCORP INC.

By: /s/ Anna M. Tudela
Name: Anna M. Tudela
Title: Director, Legal and
Assistant Corporate Secretary

Date: August 9, 2007

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

Management s Discussion and Analysis
of Financial Condition and Results of Operations
For the Three and Six Months Ended June 30, 2007

This Management s Discussion and Analysis should be read in conjunction with Goldcorp s unaudited interim consolidated financial statements for the three and six months ended June 30, 2007 and related notes thereto which have been prepared in accordance with Canadian generally accepted accounting principles. 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. This Management s Discussion and Analysis has been prepared as of August 8, 2007.

SECOND QUARTER HIGHLIGHTS

Gold production increased to 539,500 ounces compared with 378,500 ounces in 2006.

Gold sales increased to 546,400 ounces, compared with 398,700 ounces in 2006.

Total cash costs (1) of $133 per gold ounce, net of by-product copper and silver credits, compared with minus $123 per ounce in 2006.

Adjusted net earnings (2) amounted to $95.3 million ($0.14 per share) for the quarter compared with adjusted net earnings of $136.9 million ($0.36 per share) in the prior year. Net earnings of $2.9 million ($0.00 per share), compared to $190.4 million ($0.50 per share) in 2006.

Operating cash flows of $142.7 million, compared to $240.1 million in 2006. Operating cash flows before working capital changes of $172.0 million compared to $238.9 million in 2006.

During April 2007, Goldcorp completed the sale of the Amapari and Peak mines to Peak Gold in exchange for $200 million in cash and $100 million in shares of Peak Gold. Goldcorp owned approximately 22% of Peak Gold on the close of the transaction.

On July 24, 2007, the Company completed its agreement with Silver Wheaton to sell 25% of the silver production from its Peñasquito project, for $485 million in cash and a per ounce cash payment of $3.90 per ounce, subject to an inflationary adjustment.

Dividends paid of $31.7 million for the quarter (2006 $17.4 million).

(1) The Company has included a non-GAAP performance measure, total cash cost 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, and is a non-GAAP measure. The Company follows the recommendations of the Gold Institute standard. 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 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.

(2) Adjusted net earnings is a non-GAAP measure, 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 24 for a reconciliation of adjusted net earnings to reported net earnings.

Management s Discussion and Analysis
(in United States dollars, tabular amounts in millions, except where noted)

OVERVIEW

Goldcorp is a leading gold producer engaged in gold mining and related activities including exploration, extraction, processing and reclamation. The Company s assets are comprised of the Red Lake, Porcupine (51% interest) and Musselwhite (68% interest) gold mines in Canada, the Alumbrera gold/copper mine (37.5% interest) in Argentina, the El Sauzal gold mine and Luismin gold/silver mines in Mexico, the Marlin gold/silver mine in Guatemala, the San Martin gold mine in Honduras, the La Coipa gold/silver mine (50% interest) in Chile, the Marigold gold mine (67% interest) and Wharf gold mine in the United States. Significant development projects include the expansion of the existing Red Lake mine, the Peñasquito gold/silver/zinc project and Los Filos gold project in Mexico, the Éléonore gold project in Canada, the Cerro Blanco gold project in Guatemala and the Pueblo Viejo gold project (40% interest) in the Dominican Republic. Goldcorp also owns a 49% interest in Silver Wheaton Corp. (Silver Wheaton), 77% interest in Terrane Metals Corp. (Terrane), a publicly traded exploration company and a 22% interest in Peak Gold Ltd. (Peak Gold), a publicly traded gold mining company.

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 Stock Exchange and Toronto Stock Exchange.

Goldcorp s strategy is to provide its shareholders with superior returns from high quality assets. Goldcorp has a strong and liquid balance sheet, and has not hedged or sold forward any of its future gold production.

Goldcorp is one of the world s lowest cost and fastest growing senior gold producer with operations throughout the Americas.

CORPORATE DEVELOPMENTS

Sale of Peak Mine and Amapari Mine

During April 2007, Goldcorp closed the sale of the Amapari mine in Brazil and Peak mines to Peak Gold (formerly GPJ Ventures Ltd.) in exchange for $200 million in cash and $100 million in shares of Peak Gold, which resulted in a gain of approximately $6.5 million after tax, recorded in the second quarter of 2007. Goldcorp owned approximately 22% of Peak Gold on June 30, 2007.

Sale of Peñasquito Silver Stream

On July 24, 2007, Goldcorp completed its agreement with Silver Wheaton to sell 25% of the silver produced from its Peñasquito project located in Mexico for the life of mine. Total upfront consideration paid was $485 million in cash. In addition, a per ounce cash payment of the lesser of $3.90 and the prevailing market price is due (subject to an inflationary adjustment).

As at June 30, 2007, Peñasquito had 13 million ounces of proven and probable gold reserves, 4.8 million ounces of measured and indicated gold resources, 8.9 million ounces of inferred gold resources. In addition, it contains 864 million ounces of proven and probable silver reserves, measured and indicated silver resources of 436 million ounces and inferred silver resources of 508 million ounces.

