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THE MAGNIFICENT SEVEN

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GOLDCORP (TSX: G) MINING

When gold prices topped US\$1,000 in February, they didn't stay there long, but it did serve investors notice that gold's role as a safe haven in turbulent times is still intact. Canada, of course, is home to some of the world's largest gold companies in Barrick (TSX: ABX), Goldcorp and Kinross (TSX: K), all of which are in a good position to survive 2009.

Top marks go to Goldcorp, says Richard Gray, precious metals analyst at Blackmont Capital.

Goldcorp has no debt, no hedges, and Gray calls it the go-to name in the sector because of its longer-term growth profile, low costs, solid balance sheet and the low political risk profile of its asset base. Indeed, 70% of its net asset value comes from North American mines.

Goldcorp produced 2.3 million ounces of gold last year at a cost of US\$306 per ounce. By 2013, it expects to produce 3.5 million ounces at US\$300 per ounce. The

compounded annual production growth rate of 8.8% is the highest among the senior gold producers, says Gray, and it is driven by two main projects, Peñasquito in Mexico and Pueblo Viejo in the Dominican Republic.

Gray also notes that Goldcorp's balance sheet, which at the end of 2008 boasted US\$262 million in cash and no debt, provides the financial flexibility necessary to take advantage of any opportunities that may come its way.

goldcorp