

ABL RESEARCH REPORT

LanczGlobal, LLC. Independent Investment Research and Analysis

2400 N. Reynolds Rd. / Toledo, Ohio 43615 / (419) 536-5200 / Fax (419) 536-5401 / www.LanczGlobal.com

Goldcorp, Inc.

October 28, 2008

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|----------------------------|----------------------------------|------------|------------|
| NYSE (GG): \$15.06 | | <u>EPS</u> | <u>P/E</u> |
| Shares Outstanding: 712M | 2007 A | \$ 0.53 | 28.4x |
| Total Market Cap: \$10.72B | 2008 E | \$ 0.78 | 19.3x |
| Total Debt to Cap: 4% | 2009 E | \$ 0.95 | 15.9x |
| Dividend Yield: 1.2% | Fiscal Year: Dec. | | |
| | 52 Week Range: \$13.84 - \$52.65 | | |

New Strong Buy Recommendation

The Company: This Vancouver, Canada based gold mining company has 18 operations and developmental projects with approximately 70% of reserves in NAFTA countries. Goldcorp's probable reserves include 43.4M ounces of gold, over a billion ounces of silver, as well as significant copper, lead & zinc reserves.

The Stock: The plunge in the price of gold from \$1,000 an ounce to \$700 has pressured all mining stocks and Goldcorp is no exception. Goldcorp's stock has been beaten down to the low teens from over \$52 a share just over three months ago. This spells opportunity to us to accumulate a well managed gold miner poised for solid reserve growth combined with lower long-term expenses now that the surge in raw materials cost has dissipated. This should help margins over the longer term and position Goldcorp much better in light of its recent acquisitions.

Management: Kevin McArthur, CEO took over the reins after Goldcorp's 2006 merger with Glamis Gold where he held the same position for the prior seven years. His team is well suited to capitalize on recent acquisitions while still maintaining a worthy balance sheet. The risk of execution is higher with more moving parts with these acquisitions but over the long term we feel investors will be well rewarded.

Summary: These shares are definitely volatile, and buying here you are not only accumulating the stock at over a three year low, but also at very attractive valuations versus the company's growth rates and proven reserves. It always helps to be recommending something into a selling panic brought on by hedge fund and mutual fund redemptions. This will take some of the risk out of a high risk recommendation, but investors should continue to expect extreme volatility. We strongly recommend Goldcorp up to \$20 a share for a 2-3 year price target of \$30-\$40 a share, along with a modest income stream.

INITIAL RECOMMENDED PRICE: \$15.06

AGGRESSIVE BUY RANGE: \$10-15

2-3 YEAR PRICE TARGET: \$30-40

BUY LIMIT: \$20

CONFIDENCE RATING: ★★

Goldcorp, Inc. (GG)



Star Confidence Ratings: ★ - Lower Confidence

★★★ - Average Confidence

★★★★★ - High Confidence