As a result of this transaction, Silver Wheaton will retain a right of first refusal on any further sales of silver streams from Peñasquito for the mine life for so long as Goldcorp maintains at least a 20% interest in Silver Wheaton. Goldcorp s right to maintain its pro-rata interest in Silver Wheaton has been extended to December 31, 2009. In addition, Silver Wheaton also entered into a commitment with the Bank of Nova Scotia and BMO Capital Markets, as co-lead arrangers and administrative agents, to borrow $200 million under a non-revolving term loan (the term loan) and $300 million under a revolving term loan (the revolving loan) in order to finance the acquisition of the Peñasquito silver contract.

The revolving loan is for a period of seven years and the term loan is to be repaid in equal installments over a period of seven years, however, prepayments are allowed at any time. In order to fund the transaction, the term loan was drawn in full and the revolving loan was drawn in the amount of $246 million.

As Goldcorp consolidates Silver Wheaton in it financial results, the impact of this transaction will result in an increase to cash and long term debt.

Acquisition of Glamis Gold Ltd.

On November, 2006, Goldcorp and Glamis Gold Ltd. (Glamis) completed its transaction to combine the two companies.

Upon completion, Goldcorp acquired interests in the El Sauzal mine (100%) in Mexico, Marlin mine (100%) in Guatemala, Marigold mine (67%) in the United States, San Martin mine (100%) in Honduras, the Peñasquito project (100%) in Mexico, and the Cerro Blanco project (100%) in Guatemala.

Under the terms of the arrangement, each Glamis common share was exchanged for 1.69 Goldcorp common shares and C$0.0001 in cash. All outstanding Glamis stock appreciation rights (SAR s) were exercised by the holders into Glamis shares such that holders of the SAR s received Goldcorp shares and cash at the same share exchange ratio.

Each Glamis stock option, which gave the holder the right to acquire shares in the common stock of Glamis when presented for execution, was exchanged for a stock option giving the holder the right to acquire shares in the common stock of Goldcorp on the same basis as the exchange of Glamis common shares for Goldcorp common shares.

This business combination has been accounted for as a purchase transaction, with Goldcorp being identified as the acquirer and Glamis as the acquiree. The results of operations of the acquired assets are included in the consolidated financial statements of Goldcorp from the date of acquisition, November 4, 2006.

The purchase consideration has been allocated on a preliminary basis to the fair value of assets acquired and liabilities assumed, with goodwill assigned to a specific reporting unit, based on management s best estimates and taking into account all available information at the time these consolidated financial statements were prepared. Goldcorp will continue to review information and perform further analysis with respect to each of the Glamis assets, including an independent valuation, prior to finalizing the allocation of the purchase price by year end 2007. This process will be performed in accordance with the recent accounting pronouncement relating to *Mining Assets Impairment and Business Combination* (Emerging Issues Committee Abstract 152). Although the final results of this review are presently unknown, it is anticipated that it may result in a change to the amount assigned to goodwill and a change to the value attributable to tangible assets and future income tax liabilities.

Management s Discussion and Analysis
(in United States dollars, tabular amounts in millions, except where noted)

SUMMARIZED FINANCIAL RESULTS

	Three Months Ended							
	June 30		March 31		December 31		September 30	
	2007	2006	**2007**	2006	**2006**	2005	**2006**	2005
		(note 1)			*(note 1)*		*(note 1)*	
Revenues	**$ 567.0**	$ 491.5	**$ 505.6**	$ 286.3	**$ 513.3**	$ 268.3	**$ 418.9**	$ 203.7
Gold produced (ounces)	**539,500**	378,500	**558,000**	295,100	**587,900**	296,200	**431,800**	283,700
Gold sold (ounces)	**546,400**	398,700	**531,300**	288,400	**559,400**	307,300	**421,400**	276,700
Average realized gold price (per ounce)	**$ 665**	$ 620	**$ 650**	$ 560	**$ 620**	$ 492	**$ 620**	$ 444
Average London spot gold price (per ounce)	**$ 667**	$ 627	**$ 650**	$ 554	**$ 604**	$ 484	**$ 622**	$ 440
Earnings (loss) from operations	**$ 152.4**	$ 219.5	**$ 140.5**	$ 140.6	**$ (48.6)**	$ 112.8	**$ 143.9**	$ 83.9
Net earnings	**$ 2.9**	$ 190.4	**$ 124.9**	$ 92.4	**$ 66.0**	$ 101.7	**$ 59.5**	$ 56.5
Earnings per share								
Basic	**$ 0.00**	$ 0.50	**$ 0.18**	$ 0.27	**$ 0.11**	$ 0.30	**$ 0.14**	$ 0.17
Diluted	**$ 0.00**	$ 0.49	**$ 0.18**	$ 0.24	**$ 0.11**	$ 0.27	**$ 0.14**	$ 0.15
Cash flow from operating activities	**$ 142.7**	$ 240.1	**$ 122.6**	$ 74.4	**$ 255.5**	$ 136.9	**$ 221.3**	$ 84.8
Total cash costs (per gold ounce) *(note 2)*	**$ 133**	$ (123)	**$ 181**	$ (88)	**$ 160**	$ (73)	**$ 84**	$ 9
Dividends paid	**$ 31.7**	$ 17.4	**$ 31.6**	$ 15.3	**$ 27.5**	$ 15.3	**$ 18.8**	$ 15.2
Cash and cash equivalents	**$ 282.5**	$ 264.6	**$ 403.5**	$ 169.6	**$ 555.2**	$ 562.2	**$ 342.3**	$ 420.9

Total assets	**$ 17,738.2**	$ 6,969.5	**$ 17,894.4**	$ 5,054.9	**$ 17,965.9**	$ 4,066.0	**$ 7,084.5**	$ 3,839.2

(1) Includes Goldcorp s share of results of Campbell, Musselwhite (68%), Porcupine (51%) and La Coipa (50%) from May 12, 2006, the date of acquisition. Also includes Goldcorp s share of results of El Sauzal, Marlin, San Martin and Marigold (67%) from November 4, 2006, the date of acquisition.

(2) The calculation of total cash costs per ounce of gold is net of by-product sales revenue (by-product copper revenue for Peak and Alumbrera; by-product silver revenue for La Coipa and Marlin at market silver prices; and by-product silver revenue for Luismin of $3.90 per silver ounce sold to Silver Wheaton).

Review of Financial Results Three months ended June 30

The increase in revenue, gold production and sales, and total assets, as compared to the second quarter of 2006, are primarily the result of the acquisitions of the Glamis and Placer assets in 2006. The prior year comparable quarter includes financial results for the Placer assets for the date of acquisition, May 12, 2006, the Glamis assets were not included as they were acquired in November 2006, and a full quarter for the Peak and Amapari gold mines. The net earnings for the current quarter are impacted significantly by the following factors:

Increase in depreciation and depletion expense due to impact of the fair valuation of depreciable assets upon acquisition of the Placer and Glamis mines to $114.4 million compared to $73.2 million in the second quarter of 2006;

A $104.4 million non-cash foreign exchange loss on revaluation of significant future income liabilities on mineral interests arising from acquisitions. Second quarter 2006 did not include the impact arising from the acquisition of the Glamis mines;

Increase in stock option expense to $18.5 million due to the immediate vesting of 1/3 of the options issued in May 2007;

These have been partially offset by the gain on sale of Peak and Amapari mines of $40.2 million, before tax ($6.5 million, net of tax).

Adjusted net earnings amount to $95.3 million [(1)] for the three months ended June 30, 2007. Total cash costs per ounce of $133 in the second quarter of 2007, as compared to minus $123 in the second quarter of 2006, increased significantly primarily due to a decline in copper sales volume and realized prices and the addition of the Placer mines.

(1) Adjusted net earnings is a non-GAAP measure, 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 24 for a reconciliation of adjusted net earnings to reported net earnings.

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

Review of Financial Results Six months ended June 30

The increase in revenue, gold production and sales, and total assets, as compared to the six months ended June 30, 2006, are primarily the result of the acquisitions of the Glamis and Placer assets in 2006. The prior year comparable six months includes financial results for the Placer assets for the date of acquisition, May 12, 2006, the Glamis assets were not included as they were acquired in November 2006, and full six month results for the Peak and Amapari gold mines. The net earnings for the current period are impacted significantly by the following factors:

- Increase in depreciation and depletion expense due to impact of the fair valuation of depreciable assets upon acquisition of the Placer and Glamis mines to $221.2 million compared to $118.9 million in the second quarter of 2006;

- Non-cash foreign exchange loss on revaluation of future income liabilities of $51.1 million;

- Increase in non-hedge derivative losses to $35.2 million (2006 $11.8 million) as the Company did not enter into copper forward coppers until the second quarter of 2006;

- Increased interest expense and finance fees to $26.5 million (2006 $13.0) as the credit facilities were not drawn upon until the close of the Placer transaction on May 12, 2006;

- Increase in stock option expense to $24.9 million;

This has been partially offset by the gain on sale of Peak and Amapari mines of $40.2 million, before tax ($6.5 million, net of tax).

Adjusted net earnings amount to $178.1 million(2) for the six months ended June 30, 2007. Total cash costs per ounce of $157 in the second quarter of 2007, as compared to minus $108 in the second quarter of 2006, increased significantly primarily due to a decline in copper sales volume and realized prices and the addition of the Placer mines.

(2) Adjusted net earnings is a non-GAAP measure, 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 24 for a reconciliation of adjusted net earnings to reported net earnings.

Management s Discussion and Analysis
(in United States dollars, tabular amounts in millions, except where noted)
RESULTS OF OPERATIONS
Three months ended June 30

		Revenues	Gold produced (ounces)	Gold sold (ounces)	Average realized gold price (per ounce)	Earnings (loss) from Operations	Total cash costs (per ounce)
Red Lake (1)	**2007**	**$ 124.0**	**173,500**	**185,700**	**$ 666**	**$ 52.0**	**$ 246**
	2006	93.8	143,700	150,100	623	53.5	180
Musselwhite (2)	**2007**	**25.8**	**38,500**	**38,900**	**662**	**2.2**	**478**
	2006	15.1	21,700	24,400	617	1.9	361
Porcupine (2)	**2007**	**30.5**	**41,400**	**45,900**	**664**	**3.2**	**447**
	2006	15.3	23,500	25,300	610	3.4	344
Luismin (4)	**2007**	**27.7**	**35,600**	**34,500**	**667**	**(2.9)**	**377**
	2006	44.1	53,600	54,900	629	13.3	109
El Sauzal (3)	**2007**	**50.8**	**79,900**	**75,600**	**664**	**13.5**	**127**
	2006						
Los Filos (6)	**2007**		**2,500**				
	2006						
Alumbrera (4)	**2007**	**154.8**	**50,800**	**51,000**	**661**	**69.6**	**(1,071)**
	2006	230.0	68,500	74,000	608	143.5	(1,661)
Marlin (3,4)	**2007**	**43.8**	**53,700**	**52,700**	**664**	**17.6**	**140**
	2006						
La Coipa (2,4)	**2007**	**38.2**	**13,500**	**9,500**	**659**	**16.5**	**(1,746)**
	2006	10.4	7,600	9,200	612	(1.5)	197
Marigold (3)	**2007**	**12.9**	**18,600**	**19,300**	**667**	**(4.9)**	**754**
	2006						
Wharf	**2007**	**8.8**	**12,600**	**12,800**	**658**	**2.1**	**364**
	2006	9.7	15,500	14,800	618	1.8	343
San Martin (3)	**2007**	**9.5**	**14,100**	**14,400**	**662**	**2.2**	**459**
	2006						
Silver Wheaton	**2007**	**41.5**				**20.0**	
	2006	47.4				24.3	
Peak (4,5)	**2007**	**4.2**	**4,800**	**6,100**	**682**	**0.6**	**537**
	2006	22.9	25,500	26,300	631	7.1	193
Amapari (5)	**2007**						
	2006	12.3	18,900	19,700	630	(6.7)	572
Terrane	**2007**					**(1.4)**	
	2006						
Other (7)	**2007**	**(5.5)**				**(37.9)**	
	2006	(9.5)				(21.1)	
Total	**2007**	**$ 567.0**	**539,500**	**546,400**	**$ 665**	**$ 152.4**	**$ 133**
	2006	491.5	378,500	398,700	620	219.5	(123)

(1) Red Lake operating results include those of the Campbell mine from May 12, 2006, the date of acquisition. The inclusion of higher costs from the Campbell complex in 2007 is the primary reason for increased cash costs per ounce period over period from prior year. The combined mines are presented as one mine going forward.

(2) Placer mine operating results are included from May 12, 2006, the date of acquisition.

(3) Glamis operating results are included from November 4, 2006, the date of acquisition.

(4) The calculation of total cash costs per ounce of gold is net of by-product sales revenue (by-product copper revenue for Peak and Alumbrera;

by-product silver revenue for La Coipa and Marlin at market silver prices; and by-product silver revenue for Luismin of $3.90 per silver ounce sold to Silver Wheaton).

(5) Peak mine operating results are included until April 27, 2007, the date of disposition. Amapari mine results are included until March 31, 2007, the date of disposition.

(6) The Los Filos project has not yet achieved commercial production per Canadian GAAP. Pre-commercial production ounces are shown, and related sales revenue will be credited against capitalized project costs.

(7) Includes costs of sales from silver sales in Luismin and Corporate activities.

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

Six months ended June 30

		Revenues	Gold produced (ounces)	Gold sold (ounces)	Average realized gold price (per ounce)	Earnings (loss) from Operations	Total cash costs (per ounce)
Red Lake [1]	**2007**	**$ 229.9**	**352,900**	**347,800**	**$ 659**	**$ 100.5**	**$ 238**
	2006	161.2	265,000	270,800	594	97.8	157
Musselwhite [2]	**2007**	**49.0**	**74,700**	**74,600**	**656**	**4.4**	**469**
	2006	15.1	21,700	24,400	617	1.9	361
Porcupine [2]	**2007**	**50.3**	**78,200**	**76,300**	**658**	**4.5**	**436**
	2006	15.3	23,500	25,300	610	3.4	344
Luismin [4]	**2007**	**65.5**	**81,500**	**81,000**	**656**	**6.5**	**242**
	2006	78.3	101,400	101,400	595	22.3	113
El Sauzal [3]	**2007**	**94.9**	**146,500**	**142,100**	**660**	**25.2**	**122**
	2006						
Los Filos [6]	**2007**		**2,500**				
	2006						
Alumbrera [4]	**2007**	**259.1**	**94,000**	**91,000**	**657**	**91.7**	**(732)**
	2006	354.9	130,800	125,500	595	221.9	(1,517)
Marlin [3,4]	**2007**	**85.4**	**100,500**	**103,800**	**659**	**34.0**	**142**
	2006						
La Coipa [2,4]	**2007**	**69.6**	**18,600**	**13,800**	**658**	**31.6**	**(2,526)**
	2006	10.4	7,600	9,200	612	(1.5)	197
Marigold [3]	**2007**	**22.4**	**32,900**	**34,000**	**659**	**(5.9)**	**665**
	2006						
Wharf	**2007**	**19.5**	**26,600**	**28,500**	**660**	**6.1**	**345**
	2006	17.0	25,400	26,600	592	3.8	331
San Martin [3]	**2007**	**17.1**	**25,500**	**25,800**	**659**	**3.8**	**456**
	2006						
Silver Wheaton	**2007**	**85.6**				**41.7**	
	2006	73.1				35.7	
Peak [4,5]	**2007**	**18.9**	**36,000**	**30,900**	**626**	**7.7**	**355**
	2006	45.5	58,900	61,600	589	14.2	192
Amapari [5]	**2007**	**18.3**	**27,100**	**28,100**	**653**	**2.8**	**455**
	2006	24.9	39,300	42,300	590	(9.7)	514
Terrane	**2007**					**(2.9)**	
	2006						
Other	**2007**	**(12.9)**				**(58.8)**	
	2006	(18.0)				(29.7)	
Total	**2007**	**$ 1,072.6**	**1,097,500**	**1,077,700**	**$ 657**	**$ 292.9**	**$ 157**
	2006	777.7	673,600	687,100	595	360.1	(108)

(1) Red Lake operating results include those of the Campbell mine from May 12, 2006, the date of acquisition. Therefore, the comparative quarter from 2006 represents the Red Lake Complex prior to the acquisition date. The inclusion of higher costs from the Campbell complex in 2007 is the primary reason for increased cash costs per ounce period over period from prior year. The combined mines are presented as one mine going forward.

(2) Placer mine operating results are included from May 12, 2006, the date of acquisition.

(3) Glamis operating results are included from November 4, 2006, the date of acquisition.

(4) The calculation of total cash costs per ounce

of gold is net of by-product sales revenue (by-product copper revenue for Peak and Alumbrera; by-product silver revenue for La Coipa and Marlin at market silver prices; and by-product silver revenue for Luismin of \$3.90 per silver ounce sold to Silver Wheaton).

(5) Peak mine operating results are included until April 27, 2007, the date of disposition. Amapari mine results are included until March 31, 2007, the date of disposition.

(6) The Los Filos project has not yet achieved commercial production per Canadian GAAP. Pre-commercial production ounces are shown, and related sales revenue will be credited against capitalized project costs.

(7) Includes costs of sales from silver sales in Luismin and Corporate activities.

Management s Discussion and Analysis
(in United States dollars, tabular amounts in millions, except where noted)

OPERATIONAL REVIEW

Red Lake gold mines, Canada [(1)]

	Three Months Ended				
Operating Data	**June 30 2007**	March 31 2007	December 31 2006	September 30 2006	June 30 2006
Tonnes of ore milled	**163,900**	180,900	208,300	184,000	191,900
Average mill head grade (grams/tonne)	**32**	32	27	28	29
Average recovery rate	**97%**	97%	96%	96%	97%
Gold (ounces)					
Produced	**173,500**	179,400	171,500	156,400	167,600
Sold	**185,700**	162,100	154,400	165,500	172,400
Average realized gold price (per ounce)	**$ 666**	$ 652	$ 618	$ 621	$ 625
Total cash costs (per ounce)	**$ 246**	$ 228	$ 239	$ 214	$ 183
Financial Data					
Revenues	**$ 124.0**	$ 105.9	$ 96.0	$ 103.6	$ 107.8
Earnings from operations	**$ 52.0**	$ 48.5	$ 39.0	$ 49.3	$ 52.1

(1) Campbell complex operations are included in Goldcorp s operating results for the period subsequent to May 12, 2006, the date of acquisition. June 30, 2006 combined data is shown for comparative purposes only

and may not include all pro forma financial adjustments required.

The Red Lake gold mines produced 173,500 ounces of gold, compared with 167,600 ounces for the corresponding period last year. The increased ounce production relates to marginally higher ore grades and lower tonnes milled consistent with the mine plan. The average mill feed grade was 32 grams per tonne compared to 29 grams per tonne in 2006, with recoveries steady at 97%. Cash costs are higher in relation to 2006 but consistent with expectations. The increase in these costs reflect current mining market conditions and are due to the escalating costs of basic consumables, equipment, spare parts, and a competitive labour market.

At the # 3 shaft, the installation of the loading pocket and shaft construction was completed to allow for the commissioning of the production hoist which will commence hoisting waste early in the next quarter. The service cage was installed and the service hoist was commissioned to transport men and materials at a reduced speed. Full commissioning of the service hoist is expected in the third quarter. In addition, the new Red Lake gold mines effluent treatment plant was commissioned. The Red Lake complex mill expansion, which takes Red Lake complex throughput from 850 t/d to 1,250 t/d is expected in the third quarter.

Definition drilling was initiated on 43 and 42 Levels outlining the high grade zone (HGZ) in preparation for new sub-level mining cuts in the second half of 2007. Boundary exploration targets at surface, 22-25 Levels and below 30 Level continue to return encouraging results. Higher grades have been intersected up plunge on the E&F Zones collared from 24 Level and narrow high grade intercepts correlating with the HGZ West target have been cut by drilling collared at 36 Level.

In the second quarter, plans commenced to drive a hanging wall exploration platform from Campbell 4199 Ramp southeast to target the HGZ down plunge extent between 47-55 Levels and other mine trend targets between the two deep mining complexes. Development is scheduled for start-up in the next quarter. The surface exploration effort to delineate a potential bulk mining open pit scenario has been increased through the addition of a second surface rig and a third underground at shallow elevations.

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

Musselwhite mine, Canada (Goldcorp s interest 68%)[1]

	Three Months Ended				
Operating Data	**June 30 2007**	March 31 2007	December 31 2006	September 30 2006	June 30 2006
Tonnes of ore milled	**231,700**	226,800	222,000	203,200	218,900
Average mill head grade (grams/tonne)	**5.47**	5.19	5.44	6.38	5.65
Average recovery rate (%)	**95%**	96%	99%	95%	94%
Gold (ounces)					
Produced	**38,500**	36,200	38,400	39,600	37,600
Sold	**38,900**	35,700	38,800	38,200	37,800
Average realized gold price (per ounce)	**$ 662**	$ 648	$ 600	$ 636	$ 618
Total cash costs (per ounce)	**$ 478**	$ 458	$ 470	$ 436	$ 375
Financial Data					
Revenues	**$ 25.8**	$ 23.2	$ 23.1	$ 24.4	$ 23.4
Earnings from operations	**$ 2.2**	$ 2.2	$ 0.3	$ 1.5	$ 4.5

(1) Results from Musselwhite mine are only included in Goldcorp s financial results for the period subsequent to the date of acquisition May 12, 2006. June 30, 2006 combined data is shown for comparative purposes only and may not

include all pro forma financial adjustments required.

Gold production at Musselwhite for the second quarter of 2007 was 38,500 ounces, a 2% increase over the corresponding period in 2006. In the current quarter, mill throughput increased 6%, head grade was 3% lower and recoveries were up 1%. The higher mill throughput was attributable to increased underground production as a result of improvements in equipment availability and increased productivity from process improvements.

Cash costs per ounce of $478 were 27% higher in the quarter compared to 2006 primarily due to higher operating costs incurred in the underground mine operations as a result of infrastructure maintenance and higher mining equipment repair and operating costs. The mine is in the process of replacing aging mining equipment which is expected to reduce maintenance costs and improve productivity.

A second underground drill rig was mobilized during the quarter and is currently advancing exploration and definition drilling on the PQ Deeps deposit. Surface drilling concluded on the shallow and proximal Jets Zone and this deposit is now being analyzed.

Management s Discussion and Analysis
(in United States dollars, tabular amounts in millions, except where noted)
Porcupine mine, Canada (Goldcorp s interest 51%)[1]

	Three Months Ended				
Operating Data	**June 30 2007**	March 31 2007	December 31 2006	September 30 2006	June 30 2006
Tonnes of ore milled	**489,200**	491,100	549,400	538,400	554,700
Average mill head grade (grams/tonne)	**2.73**	2.49	2.73	2.71	2.57
Average recovery rate (%)	**96%**	94%	95%	94%	90%
Gold (ounces)					
Produced	**41,400**	36,800	45,700	44,300	41,300
Sold	**45,900**	30,400	48,100	44,700	42,000
Average realized gold price (per ounce)	**$ 664**	$ 649	$ 617	$ 622	$ 616
Total cash costs (per ounce)	**$ 447**	$ 419	$ 364	$ 337	$ 361
Financial Data					
Revenues	**$ 30.5**	$ 19.8	$ 29.7	$ 27.9	$ 26.0
Earnings from operations	**$ 3.2**	$ 1.3	$ 6.6	$ 6.9	$ 4.4

(1) Results from Porcupine mine are only included in Goldcorp s financial results for the period subsequent to the date of acquisition May 12, 2006. June 30, 2006 full quarter results shown for comparative purposes only and may not

include all pro
forma financial
adjustments
required.

Gold production in the current quarter of 41,400 ounces is consistent with the corresponding second quarter in 2006 of 41,300 ounces. The mill experienced a 12% decrease in throughput in the current quarter offset by increased mill feed grade 6% and recovery 6% compared to the second quarter of 2006. The lower mill throughput resulted from processing of stockpile material which included the requirement to remove steel and other historical debris from the crushing circuit. The underground operations at Hoyle Pond and Dome both produced at grades and mill recoveries above expectations.

Second quarter 2007 cash costs per ounce increased 24% over the second quarter of 2006 due to consumable price increases, maintenance due to unplanned breakdowns and higher stripping costs at Pamour.

Exploration work continued on Hollinger, Hoyle Pond and Broulan Porcupine. New resources at the Broulan Porcupine project are being followed up to determine extents of the mineralization which has good open pit potential. Deeper exploration at Hoyle Pond has identified wider zones of mineralization towards the south of the deposit. Exploration drilling continues on the Hollinger project with five surface diamond drills testing the limits of mineralization and confirming historic information. The pre-feasibility study on Hollinger continues and is on target for completion in early 2008.

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

Luismin mines, Mexico

	Three Months Ended				
Operating Data	**June 30 2007**	March 31 2007	December 31 2006	September 30 2006	June 30 2006
Tonnes of ore milled	**197,100**	232,400	285,800	276,700	267,400
Average mill head grade (grams/tonne)					
Gold	**6.09**	6.46	6.08	6.50	6.61
Silver	**286**	326	296	316	358
Average recovery rate (%)					
Gold	**92%**	95%	94%	94%	94%
Silver	**90%**	92%	89%	89%	89%
Produced (ounces)					
Gold	**35,600**	45,900	52,600	54,400	53,600
Silver	**1,341,300**	1,898,300	2,118,200	2,233,200	2,388,400
Sold (ounces)					
Gold	**34,500**	46,500	52,200	53,400	54,900
Silver	**1,394,000**	1,937,000	2,146,200	2,213,500	2,442,500
Average realized price (per ounce)					
Gold	**$ 667**	$ 650	$ 615	$ 618	$ 629
Silver (1)	**$ 3.90**	$ 3.90	$ 3.90	$ 3.90	$ 3.90
Total cash costs per gold ounce (1)	**$ 377**	$ 141	$ 167	$ 132	$ 109
Financial Data					
Revenues	**$ 27.7**	$ 37.8	$ 39.8	$ 41.5	$ 44.1
Earnings (loss) from operations	**$ (2.9)**	$ 9.4	$ 5.0	$ 10.5	$ 13.3

(1) Luismin silver is sold to Silver Wheaton at a price of $3.90 per ounce. The

calculation of total cash costs per ounce of gold is net of by-product silver sales revenue of $3.90 per silver ounce.

Gold production in the current quarter of 35,600 ounces and 1.3 million ounces of silver were lower than the second quarter of 2006, due to a decline in the grade at San Dimas and lower ore extraction from the Santa Lucia vein area. The decreased ore extraction impacted the mill throughput at San Dimas. There were delays in the development of the new high grade stopes in the Central Block of the San Dimas mine because of a shortage of skilled development personnel. Total cash costs were negatively impacted by the lower silver sales credits and a payment related to the finalization of a labour agreement. Production in the current quarter of 35,600 ounces and 1.3 million ounces for gold and silver respectively were also lower than the first quarter of 2007 as a result of the declines in the grades, recoveries and lower mill throughput.

The construction of the new filtering plant for the tailings is completed and started operating at full capacity in July 2007. The testing period of the new mill was completed and is now operating at full capacity. The construction of the smelting area is ongoing and is expected to be finished by the third quarter. Construction of the Las Truchas power generation plant, which aims to reduce costs continues on schedule and is 63% complete.

Exploration continues in the Castellana area aimed towards the indicated high grade reserves in Roberta, Robertita and Nancy veins, along with the area under the San Luis Tunnel. Priority is being given to this area in order to advance development. Elsewhere in the San Dimas district, at La Verdosa, San Francisco, Graben and El Limoncito work continues to explore for additional reserves.

Nukay had a strong quarter with over 7,000 gold ounces being produced during the current quarter. Exploration continued at the Peripherals Project with positive results. Construction of an additional tailings dam started during the second quarter, which will be operational in the third quarter of 2007.

Management s Discussion and Analysis
(in United States dollars, tabular amounts in millions, except where noted)
El Sauzal mine, Mexico (1)

	Three Months Ended				
Operating Data	**June 30 2007**	March 31 2007	December 31 2006	September 30 2006	June 30 2006
Tonnes of ore mined	**779,600**	594,800	637,500	610,800	706,800
Tonnes of waste removed	**1,169,400**	985,100	1,163,300	1,270,300	1,250,500
Ratio of waste to ore	**1.5**	1.7	1.8	2.1	1.8
Tonnes of ore milled	**575,600**	480,200	515,000	510,200	556,400
Average mill head grade (grams/tonne)	**4.70**	4.64	5.46	5.01	4.49
Average recovery rate	**94%**	94%	94%	94%	94%
Gold (ounces)					
Produced	**79,900**	66,600	84,800	77,100	75,400
Sold	**75,600**	66,500	82,000	77,000	75,800
Average realized gold price (per ounce)	**$ 664**	$ 655	$ 625	$ 612	$ 624
Total cash costs (per ounce)	**$ 127**	$ 117	$ 94	$ 108	$ 100
Financial Data					
Revenues	**$ 50.8**	$ 44.1	$ 52.2	$ 47.1	$ 47.9
Earnings from operations	**$ 13.5**	$ 11.7	$ 36.9	$ 30.7	$ 31.8

(1) Results from El Sauzal mine are only included in Goldcorp s financial results for the period subsequent to the date of acquisition November 4, 2006. Prior

period results are shown for comparative purposes only and may not include all pro forma financial adjustments required had the acquisition in fact taken place on January 1, 2006.

The El Sauzal mine produced 79,900 ounces of gold, compared with 75,400 ounces for the corresponding period last year, due mainly to higher grades in the mine. Recoveries and tonnes milled were comparable with the same period last year. Cash costs were slightly higher due to higher mine equipment and plant maintenance costs.

The potential for some level of incremental production from heap leaching the lower grade ore fraction remains under investigation.

Work aimed towards international cyanide certification is on schedule and is expected to be complete by the fourth quarter of 2007.

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

Marlin mine, Guatemala (1)

	Three Months Ended				
Operating Data	**June 30 2007**	March 31 2007	December 31 2006	September 30 2006	June 30 2006
Tonnes of ore milled	**442,100**	361,500	383,100	271,900	220,800
Average mill head grade (grams/tonne)					
Gold	**4.27**	4.87	5.13	4.02	4.19
Silver	**80**	89	85	63	66
Average recovery rate (%)					
Gold	**89%**	83%	87%	89%	85%
Silver	**60%**	58%	60%	69%	58%
Produced (ounces)					
Gold	**53,700**	46,800	55,100	33,700	28,900
Silver	**680,800**	591,900	622,100	382,000	273,300
Sold (ounces)					
Gold	**52,700**	51,100	50,000	32,000	34,800
Silver	**667,000**	616,400	558,000	335,000	310,000
Average realized gold price (per ounce)	**$ 664**	$ 653	$ 621	$ 597	$ 625
Total cash costs (per ounce) (2)	**$ 140**	$ 144	$ 137	$ 268	$ 258
Financial Data					
Revenues	**$ 43.8**	$ 41.6	$ 38.2	$ 23.1	$ 25.5
Earnings from operations	**$ 17.6**	$ 16.4	$ 17.5	$ 5.3	$ 6.1

(1) Results from Marlin mine are only included in Goldcorp s financial results for the period subsequent to the date of acquisition

November 4, 2006. Prior period results are shown for comparative purposes only and may not include all pro forma financial adjustments required had the acquisition in fact taken place on January 1, 2006.

(2) The calculation of total cash costs per ounce of gold sold is net of by-product silver sales revenue. If the silver sales were treated as a co-product, average total cash costs at Marlin for the quarter ended June 30, 2007, would be $ 246 per ounce of gold and $4.77 per ounce of silver .

During the second quarter of 2007, the Marlin Mine produced 53,700 ounces of gold and 680,800 ounces of silver, compared with 28,900 ounces of gold and 273,300 ounces of silver produced in the same period last year. Mill throughput essentially doubled that of the same period of 2006, averaging 4,850 tonnes per day compared to 2,425 tonnes per day processed in the second quarter of 2006. Blending of the ore and the replacement of the vibrating reclaim ore feeders with apron feeders have resulted in a higher and continuous feed to the mills. Gold recovery for the quarter was 89% , compared to 85% in the same quarter of 2006 and silver recovery was 60% compared to 58%, reflecting a more stable feed rate from the new feeders and the addition of oxygen in the leach tanks. Cash cost per ounce for the second quarter of 2007 was $140 per ounce, versus $258 per ounce in the same quarter of 2006, reflecting higher production and improved productivity of the operations since the prior year.

The decline in grades in the second quarter of 2007 from the first quarter of 2007 has been more than offset by the positive improvements in the milling process resulting in higher mill throughput and higher recoveries.

Increased underground ore production averaged 818 tonnes per day during the quarter compared with 627 tonnes per day in the prior year. The surface mine averaged 3,540 tonnes of ore per day versus 1,112 tonnes per day in the same period last year.

Management s Discussion and Analysis
(in United States dollars, tabular amounts in millions, except where noted)
Alumbrera mine, Argentina (Goldcorp s interest 37.5%)

	Three Months Ended				
Operating Data	**June 30 2007**	March 31 2007	December 31 2006	September 30 2006	June 30 2006
Tonnes of ore mined	**2,493,700**	2,504,300	4,040,100	2,668,600	2,550,200
Tonnes of waste removed	**8,181,100**	8,488,500	6,982,400	8,029,900	7,363,600
Ratio of waste to ore	**3.3**	3.4	1.7	3.0	2.9
Tonnes of ore milled	**3,584,500**	3,648,800	3,449,400	3,400,500	3,472,600
Average mill head grade					
Gold (grams/tonne)	**0.61**	0.54	0.53	0.76	0.78
Copper (%)	**0.55%**	0.49%	0.48%	0.54%	0.61%
Average recovery rate (%)					
Gold	**72%**	69%	75%	78%	79%
Copper					